

**K'ASHO GOTINE CHARTERED COMMUNITY GOVERNMENT
COMMUNITY WATER AND SEWAGE SERVICE POLICY
POLICY #210-18**

1. Statement of Policy

The K'asho Gotine Chartered Community Government of Fort Good Hope, pursuant to the provisions of the Water and Sewage Services Policy of the GNWT, establishes this policy to:

- 1.1 define maximum costs for the efficient and economical provision of water/sewage services to be included in the determination of the economic rate for water/sewage services; and
- 1.2 outline service levels for the efficient and economical provision of water/sewage services.

Mandate

The K'asho Gotine Chartered Community Government of Fort Good Hope has the mandate to provide water and sewage services within its jurisdiction pursuant to the provisions of the Charter Community Act.

2. Principles

The K'asho Gotine Chartered Community Government of Fort Good Hope will adhere to the following principles when implementing this Policy:

- 2.1 water and sewage services shall be provided in an efficient and economical manner;
- 2.2 the Water and Sewage Services Policy of the GNWT shall provide for a subsidy payment to the K'asho Gotine Chartered Community Government of Fort Good Hope allowing it to charge specified subsidized rate to residential or non-profit users;
- 2.3 the subsidy payment under the Water and Sewage Subsidy Policy will be based on Block Funding received from the GNWT on a monthly basis; and
- 2.4 the K'asho Gotine Chartered Community Government of Fort Good Hope sets the economic rate through By-law.

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3. Scope

This Policy applies to all residents of the K'asho Gotine Chartered Community Government of Fort Good Hope.

4. Authority and Accountability

4.1 General

This Policy is issued under the authority of the K'asho Gotine Chartered Community Government of Fort Good Hope Council. The Authority to make exceptions and approve revisions to this Policy rests with the K'asho Gotine Chartered Community Government of Fort Good Hope Council. Authority and accountability is further defined as follows:

1. The Chief of the K'asho Gotine Chartered Community Government of Fort Good Hope (the Chief) is accountable to the K'asho Gotine Chartered Community Government of Fort Good Hope Council for the implementation of this Policy.
2. The Senior Administrative Officer of the K'asho Gotine Chartered Community Government of Fort Good Hope (the SAO) is accountable to the Chief and responsible to the Chief for the administration of this Policy.

5. General

5.1 Effective Date of Agreement

This policy shall come into effect April 1, 2018 and remain in effect unless renewed pursuant to section 5.2.

5.2 Amendments and review

The K'asho Gotine Chartered Community Government of Fort Good Hope Council may make amendments to this Policy at any time.

5.3 Audit

The K'asho Gotine Chartered Community Government of Fort Good Hope shall give this Policy to the auditor for use during the annual audit of the K'asho Gotine Chartered Community Government of Fort Good Hope's records.

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5.4 Cost Accounting

The provisions of this Policy are to be followed in determining and recording revenue and expenditures to the water/sewage account.

Revenues and expenditures will be recorded in accordance with the chart of account set out in the Guidelines for Cost Accounting for Water and Sewage Services.

5.5 Water Intake Capital Reserve Fund

After April 1, 2018 the K'asho Gotine Chartered Community Government of Fort Good Hope will be responsible for financing capital repairs to the water intake system.

In order to accumulate the necessary funds to finance capital repairs, the Hamlet will establish a Water Intake Capital Fund and transfer a predetermined amount into this Reserve Fund each year. The amount to be transferred shall be twenty five percent (25%) of any surplus earned in the water/sewage services program. The amount shall be reassessed annually.

The Reserve Fund shall be a separate interest bearing bank account or investment instrument allowed under the Authorized Investments in the Chartered Community Act with interest credited to the Reserve Fund.

The Reserve Fund is to be used only to finance capital repairs to the water intake system.

6. Water/Sewage Services

6.1 Delivery of Service

Our public works department will deliver water on behalf of the K'asho Gotine Chartered Community Government of Fort Good Hope provide the following trucked services:

1. water delivery; and
2. sewage pump out collection and disposal.

6.2 Frequency and Schedule of Services

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Water delivery and sewage pump out collection and disposal services shall be limited to three times per week or less, unless the customer requests and is authorized to allow more water delivery and sewage pump out collection and disposal services based on more than five (5) persons in the building, health problems or other unusual circumstances.

When existing contracts allow, the contractor will prepare a schedule indicating the levels of trucked water/sewage service frequency and the days normal service is to be scheduled for each building. The contractor is endeavored to provide scheduled service; weather, roads and vehicle conditions permitting.

The K'asho Gotine Chartered Community Government of Fort Good Hope will notify customers of this schedule.

6.3 Call Out Fee

A call out fee of \$75.00 will be charged to customers requesting water/sewage service to a building at a time other than the established scheduled time for that building, except when the previous scheduled service was not received through no fault of the customer. The charge of \$75.00 combines both water and sewer delivery.

6.4 Metering Water Use

All water supplied to customers is to be metered and water/sewage charges will be based on the actual metered water consumption. A meter ticket indicating the volume of water for each individual delivery shall be kept for audit and inspection purposes.

The minimal litres to charge the minimal fee for residential and non-profit users is set in Schedule A of the current Water/Sewage By-law is set at a calculation of:

\$ fee divided by \$ current rate set for domestic user.

7. Revenue

7.1 Rates

The maximum rates chargeable under this Policy are the GNWT subsidized rates as set out in the current Water/Sewage By-law.

Government, Commercial and Industrial owned properties are not eligible for GNWT subsidized rates, regardless of the lease arrangement with the occupant.

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Government, Commercial and Industrial leased properties are not eligible for GNWT rates, regardless of the lease arrangement with the building owner.

Government, Commercial and Industrial users will be charged a maximum of the economic rate.

7.2 Rate Subsidy by the K'asho Gotine Chartered Community Government of Fort Good Hope

The K'asho Gotine Chartered Community Government of Fort Good Hope may choose to provide an additional rate subsidy to any users. This additional rate subsidy must be funded from an activity other than the water/sewage activity and the subsidy will be recorded as revenue to the water/sewage account.

7.3 Late Payment Penalty

The K'asho Gotine Chartered Community Government of Fort Good Hope shall implement a reasonable late payment penalty charge on the unpaid balance of all accounts over thirty (30) days outstanding. Late payment penalties are established in the current Water/Sewage By-law. Late payment penalty revenue is to be recorded in the W/S Customer Charges revenue account.

7.4 Water/Sewage Services to Hamlet Buildings

The K'asho Gotine Chartered Community Government of Fort Good Hope shall charge itself for water/sewage services provided to K'asho Gotine Chartered Community Government of Fort Good Hope buildings. The revenue will be recorded in the K'asho Gotine Chartered Community Government of Fort Good Hope W/S Charges revenue account

7.5 Extraordinary Funding Provided by GNWT

Extraordinary funding provided to the K'asho Gotine Chartered Community Government of Fort Good Hope by the GNWT which in total or in part is based on assisting extraordinary expenditures required to provide water/sewage services will be recorded as revenue to the water/sewage account in the same proportion that the extraordinary expenditures are charged to the water and sewage account.

8. Expenditures

8.1 Works Foreman – Labour and Benefits

The labour and benefits cost charged to the water/sewage account for the Works Foreman will be the actual costs based on substantial and verified time sheets for hours spent to manage and supervise water/sewage service operations but it is agreed that the chargeable amount will not exceed 15% of the actual cost.

Allowable benefits costs are the employer costs for EI, CPP, pension and insurance plans for employees, Workers Compensation, vacation travel assistance, settlement and accommodation allowance.

8.2 Mechanic – Labour and Benefits

The mechanic labour and benefits cost charged to the water/sewage account will be for labour and benefits cost for the position of a mechanic.

The cost charged to the water/sewage account will be the actual cost based on substantiated and verified work orders for actual hours spent servicing and repairing on authorized support vehicle.

Allowable benefits costs are the employer costs for EI, CPP, pension and insurance plans for employees, Workers Compensation, vacation travel assistance, settlement and accommodation allowance.

8.3 Administration – Labour and Benefits

The administration labour and benefit cost charged to the water/sewage account will be based on the labour and benefits cost for the Financial Controller and the agreed maximum allowable charged is 30% of the payroll cost for this position.

Allowable benefits costs are the employer costs for EI, CPP, pension and insurance plans for employees, Workers Compensation, vacation travel assistance, settlement and accommodation allowance.

8.4 Mobile Equipment – Operations and Maintenance

Operations and maintenance costs for mobile equipment charged to the water/sewage account are costs for maintenance, materials and supplies, insurance and licensing. The

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agreed percentages of the actual operations and maintenance costs to be charged to the water/sewage account are as follows:

- (a) 10% for one support vehicle identified as the Foreman's pickup truck.

8.5 Mobile Equipment – Fuel

The agreed percentages of the actual fuel costs charged to the water/sewage account are as follows:

- (a) 10% for one support vehicle identified as the Foreman pickup truck.

8.6 Mobile Equipment – Rentals

The actual cost of substantiated rental costs for small equipment, water and sewage trucks may be charged to the water/sewage account.

8.7 Road Maintenance and Snow Clearing

The road maintenance and snow clearing charge to the water/sewage account will be calculated based on the length of qualifying road multiplied by the standard road cost factor.

A road qualifies only if it is used primarily for water/sewage purposes and is outside the community. Roads within a community do not qualify and no charge will be made to the water/sewage account for road maintenance or snow removal on private property to access service points.

The standard road cost factor per meter is set out in the Funding Formula provided and renewed each fiscal year by the Department of Municipal and Community Affairs.

The following length of roads qualify:

- (a) 2.5kms based on 100% of the 2.5kms from public works garage road to the road from east corner of the dump where the is located to the sewage lagoon/garbage site intersection.
- (b) .5kms based on 100% of the .5kms road described as the road from public works garage to the water plant.

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The total qualifying length is 3kms.

The allowable charge to the water/sewage account is:

= \$3,000.00 X 3kms meters qualifying length of road = \$ 9,000.00 per year.

No other road maintenance and snow removal charges will be made to the water/sewage account.

8.8 Direct Administration – Materials, Supplies and Other

Direct administration costs charged to the water/sewage account will only be for fully dedicated materials, supplies and other administration costs.

Bad debts related to delinquent user charges may be charged to the water/sewage account providing that the K'asho Gotine Chartered Community Government of Fort Good Hope has demonstrated that it has undertaken all reasonable effort to collect these accounts.

8.9 Indirect Administration Charge Over

The indirect administration charge to the water/sewage account is fifteen percent (15%) of the balance of the General Government Services account net of:

- a) labour and benefits for any staff positions partially charged to water/sewage account;
- b) all direct administration or other costs charged to the water/sewage account;
- c) costs for items that are specifically not allowed as charges to the water/sewage account;
- d) costs that are not appropriate to the General Government Services account.

This indirect administration charge over is intended to cover, among other things, labour and benefits of the Senior Administrative Officer for overall management, costs associated with legal fees, computer software and hardware, staff recruitment and removal expenses, which are not allowed as direct charges to the water/sewage account.

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9. Operating Account Balance

It is recognized that the goal of the Water and Sewage Policy is to provide a service in the most efficient and economical manner. The purpose of an economic rate is to establish a level at which the cost of providing the service is equal to the revenue collect for the service. However, in an effort to facilitate the daily operation of the Water/Sewage service, the K'asho Gotine Chartered Community Government of Fort Good Hope shall provide an allowance for program surplus and deficit positions.

The maximum accumulated balance for the operating account in the Water/Sewage Program shall be ten (10%) of the K'asho Gotine Chartered Community Government of Fort Good Hope's total annual expenditures for the Water/Sewage Program as determined from the prior year's audit.

If the operating account accumulated balance exceeds the ten percent (10%) limit, the K'asho Gotine Chartered Community Government of Fort Good Hope shall immediately review, recalculate and reduce, as necessary, the water/sewage rates.

10. Prerogative of the K'asho Gotine Chartered Community Government of Fort Good Hope Council

Nothing in the Policy shall in any way be construed to limit the prerogative of the K'asho Gotine Chartered Community Government of Fort Good Hope Council to make decisions or take action respecting the Water and Sewage Program outside the provisions of this Policy.

Approved by the K'asho Gotine Chartered Community Government of Fort Good Hope this _____ day of _____, 2018 by Resolution # _____.

Chief

Senior Administrative Officer

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By-law #210-18
Schedule "A"

MUNICIPAL SERVICE RATES

CHARGES FOR WATER SUPPLY AND USE OF THE SEWAGE SYSTEM

Economic Rate

1. The Economic Rate is \$0.0508 per liter.

Rates Payable

2. (1) Subject to Section 3, the rates payable by all customers for municipal services shall be the Economic Rate specified in Section 1, except as provided in subsections (2), (3) and (4).

- (2) Subsidized rates for municipal services are payable as follows:

| <u>CATEGORY OF CUSTOMER</u> | <u>RATE</u> |
|------------------------------------|--------------------|
| Residential and Non-Profit | \$0.0027 per liter |
| Commercial | \$0.07 per liter |
| Public Sector | \$0.07 per liter |

- (3) For customers receiving partial municipal services, the rates shall be as follows:

| <u>SERVICE RECEIVED</u> | <u>RATE</u> |
|--------------------------------|---|
| Water service only | 60% of rates prescribed in Section 1 or Section 2.(2) |
| Sewage service only | 40% of rates prescribed in Section 1 or Section 2.(2) |

- (4) For bulk water supply not supplied or delivered to premises the service charge shall be \$0.03 per liter hence contractors for camps)

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Minimum Monthly Charge

3. The minimum monthly charge for each customer for municipal services shall be \$25.00 per month.

