

## Mackenzie County

<b>Title</b>	<b>Municipal Rural Water Servicing – Endeavor to Assist Policy</b>	<b>Policy No.</b>	<b>UT006</b>
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<b>Legislation Reference</b>	<b>Municipal Government Act</b>
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### **Purpose:**

Mackenzie County owns and operates multiple municipal water systems: Hamlet of Fort Vermilion, Hamlet of La Crete and Hamlet of Zama. Property owners residing or having a property outside of hamlet boundaries are desirous of gaining access to the municipal water systems. Mackenzie County desires to provide potable water to Mackenzie County rural ratepayers based on an acceptable financial arrangement that ensures all costs associated with the municipal water system improvements are reasonable and accounted for.

### **POLICY STATEMENT**

This policy is designed to set forth a process that addresses the needs for the County's water distribution system future extensions within the County's rural communities.

Mackenzie County's rural water services to be delivered echoing the Water for Life goals:

- a) Safe, secure drinking water;
- b) Achieving healthy aquatic ecosystems;
- c) Reliable quality water supplies for a sustainable economy.

Mackenzie County will make their best efforts to encourage information sharing within the County's rural communities.

Through this Policy, the County's primary objective is to:

- promote expansion of the rural water distribution system through installation of new Lateral and Service Waterlines within service areas if feasible to do so and;
- to provide rural property owners with several Endeavor to Assist initiatives that may promote the expansion of the water distribution system.

### **DEFINITIONS**

**Connection** – connection of the parcel of land to the County's water distribution system.

**Connection Fee** – a rural water tie in fee of \$8,000 paid to Mackenzie County as per the Fee Schedule Bylaw which is required when connecting to the County's water distribution system.

**Customer** – owner of the parcel of land connecting to the County's water distribution system.

**Customer's Total Fees** – total amount, as described within Part C – Financial Schedule of the Agreement, owed by the rural property owner for connecting to the County's water distribution system. The Fee includes the Deposit, Connection & the Rural Servicing Fees.

**Deposit** – is the amount of \$1,000 that is submitted to the County as part of the initial rural ratepayer's expression of interest which will all be applied to the rural property owner's Rural Servicing Fee; or the amount of \$2,000 paid to the County for rural ratepayers that did not submit a deposit before the September 30<sup>th</sup> deadline 50% of which will be applied to the rural property owner's Rural Servicing Fee with the other 50% being extra payment to Mackenzie County.

**Lands** – means the physical land that is located within the private property side as it relates to the County's servicing of potable water to the County's rural Customers.

**Lateral Waterlines** – are waterlines that extend from the County's Trunk Waterlines forming part of the County's water distribution network.

**Project** – to include all works and costs associated with the installation of Lateral Waterlines and Service Waterlines up to the property line.

**Project Completion** – is the time period that is associated with all improvements of the Project have been completed to the County's satisfaction.

**Rural Servicing Fee** – Customer's fee as set out in the Rural Potable Water Servicing Agreement which includes the Customer's portion of costs for construction of the Lateral Waterline; servicing from the Lateral Waterline up to the owner's property line; including the curb stop and meter chamber.

**Service Waterlines** – is a potable waterline connected to the County's water distribution system that services the rural property owners up to the private property line.

**Trunk Waterlines** – are the County's main waterline feeders distributing water from the County's water treatment plants through to the County's water distribution system.

## **GUIDELINE**

### **1. Trunk Waterlines**

Mackenzie County shall undertake construction of the Trunk Waterlines in the phases as described in this policy. The County will seek provincial and/or federal financial assistance to fund the Trunk Waterline improvements. The remaining amount may be funded through the general municipal tax and/or reserves, and the financial contributions generated from individual rural ratepayer's Rural Servicing Fees. A long term debenture may also be obtained subject to the County's policy and the regulated debt borrowing limit as established by the Municipal Government Act (MGA).

The routes of the main trunk waterlines will be subject to County Council formal approval for each of the following phases in consultations with municipal engineers and with an endeavor to achieve the most cost effective outcome:

- Phase I - From Hamlet of Fort Vermilion to Hamlet of La Crete
- Phase II - From Hamlet of La Crete - South (La Crete Saw Mill)
- Phase III - From Town of High Level – South (Ainsworth OSB Plant)
- Phase IV - From Hamlet of Fort Vermilion to Boyer
- Phase V - From Boyer to the Town of High Level
- Phase VI - From La Crete South Extension to Blue Hills

It is preferred that all municipal water lines, including Trunk and Lateral Waterlines, be constructed within the existing road allowances to avoid the need to obtain additional right-of-way or easements. Other options may be considered subject to the appropriate legal mechanism that shall be established in securing County's access to the waterlines during construction and subsequently for routine repair and maintenance; these must be registered against the applicable properties in Alberta Land Titles. No financial compensation shall be provided by the County to a property owner due to a utility right-of-way easement.

Construction of each Phase is subject to available budget as approved by Council on an annual basis.

### **2. Water Distribution System**

The County Council will consider expanding its rural water distribution system on an annual basis, while guided in their decision-making by the following:

- a) budgetary consideration for that year;
- b) average cost per service for the service areas with the highest public demand;
- c) water distribution system capacity and;
- d) public demand from a service area.

### **3. Lateral Waterline Improvements**

In order to encourage continuing expansion of the County's water distribution system within servicing areas, rural customers will be permitted to connect a Lateral Waterline extension to the County's Trunk Waterline system within this policy's guideline subject to Council's approval.

### **4. Customer's Water Service**

The county rural water servicing will be limited to the trickle fill water distribution system. Trickle fill water distribution is a low-pressure system that continuously fills a water holding tank based on a preset amount of water the customer uses and is controlled by a float valve.

A rural connection will typically include the following:

- low pressure trickle, that continuously fills a water holding tank;
- a flow valve with a restricted flow of 1 gal/min (4.54 l/min) for residential & 2 gal/min for commercial;
- a water holding tank and pump are required for all service connections;
- the Customer shall be responsible for the supply and installation costs of a suitable holding tank ( 2- day supply is typically recommended), a pump and connections to the service pipe and building pipe network;

### **5. Program Advertised**

The County will:

- solicit on encouraging public from service areas to submit expressions of interest with a September 30<sup>th</sup> deadline for responses;
- advise that consideration to construct will be in the subsequent year on receiving expression of interests;
- advise the public on the existence of the County's Rural Water Servicing Policy and the criteria required for Council to approve of a Project;
- advise that expression of interests to be presented to Council, must include the Deposit Fee from each of the property owners expressing their commitment on proceeding with the Project;
- advise the residents of the requirement that the County's Rural Potable Water Servicing Agreement must be executed prior to the County proceeding with the Project;
- present all received expressions of interest to Council received prior to the September 30<sup>th</sup> deadline and annual budget deliberations.

## 6. Program Approval Steps

The following list includes an example of key deadline dates that will assure the success of a Project moving forward in a timely manner:

January 15, 20XX	County advertises the program soliciting expressions of interest from the public.
September 30, 20XX	Submissions of interests and \$1,000 Deposits from residents of service areas are received by County. Rural ratepayers that wish to connect after the submission of interest deadline but no later than Project Completion will pay the deposit of \$2000. Those that live adjacent to the waterline but wish to connect after Project Completion will pay the full \$8000 connection fee plus Rural Servicing Fee.
October 31, 20XX	CAO presentation of the submissions of interests from service area residents for Council's consideration to proceed or deny the expansion of the water distribution system Project.
December 31, 20XX	Council approves the budget to proceed with the Project to expand the County's water distribution system to service the area considered by Council.
January 30, 20XX	Engineering firm authorized to proceed with the engineering design, estimates and project management.
March 1, 20XX	Preliminary engineering estimates provided.
March 31, 20XX	CAO presentation of engineering estimate for Council's consideration on Endeavor to Assist initiatives that may be considered for the Project.
May 1, 20XX	Rural ratepayers that have demonstrated their expression of interest are presented with the Rural Potable Water Servicing Agreement and will be required to complete all financial arrangements with the County by May 31 <sup>st</sup> .
May 31, 20XX	Rural ratepayers are to complete the execution of the Rural Potable Water Servicing Agreement. Those that are executing the Agreement and have not paid the \$1,000 Deposit, will now be required to pay \$2,000 as a non-refundable Deposit Fee.

June 30, 20XX	CAO presentation to Council for decision to proceed with Project with respect to the number of residents completing their requirement on signing of the Rural Potable Water Servicing Agreement.
July 15, 20XX	Call for Tenders.
August 15, 20XX	Subject to Council approval, Contractor is awarded the Contract to proceed with construction.
October 31, 20XX	Construction complete, and water system improvements commissioned.
December 31, 20XX	Project Final Report submitted.

## 7. Public Interest & Commitment

Public Request – The residents within a service area that display at least 70% of the rural property owners are committed to connect to the County’s water distribution system will be a serious contender for approval. The residents in the service area expressing their interest will be required to:

- a) Pay the Deposit and submission of interest to the County by September 30 deadline that includes the following:
- b) Grants to the County a blanket easement, if required, confirming the property owner will sign a formal easement agreement in favor of Mackenzie County for granting the County the right to;
  - i. provide for all construction needs in installation of the water servicing improvement &:
  - ii. where appropriate, provide the County with access for operations and maintenance purposes;
- c) Acknowledged that non-payment of the Rural Servicing Fee or future water servicing/consumption fees will result in transfer of the unpaid amounts to the property’s tax roll.

Agreement Term, this agreement shall continue to apply except to the extent that it is inconsistent with Mackenzie County utility bylaws, in which case the applicable bylaw provision shall prevail. This agreement shall terminate, and the Deposit be returned to the Customer following September 30<sup>th</sup> of the year that is two years following the execution of this agreement by the Customer and the County, if Mackenzie County has not commenced construction of the expansion of the water distribution system to the service area in which the Lands are located and which will provide potable water service to the Lands.

Fees to Connect - subject to Council approving of servicing areas, each rural ratepayer connecting to the County’s water distribution system will be required to pay Fees as levied in accordance with the Rural Potable Water Servicing Agreement.

Lateral Oversizing – Lateral Waterlines that are installed as part of the Project will have a minimum size of 50 millimeters (2 inches) in diameter with the cost of the Lateral Waterline forming part of the Customer Total Fee. The County, subject to Council approval, may contribute for oversizing to address the potential of future growth.

## **8. Construction within Easements**

Preference is to construct the water distribution system on road rights-of-way however in some cases; easements may be required when crossing private properties;

No water lines will be constructed unless an easement, when required, is signed and registered against a property where the construction is to take place. Preference is to have blanket easements in place whenever possible. Blanket easement is done by description and is for a defined area of a property parcel;

Following a two-year warranty/maintenance period, the rural customer /landowner will be responsible for all maintenance costs of Land affected by the installation of the Lateral Waterline improvements;

Compensation for crops damaged will be accounted for under the Contractor's Project costs at a rate as per *Policy PW035 Crop Damage Compensation*.

## **9. Administrative Responsibilities**

The Chief Administrative Officer or Designate shall be responsible for monitoring compliance with this policy.

## **FEES**

### **1. Rural Customer's Servicing Fee**

The Rural Servicing Fee covers all Project costs associated with the Lateral Waterline and the following rural customer's Service Waterline improvements:

- Customer's Service Waterline from the County's water distribution system service connection up to and including;
- The curb-stop and metering chamber located in proximity of the property line;

Customers will be responsible for all costs associated with installation of the portion of Service Waterline located on private property. Customers will have the option of utilizing the County's Project Contractor to install the Service Waterline from the metering chamber to the private dwelling. County will include within the Project Contract Schedule, a provisional item that will carry the Service Waterline construction

costs of the Customer's private property portion. The arrangement for this option will be solely between the Contractor and property owner.

The Customer is responsible for all maintenance costs of the water Service Waterline portion located on private property.

## **2. Fees to Connect**

The Connection Fee, in accordance with the County's Fee Schedule Bylaw, will be required prior to the connection to the County's water distribution system:

## **3. Usage Fee for Services**

All Customers connected to the County's water distribution system shall be required to pay monthly water consumption fees as established in the County's Fee Schedule Bylaw.

## **4. Financial Arrangements**

Financial arrangements for the construction of the Lateral and customer Service Waterlines will be required to ensure that all costs associated with the improvements are accounted for. The financial arrangements will require Council approval prior to proceeding with the construction of the waterline improvements.

## **ENDEAVOR TO ASSIST**

Under this policy, Council may approve several costs saving initiatives that will favor rural property owners interested in connecting to the County's water distribution system. The following are examples of cost reduction initiatives that the County may consider for individual Projects:

### **1. Fee Reduction**

Connection Fee, as per the County's Fee Schedule bylaw, charges \$8,000 to each new Customer to connect to the County's water distribution system. Council will endeavor to assist by charging a "one-time" fee of \$8,000 to be equally shared by the Customers that wish to connect to the water distribution system during the Project. Following the Project Completion, ratepayers interested in connecting to the County's water distribution system, will be required to apply for a Connection individually pay the full amount of the \$8,000 Connection Fee pursuant to the County's Fee Schedule Bylaw.



## 2. Engineering Costs

The County will fund the Project engineering and/or surveying costs dependent on budget.

## 3. Financial Arrangement Initiatives

Property owners will have the option of fully paying upfront or arranging private financing for their financial obligations to the project. The County will offer payment options with competitive rates leveraged through the Alberta Financing Authority and recovered similar to outstanding taxes that have been registered on the property. As long as the loan is not in default no additional interest penalties would accrue.

The following are financial initiatives that could be considered by Council for approval:

### a) Lateral Oversizing

To ensure that water capacity is available for future growth, the County may fund the oversizing of Lateral Waterlines. Subject to Council approval, the County will establish an Endeavor to Assist financial arrangement that will impose a charge for future Customers connecting into the oversized Lateral Waterline. This will provide future Customers the assurance on the availability of adequate water capacity and will provide the County with an approved financial process to recover the funds invested into the Lateral Watermain oversizing.

### b) Servicing Costs Financed

Customer, subject to Council approval, may request the County's assistance on providing financial arrangements to account for the Rural Servicing Fee costs. Financial arrangements will be performed on a per project case basis that will be led by the County's Finance Department. Some financing options could include:

#### i. Local Improvement Plan

The Local Improvement Plan is specifically an option that County residents, under the Municipal Government Act (MGA), have the legal right to petition Council requesting the County to proceed with the expansion of the water distribution system. The residents will have control on this initiative and are required to follow the rules as set out within the MGA.

#### ii. Improvement Plan Bylaw

A bylaw be adopted that would outline the project area and land locations of the interested Customers taking part in the program. Similar to the local improvement plan, but this only applies to those interested in connecting. The Bylaw will address future connections and Customer's Total Fees within the Project area.

c) Connection Deferral

The policy's guideline for a servicing area with at least 70% of the property owners committing to proceed with the program will be a consideration for approval. Each benefitting property owner will share equally in all costs of the construction of the Lateral and Service Waterline improvements. If a service area is approved to proceed without 100% commitment, the customers that connect prior to completion of the Installation of the water improvements will fund 100% of the Project. All rural property owners deferring their Connections to a date that follows the Project Completion, will be required to pay the total \$8000 Connection Fee in addition to the Rural Servicing Fee payable to the County prior to connecting to the County's water distribution system

	<b>Date</b>	<b>Resolution Number</b>
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