

**MACKENZIE COUNTY
COMMITTEE OF THE WHOLE MEETING**

**Tuesday, June 27, 2017
1:00 p.m.**

**La Crete Conference Room
La Crete, Alberta**

AGENDA

- | | | |
|-----|--|----|
| 1. | Rural Water Servicing Options | 3 |
| 2. | First Nations Consultation Policy Renewal Feedback | 13 |
| 3. | Next Meeting – July 25, 2017 | |
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| 8. | | |
| 9. | | |
| 10. | | |



Mackenzie County

REQUEST FOR DIRECTION

Meeting:	Committee of the Whole Meeting
Meeting Date:	June 27, 2017
Presented By:	Fred Wiebe, Director of Utilities
Title:	Rural Water Servicing Options

BACKGROUND / PROPOSAL:

At the August 24, 2016 Council meeting the following motion was made:

MOTION 16-08-656 ***MOVED*** by Councillor Wardley

That administration draft an endeavor to assist policy for lateral water lines.

CARRIED

The following presentation is to gain direction from Council as to what options they would like to see in the Endeavor to Assist Policy.

OPTIONS & BENEFITS:

COSTS & SOURCE OF FUNDING:

SUSTAINABILITY PLAN:

Author: S. Martens Reviewed by: F. Wiebe CAO: _____

COMMUNICATION:

RECOMMENDED ACTION:

For review and discussion.

Author: S. Martens **Reviewed by:** F. Wiebe **CAO:** _____

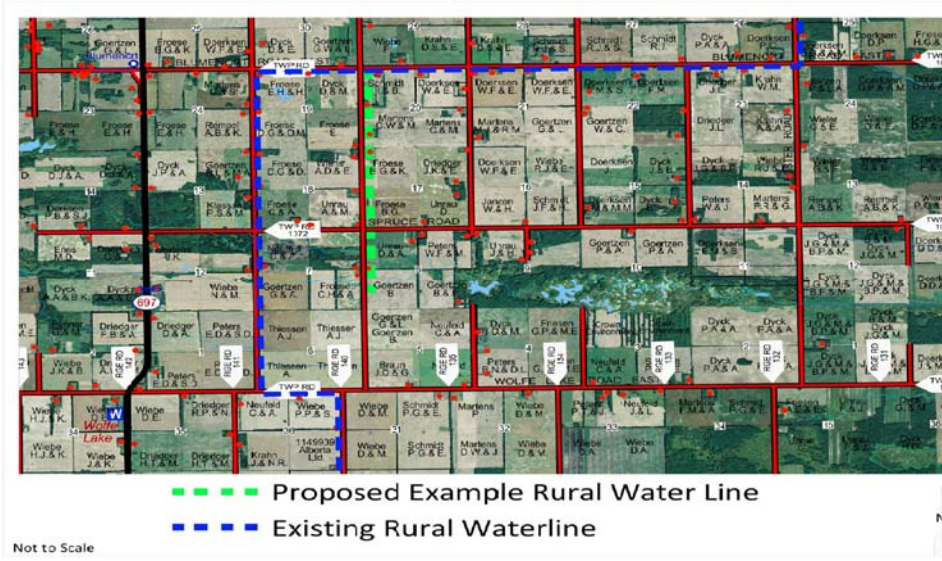
Rural Water Servicing Scenario



6/20/2017 Mackenzie County Rural Water Servicing

Rural Water Servicing Scenario

4km's Lateral water line and 10 Customers



6/20/2017

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County's Goal

There are a number of initiatives that need to be introduced into the rural program that will meet the both County's goal and objectives.

The County's Goal is:

"That safe and healthy potable water is made available to the majority of rural residents through a County water distribution system in a cost efficient, effective and responsible manner".



The County's Objectives

To meet the County's Goal, the following Objectives will need to be addressed:

- ▶ Revise the current County policy UT0006 to meet the needs of the rural water servicing program. The revised policy will need to address a number of important criteria that will lead in the success of the County's new rural water servicing program;
- ▶ Establish a Communication Plan to inform the rural residents on the benefits of the program;
- ▶ Develop financial options that will encourage rural ratepayer's "Buy-in" and will maximize participation into the program;
- ▶ Develop an incentive that will encourage rural ratepayers to connect as soon as the infrastructure is constructed;
- ▶ Develop an overall "Servicing Plan" that identifies servicing zones that the County may consider extending its water distribution depending upon Public Demand;



Policy Development

MOTION 16-08-656 MOVED by Councillor Wardley
That administration draft an endeavor to assist policy for lateral water lines.

The current Municipal Rural Water Servicing Policy - UT006 addresses the County's Trunk Waterlines and the Connections to the Trunk system. The policy does refer to encouraging rural ratepayers in the County's undertaking the installation of new lateral waterlines. The policy will need to be revised to meet the County role and responsibility on making potable water available to rural ratepayers in a cost efficient and responsible manner. Revised policy will need to include:

- ▶ Financial options on funding the lateral lines;
- ▶ A deposit system that confirms Public's Demand for water delivery;
- ▶ An incentive element that will encourage rural ratepayers to connect soonest;
- ▶ Include a Rural Water Servicing Agreement also confirming Public Demand's commitment;

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Servicing cost adjustment options

Following are servicing cost reductions that Council may consider:

1. Connection Fees deduction - Bylaw fee is \$8,000 per service;
2. County may absorb part or all of project engineering costs;
3. County may absorb all or part of the interest charges currently estimated @ 3.5%;
4. County may consider an Endeavour To Assist by absorbing misc. costs such as:
 - a) Grading and gravelling;
 - b) Clearing & grubbing;
 - c) Driveways, culverts, drainage;
 - d) Marker posts
5. County may consider including all of the options on reducing the individual servicing costs

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Rural Water Servicing Typical Total Cost



MacKenzie County Rural Water Servicing				
Estimate for servicing scenario				
Description of Items	Measurements		Unit Cost	Item Cost
	Length	Each		
Supply and Installation				
75mm (3") HDPE Lateral waterline	4,000.00	1	9.60	38,400.00
25mm (1") service waterline	220.00	10	24.29	53,438.00
25mm(1") curb stop	1.00	10	778.32	7,783.20
meter package	1.00	10	1,284.97	12,849.70
Road Crossings	1.00	4	2,937.07	11,748.28
Trenching & backfilling	5,980.00	1	17.62	105,367.60
Connections to Trunk main per policy	1.00	10	8,000.00	80,000.00
Sub Total				309,586.78
Contingency			0.15	46,438.02
sub total				356,024.80
Engineering/Surveying/Environmental			0.10	35,602.48
Total Project Cost				391,627.28
Cost per Customer		10		39,162.73

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Financial Arrangement Options



Following are financial arrangement options that may be considered by Council for individual financial servicing:

- Connection costs to be funded under:
 - a Local Improvement Tax (simplest);
 - a Utility surcharge for the servicing area (needs to be a caveat on the property);
 - a combination of the Local Improvement Tax and a Utility surcharge (flexible terms);
 - a financial arrangement that is most suitable to the customer that incorporates an initial payment, Local Improvement Tax and a Utility Surcharge. (Customer's best fit)

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Servicing Cost Reduction Options



OPTIONS	Servicing Cost Reduction Options					
		Units	Reduction	Adjusted	Full Cost	Savings
No. 1	Connection fees adjusted to one	9	\$72,000	\$72,000		
	Total Project Cost adjusted			\$319,627	\$391,627	\$72,000
	Cost per Customer	10		\$31,963	\$39,163	\$7,200
No. 2	Option No. 1 PLUS County covers 100% of Engineering Costs	1	\$35,602	\$107,602		
	Option No. 2 Cost adjusted			\$284,024	\$391,627	\$107,603
	Cost per Customer	10		\$28,402	\$39,163	\$10,760
No.3	Option No. 1 PLUS County Covers miscellaneous items					
	Gravel, driveways, clearing, culverts, marker posts allowance	1	\$30,000	\$102,000		
	Option No. 3 Cost adjusted			\$289,627	\$391,627	\$102,000
	Cost per Customer	10		\$28,963	\$39,163	\$10,200
No. 4	Adjustment that includes the three options	1	\$137,602	\$137,602		
	Option No. 4 Cost adjusted			\$254,025	\$391,627	\$137,762
	Cost per Customer	10		\$25,402	\$39,163	\$13,760

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Ratepayer Incentives Options

For success of the County's proposed Rural Water Delivery Program it is essential the rural ratepayers voluntarily accept the County's program by committing to connect to the County's water distribution system as soon as it is installed.

This will require that the customer:

1. Sign a Servicing Agreement;
2. Pay the Deposit (non-refundable amount between \$500 and \$2,000) prior to the installation of the water line showing the rural ratepayer's commitment;
3. The connection fee has an incentive part that if the customer connects before construction of the lateral water line, they pay a reduced connection fee which will be included within the policy.
4. The reduced connection fee should be large enough that it will strongly influence customers to connect earlier rather than later. This option will work well by including it with Option No.1 from Slide No. 9. The slide illustrates 10 connection fees that total \$80k reduced by 9 connections to *"one connection fee"* of \$8k. The result of the reduction to one connection is \$72k and when distributed over the 10 customers, each customer saves an average of \$7,200.

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Rural Water Servicing Financial Options



Financial Options	Financing Arrangement Scenarios (20yrs@3.5%)	Cost Financing Options				
		Full-Cost	Option 1	Option 2	Option 3	Option 4
No. 1	Local Improvement Tax					
	Cost per customer	\$39,163	\$31,963	\$28,402	\$28,963	\$25,402
	Annual Tax 20 year period @3.5%					
	Total payment (including interest)	\$54,389	\$44,390	\$39,444	\$40,214	\$35,278
	Interest paid	\$15,226	\$12,427	\$11,042	\$11,251	\$9,876
No. 2	Utility Surcharge 100% of customer Cost (3.5%/20yrs)					
	Monthly charges on Utility bill	\$239	\$198	\$176	\$181	\$159
	Monthly charges on Utility bill with no interest charge	\$163.18	\$133.18	\$118.34	\$120.68	\$105.84
No. 3	Combine LIP tax and Utility Surcharge					
	Utility Bill Surcharge calculation					
	Utility Bill Surcharge 25% of customer Cost	\$9,791	\$7,991	\$7,101	\$7,241	\$6,351
	Monthly Surcharge based on 3.5% interest	\$56.66	\$46.24	\$41.09	\$41.90	\$36.75
	Interest over 20 years of surcharging @ 3.5%	\$3,807	\$3,107	\$2,761	\$2,815	\$2,469
	No Interest Charges	\$40.79	\$33.29	\$29.59	\$30.17	\$26.46
	Local Improvement Plan (LIP) tax calculation					
	LIP tax of the balance 75% of customer cost	\$29,372	\$23,972	\$21,301	\$21,722	\$19,051
	Annual LIP tax based on 3.5% Interest	\$2,040	\$1,665	\$1,479	\$1,508	\$1,323
	Interest over 20 years of surcharging @ 3.5% interest	\$11,420	\$9,320	\$8,281	\$8,445	\$7,407
No Interest Charge	\$1,468	\$1,198	\$1,065	\$1,086	\$952	

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CONCLUSION

In summary, an Endeavour-To-Assist for rural ratepayers to participate into the County's proposed Rural Water Delivery Program, the following major elements of a successful program will need to be addressed:

Council to direct Administration to develop a water delivery program for rural ratepayers that will include however not limited to the following:

1. Develop a servicing feasibility study that includes:
 - a. determine service areas;
 - b. Determine design criteria for lateral waterline installation and service connections;
2. Develop a policy that addresses all aspects of the program:
 - a. Process on meeting the program's Goal & Objectives;
 - b. Determine public demand and commitments secured;
 - c. Including servicing agreements;
 - d. Establish deposit and connection fees;
 - e. Customer and County responsibilities;
3. Develop a Financial Plan that:
 - a) Provides the County with source of funding for the project &;
 - b) An affordable debt payment plan for the County's customers;
 - c) Consideration by Council in approval of cost reduction options;
 - d) Council direct Administration to seek financial assistance from senior level governments ie: feasibility studies;
4. Develop a Communication Plan informing affected rural customers.

Mackenzie County Rural Water Servicing

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THANK YOU

Questions & Comments

Mackenzie County Rural Water Servicing

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Mackenzie County

REQUEST FOR DIRECTION

Meeting:	Committee of the Whole Meeting
Meeting Date:	June 27, 2017
Presented By:	Doug Munn, Director of Community Services
Title:	First Nations Consultation Policy Renewal Feedback

BACKGROUND / PROPOSAL:

Alberta Indigenous Relations met with municipal stakeholders during First Nations consultation sessions in Calgary and Edmonton in April 2017.

At the April 11, 2017 Council meeting the following motion was made:

MOTION 17-04-250 **MOVED** by Councillor Knelsen

That the First Nations Consultation Session in Edmonton on April 26, 2017 be received for information and that administration formulates a written submission for review by Council.

CARRIED

Administration attended the session held in Calgary and have drafted a letter to the Minister of Indigenous Relations in regards to the First Nation Consultation Policy renewal. A copy of the draft letter is attached for review and discussion.

The deadline for feedback submissions is July 1, 2017.

OPTIONS & BENEFITS:

COSTS & SOURCE OF FUNDING:

Author: C. Gabriel Reviewed by: _____ CAO: _____

SUSTAINABILITY PLAN:

COMMUNICATION:

RECOMMENDED ACTION:

For review and discussion.

Author: C. Gabriel Reviewed by: _____ CAO: _____

From: [Doug Munn](#)
To: [Carol Gabriel](#)
Subject: DRAFT LETTER FOR RESPONSE TO MINISTER FEEHAN REGARDING FNC MEETING
Date: May-30-17 9:27:02 AM
Attachments: [DRAFT LETTER FOR RESPONSE TO MINISTER FEEHAN REGARDING FNC MEETING.docx](#)
[img-529181517-0001.pdf](#)

Good Morning Carol

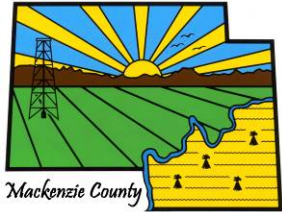
Motion 17-04-250 states – “ That the First Nations Consultation Session in Edmonton on April 26, 2017 be received as information and that administration formulates a written submission for review by Council”

Attached is a letter from the Minister requesting a response from the County on this matter and a DRAFT letter of response for review by Council. Please present this to Council for their review in the manner that you see as appropriate.

Doug Munn | Director of Community Services | Mackenzie County

Fort Vermilion, Alberta

Direct: 780.927.3719 ext. 2557 | Cell: 780.502-9543



Mackenzie County

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www.mackenziecounty.com
office@mackenziecounty.com

June 20, 2017

The Honourable Richard Feehan
Minister of Indigenous Relations
104 Legislature Building
10800 – 97 Avenue
Edmonton, Alberta
T5K 2B6

Dear Minister:

RE: FIRST NATIONS CONSULTATION POLICY RENEWAL

Thank you for your invitation to attend the First Nations Consultation Policy Renewal Meeting on April 24, 2017. We applaud your intention to improve the consultation process.

Mackenzie County has a significant stake in the FNC process since there are four First Nations in the boundaries of the county, each having up to four different parcels of reserve land.

There were several items raised at the meeting that we would like to comment on:

Capacity

Provincial representatives suggested that many first nations do not have the capacity to deal with the issues that are raised through FNCs and the province was looking for solutions as to how this could be dealt with. One suggestion by the province for discussion was the idea of implementing a fee structure or a flat fee that would be paid to first nations for consultations or other various reasons. If the intent of this suggestion is to have municipalities pay each time that they are required to consult with first nations, which is the impression that was imparted upon the municipal group, then we are strongly opposed. This seems to open the door to having to pay any time one level government wishes to meet another which is fundamentally flawed. The notion that paying for these

Minister of Indigenous Relations

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meetings would increase the capacity of the nations to deal with consultations is also questionable.

Policy

How can the current FNC Process be improved? The biggest barriers for consultation seem to be treaty rights and traditional lands disputes. The province and the federal government should take a stronger leadership role in defining these land use areas instead of putting two levels of government in a situation that is sure to create controversy between them. Some ideas included land use planning for development in traditional territories that would allow for a variety of pre-approved uses (similar to land use planning zones), creating maps that show traditional use zones or setting up a “court” that makes decisions regarding disputes.

Thank you for your interest in this very important topic and we would be pleased to discuss this in more detail.

Sincerely,

Bill Neufeld

Reeve, Mackenzie County

c: Debbie Jabbour, MLA Peace River
Mackenzie County Council



ALBERTA
INDIGENOUS RELATIONS

Office of the Minister

39539

May 11, 2017

Mr. Doug Munn
Director of Community Services
Mackenzie County
PO Box 640, 4511-46 Avenue
Fort Vermillion, Alberta
T0H 1N0

Dear Mr. Munn:

Thank you for meeting with me and my officials in Calgary on April 24, 2017 regarding the renewal of the *Government of Alberta's Consultation Policy with First Nations on Land and Natural Resource Management, 2013* (Policy) and associated Guidelines, and the Enhanced Consultation Capacity Initiative (ECCI). Your ongoing support and input is critical to further my department's understanding of the needs of industry and municipalities in the consultation process, and to hear your thoughts regarding how we can work together toward a refined consultation framework that will benefit Alberta.

During our time together we discussed the concerns my department has heard so far from the majority of First Nations, such as insufficient consultation capacity, the interpretation of Treaty rights, short timelines and inflexibility of the consultation process, economic benefits from development, how consultation is assessed, site visits, cumulative impacts, dispute resolution, and a greater role overall for First Nations in the consultation process. We met with industry and municipal stakeholders on April 24 and 26, 2017 as well, and they stated more regulatory alignment between the Aboriginal Consultation Office and the Alberta Energy Regulator is required to create more efficiency and predictability both for industry and First Nations.

We want to further hear from you in relation to these matters. Please also advise of any other concerns you may have or processes that work well and should remain unchanged. I encourage you to provide a formal written submission further detailing your feedback by July 1, 2017 to fncprenewal@gov.ab.ca.

RECEIVED
MAY 23 2017

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**MACKENZIE COUNTY
FORT VERMILION OFFICE**

Mr. Doug Munn
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Our immediate next step is to review all information we heard during our first meetings with First Nations, industry and municipalities, in addition to reviewing written submissions as we receive them, to determine how best to continue our dialogue as the policy renewal progresses. My office will be in contact with you again in the near future to make arrangements to continue our discussion on the Policy renewal and ECCL. I anticipate reconvening in the fall to discuss specific proposals with you developed from our discussions to date and your July 1 submissions.

Once again, thank you very much for our valuable conversation and your ongoing participation in the policy renewal and ECCL.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Feehan', written in a cursive style.

Richard Feehan
Minister of Indigenous Relations



ALBERTA
INDIGENOUS RELATIONS

Office of the Minister

39178

Mr. Al Kemmere
President
Alberta Association of Municipal Districts and Counties
2510 Sparrow Drive
Nisku, Alberta
T9E 8N5

Dear Mr. Kemmere:

Further to my February 23, 2017 letter, thank you for your continued participation in the renewal of the *Government of Alberta's Policy on Consultation with First Nations on Land and Natural Resource Management, 2013 (Policy)* and associated Guidelines.

We are now ready to meet with industry and municipal stakeholders, a crucial step to ensure our Policy renewal leads to a consultation process that meets the needs of all parties.

I am therefore pleased to invite you to attend a full-day engagement session in either Edmonton or Calgary. Please kindly extend this invitation to your members.

- The Calgary session will be hosted on April 24, 2017 at McDougall Centre, 455 - 6 Street SW from 8:30 a.m. to 4:00 p.m.
- The Edmonton session will be hosted on April 26, 2017 in the Capital View Room, 2nd Floor Federal Building, 9820 - 107 Street from 8:30 a.m. to 4:00 p.m.

I will be present in the morning of both sessions from 9:00 a.m. to 12:00 p.m. to discuss important topics arising from the renewal with you. These sessions will be identical, and have facilitated sector-specific breakout sessions in the afternoon to enable meaningful and focused dialogue. Please RSVP your session choice to Mr. Godlove Suh, Manager Consultation Policy and Program Evaluation, at godlove.suh@gov.ab.ca by April 13, 2017. Refreshments will be provided, with lunch available at nearby restaurants.

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Mr. Al Kemmere
Page Two

Once again, as part of continuous improvement to the consultation process, the goal of the renewal is to address some of the issues and concerns that First Nations, as well as industry and other stakeholders have raised since the release of the Policy in August 2013. Alberta is also exploring options to enhance the consultation capacity of First Nations through an Enhanced Consultation Capacity Initiative to replace the recently repealed *Aboriginal Consultation Levy Act* (i.e., Bill 22). In order to fully understand the issues stakeholders have raised, I do not want to limit industry and municipal involvement to these engagement sessions in Edmonton and Calgary. I therefore invite you once again to provide written submissions regarding the current consultation process and any suggested approaches to enhancing the consultation capacity needs of First Nations.

If you have further questions related to the First Nations Consultation Policy renewal, please contact Mr. Godlove Suh in my ministry. For the Enhanced Consultation Capacity Initiative, please contact Mr. Adam Schneidmiller, Manager, Consultation Capacity, at adam.schneidmiller@gov.ab.ca or 780-638-4580.

Once again, thank you for your support and participation in this important initiative. I look forward to hearing your valuable thoughts on improvements to the consultation process in Alberta in either Calgary on April 24, 2017, or Edmonton on April 26, 2017.

Sincerely,



Richard Feehan
Minister of Indigenous Relations

