



**AGENDA**  
**REGULAR MEETING OF THE BARRHEAD TOWN COUNCIL**  
**TUESDAY, OCTOBER 23, 2018 AT 5:30 P.M.**  
**IN THE TOWN OF BARRHEAD COUNCIL CHAMBERS**

*Barrhead....a quality community....giving a quality lifestyle*

Present

Others Present

Regret

1. Call to Order
2. Consideration of Agenda (Additions - Deletions)
3. Confirmation of Minutes
  - (a) Regular Meeting Minutes – October 9, 2018
4. Public Hearings
  - (a) Bylaw 08-2018, Land Use Amendment – Cannabis Bylaw
5. Delegations
  - (a) Delegation at 5:45 p.m. – Anna Churchill – Barrhead and District Historical Society
  - (b) Delegation at 6:00 p.m. – Brookside Village Representatives
6. Old Business
  - (a) Wastewater Treatment Plant Upgrades – Technical Memorandum
7. New Business
  - (a) Monthly Bank Statement
  - (b) Cannabis Sharing Revenue
  - (c) Regional GIS system
  - (d) Summary of Financial Statement
  - (e) Municipal Financial System upgrades

8. Reports - The Council Reports

(a) Council Reports as of October 23, 2018

- Barrhead Cares Coalition
- Barrhead and District Social Housing
- Chamber of Commerce
- FCSS
- Library Board

9. Minutes

(a) There are no minutes

10. Bylaws

(a) Bylaw 09-2018, the Alta Gas Utilities Franchise Agreement Bylaw and the Alta Gas Utilities Inc. Natural Gas Distribution Franchise Agreement

11. Correspondence

12. For the Good of Council

13. Tabled Items

14. In-Camera

- (a) Land - Pursuant to Section 16 of the FOIP Act
- (b) Land - Pursuant to Section 16 of the FOIP Act
- (c) Land - Pursuant to Section 16 of the FOIP Act
- (d) Land - Pursuant to Section 16 of the FOIP Act

15. Adjourn

MINUTES OF THE REGULAR MEETING OF THE BARRHEAD  
TOWN COUNCIL HELD TUESDAY, OCTOBER 9, 2018,  
IN THE TOWN OF BARRHEAD COUNCIL CHAMBERS

<b>PRESENT</b>	Mayor McKenzie, Crs: T. Assaf, D. Kluin, R. Klumph, S. Oswald and D. Smith  Officials: Martin Taylor, CAO, Kathy Vickery, Director of Corporate Services and Cheryl Callihoo, Director of Development & Legislative Services  Others: Barry Kerton, Barrhead Leader
<b>ABSENT</b>	Cr. L. Penny
<b>INVOCATION</b>	Pastor Kevin Ree from the St. John's Evangelical Lutheran Church provided the invocation at 5:30 p.m. and vacated the Chambers at 5:35 p.m.
<b>CALL TO ORDER</b>	Mayor McKenzie called the meeting to order at 5:30 p.m.
<b>AGENDA</b>	The agenda was reviewed.
327-18	Moved by Cr. Klumph that the agenda be accepted with the following amendments: <ul style="list-style-type: none"><li>• Postpone until October 23, 2018 Council Meeting – 4(a) Bylaw 08-2018, Land Use Amendment – Cannabis Bylaw</li><li>• 14(b) In-Camera – Legal</li></ul> CARRIED UNANIMOUSLY
<b>CONFIRMATION OF MINUTES</b>	The Minutes of the Town Council Regular Meeting of September 25, 2018 were reviewed.
328-18	Moved by Cr. Oswald that the Minutes of the Town Council Regular Meeting of September 25, 2018 be accepted as presented. CARRIED UNANIMOUSLY
<b>DELEGATION – INTRODUCTION TO COUNCIL</b>	Fire Chief Gary Hove introduced the new Deputy Fire Chief Ted Amos to Council at 5:37 p.m.  Council welcomed Mr. Amos and congratulated him as the new Deputy Fire Chief.
<b>EXITED</b>	Fire Chief Gary Hove and Deputy Fire Chief Ted Amos vacated the Chambers at 5:41 p.m.
<b>POLICY 12-023, JOINT HEALTH AND SAFETY COMMITTEE TERMS OF REFERENCE</b>	Policy 12-023, Joint Health and Safety Committee Terms of Reference Policy was presented for approval.  Martin Taylor, CAO reviewed the policy.
329-18	Moved by Cr. Assaf that Council approve Policy 12-023, Joint Health and Safety Committee Terms of Reference Policy, as presented. CARRIED UNANIMOUSLY
<b>REPORTS TO COUNCIL</b>	The following Reports to Council as of October 9, 2018, were reviewed: <ul style="list-style-type: none"><li>• Barrhead Agricultural Society</li><li>• CAO's Report and Department Head Report</li></ul>
330-18	Moved by Cr. Oswald that the following Reports to Council as of October 9, 2018, be accepted as information: <ul style="list-style-type: none"><li>• Barrhead Agricultural Society</li><li>• CAO's Report and Department Head Report</li></ul> CARRIED UNANIMOUSLY

**MINUTES TO COUNCIL**

The following Minutes to Council were reviewed:

- Barrhead & District Social Housing Association – July 24, 2018

331-18

Moved by Cr. Oswald that the Minutes to Council be accepted as information.  
CARRIED UNANIMOUSLY

**INFORMATION ITEMS**

The following information items were reviewed:

- Alberta Municipal Affairs – Minister's Awards for Excellence in Public Library Service
- Communities in Bloom – Barrhead received 5 Blooms

332-18

Moved by Cr. Kluin that the information items be accepted as information.  
CARRIED UNANIMOUSLY

**DELEGATION – ACCESSIBILITY IN TOWN**

Cr. Dausen Kluin moved to the delegation table.

Mayor McKenzie and Council welcomed Ms. Kelly Kalmbach and Cr. Dausen Kluin at 5:50 p.m.

Ms. Kelly Kalmbach discussed the Accessibility Campaign in Town. She is researching accessibility into local businesses. Her report discusses tripping hazards, raised lip on entrances, no bell to ring to get in, no automatic door openers, no traffic sounds to cross the road.

A PowerPoint presentation was presented to Council and has been shown to the Chamber of Commerce and Merchant President.

Cr. Dausen Kluin suggested door bells on businesses to notify those working in the store that customers with disabilities are at their door. Other concerns are that the street lights are not set long enough to cross the road and that there are no traffic sounds and detectable warnings for blind pedestrians nor are there any stop gaps in the curb foundation.

Cr. Dausen Kluin discussed that StopGap Foundation sells the tapered ramps for \$150.00 – \$300.00 per unit. Could possibly look at a community project and involve others such as the schools and local businesses to get on board and raise awareness and remove barriers for the disabled.

**EXITED**

Mayor McKenzie and Council thanked Ms. Kelly Kalmbach and Cr. Dausen Kluin for their presentation and Ms. Kalmbach exited the Chambers at 6:17 p.m. and Cr. Dausen Kluin moved to the Council seat at 6:18 p.m.

333-18

Moved by Cr. Assaf that Council accept the delegation as information.  
CARRIED UNANIMOUSLY

**FOR THE GOOD OF COUNCIL**

Cr. Oswald commended the Communities in Bloom Committee for all their hard work and for Barrhead in receiving their 5 Bloom Award.

Cr. Smith thanked Cr. Oswald and the Twinning Committee for the great Friendship Supper and for meeting the delegation.

Cr. Assaf commended the Business Support Network for the Cannabis Information Presentation.

**IN-CAMERA – LEGAL UPDATE FOIP ACT SECTION 16**

334-18

Moved by Cr. Smith that Council go in-camera at 6:20 p.m.  
CARRIED UNANIMOUSLY

**OUT-OF-CAMERA**

335-18                      Moved by Cr. Smith that Council come out-of-camera at 6:41 p.m.  
CARRIED UNANIMOUSLY

336-18                      Moved by Cr. Smith that Council approve selling a portion of Lot 5R for a purchase  
price of \$15,600.00 plus GST, subdivision and advertising fees to the landowner at  
Plan 4850TR, Block 22, Lot 3.  
CARRIED UNANIMOUSLY

**RECESSED**

337-18                      Moved by Cr. Assaf to recess the meeting at 6:42 p.m.  
CARRIED UNANIMOUSLY

**RECONVENED**

338-18                      Moved by Cr. Assaf to reconvene the meeting at 7:04 p.m.  
CARRIED UNANIMOUSLY

**IN-CAMERA – LEGAL UPDATE FOIP ACT  
SECTION 16**

339-18                      Moved by Cr. Assaf that Council go in-camera at 7:04 p.m.  
CARRIED UNANIMOUSLY

**OUT-OF-CAMERA**

340-18                      Moved by Cr. Kluin that Council come out-of-camera at 8:15 p.m.  
CARRIED UNANIMOUSLY

**ADJOURN**

341-18                      Moved by Cr. Smith that the Council Meeting be adjourned at 8:15 p.m.  
CARRIED UNANIMOUSLY

**TOWN OF BARRHEAD**

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Mayor, David McKenzie

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CAO, Martin Taylor



# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Bylaw 08-2018, Land Use Amendment – Cannabis Bylaw

## Summary

Public Hearing at 5:30 p.m. for Bylaw 08-2018, Land Use Amendment – Cannabis Bylaw

## Overview

Attached for Council's review is the Land Use Amendment Bylaw 08-2018. This amendment will regulate the locations of Cannabis retail in Town subject to Provincial and Federal Regulations.

Ads were placed in the local paper and posted on the Town's website and Facebook page. Administration has not received any formal responses to the Amendment Bylaw.

## Recommendations for Action

### *Recommendation #1*

That Council give Bylaw 08-2018, the Land Use Amendment Bylaw, second and third readings.

Respectfully Submitted by:

Martin Taylor, CMC, CLGM  
CAO

**BYLAW 08-2018**  
**LAND USE BYLAW AMENDMENT**

A BYLAW OF THE TOWN OF BARRHEAD IN THE PROVINCE OF  
ALBERTA, TO AMEND BY-LAW 04-2015, THE LAND USE BYLAW

WHEREAS, Council of the Town of Barrhead has deemed it necessary to amend By-Law 04-2015, the Land-Use By-Law to accommodate cannabis related businesses.

NOW THEREFORE the Municipal Council of the Town of Barrhead in an open meeting hereby enacts as follows:

1. That **Part II, Section 1: Terminology**, be amended with the following:

Additions/ Amendments:

**“Cannabis”** means cannabis plant, fresh cannabis, dried cannabis, cannabis oil and cannabis plant seeds and any other substance defined as cannabis in the Cannabis Act (Canada) and its regulations, as amended from time to time and includes edible products that contain cannabis, a broad term used to describe the various products derived from the leaves, flowers and resins of the Cannabis sativa and Cannabis indica plant or hybrids of the two. These products exist in various forms and are used for different purposes (e.g. medical, and recreational use and industrial use)

**“Cannabis Accessory”:**

- (i) includes rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers, that is represented to be used in the consumption of cannabis or a thing that is represented to be used in the production of cannabis; or
- (ii) cannabis accessory as defined in the Cannabis Act (Canada) and its regulations, as amended from time to time that is deemed under the Cannabis Act (Canada) to be represented in the consumption or production of cannabis.

**“Cannabis Production Facility”** means a development or part thereof that involves the production, cultivation and growth of Cannabis and Cannabis products licensed by the Federal Government. A Cannabis Production Facility shall not include Cannabis Retail as an accessory use.

**“Cannabis Retail”** means a retail store licensed by the Province where Cannabis and Cannabis Accessories are sold to individuals who attend the premises. This use does not include a Cannabis Production Facility and cannot be combined with any other use such as Convenience Services or Retail Services.

**“Convenience Services”** add the following to the definition: Convenience Services does not include the sale of Cannabis.

**“Extensive Agriculture”** add the following to the definition: Extensive Agriculture does not include the production, cultivation and growth of Cannabis and Cannabis products licensed by the Federal Government.

**“Intensive Agriculture”** add the following to the definition: Intensive Agriculture does not include the production, cultivation and growth of Cannabis and Cannabis products licensed by the Federal Government.

**“Retail Services”** add the following to the definition: Retail Services does not include the sale of Cannabis.

**“Warehouse Sales”** add the following to the definition: Warehouse Sales does not include the storage and distribution of Cannabis and Cannabis products licensed by the Federal Government.

**2. Part VIII- Use Specific Regulations**

**New Section 29 – Cannabis**

Any Cannabis Retail and Cannabis Production Facility and any related use is distinct and cannot be considered as part of an accessory to or operated in conjunction with any other use within this bylaw

**1) Cannabis Retail**

- a) A development authority shall not issue a development permit for Cannabis Retail:
  - i) unless all applicable licensing and approvals have been provided by the Province and Federal Government and
  - ii) if the proposed development does not comply with the Provincial regulations under the Alberta Liquor and Gaming Commission.
- b) Cannabis Retail shall not be located within 100m of a the boundary of a provincial health care facility, a school, municipal and school reserve, a day care or the boundaries of a public park and/or playground frequented by children.

**2) Cannabis Production Facility**

- a) A Cannabis Production Facility shall not be operated in conjunction with any other uses.
- b) A Cannabis Production Facility shall include ventilation equipment designed and intended to remove any odors escaping from the building.
- c) A development authority may require a plan describing the method and location of collection and disposal of waste material from the Cannabis Production Facility.
- d) A Cannabis Production Facility shall not be located within 100m of a the boundary of a provincial health care facility, a school, municipal and school reserve, a day care or the boundaries of a public park and/or playground frequented by children.

The separation distance between a Cannabis Retail Sales or a Cannabis Production Facility and another use shall be determined by measuring a straight-line from the closest point on the lot line of the Cannabis Retail Sales or Cannabis Production Facility and the closest point on the lot line on which an above use is located. The separation distance shall not be measured from a district boundary or wall of a building.

**3. Part XI Land Use District Regulations**

Cannabis Retail shall also be included as a discretionary use to the following districts:

**C1- Commercial Central Business District**

**C2 – Highway Commercial**

**M1- Industrial**

**The Following shall be added to the C1 , C2 & M1 Supplemental Regulations :**

No cannabis related development may be permitted unless all applicable licensing and approvals have been provided for by the Province and Federal Governments.



A development Permit shall be required as per Section 105 (2)(a) of the Gaming and Liquor Amendment Regulation.

All security measures required by the applicable licensing and approvals required from the Province and Federal Governments must be in place and any additional study or assessment or information necessary to address specific concerns at the discretion of the Development Authority or any other thing required by the municipality shall be provided at the time of development permit application.

Cannabis Retail Sales is required to comply with any Federal or Provincial Regulations.

**The Following shall be added to the M1 Supplemental Regulations :**

Cannabis Production Facility is required to comply with any Federal or Provincial Regulations.

**ADMINISTRATION**

- 4. It is the intention of Town Council that each separate provision of this Bylaw shall be deemed independent of all other provisions herein and it is further the intention l that if any provisions of this Bylaw be declared invalid, all other provisions thereof shall remain valid and enforceable.
- 5. That this By-Law once passed and signed shall form part of By-Law 04-2015, the Land-Use By-Law.
- 6. That this By-Law shall take effect on the day of the final passing thereof.

Read a first time this 11 day of September, 2018.

TOWN OF BARRHEAD

\_\_\_\_\_  
Mayor, Dave McKenzie

\_\_\_\_\_  
Martin Taylor, CAO

Read a second time this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

TOWN OF BARRHEAD

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Mayor, Dave McKenzie

\_\_\_\_\_  
Martin Taylor, CAO

Read a third time this \_\_\_\_\_ day of \_\_\_\_\_, 2018 and passed.

TOWN OF BARRHEAD

\_\_\_\_\_  
Mayor, Dave McKenzie

\_\_\_\_\_  
Martin Taylor, CAO



# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Delegation

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## Summary

Delegation 5:45 p.m.

## Overview

Anna Churchill will be present to discuss Museum Stats and Museum Funding increases with Council.

## Recommendations

### *Recommendation #1*

That Council accept the delegation as information.

Respectfully Submitted by:

Martin Taylor, CMC, CLGM  
CAO

RECEIVED  
OCT 11 2018

**TO:** Mayor & Council  
Town of Barrhead

**RE:** Funding, Barrhead Centennial Museum Operations

**The Museum raises funds by taking part in**

- 1) casinos every second year
- 2) donations
- 3) membership dues
- 4) endowments and memorials
- 5) history book sales
- 6) hosting events
- 7) town & county subsidies

**The Museum participates in the community through**

- 1) school programs
- 2) seniors' week
- 3) children's day
- 4) Alberta Culture Days
- 5) Canada Day
- 6) Barrhead Street Festival
- 7) Blue Heron Parade
- 8) special events arranged within the museum throughout the year
- 9) operates from June through to the September long weekend (Tuesday — Saturday 10:00am-5:00pm); museum visits and tourist information by appointment during winter season

**Expenses:**

- 1) Curator's contract, and additional specialists when needed
- 2) Increased utilities expense
- 3) Substantial increase in building insurance
- 4) Proper care and maintenance of the artifacts and archives
- 5) Major building repairs and renovations are needed

As a result of the Museum's expenses, we are asking for an increase in funding to \$10,000.



# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Delegation

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## Summary

Delegation 6:00 p.m.

## Overview

Members of the Brookside Village Condo Association will be meeting with Council to discuss concerns of the corner of 46 Street and 53 Avenue (Manola Road).

## Recommendations

### *Recommendation #1*

That Council accept the delegation as information.

Respectfully Submitted by:

Martin Taylor, CMC, CLGM  
CAO

*Brookside Village Condominium Association  
Condominium Plan 952-4734  
4600 – 59 Avenue  
Barrhead, Alberta T7N 1P5*

October 5, 2018

Sent via e-mail attachment to email addresses indicated

Mayor Dave McKenzie ([dmckenzie@barrhead.ca](mailto:dmckenzie@barrhead.ca)) and  
Mr. Martin Taylor – Chief Administrative Officer ([mtaylor@barrhead.ca](mailto:mtaylor@barrhead.ca))  
Town of Barrhead ([town@barrhead.ca](mailto:town@barrhead.ca))  
Box 4189, 5014 – 50 Avenue  
Barrhead, Alberta T7N 1A2

Reference: October 23, 2018, 5:30 p.m. – Town Council Meeting  
Request to be on Agenda

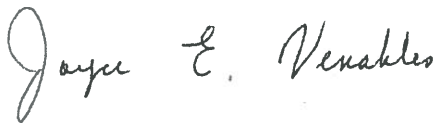
Gentlemen:

At the Board of Director's Meeting on October 4, 2018, it was decided that Brookside Village Condominium Association would like to attend the October 23, 2018, 5:30 p.m. council meeting.

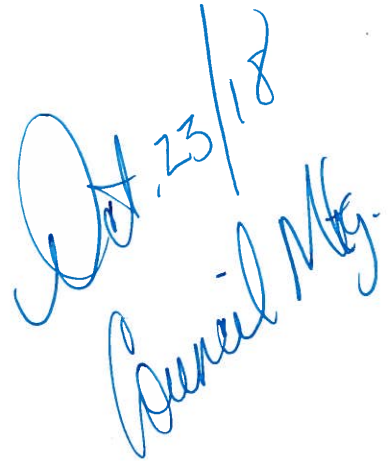
We would like to have on the Agenda our wish to bring to the Town's attention our concerns about the traffic hazards existing at the corner of 46 Street and Manola Road.

Very truly yours,

BROOKSIDE VILLAGE CONDOMINIUM ASSOCIATION



Joyce Venables  
President  
(780) 74-6762



FUTURE RESIDENTIAL DEVELOPMENT

60 Avenue

Coronet Place

Block 17

Brookside  
Condominium

59 AVE

Denthor  
Park

58 AVE

AG GROUNDS

4802 Rodeo Grounds

57 AVE

09 5607  
ool Agrena  
47 Street

SPORTS GROUND

56 AVE

55 AVE

54 AVE

53 AVE

43 ST

44 ST

45 ST

57A AVE

46 ST

45 ST

43 ST

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Alliance  
Church

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to Manola

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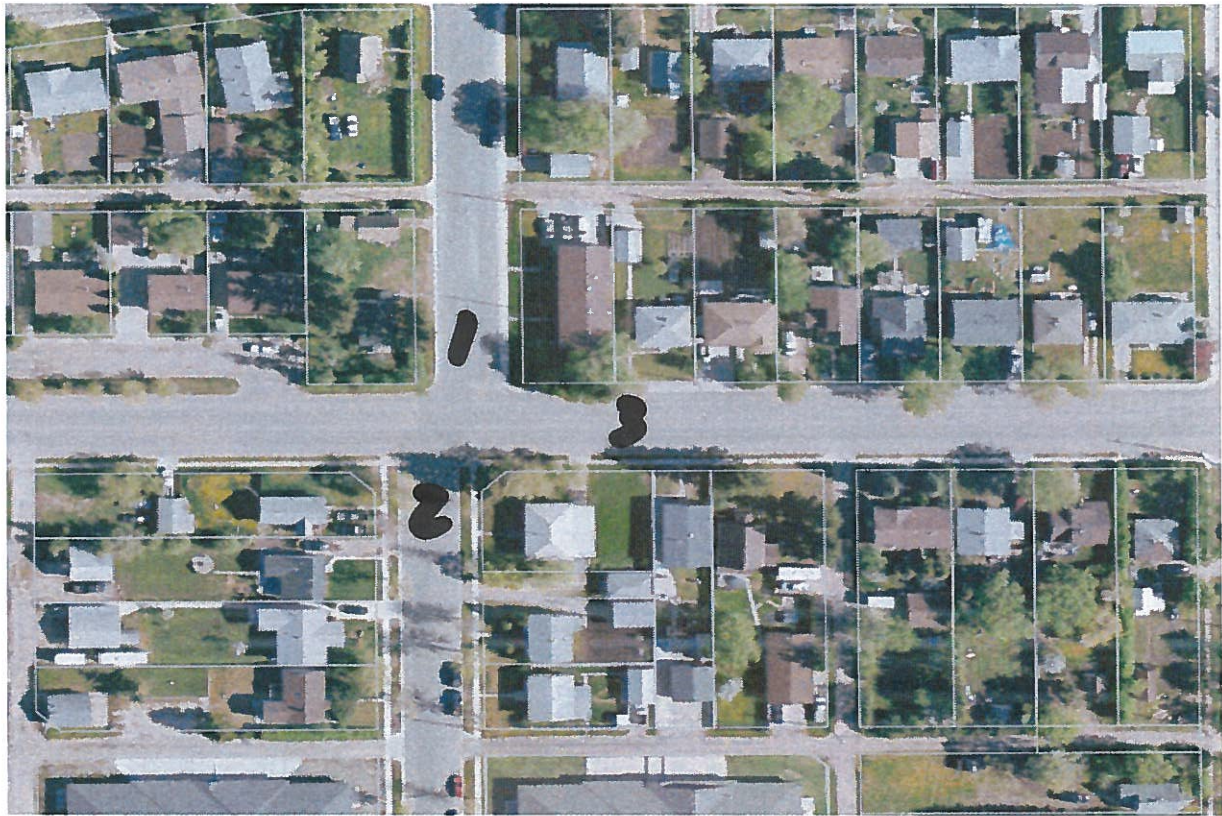


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## Cheryl Callihoo

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**From:** Martin Taylor  
**Sent:** Friday, October 12, 2018 8:35 AM  
**To:** Sue Williams; Cheryl Callihoo; Brant Ross  
**Cc:** Dave McKenzie; Town; Joyce Venables  
**Subject:** RE: Brookside Village - Request to be on Council Agenda

Good day Sue, will put on the agenda. Cheryl will provide a specific time. The picture remind me of several other streets. thanks

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**From:** Sue Williams [<mailto:ronsuew@telusplanet.net>]  
**Sent:** Thursday, October 11, 2018 6:36 PM  
**To:** Martin Taylor  
**Cc:** Dave McKenzie; Town; Joyce Venables  
**Subject:** RE: Brookside Village - Request to be on Council Agenda

Martin –

Sorry to be a nuisance. We had our Annual General Meeting on October 10<sup>th</sup> and three street items came up. We thought that when we get on the Agenda at the Town Council, it would be a good idea to discuss all the items.

1. The original item was the corner of 46 Street and Manola Road (53<sup>rd</sup> Avenue).
2. The corner of 46 Street and 54 Avenue – the route that is now being taken to and from Brookside Village to the Drop in or the Agrena, etc. The visibility is impaired at the corner when making a left hand turn onto 46 Street.
3. 59<sup>th</sup> Avenue (street within Brookside Village). The complaint is that the street is too uneven (on the concrete side) for walkers and people with walking issues; the street is also the sidewalk. There are really two issues (1) the street has trip hazards as the concrete is uneven in two locations; (2) at night, the street lights no longer sufficiently light the road so that the trip hazards are clearly visible. The most apparent trip hazards are approximately outside address 4623 (Thea Jensen) and across from the Clubhouse. It was suggested that Town Maintenance should check this street by walking rather than driving to gain a better perspective of the issue.
4. The entrance to Brookside Village. The concrete and asphalt are no longer working together. The asphalt is disintegrating. See the attached picture which was taken this morning.

Please let us know what date and time we should appear at the Council meeting to discuss these issues.

S. P. Williams  
4644 – 59 Avenue  
Barrhead, AB T7N 1P6  
(780) 674-6409

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**From:** Martin Taylor [<mailto:MTaylor@barrhead.ca>]  
**Sent:** Friday, October 5, 2018 4:05 PM  
**To:** Sue Williams <[ronsuew@telusplanet.net](mailto:ronsuew@telusplanet.net)>  
**Cc:** Dave McKenzie <[DMcKenzie@barrhead.ca](mailto:DMcKenzie@barrhead.ca)>; Town <[town@barrhead.ca](mailto:town@barrhead.ca)>  
**Subject:** Re: Brookside Village - Request to be on Council Agenda

Good day Sue, will do, thanks Martin

Sent from iPad









# **TOWN OF BARRHEAD**

## **POLICY STATEMENT**

(Duplicate copies being 41-005 and 42-005)

**POLICY NUMBER: 32-009**

**REVISED:** August 11, 2003

**RESOLUTION NO.: 397-03**

**POLICY TITLE:** BROOKSIDE VILLAGE ROADWAYS, WATER AND  
SANITARY SEWAGE REPAIRS AND MAINTENANCE

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**AUTHORITY:** Town Council

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**ORIGINAL APPROVAL DATE:** April 23, 2001

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### **POLICY STATEMENT:**

The Town of Barrhead shall assume responsibility for the maintenance and repair of the Brookside Village Condominium watermain, sanitary sewage and stormwater utility mains, plus the main roadway in Brookside Village.

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### **PURPOSE:**

To clarify responsibility of certain repairs and maintenance of the main lines for the water, sanitary sewage, stormwater and main roadway in Brookside Village as a Town at Large responsibility, and all service mains connections and individual parking areas as the Brookside Village Condominium Association's responsibility.

---

# **TOWN OF BARRHEAD**

## **PROCEDURE STATEMENT**

**(Policy 32-009)**

### **Brookside Village Roadways, Water and Sanitary Sewage Repairs and Maintenance**

**Effective Date: 01/04/23**

**Revised Date: 03/08/11**

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#### **PROCEDURES:**

The Town of Barrhead will be responsible for the following repairs and maintenance to the underground infrastructure and roadway structures in the Brookside Village Condominium complex.

##### **Main Waterline Supply**

- repair and maintain the main waterline supply breaks or repairs
- annually flush watermains and hydrants
- annually winterize water hydrants

##### **Main Sanitary Sewerline Collection**

- repair and maintain the main sanitary sewerline breaks or repairs
- annually flush the main sanitary sewerline

##### **Main Stormwater Line Collection**

- repair and maintain the main stormwater line breaks or repairs
- repair and maintain catchbasins, manholes or components of the main stormwater line
- annually flush the main stormwater line

##### **Roadways**

- repair and maintain the main roadway to the Town's standard
- annually sand and salt the main roadway during winter
- annually provide snow removal for the main roadway



# REQUEST FOR DECISIONS

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Land

---

## Summary

Wastewater Treatment Plan upgrades – Technical Memorandum

## Overview

## Recommendations

### *Recommendation #1*

That council accept as information
------------------------------------

Respectfully Submitted by:

Martin Taylor, CMC CLGM  
CAO



Associated  
Engineering

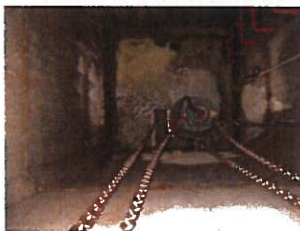
GLOBAL PERSPECTIVE.  
LOCAL FOCUS.

## TECHNICAL MEMORANDUM

Town of Barrhead

Wastewater Treatment Upgrades

**Draft**



September 2018

 **BEST  
MANAGED  
COMPANIES**

Platinum  
member

# TECHNICAL MEMORANDUM

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# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Monthly Bank Statement

## Summary

The Monthly Bank Statement for the month ended September, 2018.

## Overview

## Recommendations

### *Recommendation #1*

That Council receive as information the Monthly Bank Statement for the month ended September 30, 2018.

Respectfully Submitted by:

Martin Taylor, CMC, CLGM  
CAO

**TOWN OF BARRHEAD  
MONTHLY BANK STATEMENT  
FOR MONTH ENDED SEPTEMBER 30, 2018**

<b>PER TOWN OF BARRHEAD:</b>	<b>ATB FINANCIAL</b>	
	<b>GENERAL ACCOUNT</b>	<b>TERM DEPOSITS</b>
Net Balance - Previous Month	3,694,630.29	5,479,936.70
Receipts	330,083.57	
Direct Deposits	1,126,645.97	
Interest	13,698.36	
Loan Proceeds	0.00	
Transfers from/to Term Deposits	0.00	1,008,635.44
Cancelled Cheques	0.00	
<b>SUBTOTAL</b>	<b>5,165,058.19</b>	<b>6,488,572.14</b>
Disbursements	1,490,009.65	
Debentures/Interest	145,284.50	
School Requisition	394,515.24	
Transfers from/to General	1,008,635.44	0.00
NSF/Returned Cheques or Transfers	0.00	
Postdated Cheques	0.00	
<b>NET BALANCE AT END OF MONTH</b>	<b>2,126,613.36</b>	<b>6,488,572.14</b>
*****		
<b>PER BANK:</b>		
Balance at end of month	2,617,569.54	6,488,572.14
Outstanding Deposits	187,125.07	
<b>SUBTOTAL</b>	<b>2,804,694.61</b>	<b>6,488,572.14</b>
Outstanding Cheques	678,081.25	
<b>NET BALANCE AT END OF MONTH</b>	<b>2,126,613.36</b>	<b>6,488,572.14</b>

**TERM DEPOSIT SUMMARY**  
**FOR MONTH ENDED SEPTEMBER 30, 2018**

<b><u>Financial Institution</u></b>	<b><u>Term Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Term Started</u></b>	<b><u>Investment Details</u></b>
Servus Credit Union	100,000.00	1.76%	July 9, 2018	92 day term deposit
Servus Credit Union	1,000,000.00	1.86%	July 16, 2018	91 day term deposit
Nova Scotia	100,000.00	1.90%	August 13, 2018	90 day term deposit
ATB Financial	750,000.00	2.30%	September 19, 2018	45 day term deposit
ATB Financial	3,500,000.00	2.30%	September 26, 2018	31 day term deposit
ATB Financial	1,000,000.00	2.30%	September 19, 2018	31 day term deposit
ATB Financial	<u>38,572.14</u>			Interest On Term Account
<b>Total</b>	<b><u>\$ 6,488,572.14</u></b>			



# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Cannabis Revenue Sharing

---

## Summary

Cannabis Revenue Sharing

## Overview

AUMA is advocating for a revenue sharing program that will benefit all municipalities and not just those with a population of 5,000 and over.

## Recommendations

### *Recommendation #1*

That Council send a letter to the MLA/Province in support of equal sharing of cannabis revenue to aid in the cost to municipalities of cannabis legalization.

Respectfully Submitted by:

Martin Taylor, CMC, CLGM  
CAO

## Cheryl Callihoo

---

**From:** Martin Taylor  
**Sent:** Monday, October 15, 2018 12:54 PM  
**To:** Cheryl Callihoo; Kat Hueggenberg; Kathy Vickery  
**Cc:** Dausen Kluin; Dave McKenzie; Don Smith; Leslie Penny; Rod Klumph; Shelley Oswald; Ty Assaf  
**Subject:** FW: AUMA Response to Municipal Cannabis Transition Program  
**Attachments:** 2018\_10\_15 AUMA Cannabis NR.PDF; AUMA cannabis column\_20181014- Final.docx; AUMA cannabis kms and tweets\_20181014- Final.docx; Sample Letter to MLAs.docx

**Categories:** Red Category

Good day: this will be added to the next agenda, letters will be ready for the mayor next week and we'll begin a social media blitz. thanks

---

**From:** President [mailto:President@auma.ca]  
**Sent:** Monday, October 15, 2018 11:58 AM  
**Subject:** AUMA Response to Municipal Cannabis Transition Program

Hello Mayors and CAOs,

Earlier today, the provincial government announced the cannabis revenue sharing deal under the Municipal Cannabis Transition Program (MCTP). This deal will hurt all municipalities and places the costs of legalization on the backs of Albertans, while the provincial government pockets the funds collected.

The federal government has been clear that 75 per cent of the Cannabis Excise Tax will go to provinces to share with municipalities according to shared responsibilities. But as today's MCTP outlines, over 215 Alberta municipalities will not receive any funds collected from that excise tax. Only 52 municipalities will be eligible for funding – funding that is inadequate and conditional on a grant application process that includes a reporting process full of red tape.

As a collective, we need to urge the province to come back to the table to create a revenue sharing program that provides municipalities with the necessary and reasonable funding required to manage cannabis legalization.

**And we can only do that with your help.**

1. Reach out to provincial and federal counterparts today. We have attached a template for you to use to let local MLAs know that because the provincial government did not engage municipalities in meaningful consultation, they failed to fully comprehend the impact legalization will have in our communities. You can also let local MPs know that the federal government entered into this agreement with the expectation that provinces would fairly distribute cannabis funds, but Alberta did not hold up their end of the bargain.
2. AUMA is providing key messages (attached) that can be used in conversations with stakeholders and other community leaders. A unified and shared message across the AUMA membership will amplify our voice. This issue hurts every municipality in Alberta, so the province should hear from every municipality. You can include examples of local costs that will affect your community as well.
3. Hold conversations with your council about a media engagement plan. A column has been provided for your use and we encourage you to share it with your local publications. Consider reaching out to your local media to provide input into the new MCTP arrangement and let them know it's a bad deal for residents in your community. This will ensure Albertans know that the province has left them on the hook to cover the costs of legalization.

4. Social media will be a useful tool in engaging with the province and informing our community members on the negative impacts of this deal. Follow @TheAUMA on Twitter and retweet important information that will be shared over the coming days. Actively share the unified key messages on your own social media channels as well.

In addition to our unified advocacy efforts in the province, AUMA has also reached out to the federal government. I will be sending a letter to Federal Finance Minister Bill Morneau outlining our concerns with the province's failure to appropriately share excise taxes with municipalities and asking for consideration of options which could include the potential of withholding Alberta's share of the excise tax until an agreement that provides municipalities with the resources needed has been reached.

Members, I know you understand the gravity of the situation and how this deal the province is attempting to force upon us will hurt our communities. Municipalities are being put in an unfair position of choosing between safe communities or increased taxes for our residents as the province downloads the costs of legalization onto us. We are here to collaborate in equal partnership with the province, so let's work together to make sure they hear our voices on this, loud and clearly.

Sincerely,

**Barry Morishita** | President  
Mayor, City of Brooks

---

C: 403.363.9224 | [president@auma.ca](mailto:president@auma.ca)

Alberta Municipal Place | 300 8616-51 Ave Edmonton, AB T6E 6E6

Toll Free: 310-AUMA | [www.auma.ca](http://www.auma.ca)



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**FOR IMMEDIATE RELEASE**

**October 15, 2018**

**Provincial cannabis cash is a bad deal for municipalities**

*New provincial grant program underfunds cities, offers nothing to communities under 5,000*

Edmonton - Albertans are on the hook to cover the cost of cannabis legalization in their community. According to the Municipal Cannabis Transition Program (MCTP) announced today, over 215 urban municipalities will be forced to cover legalization costs on their own while only 52 towns, cities and urban service areas will receive minimal funding.

"We are extremely disappointed with this announcement," says Alberta Urban Municipalities Association President Barry Morishita. "Hundreds of Alberta communities are being forced to choose between hiking property taxes or putting public safety at risk and that is unacceptable. This ongoing lack of meaningful consultation from the provincial government has resulted in the province not fully comprehending the impact cannabis legalization will have across Alberta."

AUMA has been advocating for municipalities to receive a fair share of the province's excise tax revenues as part of a "user pay" model to cover the costs associated with legalization. Municipalities are tasked with community education and enforcement, including responding to complaints of consumption in prohibited areas. These costs will be paid out of municipal budgets, instead of from the taxes collected from cannabis sales.

Under the new MCTP, eligible expenses include municipal administration costs directly related to cannabis legalization including land use bylaws and permitting; education and marketing regarding local rules for cannabis consumption; and administrative and enforcement staffing costs. These are expenses that municipalities of all sizes have and will continue to incur, but only a limited number of municipalities are eligible to apply for funding under the program – and only if they meet the criteria.

"Throughout the legalization process, AUMA has attempted to work in good faith with the province," said Morishita. "The federal government did not agree to give the provinces a larger share of the excise tax only for the province to not equitably distribute to the municipalities that need it. Going forward, AUMA will continue to advocate for municipalities dealing with the impending costs of cannabis legalization and will ask the federal government to explore options including potentially withholding the province's portion of the excise tax until the provincial government comes back to the table to ensure our communities remain safe."

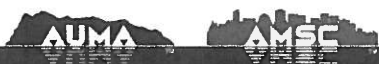
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**About the AUMA**

Founded in 1905, the Alberta Urban Municipalities Association represents more than 260 of Alberta's urban municipalities, including cities, towns, villages, summer villages and specialized municipalities. Our goal is to develop a strong partnership between all three levels of government through a shared vision, with long-term planning that facilitates social and economic growth, a strategic and stable funding matrix for capital projects, vital emergency and social services, and implementation and coordination in the delivery of services to ensure the long-term sustainability of Alberta's municipalities.

**For more information:**

Jackie Sargent, SCMP  
Communications Advisor, AUMA  
780-668-2436  
jsargent@auma.ca



WE ARE  
economies  
OF SCALE

WE ARE THE  
support  
YOU NEED

WE ARE THE  
experts  
IN MUNICIPALITIES

WE ARE YOUR  
advocate

## MUNICIPAL CANNABIS TRANSITION PROGRAM (MCTP) - Key messages

- This new deal is very disappointing. The province is downloading the costs of legalization onto local communities while they pocket the cash that was intended to offset the costs.
- Municipalities are tasked with education and enforcement, including responding to complaints of consumption in prohibited areas. We need the resources to protect public safety but the province refuses to do their part.
- We have attempted to work collaboratively with the province throughout this process, but the lack of meaningful engagement on their part is concerning. If the province did a better job of engaging with us, they would fully understand the impact legalization will have in our communities.
- When the federal government established the Cannabis Excise Tax deal, it was with the understanding that the province would share a significant portion of the revenue with municipalities. The province has not held up their end of the bargain.
- We are calling on the province to come back to the table to put forward an agreement that doesn't pit public safety against a hike in property taxes. We must have an agreement that respects the role of municipalities during this legalization process.
- Property tax payers should not have to subsidize cannabis legalization and use.

DRAFT tweets. Monitor tweets on Monday to capture popular hashtags on this issue and ensure those hashtags are used in tweets below.

- The new Municipal Cannabis Transition Program will hurt every Alberta municipality. Federal funds are intended to support during legalization process, not for provincial coffers.
- Join us in calling on the province in doing the right thing and develop a plan that gives municipalities the resources we need during legalization [LINK TO NEWS RELEASE](#)
- Did you know that municipalities are responsible for education and enforcement during legalization? Yet the province refuses to share any revenue collected from cannabis taxes to municipalities under 5,000 people. This is unacceptable!
- (Share supportive columns and articles coming from local media)

### Draft column – municipalities over 5,000

This week, the provincial government announced the Municipal Cannabis Transition Program (MCTP). This program outlines how taxes collected under the federal Cannabis Excise Tax will be distributed to municipalities – and this deal is bad news for our community.

As a population over 5,000, our municipality is eligible for funding that will be inadequate and conditional on a grant application process full of red tape. Communities that are under 5,000 will receive absolutely no support from the provincial government, as the province pockets the funds that were intended to support local communities manage cannabis legalization.

The federal government agreed to give provinces 75 percent of the taxation dollars from cannabis on the condition a significant portion of the funding is shared with municipalities. Instead, our province has decided to keep the majority of funding.

Municipalities are tasked with community education and enforcement, including responding to complaints of consumption in prohibited areas. These costs will now have to be covered out of municipal budgets, instead of from the taxes collected from cannabis sales.

This is unacceptable. Property tax payers should not subsidize cannabis use. We will continue to advocate for our community and fight against the province's attempt to leave you with the bill when it comes to legalization costs. The federal government intended for this excise tax to be shared between the province and municipalities. Because of this agreement, the Alberta Urban Municipalities Association is exploring options including potentially asking the Federal Finance Minister to withhold the province's cheque until the province comes up with a program that doesn't leave municipalities with a choice of unsafe communities or a hike in property tax.

If you have any questions or concerns, I encourage you to reach out to our office. Your council is on your side and we will continue to pressure the province to put forward a plan that will provide municipalities the resources we need to ensure a smooth transition into legalization. You can reach us at XXX-XXX-XXXX

### Draft column – municipalities under 5,000

This week, the provincial government announced the Municipal Cannabis Transition Program (MCTP). This agreement outlines how taxes collected under the federal Cannabis Excise Tax will be distributed to municipalities – and this deal is bad news for our community.

As a population under 5,000, our municipality will receive absolutely no support through the collected taxes from the provincial government. The funds that were intended to offset the costs of education and enforcement, including responding to complaints of consumption in prohibited areas will instead go to line the pockets of the province.

The federal government agreed to give provinces 75 percent of the taxation dollars from cannabis on the condition a significant portion of the funding is shared with municipalities. Instead, our province has decided to keep the majority of funding.

Municipalities are tasked with community education and enforcement, including responding to complaints of consumption in prohibited areas. These costs will now have to be covered out of municipal budgets, instead of from the taxes collected from cannabis sales.

This is unacceptable. Property tax payers should not subsidize cannabis use. We will continue to advocate for our community and fight against the province's attempt to leave you with the bill when it

comes to legalization costs. The federal government intended for this excise tax to be shared between the province and municipalities. . Because of this agreement, the Alberta Urban Municipalities Association is exploring options including potentially asking the Federal Finance Minister withhold the province's cheque until the province comes up with a program that doesn't leave municipalities with a choice of unsafe communities or a hike in property tax.

If you have any questions or concerns, I encourage you to reach out to our office. Your council is on your side and we will continue to pressure the province to put forward a plan that will provide municipalities the resources we need to ensure a smooth transition into legalization. You can reach us at XXX-XXX-XXXX

Sample letter to MLA – community over 5000

**Subject: (Municipal) Response to Municipal Cannabis Transition Program (MCTP)**

This week, the provincial government announced the Municipal Cannabis Transition Program (MCTP). This program outlines how taxes collected under the federal Cannabis Excise Tax will be distributed to municipalities – and this deal is bad news for our community.

As a municipality with a population over 5,000, we are eligible for funding that is inadequate and conditional on a grant application process full of red tape. Communities under 5,000 will receive absolutely no support from the provincial government, as the province pockets the funds that were intended to support local communities manage cannabis legalization.

The federal government agreed to give provinces 75 percent of the taxation dollars from cannabis on the condition a significant portion of the funding is shared with municipalities. Instead, our province has decided to keep the majority of funding.

Municipalities are tasked with community education and enforcement, including responding to complaints of consumption in prohibited areas. These costs will now have to be covered out of municipal budgets, instead of from the taxes collected from cannabis sales.

This is unacceptable. Property tax payers should not subsidize cannabis use.

We will continue to advocate for our community and fight against the province's attempt to leave our residents with the bill when it comes to legalization costs. The federal government intended for this excise tax to be shared between the province and municipalities. Because of this agreement, the Alberta Urban Municipalities Association is exploring options including potentially asking the Federal Finance Minister withhold the province's cheque until the province comes up with a program that doesn't leave municipalities with a choice of unsafe communities or a hike in property tax.

We respectfully ask you to immediately call upon the Ministers of Municipal Affairs, Treasury Board and Finance, and Justice and Solicitor General to rescind this program and invite AUMA back to the table to discuss distribution of excise funding to all municipalities in a manner that respects the roles municipalities will play during legalization.

Yours truly,

Name  
Mayor, (municipality)

cc: Barry Morishita, President, Alberta Urban Municipalities Association

Sample letter to MLA – community under 5000

**Subject: (Municipal) Response to Municipal Cannabis Transition Program (MCTP)**

This week, the provincial government announced the Municipal Cannabis Transition Program (MCTP). This agreement outlines how taxes collected under the federal Cannabis Excise Tax will be distributed to municipalities – and this deal is bad news for our community.

As a municipality with a population under 5,000, our community will receive absolutely no support through the collected taxes from the provincial government. The funds that were intended to offset municipal costs for education and enforcement, including responding to complaints of consumption in prohibited areas, will instead go to line the pockets of the province. These costs will now have to be covered out of municipal budgets, instead of from the taxes collected from cannabis sales.

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This is unacceptable. Property tax payers should not subsidize cannabis use.

We will continue to advocate for our community and fight against the province's attempt to leave our residents with the bill when it comes to legalization costs. The federal government intended for this excise tax to be shared between the province and municipalities. Because of this agreement, the Alberta Urban Municipalities Association is exploring options including potentially asking the Federal Finance Minister withhold the province's cheque until the province comes up with a program that doesn't leave municipalities with a choice of unsafe communities or a hike in property tax.

We respectfully ask you to immediately call upon the Ministers of Municipal Affairs, Treasury Board and Finance, and Justice and Solicitor General to rescind this program and invite AUMA back to the table to discuss distribution of excise funding to all municipalities in a manner that respects the roles municipalities will play during legalization.

Yours truly,

Name  
Mayor, (municipality)

cc: Barry Morishita, President, Alberta Urban Municipalities Association



# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Regional GIS System

---

## Summary

Regional GIS System

## Overview

The County of Barrhead is proposing a Regional GIS System and is asking for Town support in applying for an ACP Grant to cover the initial costs to begin the process.

The initial setup of the system will be covered by grant funding should the County be successful in its application.

The provider of the GIS system is Munisight. Munisight currently provides the Town with GIS Managed Data Services. The grant that is being applied for would cover the following additional services:

- Regional GIS Study
- Integrated GIS System (Integrated)
- Planning and Development System Implementation
- Mobile Data Collector
- Asset Management System Implementation

Details on the above services are provided in the attached documentation.

The grant amount being applied for is \$26,001.00, which would cover the above mentioned services. In addition, there is a \$11,000.00 annual subscription fee that would be required from the Town. If the grant application is unsuccessful, the implementation of the project would need to be re-evaluated.

## Recommendations

### *Recommendation #1*

That Council direct Administration to apply for a grant opportunity from the Alberta Municipal Affairs Alberta Community Partnership (ACP) program for the Regional GIS project, and that the Town commit to conducting the following activities in its proposed project submitted to the ACP program to advance our Regional GIS program with the following three activities:

- Regional GIS Assessment Study
- Identify and analyze current spatial data
- Creation of a central database and an integrated GIS system to identify regional gaps

Respectfully Submitted by:

Martin Taylor, CMC, CLGM  
CAO



**Project Name:** County of Barrhead, Town of Barrhead, Woodlands County, and Town of Whitecourt Regional GIS Project

**Project Lead:** Tamara Molzahn, Director of Finance & Administration, County of Barrhead

**Alberta Community Partnership Grant Overview:**

-The 2018/19 ACP budget is \$18.5 million. The objective of the ACP is to improve the viability and long-term sustainability of municipalities by providing support for regional collaboration and capacity building initiatives.

-Key program outcomes include:

- new or enhanced regional municipal services;
- improved municipal capacity to respond to municipal and regional priorities; and
- effective intermunicipal relations through joint and collaborative activities.

**Project Overview:**

Under the Intermunicipal Collaboration component of the ACP grant we look to deliver a Regional GIS Assessment Study for the four neighboring municipalities to provide guidance, reflection and produce a roadmap to better coordinate the region's planning, emergency services, asset management and infrastructure maintenance objectives through the use of Geographic Information Systems (GIS). To do this, we look to identify the current stages the four municipalities are at in regards to their own systems and analyze their systems and data to bring all parties to a similar or the same state in order to better coordinate their operations.

In this project we will create a central database to identify regional gaps in planning emergency services, asset management, and infrastructure maintenance by analyzing current data within each municipal entity. A Regional GIS Assessment Study will be produced during this project to reflect on the progress during and the progress needed after the project to ensure successful regional cooperation in the activities listed.

**Project Overview:**

A: Regional GIS Assessment Study

- Provide a current status and progress and a roadmap to progress systems within each organization and as a region
- Identifying a best practice for the region in line with Canadian standards and within the current operations of each municipality
- Identify GIS gaps within each organization and within the region (emergency services, planning, asset management, infrastructure maintenance, and operations)

B: Identify and analyze current spatial data

- Identify the current GIS data for quality and accuracy
- Analyze infrastructure data (GIS) for gaps
- Setup processes to better manage operational tasks within the GIS that is standard for the region

C: Creation of a central database and an integrated GIS system to identify regional gaps

- Creation of a central database for the region that will be managed with role based security for each municipality

-Migrate all current data from the municipalities and identify gaps in the data

-Identify and update infrastructure data

**Added Benefits to each Municipality:**

Municipalities	Regional GIS Study	Integrated GIS system (Regional)	Planning and Development System Implementation	Mobile Data Collector	GIS Managed Data Services	Asset Management System Implementation
County of Barrhead	X	X	X	X	X	X
Town of Barrhead	X	X	X	X		X
Woodland County	X	X		X		X
Town of Whitecourt	X	X	X	X	X	X

**Added Benefits to the Town of Barrhead:**

**Regional GIS Study:**

- Analysis to see where the town is compared to similar municipalities
- Roadmap to improve inefficiencies and to get more out of GIS system
- Review current data and find gaps within the region and the town

**Integrated GIS System:**

- Provide data for the town and the county together for emergency services and dispatch when requested, gaps in data will be fixed once the data is integrated
- Town will have access to adjacent land parcels for planning and when working in partnership with the county for public works and planning activities
- Economic development opportunities will be in sync as data sets will be available across the regional on a user basis
- Disaster Management does not end at the towns border in the case of a flood or fire, emergency planners and crews would have access to all data within the municipality's in the event of a disaster

**Planning and Development System:**

- Audited planning and development activities by user and stored in the cloud
- Automated time saving functions that include activities like approval letters, adjacent landowner notices etc.
- Planning is integrated with the financial system to save time and remove information silos within the municipality

**Mobile Data Collector:**

- Town employees can do condition assessments, view and edit data in the field and can access key information from their iOS or Android devices

**Asset Management System Implementation:**

- Live integration with the GIS and tax system to calculate replacement costs, level of services gaps, inspections and asset information.
- Connects live with the Mobile app so town staff does not need to upload and import information
- Calculates the data quality of assets within the GIS to show gaps in information and allows town to be more proactive rather than reactive with their assets in order to be more cost effective.



MuniSight Ltd.  
171 Pembina Rd.  
Sherwood Park, AB T8H 2W8

Quote Ref#: 180003  
Date: October 5, 2018  
Quote valid for 30 days

## ORDER FORM

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### Client Information

Clients: Town of Barrhead Address: Box 4189 5014-50 Avenue  
Contact Name: Cheryl Callihoo Barrhead, AB, T7N 1A2  
Email Address: ccallihoo@barrhead.ca

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### Terms and Conditions

Subscription Start Date: Feb. 1, 2019 Payment Method: Cheque  
Subscription End Date: Dec. 31, 2020 Auto-Renewal: Yes

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### Products and Services

<u>Software</u>	<u>Initial Set-up Fee</u>	<u>Subscription Fee</u>
MuniSight AMP – hosted*	14,000	7,000
MuniSight: PD – hosted*	12,000	4,000
MuniSight Mobile Data Collector*	0	0
<u>Services</u>		
Grant Writing Services	1	0
<b>SUBTOTAL</b>	<b>\$ 26,001</b>	<b>\$ 11,000</b>

#### Notes

Initial Set-up Fee(s), are charged as a one-time fee upon acceptance of this Order Form and are not recurring fees, and includes up to 30 hours of onboarding support services.

Subscription Fee(s), are invoiced each year on the annual anniversary of this Agreement.

Fees do not include applicable Taxes.

Fees associated with Grant Writing Services are payable upon acceptance of this Order Form. Items highlighted by an asterix (\*) are only payable in the case that the Grant has been successful awarded to the Municipality, and are payable within 15 days of the Grant being awarded.

Includes Regional Access

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### Acceptance

Client acknowledges and agrees that this Order Form shall become legally binding and Client shall be bound by the terms and conditions of the MuniSight Terms and Conditions.

Effective

Date: \_\_\_\_\_

**Town of Barrhead**

**MuniSight Ltd.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Summary Financial Statement to September 30, 2018

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## Summary

The Summary Financial Statement for the period ended September 30, 2018 is presented.

## Overview

The Summary Financial Statement provides summarized details in two formats. In the operating section pages 1 to 4 provides detail, by department (Administration, Roads, Arena, etc.), with total operating revenues followed by total operating expenses.

Pages 5 and 6 of the operating report provide the same information but it is summarized by the various categories (taxes, grants, salaries, equipment maintenance, insurance, utilities).

Upon a review of the report, at September 30, most of the revenues are close to 75% and a large number of expenses are below the 75% mark. With the revenues, some grants have not been received or will be transferred from the deferred revenues at the end of the year (for the grants that were received last year but will be expensed in 2018). Transfers to and from reserves are done at the end of the year once the overall revenues and expenses and various project costs have been determined.

For the expenses some of the September costs were paid in October (i.e. utilities) so the costs are at just over 70% and expenses for insurance are paid at the beginning of the year so it reads just over 85% at this time.

The Summary Balance Sheet and Summary Capital Revenues and Expenditures are also included for Council's information. The Capital Report is summarized similar to the Operating Report, with pages 1 to 3 providing details by department and page 4 providing details by category.

Overall the September 30, 2018 Financial Statement indicates that all departments are doing well with the various budget items.

## Recommendations

That Council approve the Summary Financial Statement for the period ended September 30, 2018.

Respectfully submitted by:

Martin Taylor, CMC, CLGM

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - OPERATING**

**From Jan. 1, 2018 to Sep. 30, 2018**

	YTD	Budget	YTD Variance Left	YTD Variance Used (%)
OPERATING REVENUES				
TAXES	( 6,659,398.02)	( 6,670,210.00)	( 10,811.98)	99.84
OTHER	( 677,095.49)	( 755,000.00)	( 77,904.51)	89.68
COUNCIL	( 1,028.70)	( 1,200.00)	( 171.30)	85.73
ADMINISTRATION	( 53,548.58)	( 79,506.00)	( 25,957.42)	67.35
RCMP	( 90,619.91)	( 151,839.00)	( 61,219.09)	59.68
FIRE	( 622,397.84)	( 845,434.00)	( 223,036.16)	73.62
EMERGENCY RESPONSE CENTRE	( 18,384.00)	( 24,512.00)	( 6,128.00)	75.00
TOWN FIRE	( 1,672.45)	( 3,000.00)	( 1,327.55)	55.75
DISASTER SERVICES	0.00	( 50.00)	( 50.00)	0.00
BYLAW	( 18,165.54)	( 39,900.00)	( 21,734.46)	45.53
COMMON SERVICES	( 23,515.53)	( 47,200.00)	( 23,684.47)	49.82
ROADS	( 74,947.00)	( 125,947.00)	( 51,000.00)	59.51
WATER	( 1,783,307.26)	( 2,444,580.00)	( 661,272.74)	72.95
SEWER	( 399,716.99)	( 557,100.00)	( 157,383.01)	71.75
TRADE WASTE	( 272,685.86)	( 304,538.00)	( 31,852.14)	89.54
LANDFILL	( 253,010.15)	( 219,900.00)	33,110.15	115.06
RECYCLE	( 13,558.85)	( 193,262.00)	( 179,703.15)	7.02
NEW LANDFILL	0.00	( 4,000.00)	( 4,000.00)	0.00
FAMILY & COMMUNITY SUPPORT SERVICES	( 278,259.00)	( 365,423.00)	( 87,164.00)	76.15
CEMETERY	( 5,600.00)	( 5,600.00)	0.00	100.00
DEVELOPMENT	( 4,360.00)	( 9,300.00)	( 4,940.00)	46.88
PLANNING	( 800.00)	( 1,450.00)	( 650.00)	55.17
COMMUNITY DEVELOPMENT	0.00	( 13,135.00)	( 13,135.00)	0.00
SUBDIVISION	( 113,178.69)	( 180,000.00)	( 66,821.31)	62.88
RECREATION ADMINISTRATION	( 35,412.05)	( 64,800.00)	( 29,387.95)	54.65

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - OPERATING**

**From Jan. 1, 2018 to Sep. 30, 2018**

	YTD	Budget	YTD Variance Left	YTD Variance Used (%)
ARENA	( 291,274.93)	( 368,961.00)	( 77,686.07)	78.94
POOL	( 429,034.37)	( 554,600.00)	( 125,565.63)	77.36
PARKS	( 81,057.00)	( 106,147.00)	( 25,090.00)	76.36
SPORTSGROUND	0.00	0.00	0.00	N/A
ROTARY PARK	( 18,700.10)	( 23,000.00)	( 4,299.90)	81.30
BOWLING ALLEY	( 3,791.27)	( 3,800.00)	( 8.73)	99.77
CURLING RINK	( 12,679.00)	( 12,879.00)	( 200.00)	98.45
WALKING TRAIL	0.00	( 20,000.00)	( 20,000.00)	0.00
TOURISM	0.00	( 150.00)	( 150.00)	0.00
TWINNING	0.00	( 4,805.00)	( 4,805.00)	0.00
GENERAL	0.00	0.00	0.00	N/A
TOTAL REVENUES	( 12,237,198.58)	( 14,201,228.00)	( 1,964,029.42)	86.17
OPERATING EXPENDITURES				
MAYOR	28,498.72	39,972.00	11,473.28	71.30
COUNCIL	110,889.25	157,107.00	46,217.75	70.58
ADMINISTRATION	669,577.96	1,009,999.00	340,421.04	66.29
COMPUTER	56,643.14	89,000.00	32,356.86	63.64
RCMP	66,470.56	282,325.00	215,854.44	23.54
FIRE	604,183.91	955,434.00	351,250.09	63.24
EMERGENCY RESPONSE CENTRE	29,819.62	49,024.00	19,204.38	60.83
TOWN FIRE	242,506.66	362,510.00	120,003.34	66.90
DISASTER SERVICES	106.95	250.00	143.05	42.78
BYLAW	88,403.81	198,916.00	110,512.19	44.44
COMMON SERVICES	263,507.77	816,113.00	552,605.23	32.29
ROADS	832,942.53	2,067,171.00	1,234,228.47	40.29



**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - OPERATING**

**From Jan. 1, 2018 to Sep. 30, 2018**

	YTD	Budget	YTD Variance Left	YTD Variance Used (%)
AIRPORT	9,183.00	23,766.00	14,583.00	38.64
STORM SEWER	19,586.49	157,776.00	138,189.51	12.41
WATER	1,032,029.75	2,139,227.00	1,107,197.25	48.24
WATER (BRWC)	456,703.01	610,853.00	154,149.99	74.76
SEWER	179,871.21	859,100.00	679,228.79	20.94
TRADE WASTE	214,454.14	319,538.00	105,083.86	67.11
LANDFILL	144,133.43	248,400.00	104,266.57	58.02
RECYCLE	159,508.64	225,270.00	65,761.36	70.81
NEW LANDFILL	0.00	34,425.00	34,425.00	0.00
FAMILY & COMMUNITY SUPPORT SERVICES	326,567.25	430,423.00	103,855.75	75.87
CEMETERY	18,385.99	20,894.00	2,508.01	88.00
DEVELOPMENT	86,502.67	139,917.00	53,414.33	61.82
PLANNING	600.00	1,250.00	650.00	48.00
COMMUNITY DEVELOPMENT	104,435.58	158,445.00	54,009.42	65.91
SUBDIVISION	310.00	0.00	( 310.00)	N/A
RECREATION ADMINISTRATION	236,601.76	328,369.00	91,767.24	72.05
ARENA	412,311.07	800,899.00	388,587.93	51.48
POOL	1,027,426.11	1,569,836.00	542,409.89	65.45
PARKS	200,088.62	413,644.00	213,555.38	48.37
SPORTSGROUND	44,217.94	100,684.00	56,466.06	43.92
ROTARY PARK	7,760.77	43,200.00	35,439.23	17.96
BOWLING ALLEY	5,841.27	41,300.00	35,458.73	14.14
CURLING RINK	23,259.60	47,672.00	24,412.40	48.79
WALKING TRAIL	27,961.23	59,677.00	31,715.77	46.85
MUSEUM	313.40	3,700.00	3,386.60	8.47
TOURISM	24,515.28	102,286.00	77,770.72	23.97

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - OPERATING**

**From Jan. 1, 2018 to Sep. 30, 2018**

	<b>YTD</b>	<b>Budget</b>	<b>YTD Variance Left</b>	<b>YTD Variance Used (%)</b>
TWINNING	3,502.61	9,610.00	6,107.39	36.45
LIBRARY	79,926.71	105,756.00	25,829.29	75.58
REQUISITION	1,131,467.18	1,489,411.00	357,943.82	75.97
GENERAL	3,251.73	167,752.00	164,500.27	1.94
TOTAL EXPENDITURES	8,974,267.32	16,680,901.00	7,706,633.68	53.80
LESS TANGIBLE CAPITAL ASSETS	0.00	2,497,100.00	2,497,100.00	0.00
NET OPERATING EXPENDITURES	8,974,267.32	14,183,801.00	5,209,533.68	63.27
 CURRENT YEAR (SURPLUS) DEFICIT	 ( 3,262,931.26)	 ( 17,427.00)	 3,245,504.26	 18,723.42

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - OPERATING**

**From Jan. 1, 2018 to Sep. 30, 2018**

	YTD	Budget	YTD Variance Left	YTD Variance Used (%)
OPERATING REVENUES BY CATEGORY				
TOTAL TAXES	( 6,659,398.02)	( 6,670,210.00)	( 10,811.98)	99.84
SALES OF GOODS & SERVICES, FEES, COMMISS.	( 2,964,216.43)	( 4,182,853.00)	( 1,218,636.57)	70.87
FRANCHISE FEES, RENTALS, LICENSES, PERMITS	( 1,183,583.85)	( 1,408,826.00)	( 225,242.15)	84.01
LOCAL GOV'T - TOWN, COUNTY, WOODLANDS	( 1,039,347.28)	( 1,345,587.00)	( 306,239.72)	77.24
REVENUE FROM CAPITAL RESERVES	0.00	0.00	0.00	N/A
PROVINCIAL GRANTS	( 390,653.00)	( 482,117.00)	( 91,464.00)	81.03
FEDERAL GRANTS	0.00	( 10,800.00)	( 10,800.00)	0.00
REVENUE FROM OPERATING RESERVES	0.00	( 100,835.00)	( 100,835.00)	0.00
UNDERLEVIES	0.00	0.00	0.00	N/A
NET GAIN/LOSS DISPOSALS	0.00	0.00	0.00	N/A
TOTAL REVENUES	( 12,237,198.58)	( 14,201,228.00)	( 1,964,029.42)	86.17
OPERATING EXPENDITURES BY CATEGORY				
SALARIES	2,539,963.93	3,482,485.00	942,521.07	72.94
EMPLOYER SHARE CPP, EI, BENEFITS, LAPP, WCB	561,107.73	795,124.00	234,016.27	70.57
TRAINING & DEVELOPMENT	64,364.52	106,855.00	42,490.48	60.24
COUNCIL FEES & PER DIEMS	112,624.00	147,920.00	35,296.00	76.14
FIRE FEES & GUARDIANS	88,420.53	166,000.00	77,579.47	53.27
TRAVEL & SUB, POSTAGE, PHONE, ADVERTISING	200,150.23	328,355.00	128,204.77	60.96
LEGAL, ENGINEERING, WATER COMM, ASSESSOR, AUDIT	980,573.37	1,431,906.00	451,332.63	68.48
BUILDING MAINT, GENERAL MAINT, BEAUTIFICATION	431,307.68	662,380.00	231,072.32	65.11
EQUIPMENT MAINTENANCE	154,838.33	257,900.00	103,061.67	60.04
VEHICLE MAINTENANCE	99,901.29	133,850.00	33,948.71	74.64
COMPUTER SUPPORT, CUSTODIAL, CONTRACTED SERV.	119,907.92	165,758.00	45,850.08	72.34
INSURANCE	219,224.46	249,650.00	30,425.54	87.81

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - OPERATING**

**From Jan. 1, 2018 to Sep. 30, 2018**

	<b>YTD</b>	<b>Budget</b>	<b>YTD Variance Left</b>	<b>YTD Variance Used (%)</b>
ENHANCED POLICE, LAND TITLES	39,367.00	158,375.00	119,008.00	24.86
MATERIALS & SUPPLIES, FUEL, GRAVEL, ASPHALT	512,791.65	826,260.00	313,468.35	62.06
CHEMICALS	133,595.55	165,200.00	31,604.45	80.87
UTILITIES	626,267.22	855,615.00	229,347.78	73.19
COMPUTER PURCH. PROG., RENTALS	1,971.99	7,000.00	5,028.01	28.17
LANDFILL CLOSURE/POST CLOSURE	0.00	30,425.00	30,425.00	0.00
CONTRIB. TO REGIONAL FIRE, AIRPORT, FCSS, LIBRARY	658,183.62	887,055.00	228,871.38	74.20
CONTRIB. TO CAPITAL	0.00	1,488,206.00	1,488,206.00	0.00
GRANTS TO ORGANIZATIONS	2,950.00	26,700.00	23,750.00	11.05
DEBENTURE PAYMENTS, BANK CHARGES	292,037.39	292,569.00	531.61	99.82
WRITEOFFS	0.00	4,500.00	4,500.00	0.00
REQUISITIONS	1,131,467.18	1,489,411.00	357,943.82	75.97
UNDERLEVIES PREVIOUS YEAR	3,251.73	3,252.00	0.27	99.99
ADD TO OPERATING RESERVE	0.00	21,050.00	21,050.00	0.00
TANGIBLE CAPITAL ASSETS	0.00	2,497,100.00	2,497,100.00	0.00
TOTAL EXPENDITURES	8,974,267.32	16,680,901.00	7,706,633.68	53.80
LESS TANGIBLE CAPITAL ASSETS	0.00	2,497,100.00	2,497,100.00	0.00
NET OPERATING EXPENDITURES	8,974,267.32	14,183,801.00	5,209,533.68	63.27
 CURRENT YEAR (SURPLUS) DEFICIT	 ( 3,262,931.26)	 ( 17,427.00)	 3,245,504.26	 18,723.42

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - BALANCE SHEET**

**From Jan. 1, 2018 to Sep. 30, 2018**

	<u>YTD</u>
BALANCE SHEET - ASSETS	
CASH	
3-01-01-111-00 Cash - On Hand (Floats)	700.00
3-01-01-112-00 Cash - On Hand (Petty Cash)	600.00
3-01-01-121-00 Cash - Alberta Treasury Branch General	2,126,613.36
3-01-01-122-00 Cash - Alberta Treasury Branch Savings	0.00
Total for CASH	2,127,913.36
RECEIVABLES	
3-02-01-211-00 A/R - Taxes Receivable Arrears	45,617.61
3-02-01-212-00 A/R - Taxes Receivable Current	580,756.47
3-02-01-260-00 A/R - GST 57.14% Rebate Control	0.00
3-02-01-261-00 A/R - GST Claims Receivable	188,869.33
3-02-01-262-00 A/R - GST 100% Input Tax Credit	0.00
3-02-01-263-00 A/R - GST 76.43% Input Tax Credit	0.00
3-02-01-264-00 A/R - GST 42.86% Rebate	0.00
3-02-01-265-00 A/R - GST 23.57% Input Rebate	0.00
Total for RECEIVABLES	815,243.41
ADMINISTRATION TCA/ACCUM. AMORT.	593,189.10
RCMP TCA/ACCUM. AMORT.	366,465.14
FIRE TCA/ACCUM. AMORT.	2,020,440.93
BYLAW TCA/ACCUM. AMORT.	29,474.41
COMMON SERVICES TCA/ACCUM. AMORT.	3,379,223.62
ROADS TCA/ACCUM. AMORT.	16,946,389.87
AIRPORT TCA/ACCUM. AMORT.	108,977.61
STORM SEWER TCA/ACCUM. AMORT.	1,532,502.23
WATER	

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - BALANCE SHEET**

**From Jan. 1, 2018 to Sep. 30, 2018**

	<u>YTD</u>
3-41-01-274-00 Water - Accounts Receivable (Bill)	39,239.97
3-41-01-274-01 Water - Receivables (Finalled)	0.00
Total for WATER	39,239.97
WATER TCA/ACCUM. AMORT.	6,948,343.02
SEWER TCA/ACCUM. AMORT.	5,911,293.37
TRADE WASTE TCA/ACCUM. AMORT.	197,267.00
LANDFILL TCA/ACCUM. AMORT.	781,108.79
RECYCLE TCA/ACCUM. AMORT.	203,675.00
CEMETERY TCA/ACCUM. AMORT.	44,920.00
SUBDIVISION TCA/ACCUM. AMORT.	2,435,781.72
RECREATION TCA/ACCUM. AMORT.	20,340,060.06
SPORTSGROUND TCA/ACCUM. AMORT.	247,261.11
ROTARY PARK TCA/ACCUM. AMORT.	14,589.40
BOWLING TCA/ACCUM. AMORT.	131,442.00
CURLING RINK TCA/ACCUM. AMORT.	165,081.20
WALKING TRAIL TCA/ACCUM. AMORT.	177,034.39
MUSEUM TCA/ACCUM. AMORT.	38,251.00
GAS	31,709.96
CONTINGENCY	0.00
GENERAL	
3-98-01-271-00 A/R - Trade	283,888.94
3-98-01-271-01 A/R - A/R Trade Not Invoiced	0.00
3-98-01-272-00 NSF/Postdated Clearing	0.00
3-98-01-273-00 A/R - Business License 2018	2,070.00
3-98-01-276-00 A/R - Parks & Rec	11,663.18
3-98-01-280-00 A/R - Accrued Receivables	0.00

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - BALANCE SHEET**

**From Jan. 1, 2018 to Sep. 30, 2018**

	<u>YTD</u>
3-98-01-320-00 Term Deposits	6,488,572.14
3-98-01-345-00 Alberta Municipal Financing Corporation	30.00
3-98-01-412-00 Prepaid Insurance	0.00
3-98-01-415-00 Prepaid Expense	915.00
Total for GENERAL	6,787,139.26
<b>TOTAL ASSETS</b>	<b>72,414,016.93</b>
 <b>LIABILITIES - BALANCE SHEET</b>	
CLEARING ACCOUNTS	25,366.58
PREPAID TAXES	0.00
ACCOUNTS PAYABLE - GST	0.00
ADMINISTRATION RESERVES OR DEFERRED REVENUE	( 56,299.86)
EQUITY	( 57,721,524.62)
SURPLUS	( 322,442.49)
RCMP RESERVES OR DEFERRED REVENUE	0.00
FIRE RESERVES OR DEFERRED REVENUE	( 100,962.06)
BYLAW RESERVES OR DEFERRED REVENUE	( 1,909.20)
COMMON SERVICES RESERVES OR DEFERRED REVENUE	( 641,897.74)
ROADS RESERVES OR DEFERRED REVENUE	( 440,735.16)
AIRPORT RESERVES OR DEFERRED REVENUE	( 12,540.39)
STORM SEWER RESERVES OR DEFERRED REVENUE	( 41,000.00)
WATER RESERVES OR DEFERRED REVENUE	( 1,114,451.04)
SEWER RESERVES OR DEFERRED REVENUE	( 1,737,568.78)
TRADE WASTE RESERVES OR DEFERRED REVENUE	( 254,710.10)
LANDFILL RESERVES OR DEFERRED REVENUE	( 282,822.15)
RECYCLE RESERVES OR DEFERRED REVENUE	( 27,901.58)

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - BALANCE SHEET**

**From Jan. 1, 2018 to Sep. 30, 2018**

	<u>YTD</u>
CEMETERY RESERVES OR DEFERRED REVENUE	( 34,485.13)
DEVELOPMENT RESERVES OR DEFERRED REVENUE	( 4,000.00)
COMMUNITY DEVELOPMENT RESERVES OR DEFERRED REVENUE	( 8,834.72)
SUBDIVISION RESERVES OR DEFERRED REVENUE	( 134,358.10)
FAMILY CARE CENTRE RESERVES OR DEFERRED REVENUE	( 61,894.08)
RECREATION RESERVES OR DEFERRED REVENUE	( 772,183.78)
ROTARY PARK RESERVES OR DEFERRED REVENUE	( 4,000.00)
BOWLING ALLEY RESERVES OR DEFERRED REVENUE	( 5,000.00)
CURLING RESERVES OR DEFERRED REVENUE	( 90,079.00)
WALKING TRAIL RESERVES OR DEFERRED REVENUE	( 46,765.14)
TOURISM RESERVES OR DEFERRED REVENUE	( 16,000.00)
CONTINGENCY	( 356,978.07)
GENERAL	( 144,071.92)
AQUATIC CENTRE DEBENTURE PAYABLE	( 4,797,461.78)
TOTAL - LIABILITIES	( 69,207,510.31)



**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - CAPITAL**

**From Jan. 1, 2018 to Sep. 30, 2018**

	YTD	Budget	YTD Variance Left	YTD Variance Used (%)
CAPITAL REVENUES				
ADMINISTRATION CAPITAL	( 41,835.04)	( 100,000.00)	( 58,164.96)	41.84
RCMP CAPITAL	0.00	( 130,000.00)	( 130,000.00)	0.00
FIRE CAPITAL	0.00	( 66,800.00)	( 66,800.00)	0.00
EMERGENCY RESPONSE CENTRE CAPITAL	0.00	( 10,000.00)	( 10,000.00)	0.00
BYLAW ENFORCEMENT	0.00	( 68,000.00)	( 68,000.00)	0.00
COMMON SERVICES CAPITAL	0.00	( 364,619.00)	( 364,619.00)	0.00
ROADS CAPITAL	( 1,820,000.00)	( 1,900,355.00)	( 80,355.00)	95.77
AIRPORT CAPITAL	0.00	( 12,500.00)	( 12,500.00)	0.00
STORM SEWER CAPITAL	0.00	( 354,600.00)	( 354,600.00)	0.00
WATER CAPITAL	0.00	( 1,316,161.00)	( 1,316,161.00)	0.00
SEWER CAPITAL	( 492,274.00)	( 2,638,946.00)	( 2,146,672.00)	18.65
TRADE WASTE CAPITAL	( 400,000.00)	( 642,618.00)	( 242,618.00)	62.25
LANDFILL CAPITAL	0.00	( 22,200.00)	( 22,200.00)	0.00
RECYCLE CAPITAL	0.00	0.00	0.00	N/A
NEW LANDFILL CAPITAL	0.00	( 4,000.00)	( 4,000.00)	0.00
DEVELOPMENT CAPITAL	0.00	0.00	0.00	N/A
SUBDIVISION CAPITAL	0.00	0.00	0.00	N/A
RECREATION ADMINISTRATION CAPITAL	0.00	0.00	0.00	N/A
ARENA CAPITAL	0.00	( 306,250.00)	( 306,250.00)	0.00
POOL CAPITAL	( 72,410.80)	( 140,411.00)	( 68,000.20)	51.57
PARKS CAPITAL	0.00	( 19,700.00)	( 19,700.00)	0.00
SPORTSGROUND CAPITAL	0.00	( 21,800.00)	( 21,800.00)	0.00
ROTARY PARK CAPITAL	0.00	( 29,200.00)	( 29,200.00)	0.00
BOWLING ALLEY CAPITAL	0.00	( 25,000.00)	( 25,000.00)	0.00
CURLING RINK CAPITAL	( 10,710.00)	( 77,710.00)	( 67,000.00)	13.78

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - CAPITAL**

**From Jan. 1, 2018 to Sep. 30, 2018**

	YTD	Budget	YTD Variance Left	YTD Variance Used (%)
WALKING TRAIL CAPITAL	0.00	0.00	0.00	N/A
OFFSITE CAPITAL	( 3,125.00)	( 13,141.00)	( 10,016.00)	23.78
CONTINGENCY CAPITAL	0.00	( 187,500.00)	( 187,500.00)	0.00
TOTAL CAPITAL REVENUE	( 2,840,354.84)	( 8,451,511.00)	( 5,611,156.16)	33.61
 CAPITAL EXPENDITURES				
ADMINISTRATION CAPITAL	11,395.27	100,000.00	88,604.73	11.40
RCMP CAPITAL	0.00	130,000.00	130,000.00	0.00
FIRE CAPITAL	20,567.68	66,800.00	46,232.32	30.79
EMERGENCY RESPONSE CENTRE CAPITAL	0.00	10,000.00	10,000.00	0.00
BYLAW ENFORCEMENT	59,228.70	68,000.00	8,771.30	87.10
COMMON SERVICES CAPITAL	192,312.55	364,619.00	172,306.45	52.74
ROADS CAPITAL	924,333.39	1,900,355.00	976,021.61	48.64
AIRPORT CAPITAL	0.00	12,500.00	12,500.00	0.00
STORM SEWER CAPITAL	337,582.98	354,600.00	17,017.02	95.20
WATER CAPITAL	228,730.03	1,316,161.00	1,087,430.97	17.38
SEWER CAPITAL	177,325.50	2,638,946.00	2,461,620.50	6.72
TRADE WASTE CAPITAL	557,331.35	642,618.00	85,286.65	86.73
LANDFILL CAPITAL	7,200.00	22,200.00	15,000.00	32.43
RECYCLE CAPITAL	0.00	0.00	0.00	N/A
NEW LANDFILL CAPITAL	0.00	4,000.00	4,000.00	0.00
DEVELOPMENT CAPITAL	0.00	0.00	0.00	N/A
SUBDIVISION CAPITAL	0.00	0.00	0.00	N/A
RECREATION ADMINISTRATION CAPITAL	0.00	0.00	0.00	N/A
ARENA CAPITAL	246,943.35	306,250.00	59,306.65	80.63
POOL CAPITAL	69,913.38	140,411.00	70,497.62	49.79

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - CAPITAL**

**From Jan. 1, 2018 to Sep. 30, 2018**

	<b>YTD</b>	<b>Budget</b>	<b>YTD Variance Left</b>	<b>YTD Variance Used (%)</b>
PARKS CAPITAL	9,811.00	19,700.00	9,889.00	49.80
SPORTSGROUND CAPITAL	0.00	21,800.00	21,800.00	0.00
ROTARY PARK CAPITAL	29,644.40	29,200.00	( 444.40)	101.52
BOWLING ALLEY CAPITAL	0.00	25,000.00	25,000.00	0.00
CURLING RINK CAPITAL	24,459.90	77,710.00	53,250.10	31.48
WALKING TRAIL CAPITAL	0.00	0.00	0.00	N/A
OFFSITE CAPITAL	0.00	13,141.00	13,141.00	0.00
CONTINGENCY CAPITAL	0.00	187,500.00	187,500.00	0.00
TOTAL CAPITAL EXPENDITURES	2,896,779.48	8,451,511.00	5,554,731.52	34.28

**2018 Town of Barrhead**

**SUMMARY FINANCIAL STATEMENT - CAPITAL**

**From Jan. 1, 2018 to Sep. 30, 2018**

	YTD	Budget	YTD Variance Left	YTD Variance Used (%)
CAPITAL REVENUE BY CATEGORY				
DEBENTURE FUNDS	0.00	0.00	0.00	N/A
RETURN ON INVEST/REV. FR. OWN SOURCE	( 25,710.00)	( 324,206.00)	( 298,496.00)	7.93
SALE OF FIXED ASSET	0.00	0.00	0.00	N/A
FEDERAL GRANTS	( 492,274.00)	( 720,119.00)	( 227,845.00)	68.36
PROVINCIAL GRANTS	( 2,319,245.84)	( 2,994,099.00)	( 674,853.16)	77.46
COUNTY/OTHER MUNICIPAL CONTRIBUTIONS	0.00	( 34,500.00)	( 34,500.00)	0.00
FROM CAPITAL RESERVES	0.00	( 2,494,781.00)	( 2,494,781.00)	0.00
FROM OPERATING FUNCTION	0.00	( 1,488,206.00)	( 1,488,206.00)	0.00
FROM OTHER CAPITAL FUNCTION	0.00	( 385,600.00)	( 385,600.00)	0.00
DEVELOPERS LEVY PAYMENTS	( 3,125.00)	( 10,000.00)	( 6,875.00)	31.25
TOTAL CAPITAL REVENUE	( 2,840,354.84)	( 8,451,511.00)	( 5,611,156.16)	33.61
CAPITAL EXPENDITURES BY CATEGORY				
ENGINEERING STRUCTURES	1,679,171.90	5,106,838.00	3,427,666.10	32.88
BUILDING ADDITIONS	80,250.30	250,200.00	169,949.70	32.07
EQUIPMENT ADDITIONS	486,424.68	881,961.00	395,536.32	55.15
LAND ADDITIONS	0.00	0.00	0.00	N/A
LAND IMPROVEMENT ADDITIONS	5,400.00	5,200.00	( 200.00)	103.85
VEHICLE ADDITIONS	645,532.60	661,000.00	15,467.40	97.66
CONTRIBUTIONS TO OPERATING FUNCTION	0.00	0.00	0.00	N/A
TO OTHER CAPITAL FUNCTIONS	0.00	385,600.00	385,600.00	0.00
ADD TO CAPITAL RESERVES	0.00	1,160,712.00	1,160,712.00	0.00
TO OTHER ORGANIZATIONS	0.00	0.00	0.00	N/A
PROCEEDS TO GAIN/LOSS DISPOSAL	0.00	0.00	0.00	N/A
TOTAL CAPITAL EXPENDITURES	2,896,779.48	8,451,511.00	5,554,731.52	34.28



# REQUEST FOR DECISION

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Municipal Financial System Upgrade

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## Summary

Municipal Financial System Upgrade 2018 & 2019 Budget request

## Overview

The Town's municipal financial system has been in use for 20+ years. At the end of the year we will no longer be provided support for this system. The County of Barrhead also uses the same financial system.

The Town and County staff worked together to conduct a review of various software programs that could be used for municipal government operations.

Attached is a report of the review processes undertaken, recommendation to proceed with Diamond Municipal Solutions and the costs associated with the provision and implementation of the new financial system.

## Recommendations

### *Recommendation #1*

That Council authorize Administration to enter into an agreement with Diamond Municipal Solutions for the provision and implementation of the New Municipal Financial System, with costs of \$ 51,968.00 being paid within the 2018 Capital Budget and the remaining \$ 130,410.00 to be funded within the 2019 Capital Budget.

Respectfully Submitted by:

Martin Taylor, CMC, CLGM  
CAO



## 2018 & 2019 New Municipal Financial System

### Description of Initiative (Purpose, Benefits and Approach):

- WinFin has been the Town of Barrhead's accounting software for 20+ years. This software will no longer be supported and the Town runs the risk of data loss and data integrity issues. Formal support ends December 31, 2018. The parent company will continue to assist / answer productivity questions, but if a solution requires program upgrades they will not be made. There will be no payroll updates provided for 2019.
- Given that municipalities have specific needs, software that is tailored to municipalities is crucial. Solutions could be on premise or cloud based also known as hosted subscriptions.
- The Town & County staff worked jointly on exploring solutions; through software demos by software representatives, web research and informal interviews with other municipalities.
- Based on the Town & County research – Diamond Municipal Solutions will be able to provide all the required services with their vast municipal financial software experience.
- Diamond provides services to Towns (39), Counties (42), Cities (6)
- Within our research the On Premise version of the system is less expensive than costs of the hosted subscription system by approx. \$ 20,000.00 per year.
- Based on the above research, Administration recommends **Diamond Municipal Solutions**, using the On Premise version of software.

### Project Scope (what is included and what is not):

- **Included:** General Ledger, Property Taxes, Utilities, Cash Receipting, Accounts Receivable, Business Licensing, Accounts Payable, Payroll, Financial Reporting, Budgeting, Fixed Assets.
- **Optional modules:** Virtual City Hall, Purchase Orders, Project Costing, Human Resources, Employee/Manger Payroll and Self Service. It is recommended that the Virtual City Hall be implemented in 2020 after the new financial system has been underway for a period of time. The other optional items may be looked at in the future but not at this time.
- **Cost includes:** purchase of software, conversion of existing financial data, annual maintenance and support, and training at agreed hourly rates. Some of the training sessions will be held jointly with the County.
- **Implementation:** Data conversion to commence towards end of 2018, financial system to be available spring/early summer of 2019.

### Project Budget:

- **2018 Allocation** - \$ 51,968 included in present 2018 budget
- **2019 Allocation** - \$ 195,000 to be included in 2019 budget



**Budget Estimates: Required CAPITAL**

Description	2018	2019	2020	Total Estimated Capital Cost
Initial Software & Annual Fees – <b>Diamond</b>	\$51,968	\$130,410		\$182,378
Project - IT Maintenance re new financial system		\$ 14,000		\$ 14,000
Planned server upgrade, labour, internet upgrade		\$ 22,000	\$38,000	\$ 60,000
Additional Diamond related – hardware, licensing, associated labour		\$ 28,000		\$ 28,000
<b>TOTALS</b>	<b>\$51,968</b>	<b>\$194,410</b>	<b>\$38,000</b>	<b>\$284,378</b>

**Budget Estimates: Optional CAPITAL**

Description	2018	2019	2020	Total Estimated Capital (Opt) Cost
Optional - * Virtual City Hall * (implement in 2020)	\$0	\$0	\$24,970	\$24,970
Optional – Purchase Orders (non considering)				
Optional – Project & Asset Costing (not considering)				
Optional – Human Resources * (not considering)				
Optional – Employee/Manager Payroll (not considering)				
<b>TOTALS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,970</b>	<b>\$24,970</b>

**Budget Estimates: OPERATIONAL**

Description	2019	2020	2021	2022	2023
Annual License Fee – required software	included	\$11,709	\$12,060	\$12,422	\$12,975
Annual License Fee – optional software (for *Virtual City Hall* – in 2020)	\$0	\$ 3,500	\$ 3,605	\$ 3,713	\$ 3,824
<b>TOTALS</b>	<b>\$0</b>	<b>\$15,209</b>	<b>\$15,665</b>	<b>\$16,135</b>	<b>\$16,799</b>

Note – annual licensing support for WinFin was \$7,610 in 2018

**TOWN OF BARRHEAD, AB**  
**September 19, 2018**

**Summary of Software & Professional Services**

	Software	Annual Maintenance and Support	Services (Discounted)
<b>Mandatory Core Modules</b>			
Foundation Layer & System Manager including: - Seven (7) Concurrent Users (Five full access, Two limited access) - Systemwide adhoc reporting tools (Smartlist, Report Writer, etc.)	See Below	See Below	\$5,320
SmartList Builder	See Below	See Below	\$950
General Ledger (with Bank Reconciliation and Budgets)	Included	Included	\$11,210
Advanced Multi Year Budgeting (Powered by Questica) - 5 users Operating Budgets - 5 users Capital Budgets - 5 users Salary budgets and modeling - 15 additional loaner users for one year	See Below	See Below	\$22,800
Management Reporter Financial Reporting (unlimited users)	Included	Included	\$3,610
Fixed Assets	Included	Included	\$6,270
Payroll Management (unlimited employees)	Included	Included	\$19,760
Payables Management with EFT and Pcards	Included	Included	\$8,550
Sundry Receivables Management & Invoicing	Included	Included	\$3,990
Property Taxes	Included	Included	\$17,100
Utility Billing	Included	Included	\$15,010
Business Licensing	Included	Included	\$3,230
Pet Licensing	Included	Included	\$1,710
Cash Receipts and Cash Management - Includes PAP and electronic import	Included	Included	\$2,660
Electronic Billing (eSend, unlimited Transactions)	Included	Included	\$1,710
<b>Mandatory Core Modules Project Total</b>	<b>See Below</b>	<b>See Below</b>	<b>\$123,880</b>

	Perpetual (Discounted) Available to Dec 21/18
<b>Pricing Options</b>	
One Time Initial License Fee	\$40,600
Annual Fees (Software assurance and support)	\$11,368
Annual Subscription based fees	\$0
Annual Hosting Fees	\$0
Travel Expenses (See Schedule)	\$6,530
Services (Core Modules per schedule attached and above)	\$123,880
Hardware/database/services on premise	Done by Others
<b>Year 1 Grand Total</b>	<b>\$182,378</b>
Year 2 Total (includes a 3% uplift)	\$11,709
Year 3 Total (includes a 3% uplift)	\$12,060
Year 4 Total (includes a 3% uplift)	\$12,422
Year 5 Total (includes a 3% uplift)	\$12,795
<b>Five Year Grand Total</b>	<b>\$231,364</b>

**General Payment Terms and conditions**

Discounted services rate available if deal signed by Dec 21, 2018
Year 1 Software License and annual fees on initial contract signing
Services and out of pocket billed monthly on time and materials basis

Per User Price	On Premise
Full Acces User	\$5,100
Limited user	\$2,800

	Software	Annual Maintenance and Support	Services
<b>Optional Modules - Perpetual On Premise</b>			
Virtual CityHall (Web Interface for Citizens)	\$12,500	\$3,500	\$12,470
Purchasing/Purchase Orders	Included	Included	\$9,030
Project and Asset Costing (No Labour, No Equipment, No Inventory)	Included	Included	\$6,020
Human Resources	Included	Included	\$9,030
Employee/Manager Payroll and Self-Service (Up to 100 employees) - Employee and Manager Self Service for all - Time Entry Functions for all	Annual fee	\$2,100	\$5,160
<b>Optional Modules Project Total</b>	<b>\$12,500</b>	<b>\$5,600</b>	<b>\$41,710</b>

**COUNCIL REPORTS  
AS OF OCTOBER 23, 2018**

		<b>Meeting (since last council)</b>
Agricultural Society	Cr. Klumph (Alt. Cr. Oswald)	_____
Barrhead Cares Coalition	Cr. Kluin	_____X_____
Barrhead & District Social Housing Association	Cr. Penny	_____X_____
Barrhead Fire Services Committee	Cr. Assaf and Cr. Smith (Alt. Cr. Kluin)	_____
Barrhead Attraction & Retention Committee	Cr. Penny	_____
Barrhead Regional Airport Committee	Mayor McKenzie	_____
Barrhead Regional Water Commission	Mayor McKenzie and Cr. Smith	_____
Capital Region Assessment Services Commission	Cr. Penny	_____
Chamber of Commerce	Cr. Kluin	_____X_____
Community Futures Yellowhead East	Cr. Penny (Alt. Cr. Assaf)	_____
Economic Development Committee	Vacant	_____
Enhanced Policing School Resource Officer Committee	Cr. Oswald (Alt. Mayor McKenzie)	_____
Family & Community Support Services Society	Cr. Kluin and Cr. Penny	_____X_____
Library Board/Yellowhead Regional Library Board	Cr. Klumph	_____X_____
Municipal Planning Commission	Cr. Assaf, Cr. Klumph and Cr. Smith (Alt. Cr. Oswald)	_____
Regional Landfill Committee	Cr. Klumph and Cr. Penny	_____
Subdivision & Development Appeal Board	Cr. Penny	_____
Twinning Committee	Cr. Oswald	_____



# MEMORANDUM TO COUNCIL

**Date:** October 23, 2018  
**To:** Mayor McKenzie & Members of Council  
**From:** Martin Taylor, CAO  
**Re:** Bylaw 09-2018, the AltaGas Utilities Franchise Agreement Bylaw and the AltaGas Utilities Inc. – Natural Gas Distribution Franchise Agreement

## Purpose of Memorandum

Bylaw 09-2018, the AltaGas Utilities Franchise Agreement Bylaw and the AltaGas Utilities Inc. – Natural Gas Distribution Franchise Agreement

## Overview

Alta Gas renewal of the Natural Gas Distribution System Franchise Agreement for another 10 year term is presented to Council. This agreement is the AUMA – Standard Natural Gas Distribution Franchise Agreement. When the agreement is in place the Town is still provided an annual opportunity to amend the Franchise Fee Rate.

There are no significant changes being proposed between the previous agreement and the new Agreement. They are mainly revisions to reformat the agreement for clarity purposes and there are very few material changes that have any impact. The calculation of the franchise fee has not been affected. The following items are attached:

1. Bylaw 09-2018, the AltaGas Utilities Franchise Agreement Bylaw
2. New 2018 proposed Agreement (will be attached to By-law 09-2018 AltaGas Franchise Agreement Bylaw as Schedule A)
3. AltaGas Letter regarding the renewal agreement and process
4. AltaGas Comparison of Agreement changes 2018 vs 2008
5. Current AltaGas 2008 Agreement
6. Historical Impact of Franchise Fee based on the 2008 agreement for 2018 to 2017

7. Summary of the 2017 Estimated Franchise Fees collected for an average residential customer based on various percentage rate scenarios of 6% to 35%. Town of Barrhead current rate is 16%.
8. AltaGas Franchise Fee Calculation sheet shows the Town had net franchise fee revenues of \$134,000.00 to \$321,000.00 (average \$ 191,000.00) during the period of 2013 to estimated 2018. It should be noted that the franchise fee rate remained at 8% from 2008 to 2016, when it was increased to 16%. The amounts also varied based on annual consumption and overall delivery and gas costs.

Council is being requested to give first reading to Bylaw 09-2018, the AltaGas Utilities Franchise Agreement Bylaw **and** approve the AltaGas Natural Gas Distribution Franchise Agreement, which will be attached to the Bylaw as 'Schedule A.'

Once the Bylaw is given first reading and the Agreement is signed by the Mayor and CAO, it will be forwarded to the Alberta Utilities Commission for approval and will be brought to a future Council meeting for second and third readings.

## **Recommendations for Action**

### ***Recommendation #1***

That Council authorize the Mayor and the CAO to execute the AltaGas Natural Gas Distribution Franchise Agreement.
---

and

### ***Recommendation #2***

That Council give By-law 09-2018, The AltaGas Natural Gas Distribution Franchise Agreement Bylaw first reading.
---

Respectfully Submitted by:

Martin Taylor  
Chief Administrative Officer

**BY-LAW 09-2018**

**THE ALTAGAS FRANCHISE AGREEMENT BYLAW**

A BY-LAW OF THE TOWN OF BARRHEAD, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER TO ENTER INTO AN AGREEMENT GRANTING ALTAGAS UTILITIES INC. (THE “COMPANY”), THE RIGHT TO PROVIDE NATURAL GAS DISTRIBUTION SERVICE WITHIN THE TOWN OF BARRHEAD.

WHEREAS, pursuant to the provisions of the Municipal Government Act, S.A. 2000 c.M-26, as amended (the Act), the Town of Barrhead desires to grant and the Company desires to obtain, an exclusive franchise to provide natural gas distribution service within the Town of Barrhead for a period of ten (10) years, subject to the right of renewal as set forth in the said agreement and in the said Act;

WHEREAS, the Council of the Town of Barrhead and AltaGas Utilities Inc. have agreed to enter into a Natural Gas Distribution System Franchise Agreement (the “Agreement”), in the form annexed hereto;

WHEREAS, it is deemed that the Agreement would be to the general benefit of the consumers within the Town of Barrhead.

NOW THEREFORE, the Council of the Town of Barrhead enacts as follows:

1. That the Natural Gas Distribution System Franchise Agreement, a copy of which is annexed hereto as Schedule “A”, be and the same is hereby ratified, confirmed and approved, and the Mayor and Chief Administrative Officer are hereby authorized to enter into the Natural Gas Distribution System Franchise Agreement for and on behalf of the Town of Barrhead, and the Chief Administrative Officer is hereby authorized to affix thereto the corporate seal of the Town of Barrhead.
2. That the Natural Gas Distribution System Franchise Agreement annexed hereto as “Schedule A” is hereby incorporated in, and made part of, this Bylaw
3. That the Council consents to the exercise by AltaGas Utilities Inc. within the Town of Barrhead of any of the powers given to AltaGas Utilities Inc. by the Water, Gas and Electric Companies Act, R.S.A. 2000 c. W-4, as amended.
4. That this Bylaw shall come into force upon the Natural Gas Distribution System Franchise Agreement being approved by the Alberta Utilities Commission and upon being given third reading and finally passed.
5. Bylaw 13-08 is hereby rescinded.

Read a first time this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

TOWN OF BARRHEAD

\_\_\_\_\_  
Mayor, Dave McKenzie

\_\_\_\_\_  
Martin Taylor, CAO

Approved by the Alberta Utilities

Commission on the \_\_\_\_\_ day of \_\_\_\_\_,

2018 by Board Order # \_\_\_\_\_.

Read a second time this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

TOWN OF BARRHEAD

\_\_\_\_\_  
Mayor, Dave McKenzie

\_\_\_\_\_  
Martin Taylor, CAO

Read a third time this \_\_\_\_\_ day of \_\_\_\_\_, 2018 and passed.

TOWN OF BARRHEAD

\_\_\_\_\_  
Mayor, Dave McKenzie

\_\_\_\_\_  
Martin Taylor, CAO

**NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

2018

**BETWEEN:**

**Town of Barrhead**

**- AND -**

**AltaGas Utilities Inc.**

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## **NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

BETWEEN:

**Town of Barrhead,**  
a municipality located in the Province of Alberta  
(the “**Municipality**”)

OF THE FIRST PART

– and –

**AltaGas Utilities Inc.,**  
a corporation having its head office at the City of Leduc,  
in the Province of Alberta  
(the “**Company**”)  
OF THE SECOND PART

**WHEREAS** the Municipality desires to grant and the Company, collectively the “**Parties**”, desires to obtain an exclusive franchise to provide Natural Gas Distribution Service within the Municipal Service Area on the terms and conditions herein contained;

**NOW THEREFORE** in consideration of the mutual covenants and promises herein contained, the Parties hereby agree as follows:

### **1) Definitions and Interpretation**

Unless otherwise expressly provided in this Agreement, the words, phrases and expressions in this Agreement will have the meanings attributed to them as follows:

- a) “**Agreement**” means this Natural Gas Distribution System Franchise Agreement;
- b) “**Alternative Course of Action**” shall have the meaning set out in paragraph 14 (c);
- c) “**Commission**” means the Alberta Utilities Commission (AUC) as established under the *Alberta Utilities Commission Act* (Alberta);
- d) “**Company**” means the Party of the second part to this Agreement and includes its successors and permitted assigns;
- e) “**Construct**” means constructing, reconstructing, upgrading, extending, relocating, or removing any part of the Natural Gas Distribution System;

- f) **“Consumer”** or **“Consumers”** as the text may require, means any individual, group of individuals, firm or body corporate, including the Municipality, with premises or facilities located within the Municipal Service Area from time to time that are provided with Natural Gas Distribution Service by the Company pursuant to the Company’s Delivery Tariff;
- g) **“Core Services”** means all those services set forth in Schedule “A” of this Agreement;
- h) **“Delivery Tariff”** means the rates and Terms and Conditions of service approved by the Commission from time to time on an interim or final basis, as the case may be, for the Company to deliver Natural Gas to the Consumer;
- i) **“Electronic Format”** means any document or other means of communication that is created, recorded, transmitted or stored in digital form or in any other intangible form by electronic, magnetic or optical means or by any other computer-related means that have similar capabilities for creation, recording, transmission or storage;
- j) **“Extra Services”** means those services set forth in Schedule “B” that are requested by the Municipality for itself or on behalf of its citizens and provided by the Company in accordance with paragraph 7 of this Agreement;
- k) **“GUA”** means the *Gas Utilities Act* (Alberta);
- l) **“Intended Time Frame”** shall have the meaning set out in paragraph 14 (c);
- m) **“Maintain”** means to maintain and keep in good repair any part of the Natural Gas Distribution System;
- n) **“Major Work”** means any Work to Construct or Maintain the Distribution System that costs more than \_\_\_\_\_ (\$\_\_\_\_\_) Dollars;
- o) **“MGA”** means the *Municipal Government Act* (Alberta);
- p) **“Modified Plans”** shall have the meaning set out in paragraph 14 (c)(ii);
- q) **“Municipality”** means the Party of the first part to this Agreement;
- r) **“Municipal Compensation”** shall have the meaning set out in paragraph 20;
- s) **“Municipal Service Area”** means the geographical area within the legal boundaries of the Municipality where the Company has been granted rights hereunder in connection with, among other matters, Natural Gas Distribution Service, as altered from time to time;
- t) **“Municipal Property”** means all property, including lands and buildings, owned, controlled or managed by the Municipality within the Municipal Service Area;
- u) **“Natural Gas”** means a combustible mixture of hydrocarbon gases;

- v) **“Natural Gas Distribution Service”** means the delivery of Natural Gas in accordance with the Company’s Delivery Tariff;
- w) **“Natural Gas Distribution System”** means any facilities owned by the Company which are used to provide Natural Gas Distribution Service within the Municipal Service Area, and without limiting the generality of the foregoing, will include all mains, pipes, conduits, valves and all other installations used and required for the purpose of delivering Natural Gas to the Consumer within the Municipal Service Area and includes any Natural Gas transmission lines owned by the Company within the Municipal Service Area;
- x) **“NOVA Gas Transmission Ltd. (NGTL)”** means NGTL and its successors, as applicable, for purposes of paragraph 5 g) of this Agreement. For greater certainty, the provisions of paragraph 5 g) may only apply in relation to franchises held by ATCO;
- y) **“Operate”** means to operate the Natural Gas Distribution System, or to interrupt or restore service in any part of the Natural Gas Distribution System, in a safe and reliable manner;
- z) **“Party”** means any party to this Agreement and **“Parties”** means all of the parties to this Agreement;
- aa) **“Plans and Specifications”** means the plans, drawings and specifications reasonably necessary to properly assess and review proposed Work prior to issuance of any approval that may be required under this Agreement;
- bb) **“Term”** means the term of this Agreement set out in paragraph 2;
- cc) **“Terms and Conditions”** means the terms and conditions contained within the Delivery Tariff in effect from time to time for the Company as approved by the Commission;
- dd) **“Work”** means any work to Construct or Maintain the Natural Gas Distribution System; and
- ee) **“Work Around Procedures”** shall have the meaning set out in paragraph 14 (c)(ii).

The words “hereof”, “herein”, “hereunder” and other words of similar import refer to this Agreement as a whole, including any attachments hereto, as the same may from time to time be amended or supplemented and not to any subdivision contained in this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. References to provisions of statutes, rules or regulations will be deemed to include references to such provisions as amended, modified or re-enacted from time to time. The word “including” when used herein is not intended to be exclusive and in all cases means “including without limitation”. References herein to a section, paragraph, clause, Article or provision will refer to the appropriate section, paragraph, clause, article or provision of this Agreement. The descriptive headings of this Agreement are inserted for convenience of reference only and do not constitute a part of and will not be utilized in interpreting this Agreement.

## **2) Term**

- a) Subject to sub-paragraph 2(b), this Agreement will be for a minimum term of ten years, commencing on the later of:
  - i) \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_; and
  - ii) the first (1<sup>st</sup>) business day after both of the following have occurred:
    - A. the Commission has approved and acknowledged this Agreement; and
    - B. Council of the Municipality has passed third reading of the applicable adopting bylaw.
- b) This Agreement will expire on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.
- c) It is agreed this Agreement supersedes and replaces any prior Natural Gas franchise agreements between the Municipality and the Company.

## **3) Expiry of Term of Agreement**

- a) Provided the Company gives written notice to the Municipality not less than twelve (12) months prior to the expiration of the Term of its intention to negotiate a new franchise agreement, at any time following the expiration of the Term, and if the Municipality has not provided written notice to the Company to exercise its rights to purchase the Natural Gas Distribution System, either Party may submit any items in dispute pertaining to a new franchise agreement to binding arbitration by the Commission.
- b) Subject to subparagraph 3c) of this Agreement, upon expiry of the Term, this Agreement will continue in effect pursuant to the provisions of the MGA.
- c) Commencing one (1) year following the expiration of the Term of this Agreement, unless either Party has invoked the right to arbitration referred to in subparagraph 3a) , or the Municipality has given written notice to purchase the Natural Gas Distribution System, this Agreement will be amended to provide the following:
  - i) Fifty percent (50%) of the franchise fee otherwise payable under this Agreement to the Municipality will be held back and deposited in trust in an interest bearing trust account by the Company, for the sole benefit of the Municipality. The trust money along with all accumulated interest will be paid to the Municipality immediately upon execution of another Natural Gas Franchise Agreement with the Company, or if the Municipality purchases the Natural Gas Distribution System, or if the Company transfers or sells the Natural Gas Distribution System, or upon further Order of the Commission.
- d) In the event a franchise agreement template is approved by the Commission during the Term of this Agreement and the provisions are materially different from the provisions of this

Agreement, the Parties may, by agreement in writing, amend this Agreement to conform to such franchise agreement template.

#### **4) Grant of Franchise**

- a) Subject to the terms and conditions hereof, the Municipality hereby grants to the Company the exclusive right within the Municipal Service Area to:
  - i) provide Natural Gas Distribution Service;
  - ii) Construct, Operate, and Maintain the Natural Gas Distribution System; and
  - iii) use portions of roads, rights-of-way, and other lands owned, controlled or managed by the Municipality which have been designated by the Municipality for such use and which are necessary to provide Natural Gas Distribution Service or to Construct, Operate and Maintain the Natural Gas Distribution System.
- b) Subject to subparagraph 4c) , and to the terms and conditions hereof, the Municipality agrees it will not, during the Term, grant to any other person, firm or corporation, the right to Construct, Operate and Maintain any natural gas distribution system nor the exclusive right to use the portions of the roads, rights-of-way and other lands owned, controlled or managed by the Municipality which have been designated by the Municipality for such use and which are necessary to provide Natural Gas distribution service or to Construct, Operate and Maintain a Natural Gas distribution system, for the purpose of delivering Natural Gas in the Municipal Service Area for Consumers, so long as the Company delivers the Consumers' requirements of Natural Gas.
- c) The Company agrees to:
  - i) bear the full responsibility of an owner of a Natural Gas distribution system and to ensure all services provided pursuant to this Agreement are provided in accordance with the Delivery Tariff, insofar as applicable;
  - ii) Construct, Operate and Maintain the Natural Gas Distribution System;
  - iii) use designated portions of roads, rights-of-way, and other lands including other lands owned, controlled or managed by the Municipality necessary to Construct, Operate and Maintain the Natural Gas Distribution System, including the necessary removal, trimming of trees, shrubs or bushes or any parts thereof; and
  - iv) use the Municipality's roads, rights-of-way and other Municipal Property granted hereunder solely for the purpose of providing Natural Gas Distribution Service and any other service contemplated by this Agreement.

## 5) Franchise Fee

### a) Calculation of Franchise Fee

In consideration of the rights granted pursuant to paragraph 4 and the mutual covenants herein and subject to Commission approval the Company agrees to collect from Consumers and pay to the Municipality a franchise fee. The Parties agree s. 360(4) of the *MGA*, as amended, does not apply to the calculation of the franchise fee in this Agreement. For each calendar year the franchise fee will be calculated as a percentage of the Company's actual total revenue derived from the Delivery Tariff, including without limitation the fixed charge, base energy charge, demand charge, but excluding the cost of Natural Gas (being the calculated revenues from the Natural Gas cost recovery rate rider or the deemed cost of Natural Gas and Natural Gas supply related riders) in that year for Natural Gas Distribution Service within the Municipal Service Area.

For the first (1<sup>st</sup>) calendar year or portion thereof of the Term of this Agreement, the franchise fee percentage will be \_\_\_\_ percent (\_\_\_\_ %).

By no later than September 1<sup>st</sup> of each year, the Company will:

- i) advise the Municipality in writing of the total revenues that were derived from the Delivery Tariff within the Municipal Service Area for the prior calendar year; and
- ii) with the Municipality's assistance, provide in writing an estimate of total revenues to be derived from the Delivery Tariff within the Municipal Service Area for the next calendar year.

### b) Adjustment to the Franchise Fee

At the option of the Municipality and subject to Commission approval, the franchise fee percentage may be changed annually by providing written notice to the Company. If the Municipality wishes to amend the franchise fee percentage, then the Municipality will, no later than November 1<sup>st</sup> in any year of the Term, advise the Company in writing of the franchise fee percentage to be charged for the following calendar year. Upon receipt of notice, the Company will work with the Municipality to ensure all regulatory requirements are satisfied on a timely basis and agrees to use best efforts to obtain approval from the Commission for implementation of the proposed franchise fee percentage as and from January 1<sup>st</sup> of the following calendar year.

If the Municipality provides written notice at any other time with respect to a franchise fee change, the Company will implement the new franchise fee percentage as soon as reasonably possible.

### c) Notice to Change Franchise Fee

Prior to implementing any change to the franchise fee, the Municipality will notify its intent to change the level of the franchise fee and the resulting effect such change will have on an average residential Consumer's annual Natural Gas bill through publication of a notice once

in the newspaper with the widest circulation in the Municipal Service Area at least forty five (45) days prior to implementing the revised franchise fee. A copy of the published notice will be filed with the Commission.

d) **Payment of Franchise Fee**

The Company will pay the Municipality the franchise fee amount billed to Consumers on a monthly basis within forty-five (45) days after billing Consumers.

e) **Franchise Fee Cap**

The franchise fee percentage will not at any time exceed thirty five percent (35%) without prior Commission approval.

f) **Reporting Considerations**

Upon request, the Company will provide to the Municipality, along with payment of the franchise fee amount information on the total Delivery Tariff billed, the franchise fee percentage applied, and the derived franchise fee amount used by the Company to verify the payment of the franchise fee amount as calculated under this paragraph 5.

g) **Franchise Fees Collected from NOVA Gas Transmission Ltd. Customers**

In the event certain customers in the Municipal Service Area connected to the Company's Natural Gas Distribution System are customers of the NOVA Gas Transmission Ltd. (NGTL), a franchise fee will be collected from such customers by NGTL in accordance with NGTL's applicable tariff and such franchise fee once remitted to the Company will be aggregated with the franchise fee as calculated in paragraph 5 a) to be dealt with in accordance with paragraph 5 d).

**6) Core Services**

The Company agrees to provide to the Municipality the Core Services set forth in Schedule "A". The Company and the Municipality may amend Schedule "A" from time to time upon mutual agreement.

**7) Provision of Extra Services**

Subject to an agreement being reached, the Company agrees to provide to the Municipality the Extra Services, if any, set forth in Schedule "B", as requested by the Municipality from time to time. The Company is entitled to receive from the Municipality a reasonable amount for full compensation for the provision of the Extra Services in accordance with Schedule "B". The Company and the Municipality may amend Schedule "B" from time to time upon mutual agreement.

Any breach by the Company in connection with the provision of any Extra Services contained in this Agreement will not constitute a breach of a material provision of this Agreement for the purposes of paragraph 9.

**8) Municipal Taxes**

Amounts payable to the Municipality pursuant to this Agreement will be (without duplication) in addition to the municipal taxes and other levies or charges made by the Municipality against the Company, its land and buildings, linear property, machinery and equipment.

**9) Right to Terminate on Default**

In the event either Party breaches any material provision of this Agreement, the other Party may, at its option, provide written notice to the Party in breach to remedy such breach. If the said breach is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required by the Party in breach using best efforts on a commercially reasonable basis, the Party not in breach may give six (6) months notice in writing to the other Party of its intent to terminate this Agreement, and unless such breach is remedied to the satisfaction of the Party not in breach acting reasonably this Agreement will terminate six (6) months from the date such written notice is given, subject to prior Commission approval.

**10) Sale of Natural Gas Distribution System**

Upon the expiration of the Term of this Agreement or the termination of this Agreement pursuant to the terms and conditions hereof or by operation of law or order of a governmental authority or court of law having jurisdiction the Municipality may, subject to the approval of the Commission under Section 47 of the MGA:

- i) exercise its right to require the Company to sell to it the Natural Gas Distribution System within the Municipal Service Area pursuant to the provisions of the MGA, where applicable; or
- ii) if such right to require the Company to sell the Natural Gas Distribution System is either not applicable or has been repealed, require the Company to sell to it the Natural Gas Distribution System. If, upon the expiration of the Agreement, the parties are unable to agree on the price or on any other terms and conditions of the purchase, the unresolved matters will be referred to the Commission for determination.

**11) Provision of Detailed Plans and Equipment**

**a) Detailed Plans**

The Company agrees to provide to the Municipality for the Municipality's purposes only, the most current set of detailed plan sheets including as-built drawings and specifications



showing the locations (excluding depth) and alignments of the Natural Gas Distribution System, excepting service lines and installations on private property, according to the plan sheets in hard copy and in Electronic Format, where available, together with as many prints of the overall Natural Gas Distribution System as the Municipality may reasonably require. These plans and plan sheets will be updated by the Company on at least an annual basis.

The Municipality will, upon reasonable request, provide to the Company any subdivision development plans of the Municipality in hard copy and in Electronic Format, where available. The subdivision development plans are provided to the Company for the sole purpose of assisting the Company in delivering Natural Gas to the Consumer.

b) Provision of Equipment

The Company agrees to provide the Municipality's fire department with the equipment necessary for the operation of curb boxes and service valves. In case of fire, the service valves may be turned off by the fire department if they reach a fire before the Company's representative. The Municipality will notify one of the Company's representatives of fires which may affect the Natural Gas Distribution System and/or the operations thereof as quickly as reasonably possible or, in the event they cannot reach a Company representative, the Municipality will advise the Company's standby personnel of such fires. The Company will ensure its representatives reasonably cooperate with the Municipality in preventing, controlling and investigating fires involving or affecting the Natural Gas Distribution System.

**12) Right of First Refusal to Purchase**

- a) If during the Term of this Agreement, the Company receives a *bona fide* arm's length offer to operate, take control of, or purchase the Natural Gas Distribution System within the Municipal Service Area, which the Company is willing to accept, then the Company will promptly give written notice to the Municipality of the terms and conditions of such offer and the Municipality will during the next one hundred and twenty (120) days, have the right of first refusal to operate, take control of or purchase the Natural Gas Distribution System, as the case may be, for the same price and upon the terms and conditions contained in the said offer.

Notwithstanding the foregoing, in the event the Municipality fails or refuses to exercise its right of first refusal, the Municipality will retain the right to withhold its consent to an assignment of this Agreement in accordance with paragraph 20 below. For the purposes of this paragraph 12, "operate, take control" will not be construed as including the subcontracting by the Company of only some portions of its operations where the Company continues to be responsible for the performance of this entire Agreement;

- b) If the Municipality does not exercise its right of first refusal and the said *bona fide* offer the Company is willing to accept does not proceed to closure, the Municipality retains its right of first refusal on any other offer.

- c) This right of first refusal applies where the offer pertains only to the entire Natural Gas Distribution System. The right of first refusal does not apply to offers that include any other distribution systems or distribution facilities of the Company located outside of the Municipal Service Area. If such offer includes other distribution systems of the Company, the aforesaid right of first refusal will be of no force and effect and will not apply.
- d) Where the Municipality exercises its rights to purchase the Natural Gas Distribution System from the Company and thereby acquires the Natural Gas Distribution System, the Municipality agrees, should it no longer wish to own the Natural Gas Distribution System within five (5) years after it acquires the said system and the Municipality receives any *bona fide* offer from an arms-length third party to purchase the Natural Gas Distribution System, which it is willing to accept, then it will promptly give written notice to the Company of the terms and conditions of such offer. The Company will during the next one hundred and twenty (120) days have the first right of refusal to purchase the Natural Gas Distribution System for the same price and upon the same terms and conditions as contained in the said offer.
- e) The Municipality's right of first refusal will not apply where the Company has agreed to transfer the Natural Gas Distribution System to a third party utility company in exchange for certain other assets provided all of the following conditions are met:
  - i) the third party utility can demonstrate to the reasonable satisfaction of the Municipality that it meets the necessary technical and financial requirements to own and operate the Natural Gas Distribution System;
  - ii) the only consideration that will be exchanged between the Company and the third party utility company is the transfer and exchange of assets and monetary consideration limited to a maximum of 49% of the net book value of the Natural Gas Distribution System;
  - iii) there is no adverse impact to the Municipality resulting from the transfer and exchange above referenced as determined by the Commission;
  - iv) the Company and the third party utility company obtain all the requisite regulatory requirements prior to completing the transfer and exchange; and
  - v) full compensation is paid to the Municipality for all reasonable costs including administrative and legal costs incurred by the Municipality in ensuring all of the conditions i) through iv) above are satisfied.

### **13) Construction and/or Maintenance of Natural Gas Distribution System**

#### **a) Municipal Approval**

Before undertaking any Major Work, or in any case in which the Municipality specifically requests any Major Work, the Company will submit to and obtain the written approval from the Municipality, or its authorized officers, of the Plans and Specifications for the proposed

Major Work and its location. Approval by the Municipality granted in accordance with this paragraph will be limited to an approval of the location and alignment of the Major Work only, and will not signify approval of the structural design or the ability of the work to perform the function for which it was intended.

Prior to commencing the Work, the Company will obtain such other applicable permits as are required by the Municipality. The Company will notify the Municipality of all Work done within the Municipal Service Area prior to commencing the Work where reasonably practicable. However, only Major Work is subject to a formal approval process.

The Company will obtain prior written approval from the Municipality for any traffic lane or sidewalk closures required to be made at least forty-eight (48) hours prior to the commencement of the proposed Work.

For the purposes of obtaining the approval of the Municipality for Major Work under this Agreement, the Company will provide the Municipality with the Plans and Specifications for the proposed Major Work in Electronic Format (or upon request, the Company will provide the Municipality with a hard copy of the materials). The Plans and Specifications will include a description of the project and drawings of a type and format generally used by the Company for obtaining approvals from municipalities and will illustrate the proposed changes to the Natural Gas Distribution System.

b) Restoration of Municipal Property

The Company agrees when it or any agent employed by it undertakes any Work on any Municipal Property, the Company will complete the said Work promptly and in a good and workmanlike manner and, where applicable, in accordance with the approved Plans and Specifications. Further, and unless otherwise agreed to by the Parties, the Company will forthwith restore the Municipal Property to the same state and condition, as nearly as reasonably possible, in which it existed prior to the commencement of such Work, subject to reasonable wear and tear and to the satisfaction of the Municipality acting reasonably.

The Company will, where reasonably practicable and prudent, locate its pipelines and related equipment in lanes and alleys rather than in the streets and main thoroughfares.

The Company further covenants it will not unduly interfere with the works of others or the works of the Municipality. Where reasonable and in the best interests of both the Municipality and the Consumer, the Company will cooperate with the Municipality and coordinate the installation of the Natural Gas Distribution System along the designated rights-of-way pursuant to the direction of the Municipality. During the performance of the Work, the Company will use commercially reasonable efforts to not interfere with existing Municipal Property and to cause as little damage as possible to the property of others (including the Municipality Property). If the Company causes damage to any existing Municipal Property during the performance of any Work, it will cause such damage to be repaired at its own cost.

Upon default by the Company or its agent to repair damage caused to Municipal Property as set out above, the Municipality may provide written notice to the Company to remedy the

default. If the default is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required and requested by the Company using best efforts on a commercially reasonable basis to remedy the default, the Municipality may undertake such repair work and the Company will be liable for the reasonable costs thereof.

c) Urgent Repairs and Notification to Municipality

If any repairs or maintenance required to be made to the Natural Gas Distribution System are of an urgent nature where the operation or reliability of the Natural Gas Distribution System is materially compromised or potentially materially compromised, the Company will be entitled to conduct such repairs or maintenance as are commercially reasonable without prior notice to the Municipality and, unless otherwise specified by the Municipality, the Company will provide notice to the Municipality as soon as practicable and, in any event, no later than seventy-two (72) hours after the repairs are commenced.

d) Company to Obtain Approvals from Other Utilities

The Company will be solely responsible for locating, or causing to be located, all existing utilities or utility mains, pipes, valves and related facilities in, on or adjacent to the Work site. The Company will notify all other utility operators and ensure utilities and utility mains, pipes, valves and related facilities are staked prior to commencement of construction. Unless the Municipality has staked the location for the utility property, staking will not be deemed to be a representation or warranty by the Municipality the utility or utility property are located as staked. The Municipality will not be responsible for any damage caused by the Company to any utility or any third party as a result of the Company's Work, unless the Municipality has improperly staked the utility property. Approval must be obtained by the Company from the owner of any third party utility prior to relocation of any facility owned by such third party utility.

e) Revised Plans and Specifications

Following completion of the Major Work, the Company will provide the Municipality with the revised Plans and Specifications, updated after construction, in Electronic Format, where available and upon request, the Company will provide the Municipality with a hard copy of the materials within three (3) months of the request. The Company will provide the Municipality with copies of any other revised Plans and Specifications as reasonably requested by the Municipality. For the purposes of this paragraph and paragraph 11, the Company may satisfy its obligations to provide revised Plans and Specifications in Electronic Format by:

- i) advising the Municipality the revised Plans and Specifications are posted to a web-based forum that contains such information; and
- ii) allowing the Municipality access to such web-based forum.

f) Approvals

Where any approvals are required to be obtained from either Party under this paragraph, such approvals will not be unreasonably withheld.

The Company will ensure all Work is performed in accordance with the requirements of all applicable legislation, rules and regulations. The Company will immediately notify the Municipality of any lien, claim of lien or other action of which it has or reasonably should have knowledge, and will cause the same to be removed within thirty (30) days (or such additional time as the Municipality may allow in writing), failing which the Municipality may take such action as it reasonably deems necessary to remove the same and the entire cost thereof will be immediately due and payable by the Company to the Municipality.

**14) Responsibilities For Cost of Relocations**

- a) Upon receipt of one (1) year's notice from the Municipality, the Company will, at its own expense, relocate to Municipal Property such part of the Natural Gas Distribution System that is located on Municipal Property as may be reasonably required by the Municipality due to planned municipal construction. In order to encourage the orderly development of Municipal facilities and the Natural Gas Distribution System, the Municipality and the Company agree they will meet regularly to:
  - i) review the long-term facility plans of the Municipality and the Company; and
  - ii) determine the time requirements and costs for final design specifications for each relocation. Providing the Municipality is not the developer requesting the relocation for commercial or residential resale to third parties, the Company will bear the expenses of the required relocation.
- b) Notwithstanding the foregoing, the Company will not be required to move any part of the Natural Gas Distribution System after receipt of notice from the Municipality in accordance with this paragraph where:
  - i) the Company has illustrated to the satisfaction of the Municipality, acting reasonably, an appropriate Alternative Course of Action is available;
  - ii) the Municipality has provided the Company with its written approval of the Alternative Course of Action (which approval may not be unreasonably withheld by the Municipality); and
  - iii) the Company has provided its written undertaking to carry out the Alternative Course of Action promptly and within a sufficiently short period of time so as to ensure the Municipality will be left with sufficient time to complete the said planned municipal construction within the Intended Time Frame (taking into account any delays which the Municipality may encounter as a result of the Company utilizing the Alternative Course of Action).

- c) For the purposes of this paragraph 14, the term "Alternative Course of Action" will mean any course of action that will enable the Municipality to complete the said Municipal construction and will result in a net cost savings to the Company (taking into account all additional costs incurred by the Company in carrying out the Alternative Course of Action and any additional costs which the Municipality may incur and which the Company will be required to pay in accordance with this paragraph 14 and "Intended Time Frame" will mean the period of time within which the Municipality would have reasonably been able to complete the said Municipal construction if the Company would have relocated the Natural Gas Distribution System in accordance with this paragraph 14.

If the Municipality agrees to permit the Company to utilize an Alternative Course of Action, the Company will pay any and all costs incurred in carrying out the Alternative Course of Action and will pay on demand to the Municipality (on a full indemnity basis) any and all costs incurred by the Municipality:

- i) in conducting a review of the Alternative Course of Action to determine whether the Alternative Course of Action is acceptable to the Municipality;
  - ii) in modifying any plans the Municipality may have prepared in respect of the said municipal construction ("Modified Plans") or in preparing or developing plans and procedures ("Work Around Procedures") to work around the Natural Gas Distribution System or any improvement, thing, or component utilized by the Company in effecting the Alternative Course of Action; and
  - iii) in the course of conducting the said planned municipal construction where such costs would not have been incurred by the Municipality if the Company had relocated the Natural Gas Distribution System in accordance with this paragraph 14 (including any reasonable additional cost the Municipality may incur in completing the said municipal construction in accordance with the Modified Plans or in effecting any Work Around Procedures).
- d) The following example illustrates the intended application of the foregoing provisions:

Where:

- i) The Municipality requires the Company to move a Natural Gas line so the Municipality can replace its own sewer lines. The cost of moving the Natural Gas line is \$10,000. The cost of carrying out the replacement of the sewer line after moving the Natural Gas line is \$40,000;
- ii) The Company proposes to simply brace the Natural Gas line (at a cost of \$2,000) and the Municipality, acting reasonably, approves of this as an Alternative Course of Action;
- iii) As a result of having to prepare Modified Plans and to prepare and implement Work Around Procedures to work around the braces, the actual cost incurred by the Municipality in replacing the sewer line is \$45,000 (being a net increase in cost of \$5,000);

the Company is required to pay the \$2,000 cost of the bracing together and the additional cost of \$5,000 incurred by the Municipality (resulting in a net savings of \$3,000 to the Company).

In cases of emergency, the Company will take all measures that are commercially reasonable and necessary to ensure public safety with respect to relocating any part of the Natural Gas Distribution System that may be required in the circumstances.

If the Company fails to complete the relocation of the Natural Gas Distribution System or fails to repair or do anything else required by the Company pursuant to this subparagraph without valid justification and in a timely and expeditious manner to the satisfaction of the Municipality's representative, acting reasonably, the Municipality may, but is not obligated to, complete such relocation or repair and the Company will pay the reasonable costs of such relocation or repair forthwith to the Municipality. If the Municipality chooses to complete such relocation or repair the Municipality will ensure such work is completed using the Company's design specifications and standards, as provided by the Company, including the use of good and safe operating practices.

The Municipality is not responsible, either directly or indirectly, for any damage to the equipment which forms part of the Natural Gas Distribution System which may occur during its installation, maintenance or removal by the Company, nor is the Municipality liable to the Company for any losses, claims, charges, damages and expenses whatsoever suffered by the Company including claims for loss of revenue or loss of profits, on account of the actions of the Municipality, its agents or employees, working in, under, over, along, upon and across its highways and rights-of-ways or other Municipal Property other than direct loss or damage to the Company caused by the negligence or wilful misconduct of the Municipality, its agents or employees.

In the event the relocation or any part thereof requires the approval of a third party, the Municipality will use reasonable efforts to assist the Company in any negotiation with such third party to obtain the necessary approval(s).

In the event the relocation results from the demand or order of an authority having jurisdiction, other than the Municipality, the Municipality will not be responsible for any of the costs of such relocation.

#### **15) Natural Gas Distribution System Expansion**

Subject to the Terms and Conditions, and at no cost to the Municipality unless otherwise provided for under the Terms and Conditions, the Company will, on a timely basis, use its best efforts on a commercially reasonable basis to meet the Natural Gas Distribution System expansion requests of the Municipality or a Consumer and provide the requisite facilities for connections for new Consumers to the Natural Gas Distribution System.

## **16) Increase in Municipal Boundaries**

Where the Municipality increases its geographical area, through annexation or amalgamation, as understood under the MGA, by the greater of 640 acres and twenty five (25%) percent of the current area or more, the Municipality will have the option to:

- (a) terminate this Agreement provided the Municipality gives notice in writing to the Company of its intention to do so; or
- (b) add the increased area to the Municipal Service Area already served by the Company so that the rights and obligations contained in this Agreement will apply in respect of the Municipal Service Area, including the increased area.

For all other increases to the Municipal Service Area through annexation or amalgamation as understood under the MGA, the rights and obligations contained in this Agreement will apply in respect of the whole Municipal Service Area, including the increased area.

## **17) Joint Use of Municipal Rights-of-Way**

### **a) Municipal Use**

The Municipality will upon written notice to the Company have, for any reasonable municipal purpose, the right to make use of any municipal rights-of-way granted to the Company by the Municipality, provided such use complies with good and safe operating practices, as determined by the Company acting reasonably, applicable legislation, and does not unreasonably interfere with the Company's use thereof, at no charge to the Municipality. The Municipality is responsible for its own costs and any necessary and reasonable costs incurred by the Company including the costs of any alterations that may be required in using municipal rights-of-way.

### **b) Third Party Use and Notice**

If any third party, including other utilities, desire to jointly use the municipal rights-of-way, the Company agrees it will not grant the third party joint use except in accordance with this paragraph, or unless otherwise directed by any governmental authority or court of law having jurisdiction.

The Company agrees the following procedure will be used in granting permission to third parties desiring joint use of the municipal rights-of-way:

- i) first, the third party will be directed to approach the Company to initially request conditional approval from the Company to use that part of the municipal rights-of-way it seeks to use;
- ii) second, upon receiving written conditional approval from the Company, the third party will be directed to approach the Municipality to obtain its written approval to jointly



use that part of the municipal rights-of-way. As a condition of granting its consent, the Municipality may require such third party enter into an agreement with the Municipality, and such agreement may require such third party pay compensation to the Municipality; and

- iii) third, upon receiving written conditional approval from the Municipality, the third party will be directed to obtain final written approval from the Company to jointly use that part of the municipal rights-of-way. Once a joint use agreement has been entered into between the Company and the third party, it will not be subsequently amended without the written consent of the Municipality (which consent will not be unreasonably withheld).

c) Cooperation

The Company and the Municipality agree they will use reasonable efforts to cooperate with each other in encouraging the use of joint trenching and in any negotiations with third parties desiring joint use of any part of the municipal rights-of-way located on Municipal Property.

d) Payment

The compensation paid or to be paid by such third party to the Municipality for the use of the Municipal Property including its rights-of-way, will be determined between the Municipality and the third party.

The compensation paid or to be paid by such third party to the Company for the joint use of any portion of the municipal rights-of-way will be determined between the Company and the third party, subject to the jurisdiction of any governmental authority over the matter and the Municipality's right to intervene in any related regulatory proceeding.

e) Provision of Agreements

Upon reasonable request by the Municipality, copies of these agreements will be updated by the Company and provided to the Municipality at no cost to the Municipality.

**18) Municipality as a Retailer**

The provisions of this Agreement will not in any way restrict the right of the Municipality to become a retailer within the meaning of the GUA.

**19) Reciprocal Indemnification and Liability**

- a) The Company will indemnify and save the Municipality, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements), including indemnity from and against any claim, loss, cost, demand and legal or other expense, whether in respect of any lien, encumbrance or otherwise, arising out of any Work performed

by or for the Company, which may be brought against or suffered, sustained, paid or incurred by the Municipality, its servants, agents, employees, contractors, licensees and invitees, arising from, or otherwise caused by:

- i) any breach by the Company of any of the provisions of this Agreement; or
  - ii) the negligence or wilful misconduct of the Company, or any of its servants, agents, employees, licensees, contractors or invitees in carrying on its business within the Municipal Service Area.
- b) The Municipality will indemnify and save the Company, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements) which may be brought against or suffered, sustained, paid or incurred by the Company, its servants, agents, employees, licenses, contractors and invitees, arising from, or otherwise caused by:
- i) any breach by the Municipality of any of the provisions of this Agreement; or
  - ii) the negligence or wilful misconduct of the Municipality, or any of its servants, agents, employees, licensees, contractors or invitees, in carrying on the business of the Municipality.
- c) Notwithstanding anything to the contrary herein contained, in no event will the Municipality or the Company be liable under this Agreement, in any way, for any reason, for any indirect, special or consequential damages (including damages for pure economic loss, loss of profits, loss of earnings or loss of contract), howsoever caused or contributed to.

## **20) Assignment**

In the event the Company agrees to sell the Natural Gas Distribution System to a third party purchaser, the Company will comply with paragraph 10 above. In addition, the Company will request the third party purchaser confirm in writing it will agree to all the terms and conditions of this Agreement between the Company and the Municipality. The Company agrees it will provide to the Municipality a copy of the third party purchaser's confirmation letter.

The Company agrees to provide the Municipality with reasonable prior written notice of a sale of the Natural Gas Distribution System to a third party purchaser. The Parties will thereafter meet to discuss the technical and financial capabilities of the third party purchaser to perform and satisfy all terms and conditions of the Agreement, and the compensation payable to the Municipality for all costs including administrative and legal costs relating to providing its written consent to the Assignment("Municipal Compensation").

The Municipality has thirty (30) days from the meeting date with the Company to provide written notice to the Company of its intention to consent or withhold its consent to the assignment of the Agreement to the third party purchaser. The Company agrees the Municipality may provide notice of its intention to withhold its consent to the assignment of this Agreement to the third party

purchaser if the Municipal Compensation is inadequate or if the third party purchaser fails to covenant, in favour of the Municipality, to perform and observe all of the covenants and obligations of the Company to be performed and observed under this Agreement and otherwise solely on the basis of reasonable and material concerns regarding the technical capability or financial wherewithal of the third party purchaser to perform and satisfy all terms and conditions of the Agreement. In this case, such notice to the Company must specify in detail the Municipality's concern.

Should the Municipality not reply within the thirty (30) day period, it is agreed the Municipality will be deemed to have consented to the assignment. The Company further agrees when it applies to the Commission for approval of the sale, it will include in the application any notice received from the Municipality, including the reasons given by the Municipality for withholding its consent. The Municipality will have the right to make its own submissions to the Commission.

Subject to the Company having fulfilled the obligations outlined in the preceding three paragraphs, the Company will be entitled to assign this Agreement to an arm's length third party purchaser of the Natural Gas Distribution System without the consent of the Municipality, subject to paying the Municipal Compensation for the assignment, and having obtained the Commission's approval for the sale of the Natural Gas Distribution System and, the third party purchaser's confirmation in writing that it agrees to all the terms and conditions of this Agreement.

Where the Commission approves such sale of the Natural Gas Distribution System to a third party and the third party provides written confirmation to assume all liabilities and obligations of the Company under this Agreement, then upon the assignment of this Agreement and the payment of the Municipal Compensation for its consent to the Assignment subject to Commission approval, the Company will be released from all its liabilities and obligations thereunder.

The Company will be entitled to assign this Agreement to a subsidiary or affiliate of the Company without the Municipality's written consent. Where the Company assigns this Agreement to a subsidiary or affiliate, the Company will remain jointly and severally liable.

Further, it is a condition of any assignment that the subsidiary, affiliate or third party purchaser, as the case may be, will provide written notice to the Municipality indicating it will assume all liabilities and obligations of the Company under this Agreement.

Any disputes arising under the operation of this paragraph will be submitted to the Commission for determination.

## **21) Notices**

- a) All notices, demands, requests, consents, or approvals required or permitted to be given pursuant to the terms of this Agreement will be in writing and will be deemed to have been properly given if personally served, sent by registered mail or sent in Electronic Format to the Municipality or to the Company as the case may be, at the addresses set forth below:

i) To the Company:  
AltaGas Utilities Inc.  
5509 45<sup>th</sup> Street  
Leduc, AB T9E 6T6  
Attention: Business Development  
Email: businessdevelopment@agutl.com

ii) To the Municipality:  
Town of Barrhead  
PO Box 4189  
Barrhead, AB T7N 1A2  
Email: Town@barrhead.ca

b) The date of receipt of any such notice as given above, will be deemed to be as follows:

- i) In the case of personal service, the date of service;
- ii) In the case of registered mail, the seventh (7<sup>th</sup>) business day following the date of delivery to the Post Office, provided, however, in the event of an interruption of normal mail service, receipt will be deemed to be the seventh (7<sup>th</sup>) day following the date on which normal service is restored; or
- iii) In the case of delivery in Electronic Format, the date the notice was actually received by the recipient or, if not a business day, then the next business day.

## **22) Interruptions or Discontinuance of Delivery Service**

Subject to its Delivery Tariff, the Company will use its best efforts on a commercially reasonable basis to avoid and minimize any interruption, reduction or discontinuance of Natural Gas Distribution Service to any Consumer. However, the Company reserves the right to do so for any one of the following reasons:

- a) Where the Company is required to effect necessary repairs or changes to the Natural Gas Distribution System;
- b) On account of or to prevent fraud or abuse of the Natural Gas Distribution System;
- c) On account of defective aspects of the Natural Gas Distribution Systems which in the opinion of the Company, acting reasonably, may become dangerous to life or property;
- d) Where required, under the Terms and Conditions, due to a Consumer's non-payment of Natural Gas bills.

To the extent the Company has any planned major interruptions, reductions or discontinuances in Natural Gas Distribution Service, it will notify the Municipality in writing as soon as practicable in the circumstances. For any other major interruption, reductions or discontinuances in Natural Gas

Distribution Service, the Company will provide notice (in a format acceptable to the Municipality) as soon as is practicable in the circumstances.

### **23) Dispute Settlement**

- a) If any dispute or controversy of any kind or nature arises relating to this Agreement or the Parties' rights or obligations hereunder, the Parties agree such dispute or controversy will be resolved by negotiation, and where such negotiation does not result in the settlement of the matter within thirty (30) days of notice of such dispute being provided by one Party to the other Party, and to the extent permitted by law, the Company and Municipality agree that unresolved disputes pertaining to this Agreement, other than those contemplated in paragraphs 3 and 20 and Section 3 of Schedule "A", or those related to the sale of the Natural Gas Distribution System as contemplated in paragraphs 10 and 12 hereof, or any other matter within the exclusive jurisdiction of a governmental authority having jurisdiction, will be submitted to arbitration for determination and may be commenced by either Party providing written notice to the other Party stating the dispute to be submitted to arbitration.

The Parties will attempt to appoint a mutually satisfactory arbitrator within ten (10) business days of the said notice. In the event the Parties cannot agree on a single arbitrator within the ten (10) business days, the dispute will be forwarded to the Commission for resolution or determination.

In the event the Commission declines to assist in resolving the dispute or declines to exercise or claim jurisdiction respecting the dispute, both Parties agree to have the dispute resolved by an arbitration panel in accordance with the following procedure.

Each Party will appoint an arbitrator within the ten (10) business days thereafter by written notice, and the two arbitrators will, together, appoint a third arbitrator within twenty-five (25) business days of written notice for arbitration. The dispute will be heard by the arbitration panel within forty-five (45) business days of the written notice for arbitration unless extended by mutual agreement between the Parties. The arbitration panel will render a decision within twenty (20) business days of the last day of the hearing.

Except, as otherwise expressly provided in this Agreement, the provisions of the Arbitration Act (Alberta) (as amended from time to time) will apply to any arbitration undertaken under this Agreement subject always to the Commission's jurisdiction over any matter submitted to arbitration. Pending resolution of any dispute, the Municipality and the Company will continue to perform their respective obligations hereunder.

- b) The Company will advise the Commission of any dispute submitted to arbitration within ten (10) business days of it being submitted and will advise the Commission of the results of arbitration within ten (10) business days following receipt of the decision of the arbitrator(s).

### **24) Application of Water, Gas and Electric Companies Act**

This Agreement will be deemed to operate as consent by the Municipality to the exercise by the Company of those powers which may be exercised by the Company with the consent of the

Municipality under and pursuant to the provisions of the *Water, Gas and Electric Companies Act* (Alberta), as amended.

**25) Force Majeure**

If either Party fails to meet its obligations hereunder within the time prescribed, and such failure is caused or materially contributed by an event of "force majeure", such failure will be deemed not to be a breach of the obligations of such Party hereunder, but such Party will use its best efforts on a commercially reasonable basis to put itself in a position to carry out its obligations hereunder. The term "force majeure" will mean any acts of God, strikes, lock-outs, or other industrial disturbances, acts of the Queen's enemies, acts of terrorism (either foreign or domestic), sabotage, war, blockades, insurrections, riots, epidemics, lightening, earthquakes, storms, fires, wash-outs, nuclear and radiation activity or fall-out, restraints of rulers and people, orders of governmental authorities or courts of law having jurisdiction, the inability to obtain any necessary approval from a governmental authority (excluding the Municipality) having jurisdiction, civil disturbances, explosions, mechanical failure, and any other causes similar in nature not specifically enumerated or otherwise specified herein that are not within the control of such Party, and all of which by the exercise of due diligence of such Party could not have been prevented. Lack of finances will be deemed not to be an event of "force majeure".

**26) Terms and Conditions**

The Terms and Conditions applicable to the Company and approved by the Commission, as revised or amended from time to time by the Commission, will apply to the Municipality. Nothing in this Agreement is intended to supersede the Terms and Conditions.

**27) Not Exclusive Against Her Majesty**

Notwithstanding anything to the contrary herein contained, it is mutually understood and agreed the rights, powers and privileges conferred and granted by this Agreement will not be deemed to be exclusive against Her Majesty in right of the Province of Alberta.

**28) Severability**

If for any reason any covenant or agreement contained in this Agreement, or the application thereof to any Party, is to any extent held or rendered invalid, unenforceable or illegal, then such covenant or agreement will be deemed to be independent of the remainder of this Agreement and to be severable and divisible from this Agreement. The invalidity, unenforceability or illegality will not affect, impair or invalidate the remainder of this Agreement or any part thereof. The intention of the Municipality and the Company is that this Agreement would have been executed without reference to any portion which may, for any reason or to any extent, be declared or held invalid, unenforceable or illegal.

**29) Amendments**

This Agreement may only be amended by written agreement of the Parties, such amendments to be subject to any regulatory approvals required by law.

**30) Waiver**

A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party.

The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance under this Agreement (whether of the same nature or any other nature).

**31) Confidentiality**

The Company acknowledges the Municipality is governed by the provisions of the *Freedom of Information and Protection of Privacy Act* (Alberta).

IN WITNESS WHEREOF the Parties hereto have executed these presents as of the day and year first above written.

**Town of Barrhead**

PER: \_\_\_\_\_

PER: \_\_\_\_\_

**AltaGas Utilities Inc.**

PER: \_\_\_\_\_

PER: \_\_\_\_\_

## SCHEDULE "A" Core Services

The Company will provide to the Municipality the following basic services as Core Services:

- 1) The Company will deliver Natural Gas to the Consumers in accordance with the Company's Terms and Conditions, the Company's Distribution Tariff, the GUA, any regulations thereto, and any Commission orders and decisions.
- 2) The Company will install all Natural Gas facilities required to provide service to the Consumers in accordance with all applicable regulations, codes, applicable standards and common industry practices.
- 3) As required by legislation, the Company will provide and install all necessary regulators and meters necessary for measuring the Natural Gas supplied to each Consumer.
- 4) The Company agrees to collaborate with the Municipality's emergency response services in an effort to mutually develop emergency response procedures relating to Natural Gas emergencies.
- 5) The Company will provide personnel twenty-four (24) hours a day to investigate and make safe any suspected gas leak inside or outside the Consumer's premises.
- 6) The Company will utilize the services of qualified personnel for designing all Natural Gas facilities to satisfy all applicable regulatory codes and standards, preparing necessary work order plans and monitoring the distribution network pressures to ensure the Company's facilities will satisfy the Consumer's current and future Natural Gas delivery requirements.
- 7) The Company will provide to the Municipality, on request, copies of any and all Natural Gas Distribution Service related written or electronic, where available information or reports required to be filed with the Commission by the Company.
- 8) The Company will provide to the Municipality, upon request and to the extent the information is available, an annual report on the following standards:
  - a) **System Reliability** - will be measured by:
    - i. The number of major outages resulting in a loss of service to Consumers;
    - ii. The number of Consumers affected by each major outage; and
    - iii. The duration of each major outage.
  - b) **Consumer Satisfaction** - will be measured by:
    - i. Company-wide call centre targets and statistics (wait times, abandoned calls, call volumes, etc); and
    - ii. any Consumer complaints received by the Commission.



c) **Public Safety** - will be measured by:

- i. the number of customer injuries and/or damages due to Natural Gas Distribution System failure;
- ii. the number of line hits per total locates completed;
- iii. the number of line hits as a result of inaccurate locates;
- iv. the percentage of the area of the Municipality surveyed for leaks and yearly cathodic protection measures;
- v. the number and nature of calls received from the Municipality and any of its Municipal agencies (including fire department, police department etc.) regarding the Natural Gas Distribution System.

9) Once per year, upon request and subject to any applicable privacy legislation, the GUA Code of Conduct Regulation or other rules prohibiting or restricting such disclosure, the Company will provide to the Municipality:

- a) The total number of sites billed within the Municipal Service Area, by Company rate class, per revenue month, for each of the last two (2) years;
- b) The total gigajoules (GJ) of Natural Gas consumed by Consumers billed within the Municipal Service Area, by Company rate class, per revenue month, for each of the last two (2) years;
- c) The franchise fee revenue billed to Consumers within the Municipal Service Area, by Company rate class, per revenue month, for each of the last two (2) years;
- d) Where the Municipality is the customer of record and the Municipality provides a list of those sites to the Company on the form provided by the Company:
  - i. The total number of those sites billed within the Municipal Service Area, by Company rate class, per revenue month, for each of the last two (2) years;
  - ii. The total gigajoules (GJ) of Natural Gas at those sites billed within the Municipal Service Area, by Company rate class, per revenue month, for each of the last two (2) years;
  - iii. The franchise fee revenue billed to those sites within the Municipal Service Area, by Company rate class, per revenue month, for each of the last two (2) years; and
- e) Such other information as may be agreed upon by the Parties from time to time.

Where privacy legislation, the GUA Code of Conduct Regulation or other rules prohibiting such disclosure prevent the Company from providing the information above, the Company will make reasonable attempts to aggregate the information so as to comply with the applicable rules. The

Company will not be obligated to provide such aggregated information if it believes such aggregation will not allow the Company to comply with the applicable rules.

- 10) Upon request by either Party, the Company will meet with the Municipality. Through a mutual exchange of information the Company will keep the Municipality apprised of the Company's construction and upgrading programs planned for the Municipal Service Area and the Municipality will advise the Company of any issues or plans relating to, or potentially impacting, the Natural Gas Distribution System.

### **SCHEDULE "B" Extra Services**

Nothing in this Agreement precludes the Parties from contracting for Extra Services outside the provisions of this Agreement. In the event the Parties do elect to contract for the provision of Extra Services within the provisions of this Agreement and unless otherwise agreed upon by the Parties, nothing in this Agreement will preclude the Company from sub-contracting with third parties for the provision of Extra Services.

Subject to Commission approval, as may be required, any payments from the Municipality to the Company for Extra Services, if agreed to by the Municipality, may be deducted from the Franchise Fee collected from Consumers and otherwise remitted to the Municipality pursuant to paragraph 5 of this Agreement. The timing and quantum of such payments will be as agreed upon by the Parties and set forth in (insert paragraph number from Schedule B) of this Schedule.



AltaGas Utilities Inc.  
5509 45th Street  
Leduc AB T9E 6T6

main 780.986.5215  
fax 780.986.5220

RECEIVED  
FEB 09 2018

February 6, 2018

**Mayor David McKenzie  
Town of Barrhead  
PO Box 4189  
Barrhead, AB T7N 1A2**

Dear Mayor McKenzie & Council,

**RE: Renewal of Natural Gas Distribution System Franchise Agreement**

AltaGas Utilities Inc. (AUI) presently has the privilege of holding the natural gas franchise for the Town of Barrhead pursuant to an agreement effective February 2019. The term of this agreement is for a period of ten (10) years and will expire in 2019. The existing agreement between the Town of Barrhead and AUI utilized a gas franchise template negotiated between AUI, ATCO Gas (AG) and the Alberta Urban Municipalities Association (AUMA) which was approved by the Alberta Energy and Utilities Board in September of 2003.

As you are aware, at the request of the AUMA, the three parties mentioned above (AUI, AG and AUMA) renegotiated a new standard natural gas franchise agreement template. AUI would like to take this opportunity to initiate the renewal process with the Town of Barrhead and invite Council to consider utilizing the template.

The new franchise agreement template was approved by the Alberta Utilities Commission, March 20, 2015 in **Decision 20069-D01-2015**. Please find attached for your review:

- A copy of the current franchise agreement.
- A copy of the new AUMA template.
- A summary of the differences between the current agreement and new AUMA template.

In the interim, if you have any questions or concerns, please contact Irv Richelhoff at 780-980-7305 or, Mark Filteau at 780-980-6772 or by email at [businessdevelopment@agutl.com](mailto:businessdevelopment@agutl.com).

Sincerely,

Irv Richelhoff  
Supervisor, Business Development

## Alberta Utilities Commission Approved Franchise Agreement Template Comparison Between Existing Franchise Agreement & New Model Template

AUMA Model Agreement Paragraph	AUMA Model Agreement Paragraph #	Current Agreement Clause #	Reason for Change/Addition
	Preamble	Preamble	<ul style="list-style-type: none"> <li>New defined term "Parties" added for clarity and reference.</li> </ul>
Definitions	1 a - "Agreement"	Not specifically included	<ul style="list-style-type: none"> <li>The term "Agreement" is capitalized in the existing template, but the word was never defined, this definition was added for clarity.</li> </ul>
	1 b - "Alternative Course of Action"	13	<ul style="list-style-type: none"> <li>Definition is included in paragraph 14 (c) of new agreement and clause 13 of existing template.</li> </ul>
	1 c - "Commission"	1 b	<ul style="list-style-type: none"> <li>Defined for clarity and reference.</li> <li>No material change to existing template.</li> </ul>
	1 d - "Company"	1 c	<ul style="list-style-type: none"> <li>No material change to existing template</li> </ul>
	1 e - "Construct"	1 d	<ul style="list-style-type: none"> <li>Revised for clarity and expanded to be more inclusive.</li> </ul>
	1 f - "Consumer" or "Consumers"	1 e	<ul style="list-style-type: none"> <li>Revised for clarity and uses "Municipal Service Area" a newly defined term to better define the "Consumer" in the "Agreement".</li> <li>No material change to existing template.</li> </ul>
	1 g - "Core Services"	1 f	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 h - "Delivery Tariff"	1 g	<ul style="list-style-type: none"> <li>Revised for clarity.</li> </ul>
	1 i - "Electronic Format"	Not included	<ul style="list-style-type: none"> <li>Added to allow for electronic formats to be utilized by the Parties to the agreement.</li> </ul>
	1 j - "Extra Services"	1 h	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 k - "GUA"	1 a	<ul style="list-style-type: none"> <li>Replaces "Act" in the existing template for clarity and reference.</li> </ul>
	1 l - "Intended Time Frame"	13	<ul style="list-style-type: none"> <li>Definition is included in paragraph 14 (c) of new agreement and clause 13 of existing template.</li> </ul>
	1 m - "Maintain"	1.1 d	<ul style="list-style-type: none"> <li>No material change to existing template, revised for clarity.</li> </ul>
	1 n - "Major Work"	Not included	<ul style="list-style-type: none"> <li>Similar meaning to definition in current electrical agreement.</li> <li>Amount has been left blank intentionally to allow for differences between municipalities.</li> </ul>
	1 o - "MGA"	Not included	<ul style="list-style-type: none"> <li>Defined for clarity and reference.</li> </ul>
	1 p - "Modified Plans"	13 c ii	<ul style="list-style-type: none"> <li>Definition is included in paragraph 14 (c) of new agreement and clause 13 c ii of existing template.</li> </ul>
	1 q - "Municipality"	1.1 g	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 r - "Municipal Compensation"	18	<ul style="list-style-type: none"> <li>Definition is included in paragraph 20 of new agreement and clause 18 of existing template.</li> <li>No material change to existing template.</li> </ul>

## Alberta Utilities Commission Approved Franchise Agreement Template

### Comparison Between Existing Franchise Agreement & New Model Template

AUMA Model Agreement Paragraph	AUMA Model Agreement Paragraph #	Current Agreement Clause #	Reason for Change/Addition
	1 s - "Municipal Service Area"	Not specifically 1 m	<ul style="list-style-type: none"> <li>Intent changed to reflect the area within the Municipality this agreement covers which may, or may not, be the entire municipality.</li> </ul>
	1 t - "Municipal Property"	1 n	<ul style="list-style-type: none"> <li>Minimal revision to reflect change in the definition of 1 s.</li> <li>No material change to existing template.</li> </ul>
	1 u - "Natural Gas"	Not Included	<ul style="list-style-type: none"> <li>Defined for clarity and reference.</li> </ul>
	1 v - "Natural Gas Distribution Service"	1 i	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 w - "Natural Gas Distribution System"	1 j	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 x - "NOVA Gas Transmission Ltd. (NGTL)"	Not Included	<ul style="list-style-type: none"> <li>Defined for clarity and reference.</li> </ul>
	1 y - "Operate"	1 o	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 z - "Party" or "Parties"	Not Included	<ul style="list-style-type: none"> <li>Defined for clarity and reference</li> </ul>
	1 aa - "Plans and Specifications"	10 a	<ul style="list-style-type: none"> <li>Added for clarity and reference along with the definition of "Major Work" Similar meaning to definition in current electrical agreement.</li> <li>No material change to existing template.</li> </ul>
	1 bb - "Term"	1 p	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 cc - "Terms and Conditions"	1 q	<ul style="list-style-type: none"> <li>Revised to show Commission approval required.</li> </ul>
	1 dd - "Work"	1 r	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	1 ee - "Work Around Procedures"	13 c ii	<ul style="list-style-type: none"> <li>Definition is included in paragraph 14 (c) of new agreement and clause 13 c ii of existing template.</li> </ul>
Term	2 a	2	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	2 b	Not included	<ul style="list-style-type: none"> <li>Included to clarify the expiry date of the agreement.</li> </ul>
	2 c	2 b	<ul style="list-style-type: none"> <li>No material change to existing template</li> </ul>
Expiry of Term of Agreement	3 a	2 d	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	3 b	Not specifically included 2 c	<ul style="list-style-type: none"> <li>Added to reflect MGA legislation.</li> </ul>
	3 c	2 e	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	3 d	Not included	<ul style="list-style-type: none"> <li>Added to allow municipality and utility ability to enter into a new template Agreement if approved by the Commission and mutually agreed on by the Parties.</li> </ul>
Grant of Franchise	4 a - b	3 a	<ul style="list-style-type: none"> <li>No material change to existing template.</li> <li>Information was reformatted for clarity.</li> </ul>
	4 c	3 b	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>

**Alberta Utilities Commission Approved Franchise Agreement Template**  
**Comparison Between Existing Franchise Agreement & New Model Template**

AUMA Model Agreement Paragraph	AUMA Model Agreement Paragraph #	Current Agreement Clause #	Reason for Change/Addition
Franchise Fee	5 a – Calculation of Franchise Fee	4 a	<ul style="list-style-type: none"> <li>No material change to existing template, revised for clarity.</li> </ul>
	5 b – Adjustment to the Franchise Fee	4 a	<ul style="list-style-type: none"> <li>Information reformatted for clarity</li> <li>Provides municipality with further latitude on timing of revisions to the franchise fee percentage with Commission approval.</li> </ul>
	5 c – Notice to Change Franchise Fee	4 c	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>
	5 d – Payment of Franchise Fee	4 d	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>
	5 e – Franchise Fee Cap	4 b	<ul style="list-style-type: none"> <li>No change to existing template.</li> </ul>
	5 f – Reporting Considerations	4 e	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	5 g - Franchise Fees Collected from Nova Gas Transmission Ltd Customers	Not included	<ul style="list-style-type: none"> <li><b>ATCO Gas only</b></li> <li>New clause to clarify the collection of Franchise Fees where NGTL customer is served from ATCO system.</li> </ul>
Core Services	6	5	<ul style="list-style-type: none"> <li>Further defined in Schedule “A”.</li> <li>Allows for amendment of the core services on mutual agreement.</li> </ul>
Provision of Extra Services	7	6	<ul style="list-style-type: none"> <li>No material change to existing template, revised for clarity.</li> </ul>
Municipal Taxes	8	7	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>
Right to Terminate on Default	9	8	<ul style="list-style-type: none"> <li>No material change to existing template, revised for clarity.</li> </ul>
Sale of Natural Gas Distribution System	10	9	<ul style="list-style-type: none"> <li>No material change to existing template, revised for clarity.</li> </ul>
Provision of Detailed Plans and Equipment	11 a – Detailed Plans	10 a	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	11 b – Provision of Equipment	10 b	<ul style="list-style-type: none"> <li>No change in meaning or intent</li> </ul>
Right of First Refusal to Purchase	12 a - c	11 a - c	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	12 d	11 d	<ul style="list-style-type: none"> <li>Utility has first right to match any offer the Municipality is willing to accept.</li> </ul>
	12 e	11 e	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
Construction and/or Maintenance of Natural Gas Distribution System	13 a – Municipal Approval	12 a	<ul style="list-style-type: none"> <li>New defined term “Major Work” added.</li> <li>Approval process outlined for clarity and reference.</li> <li>All utility work is currently approved by the Municipality.</li> </ul>
	13 b – Restoration of Municipal Property	12 b	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	13 c – Urgent Repairs and Notification to Municipality	12 c	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>

## Alberta Utilities Commission Approved Franchise Agreement Template

### Comparison Between Existing Franchise Agreement & New Model Template

AUMA Model Agreement Paragraph	AUMA Model Agreement Paragraph #	Current Agreement Clause #	Reason for Change/Addition
	13 d – Company to Obtain Approvals from Other Utilities	12 d	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>
	13 e – Revised Plans and Specifications	Not included	<ul style="list-style-type: none"> <li>Utilities agree to provide revised plans for all “Major Work” performed within the Municipality.</li> </ul>
	13 f – Approvals	12 e	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>
Responsibilities for Cost Relocation	14	13	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>
Natural Gas Distribution System Expansion	15	14	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
Increase in Municipal Boundaries	16	15	<ul style="list-style-type: none"> <li>“Municipal Service Area” a new defined term added for clarity and reference, meaning and intent not changed.</li> </ul>
Joint Use of Municipal Rights-of Way	17 a – Municipal Use	16 a	<ul style="list-style-type: none"> <li>Revised to better reflect that it is the municipal right-of-way that can be utilized.</li> <li>No other material changes to paragraph.</li> </ul>
	17 b – Third Party Use and Notice	16 b	<ul style="list-style-type: none"> <li>Revised to better reflect that it is the municipal right-of-way that can be utilized.</li> <li>No other material changes to paragraph.</li> </ul>
	17 c – Cooperation	16 c	<ul style="list-style-type: none"> <li>Revised to better reflect that it is the municipal right-of-way that can be utilized.</li> <li>No other material changes to paragraph.</li> </ul>
	17 d – Payment	16 d	<ul style="list-style-type: none"> <li>Revised to better reflect that it is the municipal right-of-way that can be utilized.</li> <li>No other material changes to paragraph.</li> </ul>
	17 e – Provision of Agreements	16 e	<ul style="list-style-type: none"> <li>Municipality can request a copy of all agreements at its discretion.</li> </ul>
Municipality as a Retailer	18	Not included	<ul style="list-style-type: none"> <li>Agreement does not restrict Municipality</li> </ul>
Reciprocal Indemnification and Liability	19 a	17 b	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	19 b	17 a	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
Assignment	20	18	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
Notices	21	19	<ul style="list-style-type: none"> <li>Similar to current agreement with the addition of “Electronic Format” as a form of notice.</li> </ul>
Interruptions or Discontinuance of Delivery Service	22	20	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
Dispute Settlement	23	21	<ul style="list-style-type: none"> <li>Additional clarification and new dispute settlement process provided.</li> </ul>
Application of Water, Gas and Electric Companies Act	24	22	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>
Force Majeure	25	23	<ul style="list-style-type: none"> <li>No change in meaning or intent.</li> </ul>

## Alberta Utilities Commission Approved Franchise Agreement Template Comparison Between Existing Franchise Agreement & New Model Template

AUMA Model Agreement Paragraph	AUMA Model Agreement Paragraph #	Current Agreement Clause #	Reason for Change/Addition
Terms and Conditions	26	24	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
Not Exclusive Against Her Majesty	27	25	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
Severability	28	26	<ul style="list-style-type: none"> <li>Agreement is subject to applicable laws in force.</li> </ul>
Amendments	29	Not included	<ul style="list-style-type: none"> <li>Added for greater certainty and transparency.</li> <li>Ensures any changes are properly documented and regulatory approvals required to effect the change, if any, are obtained.</li> </ul>
Waiver	30	Not included	<ul style="list-style-type: none"> <li>Added for greater certainty and transparency.</li> <li>Ensures proper documentation of any change(s) from Agreement and preserves each contracting party's rights and interests in event of a waiver on one or more matters.</li> </ul>
Confidentiality	31	Not included	<ul style="list-style-type: none"> <li>Added for greater certainty and transparency.</li> <li>Acknowledgement of the Municipalities' requirement to adhere to the Freedom of Information and Protection of Privacy Act.</li> </ul>
Schedule "A" Core Services	1 – Delivery of Natural Gas	Schedule A - 1	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	2 – Installation of Facilities	Schedule A - 2	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	3 – Measurement	Schedule A - 3	<ul style="list-style-type: none"> <li>Same meaning as in current agreement.</li> </ul>
	4 – Emergency Response Procedures	Schedule A - 4	<ul style="list-style-type: none"> <li>No material change to existing template.</li> </ul>
	5 – Leak safety	Schedule A - 6	<ul style="list-style-type: none"> <li>Utilities provide already to ensure safety of users. No material change to existing template.</li> </ul>
	6 – Qualified Personnel	Schedule A - 7	<ul style="list-style-type: none"> <li>Ensures the integrity of design. Addresses broad spectrum of qualifications required to design natural gas distribution systems.</li> </ul>
	7 – Commission Filings	Schedule A - 8	<ul style="list-style-type: none"> <li>As agreed to by utilities and AUMA.</li> <li>No material change to existing template.</li> </ul>
	8 – Gas Distribution System Information	Schedule A - 1	<ul style="list-style-type: none"> <li>Reporting will allow municipality to assess whether the utilities is providing reliable and safe service.</li> <li>No material change to existing template.</li> </ul>
	9 – Annual Usage Reporting	Not included	<ul style="list-style-type: none"> <li>Reporting will allow municipality to better assess consumption.</li> </ul>
	10 – Annual Meetings	Schedule A - 10	<ul style="list-style-type: none"> <li>Formalizes intent of existing template.</li> </ul>



**Alberta Utilities Commission Approved Franchise Agreement Template  
Comparison Between Existing Franchise Agreement & New Model Template**

<b>AUMA Model Agreement Paragraph</b>	<b>AUMA Model Agreement Paragraph #</b>	<b>Current Agreement Clause #</b>	<b>Reason for Change/Addition</b>
Schedule "B" Extra Services		Schedule B	<ul style="list-style-type: none"> <li>Allows the utilities and the municipality freedom to negotiate extra services.</li> </ul>

**NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

**Town of Barrhead**

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Schedule "A"

Schedule "B"

  
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Company

  
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Municipality

# NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE AGREEMENT

THIS AGREEMENT made effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

**Town of Barrhead**, a Municipal Corporation in the Province of Alberta (the "Municipality")

OF THE FIRST PART

- and -

**AltaGas Utilities Inc.**, a corporation having its head office at the City of Leduc, in the Province of Alberta (the "Company")

OF THE SECOND PART

WHEREAS the Municipality desires to grant and the Company desires to obtain an exclusive franchise to provide gas distribution services within the Municipal Area on the terms and conditions herein contained;

NOW THEREFORE in consideration of the mutual covenants and promises herein contained, the parties hereby agree as follows:

## 1) DEFINITIONS


Unless otherwise expressly provided in this Agreement, the words, phrases and expressions in this Agreement shall have the meanings attributed to them as follows:

- a) "Act" means the *Gas Utilities Act* (Alberta) as amended;
- b) "Commission" means the Alberta Utilities Commission as established under the *Alberta Utilities Commission Act*, as amended;
- c) "Company" means the party of the second part to this Agreement and includes its successors and permitted assigns;

  
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Company

  
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Municipality

- d) **"Construct"** means and includes establish, construct, reconstruct, upgrade or extend any part of the existing Gas Distribution System or proposed Gas Distribution System;
- e) **"Consumer"** means any individual, group of individuals, firm or body corporate, including the Municipality, with premises or facilities within the Municipal Area that is provided with Gas Distribution Service by the Company;
- f) **"Core Services"** means all those services set forth in Schedule "A";
- g) **"Delivery Tariff"** means the tariff prepared by the Company as revised or amended from time to time and approved by the Commission on an interim or final basis, as the case may be, approving and authorizing the Company to provide the service of the delivery of natural gas to the Consumer;
- h) **"Extra Services"** means those services set forth in Schedule "B" that are requested by the Municipality on behalf of its citizens and provided by the Company in accordance with Article 7;
- i) **"Gas Distribution Service"** means the delivery of natural gas in accordance with the Company's Delivery Tariff;
- j) **"Gas Distribution System"** means any facilities owned by the Company to provide Gas Distribution Service within the Municipal Area, and without limiting the generality of the foregoing, shall include all mains, pipes, conduits, valves and all other installations used and required for the purpose of delivering natural gas to the Consumer within the Municipal Area and includes any natural gas transmission lines owned by the Company within the Municipal Area;
- k) **"Maintain"** means to maintain, keep in good repair or overhaul any part of the Gas Distribution System;
- l) **"Municipality"** means the party of the first part to this Agreement;
- m) **"Municipal Area"** means the area within the municipal boundaries of the Municipality, as at the date of this Agreement, and as it may be otherwise increased herein;

  
Company

  
Municipality

- n) **"Municipal Property"** means all property, including lands and buildings, owned, controlled or managed by the Municipality within the Municipal Area;
- o) **"Operate"** means to operate, interrupt or restore any part of the Gas Distribution System in a safe and reliable manner;
- p) **"Term"** means the term of this Agreement set out in Article 2;
- q) **"Terms and Conditions"** means the terms and conditions contained within the Delivery Tariff;
- r) **"Work"** means any work to Construct or Maintain the Gas Distribution System.

2) **TERM**

- a) This Agreement shall be for a term of 10 years, commencing on the first (1<sup>st</sup>) day of \_\_\_\_\_, 20\_\_\_\_, or the first day after both the Commission has approved this agreement and Council of the Municipality has passed third reading of the adopting bylaw 13-08, whichever day comes later.
- b) It is agreed that this Agreement supercedes and replaces any prior gas franchise agreements between the Municipality and the Company.
- c) Unless otherwise agreed in writing between the parties, during the first year following the expiration of the Term, all the rights and obligations of the parties under this Agreement shall continue to be in effect.
- d) Provided the Company gives written notice to the Municipality not less than twelve (12) months prior to the expiration of the Term of its intention to negotiate a new franchise agreement, at any time following the expiration of the Term, and if the Municipality has not provided notice to the Company to exercise its rights to purchase the Gas Distribution System, either party may submit any items in dispute pertaining to a new franchise agreement to binding arbitration by the Commission.
- e) Commencing one year following the expiration of the Term, unless either party has invoked the right to arbitration referred to in sub-paragraph (d) above, or the Municipality has given notice to purchase the Gas Distribution System, this Agreement shall continue in effect but shall be amended to provide the following:

  
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Company

  
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Municipality

- (i) Fifty (50%) percent of the franchise fee otherwise payable under this Agreement to the Municipality shall be held back and in trust in an interest bearing trust account by the Company, for the sole benefit of the Municipality. The trust money along with all accumulated interest shall be paid to the Municipality immediately upon execution of another Gas Franchise Agreement with the Company, or if the Municipality purchases the Gas Distribution System, or if the Company transfers or sells the Gas Distribution System, or upon further Order of the Commission.

3) **GRANT OF FRANCHISE**

- a) Subject to the terms and conditions hereof, the Municipality hereby grants to the Company the exclusive right within the Municipal Area to Construct, Operate, and Maintain the Gas Distribution System together with the exclusive right to use portions of roads, rights-of-way, and other lands owned, controlled or managed by the Municipality which have been designated by the Municipality for such use and which are necessary to Construct, Operate and Maintain the Gas Distribution System.

Subject to the terms hereof, the Municipality agrees that it will not, during the Term, grant to any other person, firm or corporation, the right to Construct, Operate and Maintain any gas distribution system nor the exclusive right to use the portions of the roads, rights-of-way and other lands owned, controlled or managed by the Municipality which have been designated by the Municipality for such use and which are necessary to Construct, Operate and Maintain a gas distribution system, for the purpose of delivering natural gas in the Municipal Area for Consumers, so long as the Company delivers to the Municipality and the Consumers their requirements of natural gas.

- b) The Company agrees to:
  - i) bear the full responsibility of an owner of a natural gas distribution system and to ensure all services provided pursuant to this Agreement are in accordance with the Delivery Tariff, insofar as applicable;
  - ii) Construct, Operate and Maintain the Gas Distribution System;
  - iii) use designated portions of roads, rights-of-way, and other lands including other lands owned, controlled or managed by the Municipality necessary to Construct, Operate and Maintain the Gas Distribution System, including the

  
Company

  
Municipality

necessary removal, trimming of trees, shrubs or bushes or any parts thereof; and

- iv) use the Municipality's roads, rights-of-way and other Municipal Property granted hereunder solely for the purpose of providing Gas Distribution Service and any other service contemplated by this Agreement.

#### 4) **FRANCHISE FEE**

##### a) **Calculation of Franchise Fee**

In consideration of the exclusive grant of franchise, the ability to use Municipal rights-of-way, and the mutual covenants herein, the Company agrees to pay to the Municipality a franchise fee. The parties agree that s. 360(4) of the *Municipal Government Act* RSA 2000 c. M-26, as amended, does not apply to the calculation of the franchise fee in this Agreement. For each calendar year the franchise fee will be calculated as a percentage of the Company's actual total revenue derived from the Delivery Tariff, including without limitation the fixed charge, base energy charge, demand charge but excluding the cost of gas (being the calculated revenues from the gas cost recovery rate rider or the deemed cost of gas) in that year for Gas Distribution Service within the Municipal Area. For the first calendar year or portion thereof of the Term of this Agreement, the franchise fee percentage shall be eight ( 8 %) percent.

By no later than September 1 of each year, the Company shall: (i) advise the Municipality in writing of the total revenues that were derived from the Delivery Tariff within the Municipal Area for the prior calendar year; and (ii) with the Municipality's assistance, provide in writing an estimate of total revenues to be derived from the Delivery Tariff within the Municipal Area for the next calendar year.

By no later than November 15 of each year, the Municipality shall advise the Company in writing of the franchise fee percentage to be charged for the following year. Failing which notification, the franchise fee percentage shall remain unchanged.

##### b) **Franchise Fee Cap**

The franchise fee percentage shall not at any time exceed thirty five (35%) percent, unless there has been prior Commission approval.

  
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Municipality



c) **Notice to Change Franchise Fee**

Prior to implementing any change to the franchise fee, the Municipality shall notify its intent to change the level of the franchise fee and the resulting effect that such change will have on an average residential customer's annual gas bill through publication of a notice once in the newspaper that has the widest circulation in the Municipal Area at least 45 days prior to implementing the revised franchise fee. A copy of the notice shall be filed with the Commission.

d) **Payment of Franchise Fee**

Immediately upon the Municipality passing third reading of the applicable by-law approving this Agreement, the Company shall pay the franchise fee amount, billed to each Consumer, to the Municipality on a monthly basis within forty-five (45) days after billing for each Consumer.

e) **Reporting Considerations**

The Company shall provide to the Municipality along with payment of the franchise fee amount, the information containing total Delivery Tariff billed, the franchise fee percentage applied, the derived franchise fee amount, used by the Company to verify the payment of the franchise fee amount.

5) **CORE SERVICES**

The Company agrees to provide those Core Services to the Municipality as set forth in Schedule "A" and further agrees to the process contained in Schedule "A".

6) **PROVISION OF EXTRA SERVICES**

Subject to an agreement being reached, the Company agrees to provide to the Municipality those Extra Services, if any, as set forth in Schedule "B", as requested by the Municipality from time to time. The Company is entitled to receive from the Municipality a reasonable amount for full compensation for the provision of those Extra Services in accordance with Schedule "B".

Any breach by the Company for failing to provide any Extra Services contained in this Agreement shall not constitute a breach of a material provision of this Agreement for the purposes of Article 8.

  
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Municipality

**7) MUNICIPAL TAXES**

Amounts payable to the Municipality pursuant to the terms and conditions hereof shall be (without duplication) in addition to the municipal taxes and other levies or charges made by the Municipality against the Company, its land and buildings, linear property, machinery and equipment.

**8) RIGHT TO TERMINATE ON DEFAULT**

In the event either party breaches any material provision of this Agreement, the other party may, at its option, provide written notice to the party in breach to remedy such breach. If the said breach is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required by the party in breach using best efforts on a commercially reasonable basis to remedy the breach, the party not in breach may give six (6) months notice in writing of the termination of this Agreement to the other party, and unless such breach is remedied to the satisfaction of the party not in breach acting reasonably this Agreement shall terminate subject to prior Commission approval.

**9) SALE OF GAS DISTRIBUTION SYSTEM**

Upon the expiration of the Term of this Agreement, or the termination of this Agreement pursuant to the terms and conditions hereof or by operation of law or order of a governmental authority or court of law having jurisdiction, the Municipality may, subject to the approval of the Commission, (i) exercise its right to require the Company to sell to it the Gas Distribution System pursuant to the provisions of the *Municipal Government Act* (Alberta), as may be amended, where applicable, or (ii) if such right to require the Company to sell the Gas Distribution System is either not applicable or has been repealed, require the Company to sell to it the Gas Distribution System. If, upon the expiration of the Agreement, the parties are unable to agree on the price or on any other terms and conditions of the purchase, the unresolved matters shall be referred to the Commission for determination.

**10) PROVISION OF DETAILED PLANS AND EQUIPMENT**

**a) Detailed Plans**

The Company agrees to provide to the Municipality for the Municipality's purposes only, the most current set of detailed plan sheets including as-built drawings and specifications showing the locations (excluding depth) and alignments of the Gas Distribution System, excepting service lines and installations on private property, according to the plan sheets in hard copy and in the Company's electronic form, together with as many prints of the overall Gas Distribution System as the

  
Company

  
Municipality

Municipality may reasonably require. These plans and plan sheets shall be updated by the Company on at least an annual basis.

The Municipality shall upon reasonable request, provide to the Company any subdivision development plans of the Municipality in hard copy and in the Municipality's electronic form where available. The subdivision development plans are provided to the Company for the sole purpose of assisting the Company in delivering natural gas to the Consumer.

**b) Provision of Equipment**

The Company agrees to provide the Municipality's fire department with the equipment necessary for the operation of curb boxes and service valves so that in case of fire, the service valves may be turned off by the fire department if they reach a fire before the Company's representative. The Municipality will notify one of the Company's representatives of fires which may affect the Gas Distribution System and/or the operations as quickly as reasonably possible, or, in the event that they cannot reach a Company representative, the Municipality will advise the Company's standby personnel of such fires. The Company shall ensure that its representatives reasonably cooperate with the Municipality in preventing, controlling and investigating fires involving or affecting the Gas Distribution System.

**11) RIGHT OF FIRST REFUSAL TO PURCHASE**

- a) If during the Term of this Agreement, the Company receives a *bona fide* offer to operate, take control of the entire Gas Distribution System or purchase the Gas Distribution System within the Municipal Area, which the Company is willing to accept, then the Company shall promptly give written notice to the Municipality of the terms and conditions of such offer and the Municipality shall during the next one hundred and twenty (120) days, have the right of first refusal to operate, take control of or purchase that part of the Gas Distribution System, as the case may be, for the same price and upon the terms and conditions contained in the said offer. Notwithstanding the foregoing, in the event that the Municipality fails or refuses to exercise its right of first refusal, the Municipality shall retain the right to withhold its consent to an assignment of this Agreement in accordance with paragraph 18 below. For the purposes of this paragraph 11, "operate, take control" shall not be construed as including the subcontracting by the Company of only some portions of its operations where the Company continues to be responsible for the performance of this entire Agreement;

  
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Company

  
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Municipality

- b) If the Municipality does not exercise its right of first refusal and the said *bona fide* offer that the Company is willing to accept does not proceed to closure, the Municipality retains its right of first refusal on any other offer.
- c) This right of first refusal only applies where the offer pertains to the entire Gas Distribution System and the right of first refusal does not apply to offers that include any other distribution systems or distribution facilities of the Company located outside of the Municipal Area. If such offer includes other distribution systems of the Company, the aforesaid right of first refusal shall be of no force and effect and shall not apply.
- d) Where the Municipality exercises its rights to purchase the Gas Distribution System from the Company and thereby acquires the Gas Distribution System, the Municipality agrees that should it no longer wish to own the Gas Distribution System within five (5) years after it acquires the said system and the Municipality receives any *bona fide* offer from an arms length third party to purchase the Gas Distribution System, which it is willing to accept, then it shall promptly give notice to the Company of the terms and conditions of such offer. The Company shall during the next one hundred and twenty (120) days have the first right of refusal to purchase the Gas Distribution System for the same price and upon the same terms and conditions as contained in the said offer, providing the offer is equal to or greater than the terms of the original purchase by the Municipality from the Company (taking into account the depreciation of the Gas Distribution System at the time of the offer).
- e) The Municipality's right of first refusal shall not apply where the Company has agreed to transfer the entire Gas Distribution System to a third party utility company in exchange for certain other assets provided all of the following conditions are met:
  - (i) the third party utility can demonstrate to the satisfaction of the Municipality that it meets the necessary technical and financial requirements to own and operate the Gas Distribution System;
  - (ii) the only consideration that shall be exchanged between the Company and the third party utility company is the transfer and exchange of assets and monetary consideration limited to a maximum of 49% of the net book value of the Gas Distribution System;
  - (iii) there is no adverse impact to the Municipality resulting from the transfer and exchange above referenced as determined by the Commission;

  
Company  
Municipality

- (iv) the Company and the third party utility company obtain all the requisite regulatory requirements prior to completing the exchange; and
- (v) full compensation is paid to the Municipality for all costs including administrative and legal costs incurred by the Municipality in ensuring all of the conditions (i) through (iv) above are satisfied.

**12) CONSTRUCTION/MAINTENANCE OF GAS DISTRIBUTION SYSTEM**

**a) Municipal Approval**

Before undertaking any Work, or in any case in which the Municipality specifically requests the same, the Company will submit to and obtain the approval from the Municipality, or its authorized officers, of the plans, and the specifications when available for the proposed Work and its location. Approval by the Municipality granted in accordance with this paragraph shall be limited to an approval of the location and alignment of the Work only, and shall not signify approval of the structural design or the ability of the work to perform the function for which it was intended.

Prior to commencing any Work, the Company shall obtain such applicable permits as are required by the Municipality.

The Company shall obtain prior written approval from the Municipality of any traffic lane or sidewalk closures required to be made at least forty-eight (48) hours prior to the commencement of the proposed Work.

**b) Restoration of Municipal Property**

The Company agrees that when it or any agent employed by it undertakes any Work on any Municipal Property the Company shall complete the said Work promptly and in a good and workmanlike manner, and, where applicable, in accordance with the approved plans and specifications. Further, the Company shall forthwith restore the Municipal Property to the same state and condition, as nearly as reasonably possible, in which it existed prior to the commencement of such Work, subject to reasonable wear and tear.

The Company shall, where reasonably practicable, locate its pipelines and related equipment in lanes and alleys rather than in the streets and main thoroughfares.

  
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Municipality

The Company further covenants that it will not unduly interfere with the works of others or the works of the Municipality. Where reasonable and in the best interests of both the Municipality and the Consumer, the Company will cooperate with the Municipality and coordinate the installation of the Gas Distribution System along the designated rights-of-way pursuant to the direction of the Municipality. During the performance of the Work, the Company shall use commercially reasonable efforts to not interfere with existing Municipal Property and to cause as little damage as possible to the property of others (including the Municipality Property). If the Company causes damage to any existing Municipal Property during the performance of any Work, it shall cause such damage to be repaired at its own cost.

Upon default by the Company or its agent to repair damage caused to Municipal Property, the Municipality may provide written notice to the Company to remedy the default. If the default is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required and requested by the Company using the best efforts on a commercially reasonable basis to remedy the default, the Municipality may undertake such repair work and the Company shall be liable for the reasonable costs thereof.

**c) Urgent Repairs and Notification to Municipality**

If any repairs or maintenance required to be made to the Gas Distribution System are of an urgent nature where the operation or reliability of the Gas Distribution System is materially compromised or potentially materially compromised, the Company shall be entitled to conduct such repairs or maintenance as are commercially reasonable without prior notice to the Municipality, on the understanding and agreement that the Company will provide written or verbal notice to the Municipality as soon as practicable and in any event no later than 72 hours after the repairs are commenced.

**d) Company to Obtain Approvals from Other Utilities**

The Company shall be solely responsible for locating, or causing to be located, all existing utilities or utility mains, pipes, valves and related facilities in, on or adjacent to the Work site. The Company shall notify all other utility operators and ensure that utilities and utility mains, pipes, valves and related facilities are staked prior to commencement of construction. Unless the Municipality has staked the location for the utility property, staking shall not be deemed to be a representation or warranty by the Municipality that the utility or utility property are located as staked. The Municipality shall not be responsible for any damage caused by the Company to any utility or any third party as a result of the Company's Work, unless the Municipality

  
Company  
Municipality

has improperly staked the utility property. Approval must be obtained by the Company from the owner of any third party utility prior to relocation of any facility owned by such third party utility.

**e) Approvals**

Where any approvals are required to be obtained from either party under this Article, such approvals shall not be unreasonably withheld.

The Company shall ensure that all Work is performed in accordance with the requirements of all applicable legislation, rules and regulations. The Company shall immediately notify the Municipality of any lien, claim of lien or other action of which it has or reasonably should have knowledge, and shall cause the same to be removed within 30 days (or such additional time as the Municipality may allow in writing), failing which the Municipality may take such action as it reasonably deems necessary to remove the same and the entire cost thereof shall be immediately due and payable by the Company to the Municipality.

**13) RESPONSIBILITIES FOR COST OF RELOCATION**

Upon receipt of one (1) years notice from the Municipality, the Company shall, at its own expense, relocate to Municipal Property such part of the Gas Distribution System that is located on Municipal Property as may be reasonably required by the Municipality due to planned Municipal construction. In order to encourage the orderly development of Municipal facilities and the Gas Distribution System, the Municipality and the Company agree that they will meet regularly to: a) review the long-term facility plans of the Municipality and the Company; and b) determine the time requirements and costs for final design specifications for each relocation. Providing the Municipality is not the developer requesting the relocation for commercial or residential resale to third parties, the Company shall bear the expenses of the required relocation.

Notwithstanding the foregoing, the Company shall not be required to move any part of the Gas Distribution System after receipt of notice from the Municipality in accordance with this Article where:

- a) the Company has illustrated to the satisfaction of the Municipality, acting reasonably, that an appropriate Alternative Course of Action is available;
- b) the Municipality has provided the Company with its written approval of the Alternative Course of Action (which approval may not be unreasonably withheld by the Municipality); and

  
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Municipality

- c) the Company has provided its written undertaking to carry out the Alternative Course of Action promptly and within a sufficiently short period of time so as to ensure that the Municipality will be left with sufficient time to complete the said planned Municipal construction within the Intended Time Frame (taking into account any delays which the Municipality may encounter as a result of the Company utilizing the Alternative Course of Action).

For the purposes of this Article 13, the term "Alternative Course of Action" shall mean any course of action that will enable the Municipality to complete the said Municipal construction and will result in a net cost savings to the Company (taking into account all additional costs incurred by the Company in carrying out the Alternative Course of Action and any additional costs which the Municipality may incur and which the Company will be required to pay in accordance with this Article 13) and "Intended Time Frame" shall mean the period of time within which the Municipality would have reasonably been able to complete the said Municipal construction if the Company would have relocated the Gas Distribution System in accordance with this Article 13.

If the Municipality agrees to permit the Company to utilize an Alternative Course of Action, the Company shall pay any and all costs incurred in carrying out the Alternative Course of Action and shall pay on demand to the Municipality (on a full indemnity basis) any and all costs incurred by the Municipality:

- (i) in conducting a review of the Alternative Course of Action to determine whether the Alternative Course of Action is acceptable to the Municipality;
- (ii) in modifying any plans the Municipality may have prepared in respect of the said Municipal construction (which are referred to herein as "Modified Plans") or in preparing or developing plans and procedures (which are referred to herein as "Work Around Procedures") to work around the Gas Distribution System or any improvement, thing, or component utilized by the Company in effecting the Alternative Course of Action; and
- (iii) in the course of conducting the said planned Municipal construction where such costs would not have been incurred by the Municipality if the Company had relocated the Gas Distribution System in accordance with this Article 13 (including any additional cost the Municipality may incur in completing the said Municipal Construction in accordance with the Modified Plans or in effecting any Work Around Procedures).

The following example illustrates the intended application of the foregoing provisions:

Where : (A) The Municipality requires the Company to move a gas line so that the

  
Company

  
Municipality



Municipality can replace its own sewer lines. The cost of moving the gas line is \$10,000. The cost of carrying out the replacement of the sewer line after moving the gas line is \$40,000;


- (B) The Company proposes to simply brace the gas line (at a cost of \$2,000) and the Municipality, acting reasonably, approves of this as an Alternative Course of Action;
- (C) As a result of having to prepare Modified Plans and to prepare and implement Work Around Procedures to work around the braces, the actual cost incurred by the Municipality in replacing the sewer line is \$45,000 (being a net increase in cost of \$5,000);

the Company is required to pay the \$2,000 cost of the bracing together and the additional cost of \$5,000 incurred by the Municipality (resulting in a net savings of \$3,000 to the Company).

In cases of emergency, the Company shall take all measures that are commercially reasonable and necessary to ensure public safety with respect to relocating any part of the Gas Distribution System that may be required in the circumstances.

If the Company fails to complete the relocation of the Gas Distribution System or fails to repair or do anything else required by the Company pursuant to this clause without valid justification and in a timely and expeditious manner to the satisfaction of the Municipality's representative, acting reasonably, the Municipality may, but is not obligated to, complete such relocation or repair and the Company shall pay the reasonable costs of such relocation or repair forthwith to the Municipality. If the Municipality chooses to complete such relocation or repair the Municipality will ensure that such work is completed using the Company's design specifications and standards, as provided by the Company, including the use of good and safe operating practices.

The Municipality is not responsible, either directly or indirectly, for any damage to the equipment which forms part of the Gas Distribution System which may occur during its installation, maintenance or removal by the Company, nor is the Municipality liable to the Company for any losses, claims, charges, damages and expenses whatsoever suffered by the Company including claims for loss of revenue or loss of profits, on account of the actions of the Municipality, its agents or employees, working in, under, over, along, upon and across its highways and rights-of-ways or other Municipal Property other than direct loss or damage to the Company caused by the negligence or wilful misconduct of the Municipality, its agents or employees.

  
Company  
Municipality

In the event the relocation or any part thereof requires the approval of a third party, the Municipality will use reasonable efforts to assist the Company in any negotiation with such third party to obtain the necessary approval(s).

In the event the relocation results from the demand or order of an authority having jurisdiction, other than the Municipality, the Municipality shall not be responsible for any of the costs of such relocation.

**14) GAS DISTRIBUTION SYSTEM EXPANSION**

Subject to the Terms and Conditions, and at no cost to the Municipality unless otherwise provided for under the Terms and Conditions, the Company shall, on a timely basis use its best efforts on a commercially reasonable basis to meet the Gas Distribution System expansion requests of the Municipality or a Consumer, and provide the requisite facilities for connections for new Consumers to the Gas Distribution System.

**15) INCREASE IN MUNICIPAL BOUNDARIES**

Where the Municipal Area is increased through annexation or amalgamation as understood under the *Municipal Government Act* (Alberta) by the greater of 640 acres and twenty five (25%) percent of the current area or more, the Municipality shall have the right to:

- a) terminate this Agreement provided the Municipality gives notice in writing to the Company of its intention to do so; or
- b) add the increased area to the Municipal Area already served by the Company so that the rights and obligations contained in this Agreement will apply in respect of the whole Municipal Area, including the increased area.

For all other increases to the Municipal Area through annexation or amalgamation as understood under the *Municipal Government Act* (Alberta), the rights and obligations contained in this Agreement will apply in respect of the whole Municipal Area, including the increased area.

**16) JOINT USE OF GAS DISTRIBUTION SYSTEM**

**a) Municipal Use**

The Municipality shall upon notice to the Company have, for any reasonable municipal purpose, the right to make use of the Gas Distribution System (excluding the transportation of gas) and any rights-of-way granted to the Company, provided such use complies with good and safe natural gas operating practices, as determined

  
Company

  
Municipality

by the Company acting reasonably, applicable legislation, and does not unreasonably interfere with the Company's use thereof, at no charge to the Municipality. The Municipality is responsible for its own costs and any necessary and reasonable costs incurred by the Company including the costs of any alterations that may be required in using Gas Distribution System.

**b) Third Party Use and Notice**

The Company agrees that should any third party including other utilities desire to jointly use the Gas Distribution System or trenches or any parts of the Gas Distribution System, the Company shall not grant the third party joint use except in accordance with this Article, unless otherwise directed by any governmental authority or court of law having jurisdiction.

The Company agrees that the following procedure shall be used in granting permission to third parties desiring joint use of the Gas Distribution System:

- i) first, the third party shall be directed to approach the Company to initially request conditional approval from the Company to use that part of the Gas Distribution System it seeks to use;
- ii) second, upon receiving written conditional approval from the Company, the third party shall be directed to approach the Municipality to obtain its written approval to jointly use that part of the Gas Distribution System on any Municipal Property or right-of-way. As a condition of granting its consent, the Municipality may require that such third party enter into an agreement with the Municipality, and such agreement may require that such third party pay compensation to the Municipality;
- iii) third, upon receiving written conditional approval from the Municipality, the third party shall be directed to obtain final written approval from the Company to jointly use that part of the Gas Distribution System. Once a joint use agreement has been entered into between the Company and the third party, it shall not be subsequently amended without the consent of the Municipality (which consent will not be unreasonably withheld).

**c) Cooperation**

The Company and Municipality agree they will use reasonable efforts to cooperate with each other in encouraging the use of joint trenching and in any negotiations with

  
Company

  
Municipality

third parties desiring joint use of any part of the Gas Distribution System located on Municipal Property.

d) **Payment**

The compensation paid or to be paid by such third party to the Municipality for the use of the Municipal Property including its rights-of-way, shall be determined between the Municipality and the third party.

The compensation paid or to be paid by such third party to the Company for the joint use any portion of the Gas Distribution System shall be determined between the Company and the third party, subject to the jurisdiction of any governmental authority over the matter and the Municipality's right to intervene in any related regulatory proceeding.

e) **Provision of Agreements**

The Company shall provide to the Municipality within 6 months of executing this Agreement a copy of all agreements between the Company and any third parties involved in the joint use of any part of the Gas Distribution System.

Upon reasonable request by the Municipality, copies of these agreements shall be updated by the Company and provided to the Municipality at no cost to the Municipality.

**17) RECIPROCAL INDEMNIFICATION AND LIABILITY**

- a) Company shall indemnify and save the Municipality, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements), including indemnity from and against any claim, loss, cost, demand and legal or other expense, whether in respect of any lien, encumbrance or otherwise, arising out of any Work performed by or for the Company, which may be brought against or suffered, sustained, paid or incurred by the Municipality, its servants, agents, employees, contractors, licensees and invitees, arising from, or otherwise caused by:

- (i) any breach by the Company of any of the provisions of this Agreement; or
- (ii) the negligence or wilful misconduct of the Company, or any of its servants,

  
Company

  
Municipality

agents, employees, licensees, contractors or invitees in carrying on its business within the Municipal Area.

- b) The Municipality shall indemnify and save the Company, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements) which may be brought against or suffered, sustained, paid or incurred by the Company, its servants, agents, employees, licenses, contractors and invitees, arising from, or otherwise caused by:
  - (i) any breach by the Municipality of any of the provisions of this Agreement; or
  - (ii) the negligence or wilful misconduct of the Municipality, or any of its servants, agents, employees, licensees, contractors or invitees, in carrying on the business of the Municipality.
- c) Notwithstanding anything to the contrary herein contained, in no event shall the Municipality or the Company be liable under this Agreement, in any way, for any reason, for any indirect, special or consequential damages (including damages for pure economic loss, loss of profits, loss of earnings or loss of contract), howsoever caused or contributed to.

#### 18) **ASSIGNMENT**

In the event that the Company agrees to sell the Gas Distribution System to a third party purchaser, the Company shall comply with Article 11 above. In addition, the Company will request that the third party purchaser confirm in writing that it will agree to all the terms and conditions of this Agreement between the Company and the Municipality. The Company agrees that it will provide to the Municipality a copy of the third party purchaser's confirmation letter.

The Company agrees to provide the Municipality with reasonable prior written notice of a sale of the Gas Distribution System to a third party purchaser. The parties shall thereafter meet to discuss the technical and financial capabilities of the third party purchaser to perform and satisfy all terms and conditions of the Agreement, and the compensation payable to the Municipality for all costs including administrative and legal costs relating to providing its consent to the Assignment. ("Municipal Compensation")

The Municipality has thirty (30) days from the meeting date with the Company to provide written notice to the Company of its intention to consent or withhold its consent to the assignment of the Agreement to the third party purchaser. The Company agrees that the Municipality may provide

  
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Municipality

notice of its intention to withhold its consent to the assignment of this Agreement to the third party purchaser if the Municipal Compensation is inadequate or if the third party purchaser fails to covenant, in favour of the Municipality, to perform and observe all of the covenants and obligations of the Company to be performed and observed under this Agreement and otherwise solely on the basis of reasonable and material concerns regarding the technical capability or financial wherewithal of the third party purchaser to perform and satisfy all terms and conditions of the Agreement. In this case, such notice to the Company must specify in detail the Municipality's concern. Should the Municipality not reply within the thirty (30) days, it is agreed that the Municipality will be deemed to have consented to the assignment. The Company further agrees that, when it applies to the Commission for approval of the sale, it will include in the application any notice received from the Municipality, including the reasons given by the Municipality for withholding its consent. The Municipality shall have the right to make its own submissions to the Commission.

Subject to the Company having fulfilled the obligations outlined in the preceding three paragraphs, the Company shall be entitled to assign this Agreement to an arm's length third party purchaser of the Gas Distribution System without the consent of the Municipality, subject to paying the Municipal Compensation for the assignment, and having obtained the Commission's approval for the sale of the Gas Distribution System and, the third party purchaser's confirmation in writing that it agrees to all the terms and conditions of this Agreement.

Where the Commission approves such sale of the Gas Distribution System to a third party and the third party provides written confirmation to assume all liabilities and obligations of the Company under this Agreement, then upon the assignment of this Agreement and the payment of the Municipal Compensation for its consent to the Assignment subject to Commission approval, the Company shall be released from all its liabilities and obligations thereunder.

The Company shall be entitled to assign this Agreement to a subsidiary or affiliate of the Company without the Municipality's consent. Where the Company assigns this Agreement to a subsidiary or affiliate, the Company will remain jointly and severally liable.

Further, it is a condition of any assignment that the subsidiary, affiliate or third party purchaser, as the case may be, shall provide written notice to the Municipality indicating that it will assume all liabilities and obligations of the Company under this Agreement.

Any disputes arising under the operation of this Article shall be submitted to the Commission for determination.

  
Company

  
Municipality

**19) NOTICES**

All notices, demands, requests, consents, or approvals required or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been properly given if personally served or sent by registered mail or sent by fax to the Municipality or to the Company as the case may be, at the addresses set forth below:

- (i) To the Company:  
 AltaGas Utilities Inc.  
 5509 – 45<sup>th</sup> Street  
 Leduc, AB T9E 6T6  
 Fax: (780) 986-5220
  
- (ii) To the Municipality:  
 Town of Barrhead  
 P.O. Box 4189  
 Barrhead, AB T7N 1A2  
 Fax: (780) 674-5648

The date of receipt of any such notice as given above, shall be deemed to be as follows:

- (i) In the case of personal service, the date of service;
- (ii) In the case of registered mail, the seventh (7<sup>th</sup>) business day following the date of delivery to the Post Office, provided, however, that in the event of an interruption of normal mail service, receipt shall be deemed to be the seventh (7<sup>th</sup>) day following the date on which normal service is restored;
- (iii) In the case of a fax, the date the fax was actually received by the recipient.

**20) INTERRUPTIONS OR DISCONTINUANCE OF DELIVERY SERVICE**

Subject to its Delivery Tariff, the Company shall use its best efforts on a commercially reasonable basis to avoid and minimize any interruption, reduction or discontinuance of Gas Distribution Service to any Consumer. However, the Company reserves the right to do so for any one of the following reasons:

  
 Company

  
 Municipality

- (i) Where the Company is required to effect necessary repairs or changes to the Gas Distribution System;
- (ii) On account of or to prevent fraud or abuse of the Gas Distribution System;
- (iii) On account of defective aspects of the Gas Distribution Systems which in the opinion of the Company, acting reasonably, may become dangerous to life or property;
- (iv) Where required, under the Terms and Conditions, due to a Consumer's non-payment of gas bills.

To the extent the Company has any planned major interruptions, reductions or discontinuances in Gas Distribution Service, it shall notify the Municipality in writing as soon as practicable in the circumstances. For any other major interruption, reductions or discontinuances in Gas Distribution Service, the Company shall provide verbal notice to the Municipality as soon as is practicable in the circumstances.

## 21) DISPUTE SETTLEMENT

To the extent permitted by law, the Company and Municipality agree that unresolved disputes pertaining to this Agreement, other than those related to the sale of the Gas Distribution System as contemplated in Articles 9, 11(a) and 18 hereof, that pursuant to the terms of this Agreement, are to be submitted to the Commission for determination, or any other matter that is within the exclusive jurisdiction of a governmental authority having jurisdiction, shall be submitted to arbitration for determination and may be commenced by either party providing written notice to the other party stating the dispute to be submitted to arbitration. The parties shall attempt to appoint a mutually satisfactory arbitrator within 10 business days of the said notice. In the event the parties cannot agree on a single arbitrator within the 10 business days, each party shall appoint an arbitrator within the 10 business days thereafter by written notice, and the two arbitrators shall together appoint a third arbitrator within 25 business days of written notice for arbitration. If either party fails to appoint an arbitrator within the time set forth above, the arbitrator appointed by the other party shall proceed with the arbitration and the award of such arbitrator shall be final and binding. If the two arbitrators appointed by the parties hereto fail to agree upon a third arbitrator within the 25 business day period from the date of delivery of the written notice for arbitration, either party may apply, on ten (10) days written notice to the other, to a Judge of the Court of Queen's Bench of Alberta for the appointment of the third arbitrator. The dispute shall be heard by the arbitrator(s) within 45 business days of the written notice for arbitration unless extended by mutual agreement between the parties. The arbitrator(s) shall render a decision within 20 business days of the last day of the arbitration hearing. Save as otherwise expressly provided in this Agreement, the provisions of the *Arbitration Act* (Alberta) (as amended from time to time) shall apply to any arbitration undertaken under this

  
Company

  
Municipality



Agreement subject always to the Commission's jurisdiction over any matter submitted to arbitration. Pending resolution of any dispute, the Municipality and the Company shall continue to perform their respective obligations hereunder. The decision of the majority of the arbitrators shall be final and binding.

The Company shall advise the Commission of any dispute submitted to arbitration within ten (10) business days of it being submitted and shall advise the Commission of the results of arbitration within ten (10) business days following receipt of the decision of the arbitrator(s).

## **22) APPLICATION OF WATER, GAS AND ELECTRIC COMPANIES ACT**

This Agreement shall be deemed to operate as consent by the Municipality to the exercise by the Company of those powers which may be exercised by the Company with the consent of the Municipality under and pursuant to the provisions of the *Water, Gas and Electric Companies Act* (Alberta), as amended.

## **23) FORCE MAJEURE**

If either party shall fail to meet its obligations hereunder within the time prescribed, and such failure shall be caused or materially contributed by an event of "force majeure", such failure shall be deemed not to be a breach of the obligations of such party hereunder, but such party shall use its best efforts to put itself in a position to carry out its obligations hereunder. The term "force majeure" shall mean any acts of God, strikes, lock-outs, or other industrial disturbances, acts of the Queen's enemies, sabotage, war, blockades, insurrections, riots, epidemics, lightening, earthquakes, storms, fires, wash-outs, nuclear and radiation activity or fall-out, restraints of rulers and people, orders of governmental authorities or courts of law having jurisdiction, the inability to obtain any necessary approval from a governmental authority having jurisdiction (excluding municipal governments), civil disturbances, explosions, mechanical failure, and any other causes similar in nature not specifically enumerated or otherwise specified herein that are not within the control of such party, and all of which by the exercise of due diligence of such party could not have been prevented. Lack of finances shall be deemed not to be an event of "force majeure".

## **24) TERMS AND CONDITIONS**

The Terms and Conditions that apply to the Company and are approved by the Commission, as revised or amended from time to time by the Commission, shall apply to the Municipality.

  
Company

  
Municipality

**25) NOT EXCLUSIVE AGAINST HER MAJESTY**

Notwithstanding anything to the contrary herein contained, it is mutually understood and agreed that the rights, powers and privileges conferred and granted by this Agreement shall not be deemed to be exclusive against Her Majesty in the right of the Province of Alberta.

**26) SEVERABILITY**

To the extent permitted by law, any provision of this Agreement which is prohibited or unenforceable, shall be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining portions hereof.

IN WITNESS WHEREOF the parties hereto have executed these presents as of the day and year first above written.

**Municipality**

PER: \_\_\_\_\_

PER: \_\_\_\_\_

**AltaGas Utilities Inc.**

PER: \_\_\_\_\_

PER: \_\_\_\_\_

**Earle A Tuele**  
President

**Arnold Mantei, Vice President**  
Controller

\_\_\_\_\_  
Company

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Municipality

**SCHEDULE "A"**  
**Core Services**

The Company shall provide to the Municipality the following basic services as Core Services:

- 1) The Company shall deliver natural gas to the Consumers within the Municipal Area in accordance with the Company's Terms and Conditions, the Company's Distribution Tariff, the Act, any regulations thereto, and any Commission Orders.
- 2) The Company shall install all natural gas facilities required to provide service to the Consumers within the Municipal Area and in accordance with the Natural Gas Sales Service Regulations.
- 3) As required by legislation, the Company shall provide and install all necessary regulators and meters necessary for measuring the natural gas supplied to each Consumer. The point of delivery shall be upon the Consumer's premise, currently at the outlet side of the meter.
- 4) The Company agrees to collaborate with the Municipality's Fire Department in an effort to mutually develop emergency response procedures relating to natural gas emergencies.
- 5) The Company shall do all things to Operate and Maintain the Gas Distribution System, including in accordance with all applicable regulations, codes, applicable standards and common industry practices.
- 6) The Company shall provide twenty-four hour a day "Trouble Service" to investigate any natural gas odor and make safe any suspected gas leak inside or outside the Consumer's premise.
- 7) The Company will utilize the services of professional engineers who are responsible for designing all natural gas facilities to satisfy all applicable regulatory codes and standards; preparing of necessary work order plans and monitoring the distribution network pressures to ensure that the Company's facilities will satisfy the Consumer's current and future natural gas delivery requirements.
- 8) The Company shall provide to the Municipality, on request, copies of any and all Gas Distribution Service related written information or reports required to be filed with the Commission, with the exception of responses to questions from interveners or the Commission related to rate hearings.

  
Company

  
Municipality

- 9) The Company shall provide to the Municipality, upon request, an annual report on the following standards specific to the Municipality:
- i) **System Reliability** - that will be measured by:
    - The number of major interruptions to Gas Distribution Service resulting in a loss of service to Consumers;
    - The number of Consumers affected by each outage; and
    - The average duration of each outage.
  - ii) **Customer Satisfaction with local Gas Distribution Service** - that will be measured by the number and nature of unresolved local non-rates related customer complaints received by the Company.
    - including the Company-wide Call Centre targets and statistics (wait times, abandoned calls, call volumes, etc); and any
    - customer complaints received by the Commission.
  - iii) **Public Safety:** that will be measured by:
    - the number of customer injuries and/or damages due to Gas Distribution System failure;
    - the number of line hits per total locates completed;
    - the number of line hits as a result of inaccurate locates;
    - the percentage of the area of the Municipality surveyed for leaks and yearly cathodic protection measures;
    - the number and nature of calls received from the Municipality and any of its Municipal agencies (including fire department, police department etc.) regarding the Gas Distribution System.
- 10) The Company shall meet at least annually with the Municipality ensuring that through a mutual exchange of information the Municipality is kept apprised of the Company's construction and upgrading programs planned for the Municipality. The Municipality will advise the Company of any issues relating to the Gas Distribution System that have been addressed by Municipal council.

  
Company

  
Municipality

**SCHEDULE "B"**  
**Extra Services**

- 1) After the Municipality requests Extra Services, the Company will provide its applicable operations and maintenance standards for Gas Distribution System field services.
- 2) If the Company and the Municipality agree that the Company will provide Extra Services requested by the Municipality, the parties shall complete the information required in subparagraph 3), and subparagraph 4) shall apply in respect of such Extra Services.
- 3) Extra Services shall mean:

[ To be negotiated by municipality.]

- 4) In consideration for the provision of the Extra Services, the Municipality shall pay to the Company the sum of \_\_\_\_\_ Dollars (\$) which if forming part of this Agreement shall be collected as part of the Franchise Fee.
- 5) Within sixty (60) days of the end of each calendar year, the Company shall provide a written report to the Municipality, outlining the actual performance of the Extra Services provided and the related costs for each service for the Municipality to assess if the performance standards for the Extra Services have been met.
- 6) In the event the Company breaches any material provision of the Extra Services contract, the Municipality may, at its option, provide written notice to the Company to remedy such breach. If the said breach is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required by the Company using its best efforts on a commercially reasonable basis to remedy the breach, the Municipality may give six (6) months notice in writing of the termination of the Extra Services contract to the Company, and unless such breach is remedied to the satisfaction of the Municipality acting reasonably, the Extra Services contract shall terminate.

  
Company

  
Municipality

# Barrhead

## Historical Impact of Franchise Tax on Typical Residential Customer

	Base	Variable	GCCR	Total Energy Charge	Usage in GJs	Delivery and Gas Cost Charges	Franchise Tax Rate	Total FT Paid
Jan-08	\$ 0.647	\$ 1.221	\$ 6.160	\$ 7.381	19	\$ 160.30	8.000%	\$ 12.82
Feb-08	\$ 0.647	\$ 1.221	\$ 7.503	\$ 8.724	15	\$ 148.98	8.000%	\$ 11.92
Mar-08	\$ 0.647	\$ 1.221	\$ 9.105	\$ 10.326	14	\$ 164.62	8.000%	\$ 13.17
Apr-08	\$ 0.647	\$ 1.221	\$ 8.000	\$ 9.221	9	\$ 102.40	8.000%	\$ 8.19
May-08	\$ 0.647	\$ 1.221	\$ 7.551	\$ 8.772	6	\$ 72.69	8.000%	\$ 5.82
Jun-08	\$ 0.647	\$ 1.221	\$ 10.116	\$ 11.337	4	\$ 64.76	8.000%	\$ 5.18
Jul-08	\$ 0.647	\$ 1.221	\$ 11.196	\$ 12.417	3	\$ 57.31	8.000%	\$ 4.58
Aug-08	\$ 0.647	\$ 1.221	\$ 4.490	\$ 5.711	3	\$ 37.19	8.000%	\$ 2.98
Sep-08	\$ 0.647	\$ 1.221	\$ 6.754	\$ 7.975	6	\$ 67.26	8.000%	\$ 5.38
Oct-08	\$ 0.647	\$ 1.221	\$ 5.509	\$ 6.730	10	\$ 87.36	8.000%	\$ 6.99
Nov-08	\$ 0.694	\$ 1.309	\$ 8.110	\$ 9.419	14	\$ 152.69	8.000%	\$ 12.21
Dec-08	\$ 0.694	\$ 1.309	\$ 6.911	\$ 8.220	17	\$ 161.25	8.000%	\$ 12.90
	<b>Average</b>	<b>\$ 7.617</b>			<b>120</b>		<b>Total</b>	<b>\$ 102.14</b>
Jan-09	\$ 0.694	\$ 1.309	\$ 6.323	\$ 7.632	19	\$ 166.52	8.000%	\$ 13.32
Feb-09	\$ 0.694	\$ 1.309	\$ 4.792	\$ 6.101	15	\$ 110.95	8.000%	\$ 8.88
Mar-09	\$ 0.778	\$ 1.467	\$ 4.102	\$ 5.569	14	\$ 102.08	8.000%	\$ 8.17
Apr-09	\$ 0.778	\$ 1.467	\$ 5.118	\$ 6.585	9	\$ 82.61	8.000%	\$ 6.61
May-09	\$ 0.868	\$ 1.636	\$ 1.851	\$ 3.487	6	\$ 47.83	8.000%	\$ 3.83
Jun-09	\$ 0.868	\$ 1.636	\$ 3.415	\$ 5.051	4	\$ 46.24	8.000%	\$ 3.70
Jul-09	\$ 0.868	\$ 1.636	\$ 1.645	\$ 3.281	3	\$ 36.75	8.000%	\$ 2.94
Aug-09	\$ 0.868	\$ 1.636	\$ 2.037	\$ 3.673	3	\$ 37.93	8.000%	\$ 3.03
Sep-09	\$ 0.868	\$ 1.636	\$ 2.350	\$ 3.986	6	\$ 49.96	8.000%	\$ 4.00
Oct-09	\$ 0.868	\$ 1.636	\$ 3.244	\$ 4.880	10	\$ 75.71	8.000%	\$ 6.06
Nov-09	\$ 0.868	\$ 1.636	\$ 5.400	\$ 7.036	14	\$ 124.54	8.000%	\$ 9.96
Dec-09	\$ 0.868	\$ 1.636	\$ 4.355	\$ 5.991	17	\$ 128.76	8.000%	\$ 10.30
	<b>Average</b>	<b>\$ 3.719</b>			<b>120</b>		<b>Total</b>	<b>\$ 80.79</b>
Jan-10	\$ 0.868	\$ 1.636	\$ 5.508	\$ 7.144	19	\$ 162.64	8.000%	\$ 13.01
Feb-10	\$ 0.868	\$ 1.636	\$ 6.646	\$ 8.282	15	\$ 148.53	8.000%	\$ 11.88
Mar-10	\$ 0.868	\$ 1.636	\$ 4.596	\$ 6.232	14	\$ 114.16	8.000%	\$ 9.13
Apr-10	\$ 0.868	\$ 1.636	\$ 3.877	\$ 5.513	9	\$ 75.66	8.000%	\$ 6.05
May-10	\$ 0.868	\$ 1.636	\$ 2.906	\$ 4.542	6	\$ 54.16	8.000%	\$ 4.33
Jun-10	\$ 0.868	\$ 1.636	\$ 3.772	\$ 5.408	4	\$ 47.67	8.000%	\$ 3.81
Jul-10	\$ 0.868	\$ 1.636	\$ 3.263	\$ 4.899	3	\$ 41.61	8.000%	\$ 3.33
Aug-10	\$ 0.868	\$ 1.636	\$ 3.633	\$ 5.269	3	\$ 42.72	8.000%	\$ 3.42
Sep-10	\$ 0.868	\$ 1.636	\$ 3.151	\$ 4.787	6	\$ 54.76	8.000%	\$ 4.38
Oct-10	\$ 0.868	\$ 1.636	\$ 3.679	\$ 5.315	10	\$ 80.06	8.000%	\$ 6.40
Nov-10	\$ 0.868	\$ 1.636	\$ 3.132	\$ 4.768	14	\$ 92.79	8.000%	\$ 7.42
Dec-10	\$ 0.868	\$ 1.636	\$ 4.107	\$ 5.743	17	\$ 124.54	8.000%	\$ 9.96
	<b>Average</b>	<b>\$ 4.023</b>			<b>120</b>		<b>Total</b>	<b>\$ 83.14</b>
Jan-11	\$ 0.920	\$ 1.735	\$ 3.631	\$ 5.366	19	\$ 130.47	8.000%	\$ 10.44
Feb-11	\$ 0.920	\$ 1.735	\$ 3.925	\$ 5.660	15	\$ 110.66	8.000%	\$ 8.85
Mar-11	\$ 0.920	\$ 1.735	\$ 3.807	\$ 5.542	14	\$ 106.11	8.000%	\$ 8.49
Apr-11	\$ 0.920	\$ 1.735	\$ 4.450	\$ 6.185	9	\$ 83.27	8.000%	\$ 6.66

# Barrhead

## Historical Impact of Franchise Tax on Typical Residential Customer

	Base	Variable	GCCR	Total Energy Charge	Usage in GJs	Delivery and Gas Cost Charges	Franchise Tax Rate	Total FT Paid
May-11	\$ 0.920	\$ 1.735	\$ 4.151	\$ 5.886	6	\$ 63.84	8.000%	\$ 5.11
Jun-11	\$ 0.920	\$ 1.735	\$ 4.301	\$ 6.036	4	\$ 51.74	8.000%	\$ 4.14
Jul-11	\$ 0.920	\$ 1.735	\$ 3.221	\$ 4.956	3	\$ 43.39	8.000%	\$ 3.47
Aug-11	\$ 0.886	\$ 1.463	\$ 2.949	\$ 4.412	3	\$ 40.70	8.000%	\$ 3.26
Sep-11	\$ 0.886	\$ 1.463	\$ 3.702	\$ 5.165	6	\$ 57.57	8.000%	\$ 4.61
Oct-11	\$ 0.886	\$ 1.463	\$ 3.338	\$ 4.801	10	\$ 75.48	8.000%	\$ 6.04
Nov-11	\$ 0.886	\$ 1.463	\$ 3.045	\$ 4.508	14	\$ 89.69	8.000%	\$ 7.18
Dec-11	\$ 0.886	\$ 1.463	\$ 3.332	\$ 4.795	17	\$ 108.98	8.000%	\$ 8.72
	<b>Average</b>	<b>\$</b>	<b>3.654</b>		<b>120</b>		<b>Total</b>	<b>\$ 76.95</b>
Jan-12	\$ 0.886	\$ 1.463	\$ 3.057	\$ 4.520	19	\$ 113.35	8.000%	\$ 9.07
Feb-12	\$ 0.998	\$ 1.647	\$ 2.237	\$ 3.884	15	\$ 86.20	8.000%	\$ 6.90
Mar-12	\$ 0.998	\$ 1.647	\$ 2.238	\$ 3.885	14	\$ 85.33	8.000%	\$ 6.83
Apr-12	\$ 0.998	\$ 1.647	\$ 1.181	\$ 2.828	9	\$ 55.39	8.000%	\$ 4.43
May-12	\$ 0.998	\$ 1.647	\$ 1.107	\$ 2.754	6	\$ 47.46	8.000%	\$ 3.80
Jun-12	\$ 0.998	\$ 1.647	\$ 2.140	\$ 3.787	4	\$ 45.09	8.000%	\$ 3.61
Jul-12	\$ 0.998	\$ 1.647	\$ 1.057	\$ 2.704	3	\$ 39.05	8.000%	\$ 3.12
Aug-12	\$ 0.998	\$ 1.647	\$ 2.220	\$ 3.867	3	\$ 42.54	8.000%	\$ 3.40
Sep-12	\$ 0.998	\$ 1.647	\$ 1.540	\$ 3.187	6	\$ 49.06	8.000%	\$ 3.92
Oct-12	\$ 0.998	\$ 1.647	\$ 2.425	\$ 4.072	10	\$ 71.66	8.000%	\$ 5.73
Nov-12	\$ 0.998	\$ 1.647	\$ 3.373	\$ 5.020	14	\$ 100.22	8.000%	\$ 8.02
Dec-12	\$ 0.998	\$ 1.647	\$ 3.381	\$ 5.028	17	\$ 116.41	8.000%	\$ 9.31
	<b>Average</b>	<b>\$</b>	<b>2.163</b>		<b>120</b>		<b>Total</b>	<b>\$ 68.14</b>
Jan-13	\$ 1.032	\$ 1.813	\$ 2.852	\$ 4.665	19	\$ 120.61	8.000%	\$ 9.65
Feb-13	\$ 1.032	\$ 1.813	\$ 2.864	\$ 4.677	15	\$ 99.04	8.000%	\$ 7.92
Mar-13	\$ 1.032	\$ 1.813	\$ 2.594	\$ 4.407	14	\$ 93.67	8.000%	\$ 7.49
Apr-13	\$ 1.043	\$ 1.833	\$ 3.306	\$ 5.139	9	\$ 77.53	8.000%	\$ 6.20
May-13	\$ 1.043	\$ 1.833	\$ 2.878	\$ 4.711	6	\$ 60.58	8.000%	\$ 4.85
Jun-13	\$ 1.043	\$ 1.833	\$ 3.897	\$ 5.730	4	\$ 54.20	8.000%	\$ 4.34
Jul-13	\$ 1.043	\$ 1.833	\$ 3.760	\$ 5.593	3	\$ 49.10	8.000%	\$ 3.93
Aug-13	\$ 1.043	\$ 1.833	\$ 2.457	\$ 4.290	3	\$ 45.19	8.000%	\$ 3.62
Sep-13	\$ 1.043	\$ 1.833	\$ 2.349	\$ 4.182	6	\$ 56.37	8.000%	\$ 4.51
Oct-13	\$ 1.043	\$ 1.833	\$ 2.369	\$ 4.202	10	\$ 74.34	8.000%	\$ 5.95
Nov-13	\$ 1.043	\$ 1.833	\$ 3.637	\$ 5.470	14	\$ 107.86	8.000%	\$ 8.63
Dec-13	\$ 1.043	\$ 1.833	\$ 3.190	\$ 5.023	17	\$ 117.71	8.000%	\$ 9.42
	<b>Average</b>	<b>\$</b>	<b>3.013</b>		<b>120</b>		<b>Total</b>	<b>\$ 76.49</b>
Jan-14	\$ 1.198	\$ 1.843	\$ 4.231	\$ 6.074	19	\$ 152.54	8.000%	\$ 12.20
Feb-14	\$ 1.198	\$ 1.843	\$ 4.864	\$ 6.707	15	\$ 134.15	8.000%	\$ 10.73
Mar-14	\$ 1.198	\$ 1.843	\$ 7.383	\$ 9.226	14	\$ 166.30	8.000%	\$ 13.30
Apr-14	\$ 1.198	\$ 1.843	\$ 6.386	\$ 8.229	9	\$ 110.00	8.000%	\$ 8.80
May-14	\$ 1.198	\$ 1.843	\$ 4.969	\$ 6.812	6	\$ 78.01	8.000%	\$ 6.24
Jun-14	\$ 1.198	\$ 1.843	\$ 3.073	\$ 4.916	4	\$ 55.60	8.000%	\$ 4.45
Jul-14	\$ 1.198	\$ 1.843	\$ 3.001	\$ 4.844	3	\$ 51.67	8.000%	\$ 4.13
Aug-14	\$ 1.198	\$ 1.843	\$ 2.631	\$ 4.474	3	\$ 50.56	8.000%	\$ 4.04
Sep-14	\$ 1.198	\$ 1.843	\$ 5.079	\$ 6.922	6	\$ 77.47	8.000%	\$ 6.20

## Barrhead

### Historical Impact of Franchise Tax on Typical Residential Customer

	Base	Variable	GCCR	Total Energy Charge	Usage in GJs	Delivery and Gas Cost Charges	Franchise Tax Rate	Total FT Paid
Oct-14	\$ 1.198	\$ 1.843	\$ 3.999	\$ 5.842	10	\$ 95.56	8.000%	\$ 7.64
Nov-14	\$ 1.198	\$ 1.843	\$ 3.345	\$ 5.188	14	\$ 108.57	8.000%	\$ 8.69
Dec-14	\$ 1.198	\$ 1.843	\$ 4.175	\$ 6.018	17	\$ 139.44	8.000%	\$ 11.16
		<b>Average</b>	<b>\$ 4.428</b>		<b>120</b>		<b>Total</b>	<b>\$ 97.59</b>
Jan-15	\$ 1.224	\$ 1.885	\$ 2.760	\$ 4.645	19	\$ 126.20	8.000%	\$ 10.10
Feb-15	\$ 1.224	\$ 1.885	\$ 2.757	\$ 4.642	15	\$ 103.90	8.000%	\$ 8.31
Mar-15	\$ 1.224	\$ 1.885	\$ 2.369	\$ 4.254	14	\$ 97.50	8.000%	\$ 7.80
Apr-15	\$ 1.224	\$ 1.885	\$ 3.754	\$ 5.639	9	\$ 87.47	8.000%	\$ 7.00
May-15	\$ 1.224	\$ 1.885	\$ 2.202	\$ 4.087	6	\$ 62.47	8.000%	\$ 5.00
Jun-15	\$ 1.224	\$ 1.885	\$ 1.209	\$ 3.094	4	\$ 49.10	8.000%	\$ 3.93
Jul-15	\$ 1.224	\$ 1.885	\$ 2.630	\$ 4.515	3	\$ 51.49	8.000%	\$ 4.12
Aug-15	\$ 1.224	\$ 1.885	\$ 2.872	\$ 4.757	3	\$ 52.22	8.000%	\$ 4.18
Sep-15	\$ 1.224	\$ 1.885	\$ 2.959	\$ 4.844	6	\$ 65.78	8.000%	\$ 5.26
Oct-15	\$ 1.224	\$ 1.885	\$ 2.819	\$ 4.704	10	\$ 84.98	8.000%	\$ 6.80
Nov-15	\$ 1.224	\$ 1.885	\$ 2.477	\$ 4.362	14	\$ 97.79	8.000%	\$ 7.82
Dec-15	\$ 1.224	\$ 1.885	\$ 2.472	\$ 4.357	17	\$ 112.01	8.000%	\$ 8.96
		<b>Average</b>	<b>\$ 2.607</b>		<b>120</b>			<b>\$ 79.27</b>
Jan-16	\$ 1.278	\$ 1.973	\$ 1.644	\$ 3.617	19	\$ 108.34	13.500%	\$ 14.63
Feb-16	\$ 1.278	\$ 1.973	\$ 2.010	\$ 3.983	15	\$ 96.81	13.500%	\$ 13.07
Mar-16	\$ 1.278	\$ 1.973	\$ 1.126	\$ 3.099	14	\$ 83.00	13.500%	\$ 11.21
Apr-16	\$ 1.278	\$ 1.973	\$ 1.179	\$ 3.152	9	\$ 66.71	13.500%	\$ 9.01
May-16	\$ 1.278	\$ 1.973	\$ 1.579	\$ 3.552	6	\$ 60.93	13.500%	\$ 8.23
Jun-16	\$ 1.278	\$ 1.973	\$ 1.848	\$ 3.821	4	\$ 53.62	13.500%	\$ 7.24
Jul-16	\$ 1.278	\$ 1.973	\$ 3.206	\$ 5.179	3	\$ 55.16	13.500%	\$ 7.45
Aug-16	\$ 1.278	\$ 1.973	\$ 3.091	\$ 5.064	3	\$ 54.81	13.500%	\$ 7.40
Sep-16	\$ 1.278	\$ 1.973	\$ 2.320	\$ 4.293	6	\$ 64.10	13.500%	\$ 8.65
Oct-16	\$ 1.278	\$ 1.973	\$ 2.605	\$ 4.578	10	\$ 85.40	13.500%	\$ 11.53
Nov-16	\$ 1.278	\$ 1.973	\$ 3.124	\$ 5.097	14	\$ 109.70	13.500%	\$ 14.81
Dec-16	\$ 1.278	\$ 1.973	\$ 2.551	\$ 4.524	17	\$ 116.53	13.500%	\$ 15.73
		<b>Average</b>	<b>\$ 2.190</b>		<b>120</b>			<b>\$ 128.94</b>
Jan-17	\$ 1.343	\$ 2.084	\$ 3.086	\$ 5.170	19	\$ 139.86	16.000%	\$ 22.38
Feb-17	\$ 1.343	\$ 2.084	\$ 2.203	\$ 4.287	15	\$ 103.25	16.000%	\$ 16.52
Mar-17	\$ 1.343	\$ 2.084	\$ 2.968	\$ 5.052	14	\$ 112.36	16.000%	\$ 17.98
Apr-17	\$ 1.343	\$ 2.084	\$ 3.387	\$ 5.471	9	\$ 89.53	16.000%	\$ 14.32
May-17	\$ 1.343	\$ 2.084	\$ 3.726	\$ 5.810	6	\$ 76.49	16.000%	\$ 12.24
Jun-17	\$ 1.343	\$ 2.084	\$ 4.804	\$ 6.888	4	\$ 67.84	16.000%	\$ 10.85
Jul-17	\$ 1.343	\$ 2.084	\$ 2.902	\$ 4.986	3	\$ 56.59	16.000%	\$ 9.05
Aug-17	\$ 1.343	\$ 2.084	\$ 2.069	\$ 4.153	3	\$ 54.09	16.000%	\$ 8.65
Sep-17	\$ 1.343	\$ 2.084	\$ 1.211	\$ 3.295	6	\$ 60.06	16.000%	\$ 9.61
Oct-17	\$ 1.343	\$ 2.084	\$ 1.519	\$ 3.603	10	\$ 77.66	16.000%	\$ 12.43
Nov-17	\$ 1.343	\$ 2.084	\$ 1.675	\$ 3.759	14	\$ 92.92	16.000%	\$ 14.87
Dec-17	\$ 1.343	\$ 2.084	\$ 2.214	\$ 4.298	17	\$ 114.70	16.000%	\$ 18.35
		<b>Average</b>	<b>\$ 2.647</b>		<b>120</b>			<b>\$ 167.26</b>



**Barrhead**  
Estimated Impact of Franchise Fee

	Base	TPTR	Variable	Usage in GJs	Total Delivery Tarrif	Proposed Fee	Total Fee Paid
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	6.00%	\$ 5.08
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	6.00%	\$ 4.36
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	6.00%	\$ 4.51
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	6.00%	\$ 3.80
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	6.00%	\$ 3.49
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	6.00%	\$ 3.14
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	6.00%	\$ 3.23
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	6.00%	\$ 3.07
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	6.00%	\$ 3.45
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	6.00%	\$ 4.04
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	6.00%	\$ 4.39
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	6.00%	\$ 4.89
				<b>120</b>		<b>Total</b>	<b>\$ 47.45</b>
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	8.00%	\$ 6.77
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	8.00%	\$ 5.82
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	8.00%	\$ 6.02
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	8.00%	\$ 5.06
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	8.00%	\$ 4.66
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	8.00%	\$ 4.18
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	8.00%	\$ 4.30
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	8.00%	\$ 4.10
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	8.00%	\$ 4.60
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	8.00%	\$ 5.39
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	8.00%	\$ 5.85
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	8.00%	\$ 6.52
				<b>120</b>		<b>Total</b>	<b>\$ 63.26</b>
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	10.00%	\$ 8.46
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	10.00%	\$ 7.27
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	10.00%	\$ 7.52
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	10.00%	\$ 6.33
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	10.00%	\$ 5.82
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	10.00%	\$ 5.23
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	10.00%	\$ 5.38
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	10.00%	\$ 5.12
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	10.00%	\$ 5.75
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	10.00%	\$ 6.74
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	10.00%	\$ 7.31
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	10.00%	\$ 8.14
				<b>120</b>		<b>Total</b>	<b>\$ 79.08</b>

**Barrhead**  
Estimated Impact of Franchise Fee

	Base	TPTR	Variable	Usage in GJs	Total Delivery Tarrif	Proposed Fee	Total Fee Paid
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	12.00%	\$ 10.15
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	12.00%	\$ 8.72
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	12.00%	\$ 9.03
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	12.00%	\$ 7.60
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	12.00%	\$ 6.99
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	12.00%	\$ 6.28
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	12.00%	\$ 6.46
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	12.00%	\$ 6.15
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	12.00%	\$ 6.90
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	12.00%	\$ 8.08
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	12.00%	\$ 8.77
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	12.00%	\$ 9.77
				<b>120</b>		<b>Total</b>	<b>\$ 94.89</b>
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	15.00%	\$ 12.69
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	15.00%	\$ 10.90
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	15.00%	\$ 11.28
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	15.00%	\$ 9.50
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	15.00%	\$ 8.73
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	15.00%	\$ 7.85
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	15.00%	\$ 8.07
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	15.00%	\$ 7.68
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	15.00%	\$ 8.62
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	15.00%	\$ 10.10
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	15.00%	\$ 10.97
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	15.00%	\$ 12.22
				<b>120</b>		<b>Total</b>	<b>\$ 118.62</b>
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	20.00%	\$ 16.92
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	20.00%	\$ 14.54
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	20.00%	\$ 15.04
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	20.00%	\$ 12.66
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	20.00%	\$ 11.65
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	20.00%	\$ 10.46
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	20.00%	\$ 10.76
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	20.00%	\$ 10.25
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	20.00%	\$ 11.49
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	20.00%	\$ 13.47
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	20.00%	\$ 14.62
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	20.00%	\$ 16.29
				<b>120</b>		<b>Total</b>	<b>\$ 158.16</b>

**Barrhead**  
Estimated Impact of Franchise Fee

	Base	TPTR	Variable	Usage in GJs	Total Delivery Tarrif	Proposed Fee	Total Fee Paid
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	25.00%	\$ 21.15
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	25.00%	\$ 18.17
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	25.00%	\$ 18.80
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	25.00%	\$ 15.83
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	25.00%	\$ 14.56
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	25.00%	\$ 13.08
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	25.00%	\$ 13.45
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	25.00%	\$ 12.81
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	25.00%	\$ 14.37
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	25.00%	\$ 16.84
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	25.00%	\$ 18.28
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	25.00%	\$ 20.36
				<b>120</b>		<b>Total</b>	<b>\$ 197.69</b>

Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	35.00%	\$ 29.61
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	35.00%	\$ 25.44
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	35.00%	\$ 26.33
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	35.00%	\$ 22.16
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	35.00%	\$ 20.38
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	35.00%	\$ 18.31
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	35.00%	\$ 18.83
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	35.00%	\$ 17.93
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	35.00%	\$ 20.11
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	35.00%	\$ 23.57
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	35.00%	\$ 25.59
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	35.00%	\$ 28.51
				<b>120</b>		<b>Total</b>	<b>\$ 276.77</b>

Property Tax							
Jan-17	\$ 1.343	0.178	\$ 2.084	19	\$ 84.61	4.70%	\$ 3.98
Feb-17	\$ 1.343	0.255	\$ 2.084	15	\$ 72.69	4.70%	\$ 3.42
Mar-17	\$ 1.343	0.315	\$ 2.084	14	\$ 75.22	4.70%	\$ 3.54
Apr-17	\$ 1.343	0.474	\$ 2.084	9	\$ 63.31	4.70%	\$ 2.98
May-17	\$ 1.343	0.682	\$ 2.084	6	\$ 58.23	4.70%	\$ 2.74
Jun-17	\$ 1.343	0.920	\$ 2.084	4	\$ 52.31	4.70%	\$ 2.46
Jul-17	\$ 1.343	1.972	\$ 2.084	3	\$ 53.80	4.70%	\$ 2.53
Aug-17	\$ 1.343	1.114	\$ 2.084	3	\$ 51.23	4.70%	\$ 2.41
Sep-17	\$ 1.343	0.778	\$ 2.084	6	\$ 57.46	4.70%	\$ 2.70
Oct-17	\$ 1.343	0.488	\$ 2.084	10	\$ 67.35	4.70%	\$ 3.17
Nov-17	\$ 1.343	0.261	\$ 2.084	14	\$ 73.12	4.70%	\$ 3.44
Dec-17	\$ 1.343	0.258	\$ 2.084	17	\$ 81.45	4.70%	\$ 3.83
				<b>120</b>		<b>Total</b>	<b>\$ 37.17</b>

# Town of Barrhead

	2013	2014	2015	2016	2017	2018 Total estimate	
= Total Delivery Revenues	\$ 1,675,566.53	\$ 1,656,220.54	\$ 1,678,252.61	\$ 1,837,843.23	\$ 1,932,467.05	\$ 2,009,765.73	
= <b>Total Revenues</b>	<b>\$ 1,675,566.53</b>	<b>\$ 1,656,220.54</b>	<b>\$ 1,678,252.61</b>	<b>\$ 1,837,843.23</b>	<b>\$ 1,932,467.05</b>	<b>\$ 2,009,765.73</b>	
Franchise Fee	\$ 134,044.85	\$ 132,496.67	\$ 134,260.74	\$ 248,019.21	\$ 309,138.35	\$ 321,562.52	
Property/Linear Taxes (from tax notices)	49,323.18	52,141.27	52,903.05	50,714.95	47,717.54	\$ 49,626.24	2018 Estimate
<b>Total</b>	<b>\$ 183,368.03</b>	<b>\$ 184,637.94</b>	<b>\$ 187,163.79</b>	<b>\$ 298,734.16</b>	<b>\$ 356,855.89</b>	<b>\$ 371,188.76</b>	
Franchise fees as a % of revenue	8.00%	8.00%	8.00%	13.50% *	16.00%	16.00%	2018 Franchise Rate
Estimated Franchise Fee Payable at 6%						\$ 120,585.94	
Estimated Franchise Fee Payable at 8%						\$ 160,781.26	
Estimated Franchise Fee Payable at 10%						\$ 200,976.57	
Estimated Franchise Fee Payable at 12%						\$ 241,171.89	
Estimated Franchise Fee Payable at 15%						\$ 301,464.86	
Estimated Franchise Fee Payable at 18%						\$ 361,757.83	
Estimated Franchise Fee Payable at 20%						\$ 401,953.15	
Estimated Franchise Fee Payable at 25%						\$ 502,441.43	
Estimated Franchise Fee Payable at 35%						\$ 703,418.01	

\* Franchise Fee effective 2017