

WATER AND SEWAGE SERVICES OPERATING AGREEMENT

THIS AGREEMENT made this 30<sup>th</sup> day of MARCH, 1988

BETWEEN:

THE INCORPORATED HAMLET OF  
FORT McPHERSON,  
Northwest Territories  
(hereinafter called "the Hamlet")

of the FIRST PART

and

THE GOVERNMENT OF THE NORTHWEST TERRITORIES  
as represented by the Minister of  
PUBLIC WORKS AND HIGHWAYS,  
(hereinafter called "the GNWT")

of the SECOND PART

WHEREAS:

The Hamlet has the mandate to provide water and sewage services within its jurisdiction pursuant to the provisions of the Municipal Act, R.S.N.W.T. 1974, c. M-15, s. 151;

Such services are delivered to users by way of a water and sewage system located within the jurisdiction of the Hamlet;

Certain portions of the water and sewage system are owned by the GNWT;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and the terms and conditions hereinafter set forth, the Hamlet and the GNWT agree as follows:



## 1. DEFINITIONS

In this Agreement:

- (1) "Water and Sewage System" means the buildings, works mobile equipment, and other equipment used in the collection, treatment, storage and delivery of water and the collection, treatment and disposal of sewage within the jurisdiction of the Hamlet.
- (2) "Building" means a structure housing equipment forming part of the water and sewage system and includes the lighting, heating, control, alarm, and other built-in systems for the building such as emergency diesel generators.
- (3) "Works" means fixed infrastructure excluding Buildings such as pipes, water storage tanks, water reservoirs, sewage lagoons, forming part of the water and sewage system.
- (4) "Mobile Equipment" means water trucks, sewage trucks and other vehicles forming part of the water and sewage system.
- (5) "Equipment" means pumps, motors, heat tapes, heating, controls, instrumentation, alarm, forming part of the water and sewage system.
- (6) "Pipe" means a pipe used to transport water or sewage and includes all appurtenances such as manholes, hydrants, heat tapes, thermal insulation, supports, utilidors, valves, drains, vents, instrumentation, controls, alarms etc. as applicable forming part of the water and sewage system.
- (7) "Main" means a pipe used to transport water or sewage to or from several buildings excluding Service Lines forming part of the water and sewage system.
- (8) "Service Line" means a water or sewage pipe between the Main and any premises and serving the needs of only that premises.
- (9) "Main Meter" means a device used to measure the quantity of water which is part of the water and sewage system and not a Service Meter.
- (10) "Service Meter" means a device used to measure the quantity of water used in an individual user's premises.

- (11) "User" means any individual, government, organization, corporation, partnership or firm, whether incorporated or unincorporated, which makes use of the water and sewage system.
- (12) "Fully Burdened Labour Rate" means the total hourly cost as determined by the GNWT from time to time of each class of direct labour employee of the GNWT exclusive of the cost of supervision and includes the following:
- (a) Salaries and benefits;
  - (b) Housing subsidy less rent paid by the individual;
  - (c) Support facilities and equipment including vehicles, shop tools and storage space.
  - (d) Net productive hours, being paid hours less statutory holidays and leave entitlement.

## 2. RESPONSIBILITIES OF GNWT

The GNWT agrees:

- 2.1 To supply potable water to the Hamlet at points of connection of Service Lines to Mains and to water truck fill facilities.
- 2.2 To receive sewage at points of connection of Service Lines to Mains and at sewage pumpout truck disposal facilities.
- 2.3 To dispose of sewage received.
- 2.4 To operate, maintain and repair the portions of the water and sewage system described in Appendix "A" in accordance with the standards and schedules in the Maintenance Management System of the GNWT as modified from time to time. Notwithstanding that the activities described in Appendix "B" are part of the water and sewage system, for greater certainty it is understood and agreed that the GNWT shall not be responsible for the activities described in Appendix "B".
- 2.5 To maintain and repair water and sewage system components owned by the Hamlet described in Appendix "C" in accordance with the standards and schedules in the Maintenance Management System of the GNWT as modified from time to time.
- 2.6 To use reasonable efforts to maintain continuity of service; however, the GNWT does not guarantee an uninterrupted service. The GNWT shall have the right to interrupt service for the purposes of effecting repairs or improvements to the water and sewage system; however, the GNWT shall use reasonable efforts to give prior notice to the Hamlet and to

those users who will have service interrupted and shall use reasonable efforts to ensure that such interruption is as short in duration, and occurs at times least inconvenient to such users, as circumstances permit. The GNWT shall not be liable for any loss, damage or expense arising out of any interruption of service.

- 2.7 To shut off Service Lines or Equipment under conditions which the GNWT considers to be an emergency or when directed to do so by the Hamlet.
- 2.8 To recommend replacement and upgrading of the water and sewage system to the Hamlet and to the Department of Municipal and Community Affairs, GNWT.
- 2.9 To recommend specifications and requirements for Service Line connections.
- 2.10 To inspect Service Line connections to the Mains.
- 2.11 To send monthly invoices to the Hamlet for all labour, material, contracts, and other costs incurred by the GNWT to perform the work under this Agreement. All invoices will be substantiated with work orders, materials vouchers, travel expense claims, fuel and electricity bills, and other documents. The Fully Burdened Labour Rate for GNWT employees or actual rates charged by subcontractors will be used for invoicing.
- 2.12 To read Main Meters and inform the Hamlet of monthly water meter readings and total quantity consumptions.
- 2.13 To consult with the Hamlet and to provide information to assist the Hamlet to discharge their overall management responsibility for the provision of water and sewage services to users.
- 2.14 To prepare a proposed detailed monthly work plan and budget for the following fiscal year operations and maintenance activities and present this to the Hamlet in December and to prepare a final work plan and budget in January with consideration of the comments provided by the Hamlet.
- 2.15 To notify the Hamlet of any significant anticipated or actual variance in the work plan or budget.
- 2.16 To wherever practical, schedule work on the water and sewage system to coincide with work on other GNWT properties to minimize the total cost including travel, transportation and supervision cost.

Joint costs will be prorated for the purposes of invoicing.

- 2.17 To wherever practical utilize the resources of the Hamlet including material and equipment owned by the Hamlet and manpower supplied by the Hamlet in performing work under this Agreement. The Hamlet may charge GNWT for this use of Hamlet resources.

### 3. RESPONSIBILITIES OF HAMLET

The Hamlet agrees:

- 3.1 To reimburse the GNWT for the following costs:

#### 3.1.1 Utilities and Fuel

This item includes heating, electricity, fuel, and any other costs for portions of the water and sewage system described in Appendix "A". For joint and multi-use buildings, the costs will be proportionate to the building space used for the water and sewage system.

Any bills, such as fuel, paid directly by the Hamlet will not be charged by the GNWT.

#### 3.1.2 Preventive Maintenance

This item includes all labour and materials required for scheduled maintenance. Mobile Equipment costs will be recorded separately for each asset but for other portions of the water and sewage system the costs may be grouped together.

#### 3.1.3 Repairs

This item includes all labour and material required for routine and emergency repairs. Repair costs will be recorded separately for each asset.

#### 3.1.4 Travel

Travel expenses will be the amounts actually incurred for operations and maintenance of the water and sewage system.

#### 3.1.5 Other Direct Costs

This item includes all other direct costs which are directly attributable to the operations and maintenance of the water and sewage system including items such as water treatment chemicals and insurance premiums.

### 3.1.6 Overhead

This item includes the costs for supervision, management and administration. An Overhead Charge will be added to all invoices for items 3.1.1 to 3.1.5 inclusive to cover overhead costs.

3.1.6.1 The Overhead Charge shall be nine percent (9%).

3.2 To pay GNWT invoices for work under this Agreement within 30 days of mailing of the invoice. The Hamlet will pay interest charges for late payments in accordance with the Financial Administration Manual of the GNWT as revised from time to time.

## 4. PRIORITY FOR WORK

Priorities regarding operations and maintenance under this Agreement will be established by the GNWT.

## 5. AMENDMENT TO AGREEMENT

Amendments to this Agreement may be initiated by either the Hamlet or the GNWT giving a written notice to the other party.


## 6. TERMINATION OF AGREEMENT

This Agreement may be terminated by either GNWT or the Hamlet without cause, providing the other party with at least six months written notice.

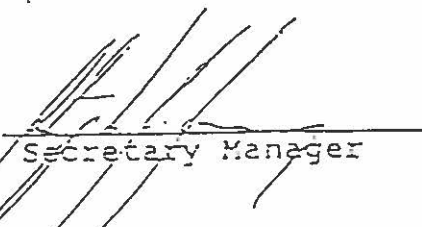
## 7. EFFECTIVE DATE OF AGREEMENT

Notwithstanding the execution date, this Agreement shall come into affect as and from the 16th day of April 1977.

FOR:  
INCORPORATED HAMLET OF FORT McPHERSON


Per:   
Mayor

SEAL

Per:   
Secretary Manager

FOR:  
GOVERNMENT OF THE NORTHWEST TERRITORIES

  
Witness

Per:   
Minister,  
Department of Public Works  
and Highways

APPENDIX "A"

WATER AND SEWAGE SERVICES OPERATING AGREEMENT

BUILDINGS AND WORKS  
INCLUDED IN THE  
WATER AND SEWAGE SERVICES OPERATING AGREEMENT

1. Water System Buildings:
2. Water System Equipment:
3. Water System Mains:
4. Water System Tanks:
5. Water Reservoirs:
6. Sewage System Buildings:
7. Sewage System Equipment:
8. Sewage System Mains:
9. Main Meters and Service Meters:



APPENDIX "B"

WATER AND SEWAGE SERVICES OPERATING AGREEMENT

ACTIVITIES NOT THE RESPONSIBILITY OF THE  
GOVERNMENT OF THE NORTHWEST TERRITORIES

The Government of the Northwest Territories is not responsible for the following activities:

- (1) filling of water reservoirs;
- (2) drawing down sewage lagoons;
- (3) monitoring, testing and reporting required under Water Board Licenses;
- (4) delivery of water or collection of sewage under trucked systems;
- (5) reading of Service Meters;
- (6) billing of users;
- (7) operations and maintenance of solid waste sites;
- (8) maintenance of access roads to water and sewage Buildings;
- (9) snow and ice clearing outside water and sewage Buildings;
- (10) snow and ice clearing at truck fill and disposal stations.

APPENDIX "C"

WATER AND SEWAGE SERVICES OPERATING AGREEMENT

HAMLET OWNED  
BUILDINGS, WORKS, MOBILE EQUIPMENT AND OTHER EQUIPMENT  
INCLUDED IN THE  
WATER AND SEWAGE SERVICES OPERATING AGREEMENT

Addendum

To the Water and Sewage Operating Agreement between the Municipality of Fort McPherson and the Government of the Northwest Territories.

It is further agreed that a Committee composed of representatives from the Municipality of Fort McPherson, the Government of the Northwest Territories, Department of Public Works, and the Government of the Northwest Territories, Department of Municipal and Community Affairs shall meet twice a year, on or about April 1st and again on or about October 1st, for the purpose of:

- a) reviewing expenditures incurred in the operation of the water and sewage distribution/removal system for the 6 months prior to the meeting.
- b) reviewing forecasted expenditures for the forthcoming 6 month period.

and that it be recognized that the Committee be charged with the mandate of controlling costs and where possible, reducing costs associated with the program.

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