

ANNUAL REPORT
MUNICIPAL RURAL INFRASTRUCTURE FUND

AT MARCH 31, 2007

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1 BACKGROUND

The Canada–Northwest Territories Municipal Rural Infrastructure Fund Agreement was signed on January 18, 2005. The agreement supports all territorial communities, translating into joint federal-territorial community infrastructure funding of \$32 million over five years. From the \$32 million 2 percent (\$64,000/year) will be allocated to administration and 1 percent (\$32,000/year) to Capacity Building.

The governments of Canada and the Northwest Territories agreed to provide up to 55 percent of MRIF funding for the 27 non-tax-based (NTB) communities and at least 45 percent for the tax-based (TB) communities. In the NTB communities, the Federal government has committed to contribute up to 50 percent of the eligible cost of a given project; the Government of the Northwest Territories will provide the remaining 50 percent contribution. In the TB communities the, Canada has committed to contribute up to 33 percent of the total eligible project costs over the life of the program; the Government of the Northwest Territories has committed to match this federal contribution.

Eighty (80) percent of the fund in the Northwest Territories has been reserved for “green” projects and 20 percent of the funding for the tax-based communities will support innovative “green” projects.

1.1 THE GNWT NEW DEAL

The New Deal is a strategic priority of the Government of the Northwest Territories, as outlined in the Government of the Northwest Territories (GNWT) *Strategic Plan*, and is a key priority of the Department.

The objectives of the New Deal are to provide a broader range of authority and accountability to community governments, to provide community governments with access to a broader range of own-source revenues, to redefine the mandate of MACA to better respond to the needs of empowered community governments, and to establish realistic and achievable transition plans for communities.

The six key elements of the New Deal include:

1. Work with community governments to implement the expanded authorities and accountabilities that came into force with new municipal legislation on April 1, 2004; and that came into force for Tlicho communities through the *Tlicho Community Government Act* in August 2005.
2. Work with community governments and regional bodies where appropriate, to support implementation of self-government arrangements where municipal jurisdiction resides under new governance structures.
3. Transfer full authority for the acquisition and development of Community Public Infrastructure (CPI) to community governments.
4. Expand municipal taxation authority to all community governments.

5. Work in partnership with community governments and the Northwest Territories Association of Communities (NWTAC) to identify innovative approaches to infrastructure financing, and to leverage funding from other sources.
6. Work in partnership with community governments, the NWTAC and regional bodies established under self-government agreements to identify innovative approaches to capacity issues at the community level.

1.2 CHANGES TO CAPITAL

Cabinet has approved some key elements of the New Deal Implementation plan. Related to capital, approvals include the establishment of a separate stable funding allocation of \$28 million starting in 2006-2007 and approval of the capital funding formula to allocate available funding to communities on a fair and equitable basis.

With the move to capital formula funding, community governments will assume full responsibility for infrastructure planning, development, maintenance and replacement. This change will apply to hamlets, charter communities and Tlicho communities immediately. Settlements and Band Councils are prevented by legislation from owning real property, so implementation will take longer for those communities, although MACA is currently working to identify solutions.

Under the New Deal, communities will receive stable and predictable capital funding directly from MACA. Funding will be allocated on a formula basis, to ensure each community receives a fair share. MACA's public presentations and written materials have noted that, due to the requirement to complete multi-year capital projects, the full amount of \$28 million would not be available for distribution via the formula in 2007-2008.

Like other departments, MACA's capital projects are experiencing inflationary pressures which mean it will not be possible to complete all projects in the capital plan with current funding.

MACA is still on track to implement the New Deal effective April 1, 2007, however recent analysis indicates that if no changes are made to its 2006-2009 capital plan there will be no funding available for distribution via the formula and, in fact, the Department would require a significant funding increase to finish projects currently in process. Therefore, in order to ensure that there is a reasonable amount of capital funding to flow to communities starting in 2007-2008, MACA recently cut more than 20 projects from its 2006-2009 Capital Plan. There will still be significant financial pressures for those projects remaining on the capital plan should current inflation rates continue, but by removing some projects, MACA will be able to flow a substantive portion of the capital funding to communities in 2007-2008 and allow communities to incorporate cancelled projects on their own capital plans if those projects are community priorities.

2 ADMINISTRATION

2.1 MANAGEMENT COMMITTEE

The Agreement specifies that within 60 days of signing the Parties will establish a Management Committee (MC) to administer and manage the Agreement. Two co-chairs chosen from its members head the MC: one appointed by Canada (“Federal Co-chair”) and one appointed by the Northwest Territories (“Territorial Co-chair”). Federal and Territorial alternates would also be appointed.

A letter appointing the Territorial Co-chair and alternate Co-chair was sent to Mr. Andre Juneau, Deputy Minister, Infrastructure Canada on March 23, 2005 (Appendix 1). A Federal Co-chair was not appointed until the first MC meeting on June 2, 2005 where Infrastructure Canada appointed an interim Federal Co-chair. A letter appointing the Federal Co-chair was also sent to Debbie DeLancey, Deputy Minister, MACA on June 02, 2005.

A consensus was met at the Management Committee level that Infrastructure Canada would be the Federal Co-chair due to MACA’s interest in integrating all community infrastructure programs for the NWT and the desire to have Infrastructure Canada maintain the role on the Management Committee to facilitate this integration.

The MC members include:

Territorial Co-Chair – Debbie DeLancey, Deputy Minister, Municipal and Community Affairs

Territorial Alternate – Eleanor Young, Director Community Operations, Municipal and Community Affairs

Federal Co-Chair – John McDowell, Director General, Intergovernmental Operations, Infrastructure Canada

Federal Alternate – Michael Rutherford, Senior Analyst, Program Operations, Infrastructure Canada

A decision was made during the first MC meeting in June 2005 to delay the preparation of terms of reference until the MC members were finalized.

Since the signing of the agreement the MC has met 5 times and during these meetings has discussed items such as MC structure, project approval, innovation guideline approval, innovation project approval, and project cost overruns. Meeting minutes are provided in Appendix 2.

2.2 JOINT SECRETARIAT

A Joint Secretariat (JS) was established to support the MC in the administration of the Agreement. JS members include:

Territorial Representative – Thomas Beard, Manager Financial Policy & Infrastructure - Community Operations, Municipal and Community Affairs

Federal Representative – Aleta Fowler, Policy and Planning Advisor, Policy and Planning Directorate, Department of Indian and Northern Affairs

2.3 PARTNERSHIPS

A Memorandum of Understanding (MOU) between the Government of the Northwest Territories Department of Municipal and Community Affairs and the Northwest Territories Association of Communities (NWTAC) was signed 1 April, 2005 (Appendix 3). Under the MOU:

- MACA agreed to consult with the NWTAC on the allocation methodology to determine the funding split between the tax based and non-tax-based community governments.
- MACA agreed to consult with NWTAC on the project selection methodology and ranking criteria developed for the implementation of the MRIF agreement.
- MACA agreed to update the NWTAC on the implementation progress of the MRIF agreement on a bi-annual basis.
 - Update to be provided at the NWTAC's general annual meeting.
 - Update to be provided at a regular NWTAC board meeting to be determined by the NWTAC.
- MACA extended a standing offer for the NWTAC to attend all Management Committee meeting as an active observer.
- All consultations shall be documented by way of written correspondence, copies of which will be attached to this MOU and be made available to the parties to the MRIF agreement.

2.4 JOINT GUIDELINES, PROCEDURES, AND FORMS

The following is a list of the joint guidelines that have been finalized:

- Information Management Guideline
- Application Form Guideline
- Business Case Guideline
- Communication Protocol Guideline
- Reporting-Audit-Evaluation Guideline
- Innovation Guideline

3 PROJECT ALLOCATION METHODOLOGY AND SELECTION CRITERIA

3.1 ALLOCATION METHODOLOGY

An NWTAC new deal working group was established in 2004 to liaise with the Municipal and Community Affairs (MACA) Minister on all federal initiatives pertaining to the federal new deal. The working group includes representatives from both NTB and TB communities.

The funding allocation between the NTB communities and the TB communities was determined using the national formula of a 1.5% base + per capita. This worked out to \$8.5 million for the NTB and \$7 million for the TB communities (55/45 percent split). The NWTAC new deal working group was consulted on the funding split of 55 percent NTB and 45 percent TB.

3.2 PROJECT SELECTION CRITERIA

The project selection method used to select projects is different for the NTB and the TB communities.

The following funding targets guided the development of the selection criteria

- 80% of Funds will be committed to Green Projects;
- 20% of Funds for TB communities will be used to fund Green Projects that utilize innovative technologies and/or practices.

The MRIF Agreement defines “Green Projects” as local infrastructure projects that:

- in the opinion of the Parties, improve the quality of the environment and contribute to clean water, soil or air, and
- fall into one of the following Schedule A categories: water and wastewater, solid waste, public transit or energy efficiency.

Innovation guidelines were developed and approved by the MC. The guideline identifies the components of innovative technologies for municipal infrastructure to be:

- Use of innovative technology and/or practice to incorporate “alternative” energy sources (wind, geothermal, biomass, sun, tide, etc.). Directly ties energy efficiencies, behaviours and practices to performance (energy saving rebates; etc)
- Use of innovative technology and/or practice to reduce greenhouse gas (GHG) impacts of current technologies (use of combined heat and power systems; on-site waste water recycling Microsystems; composting toilets; district heating; methane recapture; etc.).
- Use of innovative technology and/or practice to improve infrastructure services (drinking water, wastewater treatment, solid waste management, transportation).
- The environmental infrastructure project must improve air, water or soil quality, protect the climate, or encourage the sustainable use of renewable and non-renewable resources.
- Entails more sustainable financial, regulatory and/or policy practices (i.e. use of life cycle costing).

3.2.1 NON-TAX-BASED MRIF PROJECT SELECTION

At the time of the Agreement negotiations and signing, and until March 31, 2007 the responsibility for public infrastructure in NTB communities is MACA’s. For this reason the NTB funding allocation is guided by MACA’s 5-year capital plan. Projects identified on MACA’s capital plan were run through selection criteria and then prioritized using a filter. In order for a project to be selected the answer to the following questions had to be yes:

1. Meets Project Eligibility Criteria outlined in Section A.1.1 of the Agreement
2. Meets Mandatory Criteria Outlined in Section A2 of the Agreement
3. Meets MRIF Ranking Criteria
4. Total Project Costs >\$500K

Projects that made it through the selection criteria were ranked to determine their priority. MACA and the NWTAC agreed on the ranking criteria to be used to prioritize projects. A copy of these criteria is available in Appendix 4.

A list of projects screened and ranked is provided in Appendix 5. To date 100% of the NTB projects approved are classified as “green”.

3.2.2 TAX-BASED MRIF PROJECT SELECTION

A 33% federal, 33 % territorial, and 33% applicant cost share has been dictated in the Agreement. The only matching funds available from the GNWT are from the water/sewer subsidy program, which restricts TB communities to applying for MRIF on water/sewer related projects. This limitation was discussed with the TB communities and they do not have problems with this approach.

3.2.3 TAX-BASED MRIF INNOVATION PROJECT SELECTION

Twenty (20) percent of the 45 percent of MRIF allocated to the TB communities is reserved for innovative projects. This is approximately \$1.4 million.

The innovation portion of MRIF is accessible through application. In order to be approved, the project must meet the criteria outlined in the guideline (Appendix 6). Applications submitted will be ranked based on their ability to meet the specified criteria. Projects that meet the most criteria will be given a higher priority for approval. Innovation projects are not limited to water/sewer projects; however, they must be considered “green”.

The water/sewer funding restrictions and the “green” requirement of the innovation projects for TB communities means that 100% of TB projects approved will be “green”.

4 APPROVED PROJECTS

The Federal Minister and the Minister of MACA (GNWT) have officially approved a total of 20 projects. Nine (9) of these projects are in NTB communities and eleven (11) are in TB communities. Five of the approved TB community projects are innovation projects. A list of the MRIF projects approved and the dates they were approved is provided below in Table 1.

Table 1: Approved Projects

Briefing Book	Approval Date	Project Title	Application No.
NT - 2	7-Jul-05	Rae Water Treatment Plant	13087
		Water Sewer Main Replacement (Rae)	13086
		Vault Replacement (Rae)	13090
NT - 3	7-Jul-05	Solid Waste Disposal Site (Rae)	13105
		Deline Truckfill Upgrade/Replacement	13102
		Aklavik Water Treatment Plant Upgrade	13101
		Tuktoyaktuk Filtration Upgrade	13085
		Holman Filtration Upgrade	13099
NT - 4	19-Jul-05	Norman Wells Water Storage Tank Replacement	13158
		Yellowknife W/S - Corrugated Metal Pipe Replacement	13148
		Inuvik Wood box Utilidoor Replacement Program	13120
NT - 5	23-Aug-06	Norman Wells Automated Meter Reading System	14060
		Fort Simpson Water Sewer Main Replacement	13107
NT - 6	26-Sep-06	Fort Smith Water Treatment Plant Upgrade	15899
		Fort Smith ARB Utility Management System	15909
		Inuvik Advanced Meter Reading Technology for Utilities	14045
NT - 7	23-Nov-06	Inuvik Recreation Complex Energy Conservation Project	16417
		Hay River Sewage Treatment Lagoon Upgrade	13830
		Fort Simpson Chopper Pump Enhancement Technology for Wastewater Treatment	16414

The approved total project cost shares are presented in Table 2. An annual breakdown of the approved cost share is available in Appendix 7.

Table 2: Approved Project Cost Shares

	Project Name	Overall Project Cost Share		
		MRIF	GNWT	Applicant
Non Taxed Based Approved	Tuktoyaktuk Filtration Upgrade	\$ 870,000	\$ 1,785,000	\$ -
	Water and Sewer Main Replacement (Rae)	\$ 479,000	\$ 986,000	\$ -
	Rae Water Treatment Plant	\$ 2,443,000	\$ 2,444,000	\$ -
	Vault Replacement (Rae)	\$ 488,000	\$ 732,000	\$ -
	Holman Filtration Upgrade	\$ 525,000	\$ 870,000	\$ -
	Aklavik Water Treatment Plant Upgrade	\$ 855,000	\$ 1,415,000	\$ -
	Deline Truckfill Upgrade/Replacement	\$ 440,000	\$ 740,000	\$ -
	Water Treatment Plant Upgrade (Edzo)	\$ 535,000	\$ 545,000	\$ -
	Solid Waste Disposal Site (Rae)	\$ 200,000	\$ 451,000	\$ -
Tax Based Approved	Inuvik Woodbox Utilidor Replacement Program	\$ 952,506	\$ 1,560,569	\$ 6,258,474.87
	Yellowknife W/S - Corrugated Metal Pipe Replacement	\$ 2,640,734	\$ 4,262,084	\$ 3,555,249
	Norman Wells Water Storage Tank Replacement	\$ 283,383	\$ 571,900	\$ 283,383
	Fort Simpson Water and Sewer Main Replacement	\$ 471,560	\$ 392,228	\$ 496,212
	Fort Smith Water Treatment Plant Upgrade	\$ 83,333	\$ 83,333	\$ 83,334
	Hay River Sewage Treatment Lagoon Upgrade	\$ 684,767	\$ 973,564	\$ 841,669
Innovation Approved	Norman Wells Automated Meter Reading System	\$ 79,100.00	\$ 79,100.00	\$ 79,100.00
	Inuvik Advanced Meter Reading Technology For Utilities	\$ 81,059.00	\$ 81,059.00	\$ 81,060.00
	Fort Smith ARB Utility Management System	\$ 73,312.00	\$ 73,311.00	\$ 73,312.00
	Inuvik Recreation Complex Energy Conservation Project	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
	Fort Simpson Chopper Pump Enhancement Technology for Wastewater Treatment	\$ 18,366.00	\$ 18,366.00	\$ 18,366.00

5 ALLOCATED FUNDS

The agreed upon fiscal year notional allocations are listed in Table 3.

Table 3: Notional Allocation

Fiscal Year	Northwest Territories	Canada
2005-2006	\$5,567,000	\$5,567,000
2006-2007	\$3,570,000	\$3,570,000
2007-2008	\$4,232,000	\$4,232,000
2008-2009	\$2,461,000	\$2,461,000
2009-2010	\$ 170,000	\$ 170,000

The disbursement of the notional allocation between TB projects, NTB projects, MRIF administration, and capacity building is provided below in Table 4.

Table 4: Notional Allocation Distribution

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Tax-Based	\$1,279,688	\$1,618,810	\$1,352,777	\$1,335,125	\$ -	\$ 5,586,400
Tax-Based Innovation	\$ 244,874	\$ 344,900	\$ 362,769	\$ 444,257	\$ -	\$ 1,396,800
Non Tax-based	\$3,946,438	\$1,510,290	\$2,420,454	\$ 585,618	\$ 74,000	\$ 8,536,800
Administration	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 320,000
Capacity	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 160,000
Total	\$5,567,000	\$3,570,000	\$4,232,000	\$2,461,000	\$170,000	\$16,000,000

A summary of allocated and un-allocated funds is presented in Table 5. Eighty (80%) of the NTB allocation, 91% of the TB allocation, and 24% of the innovation allocation has been committed through project approval.

Table 5: Allocated/Unallocated Funds Summary Table

MRIF Fund	Year					Total
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	
Allocation (Non-Tax Based)	\$ 3,946,438	\$ 1,510,290	\$2,420,454	\$ 585,618	\$ 74,000	\$ 8,536,800
Approved Projects (Non-Tax Based)	\$ 3,373,000	\$ 983,000	\$2,095,000	\$ 310,000	\$ 74,000	\$ 6,835,000
Unallocated Non-Tax Based Funds	\$ 573,438	\$ 527,290	\$ 325,454	\$ 275,618	\$ -	\$ 1,701,800
Allocation (Tax Based)	\$ 1,279,688	\$ 1,618,810	\$1,352,777	\$1,335,125	\$ -	\$ 5,586,400
Approved Projects (Tax Based)	\$ 1,279,689	\$ 1,618,810	\$1,352,777	\$ 865,007	\$ -	\$ 5,116,283
Unallocated Tax Based Funds	\$ (1)	\$ -	\$ -	\$ 470,118	\$ -	\$ 470,117
Allocation Innovation	\$ 244,874	\$ 344,900	\$ 362,769	\$ 444,257	\$ -	\$ 1,396,800
Approved Innovation	\$ -	\$ 331,837	\$ -	\$ -	\$ -	\$ 331,837
Unallocated Innovation Funds	\$ 244,874	\$ 13,063	\$ 362,769	\$ 444,257	\$ -	\$ 1,064,963

6 NON-TAX-BASED PROJECT UPDATES

In 05/06 no projects were completed, but many projects were commenced. The big news story of 06/07 is the completion of the water treatment plant upgrade in Rae. The \$6.2 million dollar water treatment plant was commissioned in November.

Delays in some of the other water treatment plant upgrades are directly linked to the cost overruns experienced with the Rae project. In two communities a raw water quality sampling program was implemented to explore the potential for exemption from filtration. Should the water sources in these communities be approved for exemption significant cost savings are expected. Also there was a water treatment plant upgrade scheduled in Edzo, a community located ~15km away from Rae, alternative options such as piping or trucking from Rae are being explored.

The actual expenditures on the approved NTB projects are presented in Table 6. In addition, a brief written update on the status of the project is provided in Table 7.

Table 6: NTB Project Budget Updates

	Project Name	MRIF Application No.	05/06 Approved Budget		05/06 Actual Expenditures		06/07 Budget (inc. Carryover)		06/07 Expenditures (to date)	
			MRIF	GNWT	MRIF	GNWT	MRIF	GNWT	MRIF	GNWT
Non Taxed Based	Tuktoyaktuk Filtration Upgrade	13085	\$ 15,000	\$ 20,000	\$ -	\$ -	\$ 115,000	\$ 145,000	\$ -	\$ 31,995
	Water and Sewer Main Replacement (Rae Edzo)	13086	\$ 200,000	\$ 250,000	\$ -	\$ -	\$ 320,000	\$ 450,000	\$ -	\$ 449,726
	Rae Water Treatment Plant	13087	\$2,443,000	\$2,194,000	\$ -	\$ 3,996,264	\$ 2,443,000	\$ -	\$ -	\$2,061,579
	Vault Replacement (Rae)	13090	\$ 400,000	\$ 515,000	\$ -	\$ 24,490	\$ 488,000	\$ 702,510	\$ -	\$ 765,768
	Holman Filtration Upgrade	13099	\$ 25,000	\$ 25,000	\$ -	\$ 1,128	\$ 125,000	\$ 148,872	\$ -	\$ 5,441
	Aklavik Water Treatment Plant Upgrade	13101	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ 100,000	\$ 150,000	\$ -	\$ 41,229
	Deline Truckfill Upgrade/Replacement	13102	\$ 30,000	\$ 30,000	\$ -	\$ 3,092	\$ 130,000	\$ 151,908	\$ -	\$ 10,049
	Water Treatment Plant Upgrade (Edzo)	13103	\$ 35,000	\$ 40,000	\$ -	\$ -	\$ 435,000	\$ 440,000	\$ -	\$ -
	Solid Waste Disposal Site Rae	13105	\$ 200,000	\$ 448,000	\$ -	\$ 8,562	\$ 200,000	\$ 442,438	\$ -	\$ 23,180

Table 7: NTB Project Update

Project Name	Progress Update
Tuktoyaktuk Filtration Upgrade	Carryover - 12 month water sampling program that is integral in determination of treatment train.
Water/Sewer Main Replacement Rae	Delay in finalizing the scope of the project in conjunction with the vault replacement, new treatment plant, upgrading the reservoir and the responsibility to provide for fire flows during construction have necessitated a re-phasing of the work.
Rae Water Treatment Plant	Commissioning is complete. Substantial completion still to come.
Vault Replacement (Rae)	Project has been tendered and awarded. Vaults construction has begun.
Holman Filtration Upgrade	Carry over - Exemption from Filtration Sampling Program - 6-12 months
Aklavik WTP Upgrade	Carryover - 12-month water sampling program that is integral in determination of treatment train.
Deline Truckfill Upgrade/Replacement	Carry over - Exemption from Filtration Sampling Program - 6-12 months
Edzo WTP Upgrade	Cost estimated overall budget is short by approx 4 million, currently revisiting the scope of work and considering alternatives.
Solid Waste Disposal Site Rae	Political changes

7 TAX-BASED PROJECT UPDATES

Contribution Agreements were signed in 05/06 with the Town of Inuvik, the City of Yellowknife, and the Town of Norman Wells to complete the projects listed below. Yellowknife and Inuvik have both completed the portion of their projects specified to take place in 05/06 of their multi year projects. Norman Wells has experienced some delays, but expects to get have their project underway this year. TB project budget updates are provided in Table 8.

Table 8: TB Project Budget Updates

	Project Name	MRIF App. No.	05/06 Approved Budget			05/06 Actual Expenditures			06/07 Budget (inc. Carryover)		
			MRIF	GNWT	Applicant	MRIF	GNWT	Applicant	MRIF	GNWT	
Tax Based	Town of Inuvik - Woodbox Utilidor Replacement	13120	\$ 506,103	\$ 848,829	\$ 566,617	\$ -	\$ 1,354,932	\$ -	\$ 670,143	\$ 262,922	?
	City of Yellowknife - Corrugated Metal Pipe Replacement	13148	\$ 490,203	\$ 834,397	\$1,532,400	\$ -	\$ 1,324,600	\$ 634,952	\$ 980,405	\$ 797,387	?
	Town of Norman Wells - Water Storage Tank Replacement	13158	\$ 283,383	\$ 571,900	\$ -	\$ -	\$ -	\$ -	\$ 283,383	\$ 571,900	\$ 283,383

8 FINANCIAL PRESSURES

Compounding effect of inflation: Recent estimates from the Department of Public Works and Services indicate that inflation is increasing the price of capital projects by approximately 24 percent annually. There are several factors contributing to this increase including the scarcity of required materials, equipment and skilled labour.

An example is the Rae Water Treatment Plant Project. The construction of the plant was estimated to cost approximately \$3.8 M. Three tenders were received and the cost on the tenders were \$6,163,100, \$6,519,630, and \$7,798,000. After some negotiations with the lowest bidder the project was award at \$5,448,100.

9 CONTRIBUTION AGREEMENTS

A template contribution agreement (CA) was developed for use with all approved TB MRIF and MRIF Innovation projects. The GNWT Department of Justice has reviewed the CA for consistency with the Canada-NWT MRIF Agreement. A copy of the template can be viewed in Appendix 8.

10 CLAIMS

The claim form approved by the MC is presented in Appendix 9. The claim form requests a summary of invoice information. Claims will be submitted in February 2007.

11 AUDIT PLAN

An audit plan will be in development soon. A proposal for the audit plan development was received and reviewed recently. No claims were made in 05/06; therefore, no annual audit will be submitted. The first annual audit will be submitted on or before March 31, 2007.

APPENDIX 1
**NOMINATIONS FOR TERRITORIAL
AND FEDERAL CO-CHAIR**

APPENDIX 2
MEETING MINUTES

**MRIF MANAGEMENT COMMITTEE MEETING MINUTES
JUNE 02 2005**

IN ATTENDANCE:

John McDowell, Director General, Intergovernmental Operations, Infrastructure Canada
 Michael Rutherford, Senior Analyst, Program Operations, Infrastructure Canada
 Pat Santoianni, Program Analyst (Atlantic), Intergovernmental Operations, Infrastructure Canada
 Randy Cleveland, Director – Policy and Planning Directorate, Indian and Northern Affairs
 Debbie DeLancey, Deputy Minister, Municipal and Community Affairs, GNWT
 Eleanor Young, Director - Community Operations, Municipal and Community Affairs, GNWT
 Thomas Beard, Manager Financial Policy & Infrastructure - Community Operations, Municipal
 and Community Affairs, GNWT
 Olivia Lee, MRIF Coordinator - Community Operations, Municipal and Community Affairs,
 GNWT

MINUTES: Responsibility of the Joint Secretariat

MANAGEMENT COMMITTEE CO CHAIRS: Federal – John McDowell (alternate Randy Cleveland)

GNWT – Debbie DeLancey (alternate Eleanor Young)

ISSUE	DECISION	FOLLOW-UP RESPONSIBILITY	EXPECTED COMPLETION DATE
Management Committee Appointment	Interim appointment of John McDowell (IC). During this time projects will need to be approved by Minister Godfrey.	IC/GNWT	No Date Set – Flagged for Future Discussion
Joint Secretariat Members John – concerned that having same representatives will blur the ability of the JS to provide advice to the MC. Debbie – Does not want a cumbersome process, as there will be very few project approvals.	Revisit this issue next meeting.	IC/GNWT	No Date Set – Flagged for Future Discussion
MC Terms of Reference	Not to be completed until the MC members finalized.	IC/GNWT	No Date Set – Flagged for Future Discussion
IC has not seen the Memorandum of Understanding (MOU) with NWTAC that was signed a couple of months ago	MOU to be sent to IC	GNWT	With Draft meeting Minutes next week
Project Selection Guidelines TB Communities – Why are all projects water and sewer?	GNWT only has matching funds for water and sewer projects so other project types could not be considered in the TB Communities. TB communities do not have a problem with this approach.	N/A	N/A

ISSUE	DECISION	FOLLOW-UP RESPONSIBILITY	EXPECTED COMPLETION DATE
Project Selection Guidelines NTB Communities – Why are there no recreation projects?	Recreation projects will be dealt with through the GNWT capital planning process.	N/A	N/A
NTB Project Rankings – Why was there a \$500 K minimum identified?	\$500 K minimum was set so MRIF would fund substantial projects. Good news stories for communications.	N/A	N/A
NTB Selection Guidelines, Criterion 4 – MRIF Ranking, and Criterion 6 – MACA’s Ranking. Why were MACA’s Ranking Criteria necessary? IC would like to see MACA’s filter process and to see a list of the projects that were ranked 11, 12, 13,...	With MRIF Ranking all projects filtered out equally so MACA Criteria were introduced to allow for a ranking process. GNWT to send MRIF Ranking Criteria for all 10 projects to IC as well as MACA’s filter.	GNWT	Next Week
Project Approval – NTB Projects	IC/GNWT/DIAND agreed that all 10 projects were good projects. IC had some concern allocating all the funds without having seen projects 11,12,13,etc. IC suggested that we only approve 9 right now, which leaves just over 1 M left to fund other projects. IC/GNWT/DIAND agreed to defer approval of project 13104 –Edzo Intake Pumphouse Upgrade.	GNWT to update briefing books and start signature process and fax and send the signed documents to IC	Next week
Communications – Desire to have a joint communiqué with Minister of IC and NWT MP and a joint press release from 2 Ministers A letter from MC co-chairs to announce funding to them is recommended.	IC/GNWT agreed on a joint communiqué, a joint press release, and letters to the community notifying them of MRIF funding.	GNWT/IC communications staff to get in touch with each other regarding communications. IC to forward sample letter used in the Yukon	No Date was set – Revisit at next meeting
TB Allocations – MACA understood that the process had been agreed to through negotiations. IC wanted a dynamic program to compete for funding	Leave as outstanding topic to discuss at next meeting.	GNWT/IC	Next Meeting
Next Meeting	Discuss TB projects and outstanding items from	GNWT to send out draft agenda	June 14 th 1:00pm

ISSUE	DECISION	FOLLOW-UP RESPONSIBILITY	EXPECTED COMPLETION DATE
	today's meeting	by June 9 th .	

Signature: _____

Name: John McDowell

Title: Director General, Intergovernmental Operations, Infrastructure Canada
Federal Co-Chair

Date: _____

Signature: _____

Name: Debbie DeLancey

Title: Deputy Minister, Municipal and Community Affairs
Territorial Co-Chair

Date: _____

**MRIF MANAGEMENT COMMITTEE MEETING MINUTES
JUNE 13 2005**

IN ATTENDANCE:

John McDowell, Director General, Intergovernmental Operations, Infrastructure Canada
 Michael Rutherford, Senior Analyst, Program Operations, Infrastructure Canada
 Pat Santoianni, Program Analyst (Atlantic), Intergovernmental Operations, Infrastructure Canada
 Keith Grady, Senior Environmental Coordinator, Issues Management, Infrastructure Canada
 Randy Cleveland, Director – Policy and Planning Directorate, Indian and Northern Affairs
 Debbie DeLancey, Deputy Minister, Municipal and Community Affairs, GNWT
 Eleanor Young, Director - Community Operations, Municipal and Community Affairs, GNWT
 Thomas Beard, Manager Financial Policy & Infrastructure - Community Operations, Municipal
 and Community Affairs, GNWT
 Olivia Lee, MRIF Coordinator - Community Operations, Municipal and Community Affairs,
 GNWT

ISSUE	DECISION	FOLLOW-UP RESPONSIBILITY	EXPECTED COMPLETION DATE
Information Transfer – Technical Problems with email.	N/A	GNWT to look into problem	N/A
Meeting Minutes - Length	Shorten format	GNWT	Send revised draft June 2 nd meeting minutes with draft June 13 th meeting minutes
Debbie provided and update on issues discuss at the NWTAC Meeting in Tuktoyaktuk	<p>MRIF – Tax based representatives expressed their concern with approval timing due to short construction season.</p> <p>Gas Tax – Some concerns with the funding for administration of gas tax – MACA will confirm with Adam</p> <p>Transit Money – Comments were made that all transit funding would be for Yellowknife and this contradicts discussions MACA had with Yasmin. – Clarification required.</p>		
Non-tax based community funding allocation – A slight change in the Agreement went unnoticed and one non-tax based project (13087) had an MRIF allocation >50%.	<p>The project allocation for project 13087 was revised and brought to a 50% split. Some MRIF funding was added to project 13090.</p> <p>IC approved this change – Left more uncommitted funds</p>	GNWT	Completed prior to meeting
Revised Briefing Book NT-2	Territorial representatives will	GNWT/IC	ASAP

Signatures	sign and send revised documents to IC for Federal signatures		
Management Committee (MC)/Joint Secretariat (JS) flagged as Interim.	Stand Terms of Reference and JS until MC is confirmed. Discuss Joint Committee	GNWT/IC	No Date Set
NWTAC MOU	IC received copy Attach a signed copy to the Agreement	GNWT	No Date Set
Tax Based Guidelines – IC did not want to address the issues of allocations at this time. Municipal planning process is supported; however a Municipal Resolution is required before approval can be given.	Talk to Municipalities about adopting a resolution as soon as possible.	GNWT	Know by tomorrow how long the process will take.
Project Approval – Tax Based			
13107 – Fort Simpson – Water/Sewer Main Replacement	IC commented that further clarification on why funding was required and where the Town’s portion of funds would come from was necessary. All agreed that with above changes and a resolution the MC is comfortable recommending this project for approval.	GNWT	ASAP
13158 – Norman Wells – Water Storage Tank Replacement	IC indicated budget errors. SIMSI entry mistake – Federal portion will be less. IC verified that the new storage tank would meet community capacity needs and requested that this be added as a positive benefit. All agreed that with above changes and a resolution the MC is comfortable recommending this project for approval.	GNWT	ASAP
13120 – Yellowknife – Corrugated Metal Pipe Replacement	IC requested that the delineation of scope (m pipe) be added and noticed budget errors (SIMSI entry mistake). All agreed that with above changes and a resolution the MC is comfortable	GNWT	ASAP

	recommending this project for approval.		
13148 – Inuvik – Woodbox Utilidor Replacement	IC requested additional information on the technology. All agreed that with a resolution the MC is comfortable recommending this project for approval.	GNWT	ASAP
EA Requirements	Send list of projects to IC that fall under the CEAA.	GNWT	
Communications	Joint Press Release – Announce all of the projects at the same time.	GNWT/IC/DIAND Communications to Discuss	Thursday June 16th
Non-tax based project Approval	Proceed with Minister’s Approval. GNWT parties to sign and send to IC.	GNWT	ASAP
Tax-Based project Approval	GNWT to ask Municipalities for resolutions and IC will get approval in Principle so that when resolutions arrive approval will be quick.	GNWT/IC	ASAP
Innovation Guideline	Definition of Innovation to be reviewed by IC staff. Criterion 1 – DIAND feels that applicants should have to meet a minimum of 2 of the innovation criteria specified. GNWT clarified that this just gets their foot in the door, but then projects are ranked on their ability to comply. IC suggested we add wording to this effect. <u>CRITERION 2 - CHANGE WORDING TO – THE PROJECT BROADLY DEFINED MUST BE INCLUDED IN THE MTA’S FIVE-YEAR CAPITAL PLAN. THE CAPITAL PLAN CAN BE CHANGED FROM TIME TO TIME.</u>	GNWT/IC	End of Next Week Monday Next Week
Timeline for Innovation Fund Applications	GNWT suggested 30-45 Days. GNWT to consult with AND and NDWG regarding timeframe suggested.	GNWT	
Capacity Building	GNWT agreed to submit claims for the 1-2% capacity funds. However, asked MC if it could be spent developing existing programs and	GNWT/IC	

	<p>increasing the delivery of the programs. IC requested time to discuss with DIAND.</p> <p>GNWT to prepare a presentation for the MC.</p>		
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Signature: _____

Name: John McDowell

Title: Director General, Intergovernmental Operations, Infrastructure Canada
Federal Co-Chair

Date: _____

Signature: _____

Name: Debbie DeLancey

Title: Deputy Minister, Municipal and Community Affairs
Territorial Co-Chair

Date: _____

**MRIF MANAGEMENT COMMITTEE MEETING MINUTES
SEPTEMBER 13, 2005**

IN ATTENDANCE:

IC

John McDowell, Co-Chair
Michael Rutherford
Kirk Strand

GNWT

Debbie DeLancey, Co-Chair
Eleanor Young
Thomas Beard
Olivia Lee

MINUTES

- Minutes of June 02, 2005 and June 13, 2005 approved as amended (see attached).

INNOVATION GUIDELINES

- GNWT to inform Tax Based Senior Administrative Officer's, at the Local Government Administrators of the Northwest Territories Meetings (September 13-15), that the guidelines are just being finalized and that deadline for submission of innovation applications is the 14th of October, 2005.
- GNWT to make agreed upon changes to innovation guidelines, post on website, prepare a call letter from GNWT Minister to Mayors to officially inform TB Authorities of the application process and deadline.
- Innovation Applications will be forwarded to IC after October 14th as to provide sufficient time for review before the next MC meeting (tentatively scheduled for the week of Oct.20th).

Recorded Decision

IC/GNWT agreed to:

- remove the word proven from the definition of innovation. This allows the MC some discretion to decide if projects have provided evidence that the project is feasible and innovative.
- add an additional Criterion that requires applicants to identify expected outcome(s) and ways to monitor the outcome(s) so that success can be measured.
- call every year for innovation applications
- make \$500 K available in this year's innovation budget.

PROJECT APPROVAL

- GNWT to develop a summary table showing commitments to accompany project information submitted to the MC for approval. GNWT to provide this on or before Oct.14th.
- GNWT to prepare new SIMSI table for Rae Edzo project.

Recorded Decision

Delay approving any new projects until next meeting when a summary of the commitments is available for consideration in the decision making process.

MANAGEMENT COMMITTEE

- IC/GNWT agree that a joint MC for Federal New Deal Initiatives is a good idea.
- IC (Gas Tax Group) is preparing a draft MC structure similar to that of PEI and will consult with DIAND and forward to GNWT in early October.

Recorded Decision

Further discussion of structure at the next MC meeting.

COMMUNICATIONS

- Look at sharing the announcement of the Approved MRIF Projects with the signing of the Gas Tax in November.

FUTURE DISCUSSION ITEMS

- Flesh out consideration for next year innovation budgets.
- Discuss new projects.
- Follow-up on project estimates for next meeting.
- Discuss how to manage cost overruns.
- Discuss Joint MC Structure

NEXT MEETING

- Joint Secretariat – Tentatively Scheduled for October 17th.
- MC Meeting – Tentatively Scheduled for week of October 20th. Innovation applications and commitment summary to be sent out Oct. 14th.

Signature: _____

Name: John McDowell

Title: Director General, Intergovernmental Operations, Infrastructure Canada
Federal Co-Chair

Date: _____

Signature: _____

Name: Debbie DeLancey

Title: Deputy Minister, Municipal and Community Affairs
Territorial Co-Chair

Date: _____

DRAFT
MRIF MANAGEMENT COMMITTEE MEETING MINUTES
JULY 7, 2006

IN ATTENDANCE:

IC

John McDowell, Co-Chair
Gabrielle Moser

GNWT

Debbie DeLancey, Co-Chair
Eleanor Young
Thomas Beard
Olivia Lee

INAC

Bernie Hughes
Aleta Fowler

INNOVATION GUIDELINES

- Innovation guidelines were formally signed off. INAC was happy with the guidelines.

INNOVATION PROJECT APPROVAL

- 05/06 innovation projects were discussed.
 - Inuvik – 14045 – Advanced Meter Reading Technologies for Utilities
 - Project already complete – Clause 4.10 Exceptional Circumstances
 - Norman Wells – 14060 – Automated Meter Reading System
 - Fort Smith – 15909 – ABR Utility Management System
- IC/INAC want to be aggressive on innovation.
- INAC feels that meter reading is stretching the definition of innovation.
- IC/INAC agreed to move forward with approval because it is a small portion of the overall fund.
- Call for 06/07 innovation applications. GNWT to inform Tax Based Senior Administrative Officer's that deadline for submission of innovation applications is the 14th of August, 2006.
- Innovation Applications will be forwarded to IC after August 14th to provide sufficient time for review before the next MC meeting.

Recorded Decision

IC/GNWT agreed to:

- Move forward with approval for 05/06 innovation project applications for radio metering.
- GNWT to sign briefing books and send to IC for signature.
- GNWT to contact municipalities and gather resolutions to forward with briefing books.

PROJECT APPROVAL

- Discussed Tax Based Project Applications
 - Fort Smith – 15899 – Water Treatment Plant Upgrade
 - Fort Simpson – 13107 – Water and Sewer Main Replacement
- Resolutions are required before approval.

Recorded Decision

IC/GNWT agreed to:

- Both good projects - move forward with approval for projects once municipal resolutions are received.

- GNWT to sign briefing books and send to IC for signature.

CLAIMS PROCESS

- GNWT to put a claim template together and bring to Joint Secretariat for review
- IC must approve the claim once the JS has reviewed.

Recorded Decision

GNWT will prepare a claim form and submit it to the JS for review and then forward it to John McDowell for IC approval.

COST OVERRUNS

- GNWT is not comfortable bringing forward new non-tax based projects until there is more information on the increase in costs.
- IC would like to be a little more flexible with cost overruns on MRIF projects.
- Scope creep versus budget/bid.
- GNWT is aiming to have more information regarding cost overruns by the end of July.

NEXT MEETING

- Joint Secretariat – Tentatively Scheduled for the week of August 14th.
- MC Meeting – Tentatively Scheduled for week of August 23rd-25th.

Signature: _____

Name: John McDowell

Title: Director General, Intergovernmental Operations, Infrastructure Canada
Federal Co-Chair

Date: _____

Signature: _____

Name: Debbie DeLancey

Title: Deputy Minister, Municipal and Community Affairs
Territorial Co-Chair

Date: _____

DRAFT
MRIF Management Committee Meeting Minutes
August 25, 2006

IN ATTENDANCE:

INFC	GNWT	INAC
Michael Rutherford, Acting Federal Co-Chair Gabrielle Moser	Debbie DeLancey, Territorial Co-chair Eleanor Young Thomas Beard	Aleta Fowler (teleconference) Bernie Hughes (teleconference)

MINUTES:

Minutes of July 7, 2006 and September 13, 2005 MC Meetings approved without changes. Approval and signature by Federal Co-chair (John McDowell) to follow.

INNOVATION PROJECT APPROVAL:

- Two projects brought forward for consideration:
 - 16414: Fort Simpson – Chopper Pump Enhancement; and
 - 16471: Inuvik – Town Recreation Complex Energy Conservation
- INFC/INAC requested clarification as to why Chopper Pump Enhancements are innovative. Both feel that macerator technology is stretching the definition of innovation.
- GNWT explained that the wastewater (WW) treatment facility in Fort Simpson is the only mechanical WW facility in NWT (sewage lagoon not feasible because Fort Simpson is on an island); in addition the technology features “biofilters” that remove macerated particles, and increase the overall efficiency of the facility.
- INFC/INAC agreed to move forward with approval because the Fort Simpson project is a small portion of the overall fund.
- GNWT described the challenges municipalities have in submitting “innovative” projects. A forum will be held in Yellowknife on November 22 –24 to discuss “innovation” with municipalities. INFC expresses interest in attending the forum and is invited to attend. GNWT will provide more information about the forum.

RECORDED DECISION:

- INFC/GNWT agreed to:
- Recommend approval of both innovative project applications.
 - Approval of Inuvik project conditional on there being no conflict with community’s application under the Green Funds (INAC to confirm).
 - GNWT to sign briefing books and send to INFC for signature.

PROJECT APPROVAL

- One project brought forward for consideration in the Tax Based Community of Hay River (13830) – Sewage Treatment Lagoon Upgrade.

RECORDED DECISION:

INFC/GNWT agreed to:

- Recommend approval of this project application.
- GNWT to sign briefing books and send to INFC for signature.

COST OVERRUNS AND MACA “NEW DEAL” – CAPITAL PLAN CHANGES AND POTENTIAL IMPACT ON MRIF AGREEMENT:

- Considerable issues with inflation and cost overruns in NWT. Tax-based communities can absorb cost overruns, though this is not the case in non-tax based communities. Most of the nine approved projects in non-tax based communities are facing cost escalation. Tenders for many of these projects have come in over budget. Only one project is in the construction phase.
- GNWT is in the process of changing how capital funding will be provided to communities, and this may have an impact on MRIF renewal. Currently, the GNWT manages capital planning on behalf of the communities on a project-by-project basis. A new “formula funding” process will see funds flowing directly to communities who will be wholly responsible for their own capital plans. This change will be effective April 1, 2007. As a result of this, the GNWT would prefer not to keep capital projects, including some of those already approved under MRIF, in its capital plan. Ideally, they would like to cancel projects worth \$1.7 million that have not yet moved forward. The 1.7 Million would then be pulled forward and combined with MRIF renewal.
- INFC indicated that putting \$1.7 million from the existing MRIF program into a new program might not be feasible from a program accounting point of view. At a minimum, community support for backing out of these projects and redirecting the funds to the renewed MRIF would be necessary.
- The new GNWT capital planning process will also impact MRIF renewal because the GNWT will no longer be contributing to specific projects, but will instead be transferring funding to communities using a pre-established formula.

ACTION ITEMS:

- No cost overrun figures available at time of meeting, GNWT is aiming to provide these in the next month (September).
- GNWT to examine issue of backing out of MRIF projects in non-tax based communities and will prepare list of options for further discussion. This list will be shared with INFC.
- INFC to consult internally on implication of backing out of approved MRIF projects and potential request to move some funding into a new MRIF program.

REPORTING AND CLAIMS:

- The Joint Secretariat agreed to put together a template for claims.
- Though no date is specified in the Guidelines, the intended deadline for the annual report is June 30th. INFC notes that the due date for the annual report should be the same as that for the annual audit.
- GNWT to submit annual report at the next MC meeting in November.
- Committee agrees that Audit plan will be presented at the next MC meeting in November. Annual Audit will not be submitted for this year, as no claims have been made. Audit is due March 31, 2007.
- INFC states that generally a compliance audit is performed in the initial and final years, while a financial audit is typically performed for the “in-between” years.

FURTHER DISCUSSION ITEMS:

- **SIMSI.** GNWT expressed concerns that after communities become fully responsible for capital planning in 2007 they are likely to encounter difficulties in inputting data into SIMSI.

OTHER BUSINESS:

- GNWT to send INFC latest innovation definition.
- INFC to send confirmation to GNWT by email when projects have been formally approved.
- **MRIF Renewal:** INFC ADM will be conducting informal consultations in the fall in order to have a better sense of technical administrative issues (for example, standards for drinking water, energy efficiency and other criteria as listed in the MRIF Policy Leveraging Framework). These consultations will also examine the application and project approval process.

NEXT MEETING:

- MRIF MC Meeting tentatively scheduled for Tuesday, November 21st.
- Preference is to co-ordinate the date of GTF and MRIF Meetings, as well as the Innovation Forum set to take place in Yellowknife on November 22-24.

APPENDIX 3
MEMORANDUM OF UNDERSTANDING (NWTAC/MACA)

**MEMORANDUM OF UNDERSTANDING
2005-2010**

This Memorandum made as of Date

BETWEEN: THE GOVERNMENT OF THE NORTHWEST TERRITORIES
DEPARTMENT OF MUNICIPAL AND COMMUNITY AFFAIRS (MACA).

AND: THE NORTHWEST TERRITORIES ASSOCIATION OF COMMUNITIES
(NWTAC).

This Memorandum of Understanding (MOU) is intended to outline the collaborative relationship between MACA and the NWTAC in relation to the CANADA – NORTHWEST TERRITORIES MUNICIPAL RURAL INFRASTRUCTURE FUND (MRIF) AGREEMENT.

PRINCIPLES:

- (1) Respect for all levels of government.
- (2) Funding arrangements should maximize the authority and responsibility of community governments.
- (3) Funding arrangements should maximize the certainty about funding levels for community governments.
- (4) Funding allocations should be reported publicly.
- (5) Formulas and criteria used to determine funding allocations should be clear and transparent and the Government of the Northwest Territories should be accountable for the application of such formula and criteria.

AGREEMENT:

- (1) MACA agrees to consult with the NWTAC on the allocation methodology to determine the funding split between the tax based and non-tax-based community governments.
- (2) MACA agrees to consult with NWTAC on the project selection methodology and ranking criteria developed for the implementation of the MRIF agreement.
- (3) MACA agrees to update the NWTAC on the implementation progress of the MRIF agreement on a bi-annual basis.
 - (a) Update to be provided at the NWTAC’s general annual meeting.
 - (b) Update to be provided at a regular NWTAC board meeting to be determined by the NWTAC.
- (4) MACA extends a standing offer for the NWTAC to attend all Management Committee meeting as an active observer.
- (5) All consultations shall be documented by way of written correspondence, copies of which will be attached to this MOU and be made available to the parties to the MRIF agreement.

SIGNATURES:

Michael McLeod
Minister of Municipal and
Community Affairs

Blake Lyons
President of Northwest Territories
Association of Communities

APPENDIX 4
MACA-NWTAC PROJECT RANKING CRITERIA

DRAFT
December 14, 2004

Ranking Criteria for Selecting MRIF Projects

Water Project 100%

- 10 points - Upgrading/Replacement required to satisfy the Guidelines for Canadian Drinking Water Quality
- 9 points – upgrade for increasing the quantity for fire or equalization storage
- 8 points – Replacing due to aging
- 8 points – Replacing to accommodate future demand

Sewage Treatment 75%

- 10 points – Upgrading/expansion required to satisfy the water license requirements
- 9 points – Replacement/expansion to accommodate future demand

Solid Waste Disposal Site

- 10 points - Upgrading/expansion required to satisfy the water license requirements
- 9 points - Replace/expansion due to the life of the existing site is fulfilled.

Recreational 50%

- 10 points - New/Upgrading/Replacement of Arena or Gym
- 8 points - New/Upgrading/Replacement of community hall

Trails 50%

Water

	Available Points
Degree of improvement necessary to meet CDWG	20
Current condition of existing infrastructure in relation to design life, O&M costs, structural stability, sufficient production capacity etc.	20

Waste Water

Degree of improvement necessary to meet Water License requirements	10
Current condition of existing infrastructure in relation to design life, O&M costs, sufficient treatment capacity etc.	10

Solid Waste

Degree of improvement necessary to meet Water License requirements	5
Current condition of existing infrastructure in relation to design life, O&M costs, sufficient treatment capacity etc.	5

APPENDIX 5
NTB PROJECT SELECTION AND PRIORITIZATION

2004/05 FIVE YEAR PROJECTION - WATER AND SEWER SYSTEMS DEFICIENCIES

Community	Project Description	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	Meets Eligibility Criteria Section A.1.1	Meets Mandatory Criteria Section A.2	MRIF Ranking Criteria	Substantial Project - total project costs > \$500K	MACA Ranking Criteria	MRIF Allocation	Explanation
												5,558	
Rae	Vault Replacement	915	300	5			1,220Y	Y	Y	Y	40	6104,948	
Aklavik	Water treatment Upgrade		25				Y	Y	Y	Y	25	4,948	
Rae/Edzo	Water/Sewage Main Replacement	250	200	200	200	200	1,050Y	Y	Y	Y	20	6844,264	
Edzo	Lagoon Upgrade		60	500	5								Lots of projects approved in Rae already - wanted to allocated some to different regions
						0	565Y	Y	Y	Y	10	4,264	
		1,165	585	705	205	200							

													Explanation
Fort Good Hope	Truckfill Station Upgrades and New Reservoir Fill Pump	275	10				285Y	Y	Y	N			The total estimated cost of the project was <\$500 K - Limit set so that MRIF funding was used to fund substantial projects. Good news stories for communications purposes.
Sachs Harbour	Intake/Water Treatment Plant	10					10Y	Y	Y	N			
Rae	Reservoir/Pumphouse Upgrade	5					5Y	Y	Y	N			
Edzo	Reservoir Upgrade	250	5				255Y	Y	Y	N			
Deline	Truckfill Upgrade/Replacement			20	110		130Y	Y	Y	N			
Holman	Filtration Upgrade (CDWQG)			30	115		145Y	Y	Y	N			
Various	Online Turbidity meters			140	150		290Y	Y	Y	N			

													Explanation
Trout Lake	Treatment Plant Upgrade (CDWQG)	20	100	1,000	5		1,125N						Band Community - Do not have a Water Licence and are not making an effort to apply for one
Lutselk'e	Filtration Upgrade (CDWQG)			100	1,300		1,400N						
Jean Marie River	Treatment Plant Upgrade (CDWQG)	100	1,300	5	0		1,405N						
Trout Lake	Sewage Lagoon Upgrade	175					175N						
	Total	3,165	2,585	2,705	2,090	400							

PROJECTS BROUGHT FORWARD

Community	Project Description	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	Meets Eligibility Criteria Section A.1.1	Meets Mandator y Criteria Section A.2	MRIF Ranking Criteria	Substantial Project - total project costs > \$500K	MACA Ranking Criteria				
															4,264 Explanation
Deline	Truckfill Upgrade/Replacement	60	225	875	20		Y	Y	Y	Y	40	440	3,824		
Tuktoyaktuk	Filtration Upgrade (CDWQG)	30	225	1,525	850		Y	Y	Y	Y	40	870	2,954		
Aklavik	Water treatment Upgrade (CDWQG)	50	200	1,550	800	20	Y	Y	Y	Y	40	855	2,099		
Holman	Filtration Upgrade (CDWQG)	50	275	1,100	20		Y	Y	Y	Y	30	525	1,574		
Dettah (NEW)	WTP upgrading with City			500			Y	Y	Y	Y	25	250	1,324		
Paulatuk	Filtration Upgrade (CDWQG)		40	150	900	20	Y	Y	Y	Y	25	365	959		
Edzo	Lagoon Upgrade		60	500	5		Y	Y	N		10				Lots of projects approved in Rae already - wanted to allocated some to different regions
						565	Y	Y	Y	N					
															Explanation
Rae	Reservoir/Pumphouse Upgrade Reprofile based on PWS Co. 618k	250	700	5			Y	Y	Y	Y					This project is already being cost-shared with 0another IC Program
						955	Y	Y	Y	Y					Explanation
Fort Good Hope	Truckfill Station Upgrades and New Reservoir Fill Pump	275	10				Y	Y	Y	N					
Edzo	Reservoir Upgrade	25	225	5			Y	Y	Y	N					
Sachs Harbour	Intake/Water Treatment Plant	10					Y	Y	Y	N					
Edzo	Sewage lift Station	4					Y	Y	Y	N					
Rae	Sewage Hold Vault/Lift Station	4					Y	Y	Y	N					The total estimated cost of the project was <\$500 K - Limit set so that MRIF funding was used to fund substantial projects. Good news stories for communications purposes.
															Explanation
Trout Lake	Treatment Plant Upgrade (CDWQG)	40	450	325	15		N								
Lutselk'e	Filtration Upgrade (CDWQG)		45	625	475	15	N								
Jean Marie River	Treatment Plant Upgrade (CDWQG)	50	175	700	20		N								
Wekweti	Filtration Upgrade (CDWQG)					50	N								
Gameti	Filtration Upgrade (CDWQG)					45	N								
Trout Lake	Sewage Lagoon Upgrade	175					N								

APPENDIX 6
INNOVATION GUIDELINE

Guidelines for MRIF Project Selection
for the Innovation Funding for
Municipal Taxation Authorities
(MTA) Community Governments

Purpose

The purpose of the Innovation Project Selection Guideline is to outline the innovation requirements for the Municipal Rural Infrastructure Fund (MRIF) for MTA communities.

Guidelines for MRIF Project Selection for the Innovation Funding for MTA Community Governments

The purpose of this guideline is to ensure that project selection for the innovation in municipal infrastructure funding for the MTA communities in the Northwest Territories will be used to fund green projects that utilize innovative technologies and/or practices. A federal-territorial Management Committee will accept and analyze project proposals, and make funding recommendations to the responsible federal and territorial ministers.

Definition of Innovation

The components of innovative technologies for municipal infrastructure are as follows:

- Use of innovative technology and/or practice to incorporate “alternative” energy sources (wind, geothermal, biomass, sun, tide, etc.). Directly ties energy efficiencies, behaviours and practices to performance (energy saving rebates; etc)
- Use of innovative technology and/or practice to reduce greenhouse gas (GHG) impacts of current technologies (use of combined heat and power systems; on-site waste water recycling microsystems; composting toilets; district heating; methane recapture; etc.).
- Use of innovative technology and/or practice to improve infrastructure services (drinking water, wastewater treatment, solid waste management, transportation).
- The environmental infrastructure project must improve air, water or soil quality, protect the climate, or encourage the sustainable use of renewable and non-renewable resources.
- Entails more sustainable financial, regulatory and/or policy practices (i.e. use of life cycle costing).

Criterion 1: Utilize Innovative Technologies and/or Practices

The project must use innovative technologies and/or practices for green municipal infrastructure projects and meet at least one of the innovative criteria above. Projects that meet more than one of the innovation criteria above will be assessed a higher priority by the MC in the selection process.

Criterion 2: Identify Expected Project Outcomes and Performance Monitoring Tools

The expected project outcome(s) and the method(s) used to monitor the performance of the technology or the new practices must be identified as part of the application.

Criterion 3: MTA Five-Year Capital Plan

The project must be compatible with the MTA's five-year capital plan as accepted or modified by the governing council.

Criterion 4: MRIF's Project Eligibility Criteria

The project must meet the MRIF's project eligibility criteria pursuant to section A.1.1 of the Canada - Northwest Territories MRIF Agreement.

Criterion 5: MRIF's Mandatory Criteria

The project must meet the MRIF mandatory criteria pursuant to sections A.2 through A.11 of the Canada - Northwest Territories MRIF Agreement.

APPENDIX 7
**APPROVED PROJECT ANNUAL COST SHARE
BREAKDOWN**

	Project Name	Application Number	2005/2006 Budget			2006/2007 Budget		
			MRIF	GNWT	Applicant	MRIF	GNWT	Applicant
Approved Non Tax Based	Tuktoyaktuk Filtration Upgrade	13085	\$ 15,000	\$ 20,000	\$ -	\$ 100,000	\$ 125,000	\$ -
	Water and Sewer Main Replacement (Rae Edzo)	13086	\$ 200,000	\$ 250,000	\$ -	\$ 120,000	\$ 200,000	\$ -
	Rae Water Treatment Plant	13087	\$ 2,443,000	\$ 2,194,000	\$ -	\$ -	\$ 240,000	\$ -
	Vault Replacement (Rae)	13090	\$ 400,000	\$ 515,000	\$ -	\$ 88,000	\$ 212,000	\$ -
	Holman Filtration Upgrade	13099	\$ 25,000	\$ 25,000	\$ -	\$ 100,000	\$ 125,000	\$ -
	Aklavik Water Treatment Plant Upgrade	13101	\$ 25,000	\$ 25,000	\$ -	\$ 75,000	\$ 125,000	\$ -
	Deline Truckfill Upgrade/Replacement	13102	\$ 30,000	\$ 30,000	\$ -	\$ 100,000	\$ 125,000	\$ -
	Water Treatment Plant Upgrade (Edzo)	13103	\$ 35,000	\$ 40,000	\$ -	\$ 400,000	\$ 400,000	\$ -
	Solid Waste Disposal Site Rae	13105	\$ 200,000	\$ 448,000	\$ -	\$ -	\$ 3,000	\$ -
Approved Tax Based	Town of Inuvik - Woodbox Utilidor Replacement	13120	\$ 506,103	\$ 848,829	\$ 566,617	\$ 164,040	\$ 262,922	\$ 2,003,038
	City of Yellowknife - Corrugated Metal Pipe Replacement	13148	\$ 490,203	\$ 834,397	\$ 1,532,400	\$ 490,202	\$ 797,387	\$ 567,411
	Town of Norman Wells - Water Storage Tank Replacement	13158	\$ 283,383	\$ 571,900	\$ -	\$ -	\$ -	\$ 283,383
	Water and Sewer Main Replacement (Fort Simpson)	13107	\$ -	\$ -	\$ 60,000	\$ 471,560	\$ 392,228	\$ 436,212
	Water Treatment Plant Upgrade (Fort Smith)	15899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,333
	Sewage Treatment Lagoon Upgrade (Hay River)	13830	\$ -	\$ -	\$ -	\$ 493,008	\$ 702,563	\$ 841,669
Approved Innovation	Town of Norman Wells - Automated Meter Reading System	14060	\$ -	\$ -	\$ -	\$ 79,100	\$ 79,100	\$ 79,100
	Town of Fort Smith - ARB Utility Management System	15909	\$ -	\$ -	\$ -	\$ 73,312.00	\$ 73,311.00	\$ 73,312.00
	Town of Inuvik - Advanced Meter Reading Technologies For Utilities	14045	\$ -	\$ -	\$ -	\$ 81,059	\$ 81,059	\$ 81,060
	Town of Inuvik - Town of Inuvik Recreation Complex Energy Conservation Project	16417	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ 80,000
	Village of Fort Simpson - Chopper Pump Enhancement Technology for Wastewater Treatment	16414	\$ -	\$ -	\$ -	\$ 18,366	\$ 18,366	\$ 18,366

	Project Name	2008/2009 Budget			2009/2010 Budget			Total Budget		
		MRIF	GNWT	Applicant	MRIF	GNWT	Applicant	MRIF	GNWT	Applicant
Approved Non Tax Based	Tuktoyaktuk Filtration Upgrade	\$ 150,000	\$ 700,000	\$ -	\$ 5,000	\$ 15,000	\$ -	\$ 870,000	\$ 1,785,000	\$ -
	Water and Sewer Main Replacement (Rae Edzo)	\$ -	\$ 200,000	\$ -	\$ 64,000	\$ 136,000	\$ -	\$ 479,000	\$ 986,000	\$ -
	Rae Water Treatment Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,443,000	\$ 2,444,000	\$ -
	Vault Replacement (Rae)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,000	\$ 732,000	\$ -
	Holman Filtration Upgrade	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 525,000	\$ 870,000	\$ -
	Aklavik Water Treatment Plant Upgrade	\$ 150,000	\$ 650,000	\$ -	\$ 5,000	\$ 15,000	\$ -	\$ 855,000	\$ 1,415,000	\$ -
	Deline Truckfill Upgrade/Replacement	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 440,000	\$ 740,000	\$ -
	Water Treatment Plant Upgrade (Edzo)	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 535,000	\$ 445,100	\$ -
Solid Waste Disposal Site Rae	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 451,000	\$ -	
Approved Tax Based	Town of Inuvik - Woodbox Utilidor Replacement	\$ -	\$ -	\$ 2,360,000	\$ -	\$ -	\$ -	\$ 952,506	\$ 1,560,569	\$ 6,258,474
	City of Yellowknife - Corrugated Metal Pipe Replacement	\$ 781,674	\$ 1,212,888	\$ 1,455,438	\$ -	\$ -	\$ -	\$ 2,640,734	\$ 4,262,084	\$ 3,555,249
	Town of Norman Wells - Water Storage Tank Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,383	\$ 571,900	\$ 283,383
	Water and Sewer Main Replacement (Fort Simpson)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 471,560	\$ 392,228	\$ 496,212
	Water Treatment Plant Upgrade (Fort Smith)	\$ 83,333	\$ 83,334	\$ -	\$ -	\$ -	\$ -	\$ 83,333	\$ 83,334	\$ 83,333
	Sewage Treatment Lagoon Upgrade (Hay River)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684,767	\$ 973,564	\$ 841,669
Approved Innovation	Town of Norman Wells - Automated Meter Reading System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,100	\$ 79,100	\$ 79,100
	Town of Fort Smith - ARB Utility Management System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,312	\$ 73,311	\$ 73,312
	Town of Inuvik - Advanced Meter Reading Technologies For Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,059	\$ 81,059	\$ 81,060
	Town of Inuvik - Town of Inuvik Recreation Complex Energy Conservation Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ 80,000
	Village of Fort Simpson - Chopper Pump Enhancement Technology for Wastewater Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,366	\$ 18,366	\$ 18,366

APPENDIX 8
CONTRIBUTION AGREEMENT TEMPLATE

**CONTRIBUTION AGREEMENT
Municipal Rural Infrastructure Fund**

THIS AGREEMENT (the "Agreement") takes effect on the ____ day of _____, 2005.

BETWEEN:

The Government of the Northwest Territories (the "GNWT")
as represented by
the Minister of Municipal and Community Affairs
(the "Minister")

OF THE FIRST PART

AND:

The Municipal Corporation of

(the "Recipient")
as represented by its Mayor and Council

OF THE SECOND PART

WHEREAS the parties have agreed that the Recipient requires financial assistance in order to improve green (water/sewer) municipal infrastructure in the Northwest Territories (the "Project");

AND WHEREAS the Project has been selected by the Canada - Northwest Territories Municipal Infrastructure Fund Agreement Management Committee;

THEREFORE, in consideration of the terms and conditions contained herein, the parties agree as follows:

CANADA - NORTHWEST TERRITORIES MUNICIPAL RURAL INFRASTRUCTURE FUND AGREEMENT

1. This Agreement is made pursuant to the agreement between Her Majesty in Right of Canada ("Canada") and the GNWT entitled "Canada - Northwest Territories Municipal Rural Infrastructure Fund Agreement 2005-2012" (the "Infrastructure Fund Agreement"), attached as Appendix 1. Except where the context otherwise requires, capitalized terms in this Agreement have the meaning attributed to them in the Infrastructure Fund Agreement.

SERVICES AND PAYMENT

2. The Recipient shall complete the Project as set out in the Project Briefing recommended by the Management Committee and approved by the Ministers (the "Project Briefing"),

which is attached to this Agreement as Appendix 2 and forms part of this Agreement.

3. The GNWT shall make a capital contribution, to a maximum of _____ dollars (\$_____), (the "GNWT Capital Contribution"), to enable the Recipient to complete the Project. The GNWT shall pay the GNWT Capital Contribution to the Recipient in instalments in accordance with the approved cash flow requirements set out in the "Cash Flow Requirements for Monthly Payments" attached hereto as Appendix 3.
4. In accordance with the selection of the Project by the Management Committee pursuant to the Infrastructure Fund Agreement, Canada has agreed to contribute a maximum of _____ dollars (\$_____) toward the Eligible Costs for the Project.
5. The GNWT shall advance to the Recipient amounts claimed by the Recipient as Canada's contribution ("Claims") provided that:
 - (a) the Recipient delivers such Claims to the Minister;
 - (b) in the Minister's opinion, the Claims appear to have been made for "Eligible Costs" as defined in the Infrastructure Fund Agreement to mean "Project Costs eligible for funding in accordance with Schedule B," which, in turn, states:

B.1 ELIGIBLE COSTS

B.1.1 Eligible Costs are all direct costs which:

- a) In Canada's opinion, are properly and reasonably incurred;
- b) Are paid by a Recipient and no other person; and
- c) Are paid under a Contract for goods or services necessary for the implementation of a Project.

B.1.2 Eligible Costs may only include:

- a) The costs incurred after the signing of this Agreement;
- b) The capital costs of acquiring, constructing or renovating a fixed capital asset;
- c) The fees paid to professionals, technical personnel, consultants and contractors specifically engaged to undertake the surveying, design, engineering, manufacturing or construction of a Project Infrastructure asset and related facilities and structures;
- d) The costs of environmental assessments and follow-up programs as required by the *Canadian Environmental Assessment Act*;
- e) The costs of any public announcement and official ceremony, or of any temporary or permanent signage; and
- f) Other costs that are direct and necessary for the successful implementation of a Project and that have been approved in advance, and in writing, by the Management Committee.

B.2 INELIGIBLE COSTS

B.2.1 Notwithstanding any other provision in this Schedule other than B.2.2, costs related to the following are not eligible:

- a) Costs incurred before the signing of this Agreement;
- b) Services or works that, in the opinion of the Management Committee, are normally provided by the Recipient or a related party;
- c) Salaries and other employment benefits of any employees of the Recipient;
- d) A Recipient's overhead costs, its direct or indirect operating or administrative costs and, more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by the Recipient's staff;
- e) Costs of feasibility and planning studies;
- f) Taxes for which the Recipient or a Third Party is eligible for a tax rebate, and all other costs eligible for rebates;
- g) Costs of land or any interest therein, and related costs;
- h) Financing charges and interest costs;
- i) Cost of leasing of equipment by the Recipient;
- j) Legal fees; and
- k) Routine repair and maintenance costs.

B.2.2 The incremental costs of the Recipient's employees or equipment may be included in its Eligible Costs if:

- a) The Recipient is a rural or isolated Local Government;
- b) The Recipient satisfies the Management Committee that it is not economically feasible to tender a Contract;
- c) Employees or equipment are employed directly in respect of the work that would have been the subject of the Contract; and
- d) Approved in advance and in writing by the Management Committee.

- (c) the Claims are made no later than January 31 of the year following the Fiscal year in which the Eligible Cost was incurred;
- (d) in any event, the Claims are made no later than January 31, 2011; and
- (e) the cumulative total of advances made by the GNWT does not, and will not, exceed Canada's maximum contribution as set out in clause 4 of this Agreement.

6. In the event that the GNWT advises the Recipient that:

- (a) Canada has determined that a Project cost for which the GNWT has advanced funds to the Recipient pursuant to Clause 5 of this Agreement is not an Eligible Cost, or
 - (b) for any other reason, Canada refuses to reimburse the GNWT for any amount that the GNWT has advanced pursuant to Clause 5 of this Agreement,
- the Recipient will immediately repay to the GNWT the amount of the advance.

7. All funds required for the Project and not accounted for by the GNWT Capital Contribution and Canada's contribution toward Eligible Costs are the responsibility of the Recipient, and shall be paid by the Recipient on or before August 1, 2011.
8. The Recipient's contribution to the Project, exclusive of the GNWT Capital Contribution and Canada's contribution toward Eligible Costs, shall be a minimum of _____ dollars (\$_____). If the Recipient has not paid this amount prior to August 1, 2011, the Recipient immediately shall pay to the GNWT the difference between the minimum amount set out in this Clause and the actual amount paid by the Recipient.
9. The Recipient shall begin the Project within six months of the date of this Agreement, failing which this Agreement may be terminated by the GNWT.
10. The Recipient shall complete the Project in accordance with the specifications and timeframes set out in the Project Briefing, failing which, the Agreement may be terminated by the GNWT. In the event that the Agreement is terminated by the GNWT pursuant to this clause, GNWT shall be entitled to be fully reimbursed by the Recipient for the GNWT Capital Contribution, as well as for all advances made by the GNWT for Claims.

ACCOUNTS AND FINANCIAL STATEMENTS

11. (a) The Recipient shall use the GNWT Capital Contribution for the Project only and not for any other purpose.
 - (b) The Recipient shall keep proper and separate accounts and records of the revenues and expenditures for the Project, including all invoices, statements, receipts and vouchers relating thereto (the "Records"), until March 31, 2015 and shall, at all reasonable times, make the Records available to the GNWT and Canada for inspection or audit.
12. The Recipient will maintain its Records in accordance with any directions given by the GNWT.
13. The Recipient shall:
 - (a) Ensure that expenditures for the Project are audited annually in accordance with the Canada-Northwest Territories Reporting-Audit-Evaluation Guideline set out in Part I of Appendix 4, attached; and
 - (b) Submit to the Minister no later than April 30th of the year following the Fiscal year in which the Eligible Cost was incurred, the annual audits required by the Canada-Northwest Territories Reporting-Audit-Evaluation Guideline in Part I of Appendix 4.
14. The Recipient shall make all calculations and prepare all financial data related to the Project in accordance with generally accepted accounting principles.
15. The Recipient shall provide to the Minister for his review on dates determined by the Minister, itemized budget and cash flow schedules for consultant(s), contractor(s) and Eligible Costs.

16. Not later than thirty (30) days after the completion of the Project, or thirty (30) days after termination of this Agreement, whichever comes first, the Recipient shall remit any unexpended balance payable to the GNWT together with an acceptable accounting to the Minister of all funds that were paid during the previous GNWT fiscal year up to the date of the Project completion or termination.
17. The Recipient authorizes Canada and the GNWT to gather data required under the Infrastructure Fund Agreement, and to perform audits and to monitor the Project as Canada and the GNWT see fit.
18. (a) The Recipient declares that it has disclosed all sources of funding, including those received in kind, for the Project; and

(b) The Recipient will disclose all sources of funding other than funding received from the GNWT under this Agreement, within thirty (30) days that such funding becomes available for the Project.
19. Any amount owed to the GNWT under this Agreement shall constitute a debt due to the GNWT, which the Recipient will pay immediately, on demand, to the GNWT.

PROJECT STATUS REPORTING AND CHANGES

20. The Recipient shall provide to the Minister annual project progress reports in accordance with the Canada-Northwest Territories Reporting-Audit-Evaluation Guideline as set out in Part I of Appendix 4.
21. Any significant changes to be Project must be approved sixty (60) days in advance of such changes occurring, in writing by the Minister. A significant change includes:
 - (a) Any material change to its location, scope or timing;
 - (b) Any change that would trigger a further environmental assessment; and
 - (c) An increase in the Project's Eligible Costs which, when added to any other increase, would be greater than either \$50,000 or ten percent (10%) of the original Eligible Costs of the Project set out in the Project Briefing.
22. The Minister shall not pay for any costs incurred beyond the amount approved in Clause 3 of this Agreement, unless the Minister has agreed in writing both to the changes and also to pay an increased amount.
23. The Recipient may request an amendment to this Agreement by submitting the request in writing to the Minister.

CONTRACT PROCEDURES AND PROVISIONS

24. The Recipient shall award Contracts for the Project in a way that is transparent, competitive, and consistent with value for money principles. Should the GNWT provide the Recipient with policies and requirements concerning the awarding of Contracts, the Recipient will implement such policies and observe such requirements.
25. Contracts shall include provisions authorizing Canada and the GNWT to gather data required for the Infrastructure Fund Agreement and this Agreement, and to perform audits and to monitor the Project as each sees fit. Should the GNWT provide the Recipient with policies and requirements concerning the content of Contracts, the Recipient will implement such policies and observe such requirements.
26. The Recipient warrants that the assets resulting from the Project will be used, maintained and operated for a period of _____ years following the completion of the Project.
27. a) Unless otherwise agreed to by the Parties, the Recipient will retain title to, and ownership of, the Infrastructure resulting from the Project for the provision of municipal services and programs for at least ten (10) years after Project completion;
- b) In the event that, at any time within ten (10) years from the date of completion of the Project, the Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any assets, constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada under the terms of this Agreement, other than to Canada, the Northwest Territories, Local Government, or a Crown corporation of the Northwest Territories, the Recipient hereby undertakes to repay Canada, on demand, a proportionate amount of the funds contributed by Canada, as follows:

Where the Project asset is sold, leased, encumbered or disposed of:	Repayment of contribution (in current dollars)
Within 2 Years after Project completion	100%
Between 2 and 5 Years of Project Completion	55%
Between 5 and 10 Years after Project Completion	10%

Notice

At any time during the ten (10) years following the date of completion of the Project, the Northwest Territories agrees to notify Canada in writing immediately upon receiving information or becoming aware of any transaction triggering the above-mentioned repayment.

CONFIDENTIALITY

28. (a) The Recipient shall ensure that all and any information related to the affairs of the GNWT to which the Recipient becomes privy as a result of this Agreement, is confidential and shall be treated as confidential during and after the term of this Agreement and shall not be divulged, released or published without the prior written approval of the GNWT.
- (b) Notwithstanding sub-clause 28(a), the parties shall have joint rights of ownership and publication with respect to any reports produced by the parties as a result of the Project.

LIABILITY AND INDEMNIFICATION

29. The Government of Canada and the GNWT shall not be liable for any injury or damage (including death) to the Recipient, or for loss or damage to the property of the Recipient, in any manner based upon, arising during, occasioned by, resulting from, or in any way attributable to the performance of the Agreement, unless this loss or damage is caused by negligence of an officer, servant, or agent of the Government of Canada or the GNWT while acting within the scope of his/her employment.
30. The Recipient shall at all times indemnify and save harmless the Government of Canada and the GNWT, their officers, servants, employees and agents from any claims, demands, costs, losses, damages, expenses, actions, suits or other proceedings by whomever made, brought, or prosecuted in any manner based upon or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly or indirectly from:
- (a) The Infrastructure Fund Agreement;
- (b) The performance of this Agreement or the breach of any term or condition of it by a Recipient, its officers, servants, employees and agents, or by a Third Party, and any of its officers, employees, servants or agents;
- (c) The ongoing operation, maintenance and repair of the asset resulting from the Project; or
- (d) Any omission or other wilful or negligent act of the Recipient, a Third Party, and their respective employees, officers, servants or agents.

DISPUTE RESOLUTION

31. Each party shall keep the other informed of any disagreement or contentious issue, and the parties will attempt to resolve the issue.
32. Any dispute in law regarding this Agreement shall be submitted to the Supreme Court of the Northwest Territories.
33. There shall be no waiver of a breach of any term or condition of this Agreement unless the waiver is in writing signed by the party who has waived the breach and specifically sets out the breach and the agreement to waive the same. A waiver with respect to a specific breach shall not affect any rights of the parties relating to other or future breaches.

COMMUNICATIONS

34. The parties shall follow the terms of the Canada-Northwest Territories Communication Protocol Guideline set out in Part II of Appendix 4.

INSURANCE

35. Without limiting the scope of effectiveness of the indemnity referred to in clause 29 above, the Recipient shall maintain a policy of insurance, in the scope and amount of coverage set out in Appendix 5 attached.
36. The Recipient shall require its contractors to obtain liability, fire and damage insurance, acceptable to the GNWT, and required during construction of the Project.
37. Prior to assuming ownership of the assets, the Recipient shall obtain and subsequently maintain insurance, acceptable to the GNWT, to protect the building, equipment and mobile equipment assets, on a new replacement cost basis.

TERMINATION AND AMENDMENT

38. The Recipient is aware of s. 46 of the *Financial Administration Act*, R.S.N.W.T. 1988, c. F-4 as amended, which makes it a condition of every contract requiring an expenditure made by or on behalf of the GNWT that "...an expenditure pursuant to a contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract."
39. The Recipient shall refund to the GNWT immediately, upon written request, any monies advanced to the Recipient for which, in the opinion of the GNWT, no satisfactory evidence has been furnished by the Recipient that the monies have been expended in accordance with this Agreement.
40. This Agreement may be amended at any time by the written consent of the parties.
 41. If for any reason a provision of this Agreement that is not a fundamental term is found to be or becomes invalid or unenforceable, in whole or in part, it shall be

deemed to be severable and shall be deleted from this Agreement, but all the other terms and conditions of this Agreement shall continue to be valid and enforceable.

GENERAL TERMS AND CONDITIONS

42. This Agreement shall be interpreted and governed by the laws of the Northwest Territories. The parties shall comply with, and the Recipient shall ensure that the Third Parties comply with, all applicable legislation.
43. No Government of Canada funds shall be committed to the Project until all legislated environmental assessment requirements have been fully met. Funding for a Project component is also conditional on the implementation of those mitigation measures identified in the environmental assessment should an environmental assessment be made. The parties may make a funding commitment that is conditional on such mitigation measures being met.
44. The term "Recipient" includes all officers, employees, servants and agents of the Recipient, as the case requires.
45. This Agreement shall ensure to the benefit of and be binding upon the parties hereto, their executors, administrators, successors, and assigns.
46. No member of the Legislative Assembly shall be permitted to enter into a Contract with the Recipient with respect to the Project or be entitled to receive any financial benefit arising therefrom.
47. Words in this Agreement importing male gender include female gender and words importing the singular include the plural, and *vice versa*.
48. Nothing in this Agreement is to be construed as authorizing one party to contract for or to incur any obligation on behalf of the other or to act as agent for the other. Nothing in this Agreement is to be construed as authorizing the Recipient or any Third Party to contract for or to incur any obligation on behalf of Canada or the GNWT or to act as agent for Canada or the GNWT.
49. The Recipient shall manage application and Project information pursuant to the Information Management Guideline, attached as Part III of Appendix 4.
50. Each party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.
51. The parties' rights and obligations set out in Clauses 6, 8, 10, 11, 16, 17, 19, 26, 27, 28, 29, 30, 39, 45, 51, and 53 shall survive the expiry or early termination of this Agreement.
52. Where the terms and conditions of the Infrastructure Fund Agreement conflict with the terms and conditions of this Agreement, the terms and conditions of the Infrastructure Fund Agreement shall prevail.

NOTICES AND ADDRESS

- 53. The Recipient shall notify the GNWT immediately of any claim, action, or other proceeding made, brought, prosecuted or threatened in writing to be brought or prosecuted that is based upon, occasioned by or in any way attributable to the performance or non-performance of the services under this Agreement.
- 54. In this Agreement, if any notice is required to be given by the GNWT or the Recipient, it shall be in writing and shall be deemed to have been received:
 - (a) immediately, if delivered in person;
 - (b) one (1) day after transmittal, if sent electronically; or
 - (c) ten (10) days after mailing, if sent by registered mail;

if sent to the following address:

If to the GNWT at: Municipal and Community Affairs
Government of the Northwest Territories
PO BOX 1320
YELLOWKNIFE NT X1A 2L9
Fax: 867-873-0309

If to the Recipient at: name
street
town, province & postal code
fax #

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the date and year as first above written.

SIGNED ON BEHALF OF THE
GOVERNMENT OF THE NORTHWEST
TERRITORIES

SIGNED ON BEHALF OF THE
COUNCIL OF THE

Minister, Municipal and Community
Affairs

Mayor

Witness signature

Witness signature

Print Name of Witness

Print Name of Witness

APPENDIX 2

PROJECT BRIEFING

APPENDIX 3

CASH FLOW REQUIREMENTS FOR MONTHLY PAYMENTS

Monthly Payment Schedule

	2005/2006	2006/2007	2007/2008	2008/2009
April	\$ -			
May	\$ -			
June	\$ -			
July	\$ -			
August	\$ -			
September				
October				
November				
December				
Federal Share (Reimbursement Basis)				
Total =				

The Government of Canada share (Federal Share) will be accessed through claim submission. Eligible claims shall be reimbursed for the relevant fiscal year to a maximum of the relevant fiscal years total allocation. All eligible claims will be reimbursed to a maximum amount of _____ dollars (_____ \$) over the life of this agreement.

The above payment schedule is subject to all terms and conditions of this contribution agreement.

The final payment will be held back pending receipt by the GNWT of written documentation showing the recipients matching contribution as stated in clause 3 of this agreement and completion of the terms of the project as outlined in Appendix 2.

EXAMPLE:

	2005/2006	2006/2007	2007/2008	2008/2009
April	\$ -			
May	\$ -			
June	\$ -			
July	\$ -			
August	\$ -			
September				
October				
November				
December				
Federal Share (Reimbursement Basis)				
Total =				

APPENDIX 4

**Part I - REPORTING – AUDIT – EVALUATION GUIDELINE
(Canada – NWT MRIF Fund)**

**Part II - COMMUNICATION PROTOCOL GUIDELINE
(Canada – NWT MRIF Fund)**

**Part III - Information Management Guideline
(Canada – NWT MRIF Fund)**

APPENDIX 5

INSURANCE

1. The Recipient shall obtain and maintain comprehensive general liability insurance in the amount not less than two million (\$2,000,000.00) dollars inclusive of each occurrence or accident, for bodily injury, death and property damage including loss of use thereof, covering all operations of the Hamlet and including but not limited to:
 - (a) Blanket contractual liability
 - (b) Personal injury liability
 - (c) Medical payments
 - (d) Employee as Named Insured
 - (e) Broad Form Liability Damage, and
 - (f) Cross Liability.

Such policy shall be endorsed to show the GNWT as "additional named insured" and the Recipient shall provide satisfactory evidence of such insurance to the GNWT within thirty (30) days of the signing of this contract.

2. The Recipient and its employees and agents shall obtain and maintain throughout the term of this contract, Professional Liability Insurance in an amount sufficient to cover any and all claims arising out of the rendering of professional services under this contract agreement.

APPENDIX 9
CLAIM FORM TEMPLATE

CLAIM FORM SUMMARY

Applicant: _____ Interim Claim No.: _____
Projects Number: _____ Date of Claim: _____
Project Title: _____ Period Covered: _____

Summary of Interim Claim

1. Total value of paid invoices attached (including taxes): _____
2. Minus Ineligible Expenses (Include GST): _____
3. Minus GST Rebate _____
4. Net amount of invoices = line (1) minus line (2) minus line (3) _____
5. Net Claim = line (4) _____ x _____% specified in
Section 2 of your contract: _____
6. Proponenet Share of eligible costs: _____
Total amount of Federal/Territorial Share paid (all previous claims) _____
Total amount this claim (Line 5 above) - Federal/Territorial Share _____
Total amount claimed to date _____

Certification (to be signed by project finance representative)

I hereby certify to the following to the best of my knowledge:

Yes	No	that all costs claimed herein have been incurred and are eligible costs of the project
Yes	No	that are information reported is accurate and complete
Yes	No	that the project is in compliance with all conditions of the Contribution Agreement
Yes	No	that all condition of Schedule 'D' (Environmental Requirements) of the MRIF Agreement are being implemented

Print Name, Title of Person Representing Applicant Signature Date

Draft DETAILED CLAIM FORM

Name of Applicant: _____ Claim No.: _____

Project Name: _____ Claim Date: _____

Project Number: _____ From: _____
 To: _____

	Invoice Date	Supplier	Particulars (Contract, Materials, Equipment, Labour,etc.)	Invoice #	Cheque Date	Cheque Amount	Cheque # / Cheque Requisition #	Invoice Amount before GST	GST	Total Invoice	Minus GST Rebate	Minus Ineligible Expenses	Net Expense Claimed
1													
2													
3													
4													
5													
6													
7													
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