

R.M. OF FRENCHMAN BUTTE NO. 501

BYLAW NO 2021-14


A BYLAW TO PROVIDE FOR ENTERING INTO AN OPERATIONS
AGREEMENT WITH THE 501 UTILITY AUTHORITY INC.

The Council of the Rural Municipality of Frenchman Butte No. 501 in the Province of
Saskatchewan enacts as follows:

1. The R.M of Frenchman Butte No. 501 is hereby authorized to enter into an
Operations Agreement with the 501 Utility Authority Inc.
2. The Operations Agreement is attached and forms a part of this bylaw, identified
as "Exhibit A".
3. The Deputy Reeve and the Chief Administrative Officer of the R.M. of
Frenchman Butte are hereby authorized to sign and execute the attached
Agreement identified as "Exhibit A".
4. Bylaw 2020-07 is hereby repealed.


Read a third time and adopted
this 24th day of November 2021.




Reeve


Chief Administrative Officer



Certified a True Copy of Bylaw 2021-14

ADMINISTRATOR

501 UTILITY AUTHORITY INC. OPERATING AGREEMENT

This AGREEMENT made effective, this 21st day of September 2021,

BETWEEN:

501 Utility Authority Inc.
PO Box 285
Paradise Hill, SK S0M 2G0
admin@501utility.ca

A Municipally Controlled Public Utility Board and body corporate established pursuant to Section 33 of *The Municipalities Act*, hereinafter, the "Utility"

and the

Rural Municipality of Frenchman Butte No. 501
PO Box 180
Paradise Hill, SK S0M 2G0
administrator.rm501@sasktel.net

and the

Town of St. Walburg
PO Box 368
St. Walburg, SK S0M 2T0
admin@stwalburg.com

and the

Village of Paradise Hill
PO Box 270
Paradise Hill, SK S0M 2G0
paradisehill@sasktel.net

Each of which are incorporated pursuant to the provisions of *The Municipalities Act* in the Province of Saskatchewan, hereinafter individually known as the "Municipality" and collectively known as the "Parties".




WHEREAS:

1. The Parties by bylaw, have entered into an agreement pursuant to Section 33 of *The Municipalities Act* for the establishment of the Utility and the delegation of municipal powers to the Utility with respect to the instruction and operation of a system of works for sewage disposal for the public benefit, convenience, and use.
2. Section 33(2) of *The Municipalities Act* authorizes a municipality or a public utility board to provide public utilities services by agreement with any person.
3. The Parties have managed the construction of the Sewage Lagoon and all related infrastructure and formed the Utility to manage the operations of this public utility, as shown on Schedule 'A' – Public Utility Asset Map.
4. The Utility wishes to have recourse to the powers granted to the Utility by virtue of this Agreement and any other agreements between the Utility and the Parties regarding the Sewage Lagoon, and the powers granted public utilities by the provisions of *The Municipalities Act* including but not limited to the ability to collect monies owing to the Utility.

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


1. Subject to the terms and conditions of this Agreement, the Utility shall operate and maintain a Sewage Lagoon located in the Rural Municipality of Frenchman Butte No. 501.
2. The Parties agree that all costs and expenses incurred in connection with the use, inspection, maintenance, repair, or re-installation of the Sewage Lagoon or all other utility infrastructure incurred by the Utility shall be shared in the same proportion as set out in Schedule 'B' – Cost Sharing Formula. This includes any operating shortfalls. A review of Schedule 'B' will occur annually.
3. The Utility acknowledges and agrees to be responsible for the maintenance, repair, and upkeep of the Sewage Lagoon.
4. At all times the Utility shall ensure that it shall fully comply with all regulatory or statutory authorities having jurisdiction over the operation and maintenance of the Sewage Lagoon.
5. Any non-budget lagoon expense that causes a deficit to the operation budget shall be paid for by any operating reserves in the bank while still maintaining the three (3) month operating reserve.
6. If further funds are still required, such funds shall be collected from the Parties and the costs will be shared proportionately by the Parties based on Schedule 'B' – Cost Sharing Formula.
7. If any Municipality chooses not to pay their share of the 'cash call deficiency' any payments made by the other partners will be refunded to those Parties and the total amount of the deficiency will be transferred to the subsequent years operating expense budget.

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8. Surpluses (retained earnings) in the Operating/General account shall not be transferred to the Tangible Capital Asset Reserves or refunded to the Parties but should be used to reduce the operating fees collected in the next fiscal (budget) year.
 9. The Utility should maintain an Operating Reserve. This reserve should not exceed or fall below three (3) months of operating costs unless otherwise approved in writing. When possible, the operating reserve calculation should be determined by averaging monthly operating expenses over the last three (3) years or more if possible.
 10. Operating reserves may not be used for the purpose of loans to any Municipality, individual, corporate, or other public entity.

Tangible Capital Asset Reserve Policy (TCAR) is not part of this Operating Agreement, but rather referenced within the Financial Control Policy and/or other policies and guidelines as required and managed by the Board of Directors as they deem necessary.

TERMS AND DISSOLUTION

1. The term of this Agreement will be considered continuous from the date of execution unless terminated earlier in accordance with the terms set out hereunder. Notwithstanding the foregoing, this Agreement may be terminated on the earlier of:
 - a. Any date as mutually agreed in writing among the Parties hereto, or
 - b. On any date which is 90 days after the giving of notice in writing, by one Municipality to the other Parties, of a breach of this Agreement if the offending Municipality has not taken reasonable steps to correct the deficiency.
2. Notwithstanding the foregoing, in the event that the 501 Utility Authority Inc., is dissolved, any assets and surplus (retained earnings), are to be distributed proportionately to the Parties and any liabilities of the Utility are to be adjusted and settled in the same manner based on the percentage of original capital contributions by each Municipality which is specified in the *Multi-Municipality Wastewater Management Agreement*, Section 2.0, sub-section 2.1.1.
 - a. "Initial capital costs will be shared as follows:
 - i. The Rural Municipality of Frenchman Butte No. 501 – 33.333%;
 - ii. The Town of St. Walburg – 35.085%; and
 - iii. The Village of Paradise Hill – 31.582%."
3. In the event of any dispute between the parties as to the interpretation and performance of this Agreement, all Parties agree that they will seek independent legal counsel at their own expense.

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4. If none of the afore-mentioned options are acceptable, the Municipality having issue with the interpretation or performance as guided by this Agreement may seek legal remedies and counsel at their own expense. If any litigation arises out of any disagreement, the Municipality that does not prevail shall bear all legal and related court costs

NOTICES

All notices required or desired to be given to each Municipality in connection with this Agreement or arising therefrom shall be in writing and shall be given by electronic means or hand delivery. Any notice given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery and if given by electronic means, on the business day on which it was transmitted.

The Parties hereto shall execute such documents or assurances as may be necessary for the purposes of giving effect to the intent of this Agreement.

This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, and assigns and supersedes any previous agreements. This agreement is furtherance of the 501 Utility Authority Construction Operating Agreement signed by the Rural Municipality of Frenchman Butte No. 501, the Town of St. Walburg, and the Village of Paradise Hill.

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IN WITNESS WHEREOF each Municipality and the Utility have hereunto executed this agreement.



501 UTILITY AUTHORITY INC.

Nancy Schneider, Chairperson

Merle Bielecki, Vice Chairperson

RURAL MUNICIPALITY OF FRENCHMAN BUTTE NO. 501

Tom Hougham, Reeve

Allison Roschker, Chief Administrative Officer



TOWN OF ST. WALBURG

Clinton Parker, Deputy Mayor

Shiloh Bronken, Chief Administrative Officer

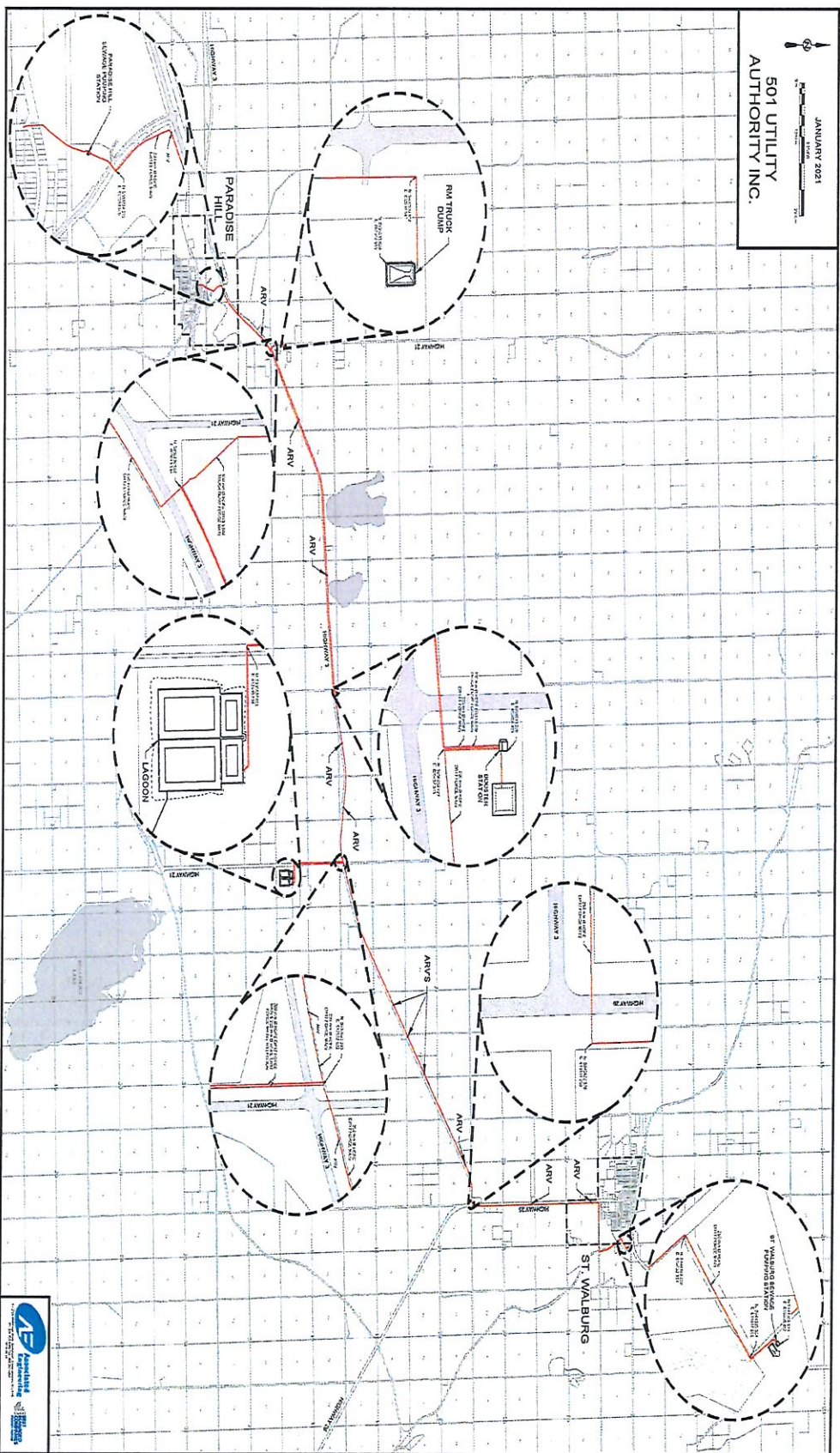
VILLAGE OF PARADISE HILL

Bernard Ecker, Mayor

Cindy Villeneuve, Chief Administrative Officer



PUBLIC UTILITY ASSET MAP



AK-00 82 R MCB

COST SHARING FORMULA

Any and all costs that must be divided amongst the Parties for the purpose of funding operations will be divided as per the *Multi Municipality Wastewater Management Agreement, Section 2.0*.

MD BE-UBCP