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## Regular Open Council Meeting Agenda

**Monday, August 25, 2025, at 7:00 p.m.**

in the Council Chambers, Town Hall, 10203-105<sup>th</sup> Avenue, High Level, AB

Electronic Participation via YouTube. The YouTube link for this meeting is:

[https://youtube.com/live/z8Fn2Be\\_SHQ?feature=share](https://youtube.com/live/z8Fn2Be_SHQ?feature=share)

*The Town of High Level Mayor and Council acknowledge Treaty 8 Territory - the traditional and ancestral territory of the Cree and Dene. We acknowledge that this territory is home to the Métis Settlements and the Métis Nation of Alberta, Regions 1, 4, 5 and 6 within the historical Northwest Métis Homeland.*

*We acknowledge the many First Nations, Métis and Inuit who have lived in and cared for these lands for generations.*

*We are grateful for the traditional Knowledge Keepers and Elders who are still with us today and those who have gone before us.*

*We make this acknowledgement as an act of reconciliation and gratitude to those whose territory we reside on or are visiting.*

### 1. CALL TO ORDER

### 2. ADOPTION OF MEETING AGENDA

#### 2.1. Adoption of Meeting Agenda

**THAT the Regular Open Council meeting agenda for August 25, 2025, be adopted.**

2.2. Adoption of Meeting Agenda – August 11, 2025

**THAT Council adopts the agenda from the August 11, 2025, regular meeting of Council, as amended;**

**AND THAT Council adopts Resolution Numbers 203-25 to 226-25 made at the August 11, 2025, meeting of Council.**

**3. MOTION TO CHANGE THE ORDER OF BUSINESS**

3.1 Change Order of Business

**THAT item 9.1 2023 Audited Financial Statements be considered before item 4. Delegations.**

**4. DELEGATIONS**

There are no delegations scheduled for this meeting.

**5. ADOPTION OF MINUTES**

5.1. Minutes of the Regular Open Council Meeting held August 11, 2025, for adoption.

**THAT the Minutes of Regular Open Council meeting held August 11, 2025, be adopted.**

**6. MAYOR'S REPORT**

6.1. Mayor McAteer's Report August 12, 2025, to August 25, 2025.

**THAT Council receive Mayor McAteer's report for the period of August 12, 2025, to August 25, 2025, for information.**

**7. COUNCIL COMMITTEE REPORTS**

7.1. Council Committee Reports

**THAT Council receive the Council Reports from Deputy Mayor Langford, Councillor Anderson, Councillor Lambert, Councillor Liboiron, and Councillor Welke for the period of August 12, 2025, to August 25, 2025, for information.**

**Deputy Mayor Langford:**

**Councillor Anderson:**

Councillor Lambert:

Councillor Liboiron:

Councillor Welke

**8. ADMINISTRATIVE REPORTS**

8.1 CAO Report

**THAT Council receive CAO Thoss' report for the period of August 12, 2025, to August 25, 2025, for information.**

**9. ADMINISTRATIVE ENQUIRIES**

9.1. 2023 Audited Financial Statements

**THAT Council receives the presentation relative to the audit results and approves the Town of High Level 2023 Audited Financial Statements as presented.**

9.2. Policy 277-25 Residential Development Incentive Grant Application

**THAT Based on the August 5, 2025, report from the Town's Planning and Development Consultant, that Council consider approval of the proposed *Residential Development Incentive Grant* application in the amount of \$50,000.00**

9.3. Town of High Level Election Procedure Bylaw No. 1057-25

**THAT Council GIVE first, second, and third readings to the Election Procedure Bylaw No. 1057-25 as presented;**

**AND THAT Council ACKNOWLEDGE that the Local Authorities Election Act governs the majority of election procedures, and that Council's role is limited to areas permitted under the Act.**

9.3. Apex Utilities Inc. Franchise Fee Consideration

**THAT Council MAINTAIN the current 30% franchise rate generating \$880,556.00 in annual revenue.**

**10. OLD BUSINESS**

**11. NEW BUSINESS**

**12. CORRESPONDENCE FOR ACTION**

12.1. Correspondence for Action

**THAT the items of correspondence for action be received.**

- Invitation to meet with Minister Dan Williams
- Alberta Municipalities Fall 2025 Convention

**13. CORRESPONDENCE FOR INFORMATION**

13.1. Correspondence for information

**THAT the items of correspondence for information be received.**

- Alberta Municipal Affairs Letter to Mayor McAteer

**14. NOTICES OF MOTION**

**15. QUESTION PERIOD**

**16. RECESS TO IN-CAMERA MEETING**

16.1 Recess to In-Camera Meeting

**THAT pursuant to the *Access to Information Act*, the meeting be closed to the public on the basis that the subject matter of all agenda items to be considered related to matters listed under Section 29 (Advice from Officials) and Section 32 (Privileged Information) of the *Access to Information Act*.**

- a. HR Update

**17. RECONVENE OPEN MEETING**

17.1 Reconvene Open Meeting

**THAT the Regular Open Council meeting be reconvened.**

**18. IN-CAMERA ITEMS**

**19. ADJOURNMENT**

**THAT there being no further business of the Regular Open Council meeting, it be adjourned.**

**CALL TO ORDER**

## **ADOPTION OF AGENDA**



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## Regular Open Council Meeting Agenda

**Monday, August 11, 2025, at 7:00 p.m.**

in the Council Chambers, Town Hall, 10203-105<sup>th</sup> Avenue, High Level, AB

Electronic Participation via YouTube. The YouTube link for this meeting is:

<https://youtube.com/live/Tgu-PFiCWtQ?feature=share>

*The Town of High Level Mayor and Council acknowledge Treaty 8 Territory - the traditional and ancestral territory of the Cree and Dene. We acknowledge that this territory is home to the Métis Settlements and the Métis Nation of Alberta, Regions 1, 4, 5 and 6 within the historical Northwest Métis Homeland.*

*We acknowledge the many First Nations, Métis and Inuit who have lived in and cared for these lands for generations.*

*We are grateful for the traditional Knowledge Keepers and Elders who are still with us today and those who have gone before us.*

*We make this acknowledgement as an act of reconciliation and gratitude to those whose territory we reside on or are visiting.*

**1. CALL TO ORDER**

**2. LATE ITEMS**

**2.1. Late items**

**THAT the following items be added to the agenda.**

- a. 2026 Budget Process Presentation**
- b. Mayor McAteer - Letter of Support for AMMSA**
- c. Mayor McAteer - Task Force Invitation Letter**
- d. Community Standard Bylaw**
- e. Letter that Council received from a concerned citizen**

**3. ADOPTION OF MEETING AGENDA**

3.1. Adoption of Meeting Agenda

**THAT the Regular Open Council meeting agenda for August 11, 2025, be adopted.**

**4. MOTION TO CHANGE THE ORDER OF BUSINESS**

4.1 Change Order of Business

**THAT item 9.1 2023 Audited Financial Statements be considered before item 4. Delegations.**

**5. DELEGATIONS**

There are no delegations scheduled for this meeting.

**5. ADOPTION OF MINUTES**

5.1. Minutes of the Regular Open Council Meeting held June 23, 2025, for adoption.

**THAT the Minutes of Regular Open Council meeting held June 23, 2025, be adopted.**

5.2. Minutes of the Regular Open Council Meeting held July 14, 2025, for adoption.

**THAT the Minutes of Regular Open Council meeting held July 14, 2025, be adopted.**

**6. MAYOR'S REPORT**

6.1. Mayor McAteer's Report July 15, 2025, to August 11, 2025.

**THAT Council receive Mayor McAteer's report for the period of July 15, 2025, to August 11, 2025, for information.**

**7. COUNCIL COMMITTEE REPORTS**

7.1. Council Committee Reports

**THAT Council receive the Council Reports from Deputy Mayor Langford, Councillor Anderson, Councillor Lambert, Councillor Liboiron, and Councillor Welke for the period of July 15, 2025, to August 11, 2025, for information.**

**Deputy Mayor Langford:**

**Councillor Anderson:**

**Councillor Lambert:**

**Councillor Liboiron:**

**Councillor Welke**

**8. ADMINISTRATIVE REPORTS**

8.1 CAO Report

**THAT Council receive CAO Thoss' report for the period of July 15, 2025, to August 11, 2025, for information.**

**9. ADMINISTRATIVE ENQUIRIES**

9.1. 2023 Audited Financial Statements

**THAT Council receives the presentation relative to the audit results and approves the Town of High Level 2023 Audited Financial Statements as presented.**

9.2. FCM GMF Grant Application – Climate-Ready Planning Focused on Wildfire Risk

**THAT Council DIRECT staff to apply to the Federation of Canadian Municipalities' Local Leadership for Climate Adaptation initiative for a project to integrate a Climate Adaptation Strategy into the Town of High Level's Asset Management Initiative;**

**AND THAT Council allocate \$17,500 from the Town's General Reserve as the municipal contribution toward the total project cost of \$87,500, contingent upon the success of the grant application, with the remaining \$70,000 to be funded through the Local Leadership for Climate Adaptation initiative.**

9.3. Policy 277-25 Residential Development Incentive Grant Application

**THAT Based on the August 5, 2025, report from the Town's Planning and Development Consultant, that Council consider approval of the proposed *Residential Development Incentive Grant* application in the amount of \$50,000.00**

- 9.4. Bylaw No. 1056-25 – Apex Utilities Inc. Natural Gas Distribution System Franchise Agreement Renewal

**THAT Council give first reading to Bylaw No. 1056-25 – Apex Utilities Inc. Natural Gas Distribution System Franchise Agreement with \$50,000 included in Article 1) n) and a franchise fee percentage rate of 30% in Article 5) a).**

- 9.5. Q2 Operating Variance Report

**THAT Council receive the Q2 Operating Variance Report as information.**

- 9.6. 2026 Budget Process Presentation

**10. OLD BUSINESS**

**11. NEW BUSINESS**

**12. CORRESPONDENCE FOR ACTION**

- 12.1. Correspondence for Action

**THAT the items of correspondence for action be received.**

- Windspeaker Media – Letter of Support for CFWE Radio Transmitter
- ATCO Energy Systems – Request for Donation items
- Mayor McAteer - Letter of Support for AMMSA
- Mayor McAteer - Task Force Invitation Letter

**13. CORRESPONDENCE FOR INFORMATION**

- 13.1. Correspondence for information

**THAT the items of correspondence for information be received.**

- 25<sup>th</sup> Annual Alberta Care Conference
- Alberta Municipalities – Recommendation on Recall of a Municipal Elected Official
- AR118334 – Minister Signed Letter to Mayor McAteer
- RCMP Letter to Mayor McAteer
- NWR FASD Society Letter to Mayor McAteer

- 13.2. Internal Correspondence

**THAT the items of internal correspondence be received.**

- Council Committee Chart

- Community Services Dept. Report – July 2025
- Corporate Services Dept. Report – July 2025
- Operations Dept. Report – July 2025
- Emergency Services Dept. Report – July 2025

13.3. Outgoing Correspondence

**THAT the items of outgoing correspondence be received.**

- Letter of Support – Ken Sargent House CFEP Large Stream Grant Application

**14. NOTICES OF MOTION**

**15. QUESTION PERIOD**

**16. RECESS TO IN-CAMERA MEETING**

16.1 Recess to In-Camera Meeting

**THAT pursuant to the *Access to Information Act*, the meeting be closed to the public on the basis that the subject matter of all agenda items to be considered related to matters listed under Section 29 (Advice from Officials), Section 31 (Testing Procedures, Tests, and Audits), and Section 32 (Privileged Information).**

- a. Audit Matters
- b. Legal Matters
- c. HR Update

**17. RECONVENE OPEN MEETING**

17.1 Reconvene Open Meeting

**THAT the Regular Open Council meeting be reconvened.**

**18. IN-CAMERA ITEMS**

**19. ADJOURNMENT**

**THAT there being no further business of the Regular Open Council meeting, it be adjourned.**

MOTION TO CHANGE THE  
ORDER OF BUSINESS

# DELEGATIONS

## APPROVAL OF MINUTES



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Minutes of the Regular Open Council Meeting held **August 11, 2025, at 7:00 p.m.**  
in the Council Chambers, Town Hall, 10203-105<sup>th</sup> Avenue, High Level, AB

**In Attendance:**

**Council:** Mayor Crystal McAteer  
Councillor Brent Anderson  
Councillor Josh Lambert  
Councillor Mark Liboiron  
Councillor Jan Welke (via Teams)

**Staff:** Viv Thoss, Chief Administrative Officer  
Roy Amalu, Director of Finance  
Keir Gervais, Director of Corporate Services  
Keith Straub, Director of Operations (via Teams)  
Bill Schnarr, Communications Coordinator  
Aya Balmores, Relief Legislative & Executive Assistant

**Consultant:** Barb Wilton, HR Consultant (via Teams)

**Regrets:** Deputy Mayor Langford  
Jena-Rayé Clarke, Director of Community Services  
Rodney Schmidt, Director of Emergency Services

**1. CALL TO ORDER**

Mayor McAteer called the meeting to order at 7:00 p.m.

**2. LATE ITEMS**

2.1. Late items

Moved by Councillor Lambert

**203-25 THAT the following items BE ADDED to the agenda.**

- a. Mayor McAteer - Letter of Support for AMMSA
- b. Mayor McAteer - Task Force Invitation Letter
- c. Community Standards Bylaw
- d. Communication that Council received from a concerned citizen

Carried

**3. ADOPTION OF MEETING AGENDA**

3.1. Adoption of Meeting Agenda

**The Regular Open Council meeting agenda for August 11, 2025, be adopted as amended.**

**4. MOTION TO CHANGE THE ORDER OF BUSINESS**

4.1 Change Order of Business

Moved by Councillor Liboiron

**204-25 THAT item 9.1 2023 Audited Financial Statements BE CONSIDERED before item 4. Delegations.**

Carried

**5. DELEGATIONS**

There are no delegations scheduled for this meeting.

**5. ADOPTION OF MINUTES**

5.1. Minutes of the Regular Open Council Meeting held June 23, 2025, for adoption.

Moved by Councillor Liboiron

**205-25 THAT the Minutes of Regular Open Council meeting held June 23, 2025, BE ADOPTED.**

Carried

5.2. Minutes of the Regular Open Council Meeting held July 14, 2025, for adoption.

Moved by Councillor Lambert

**206-25 THAT the Minutes of Regular Open Council meeting held July 14, 2025, BE ADOPTED.**

Carried

**6. MAYOR'S REPORT**

6.1. Mayor McAteer's Report July 15, 2025, to August 11, 2025.

Moved by Councillor Anderson

**207-25 THAT Council RECEIVE Mayor McAteer's report for the period of July 15, 2025, to August 11, 2025, for information.**

Carried

**7. COUNCIL COMMITTEE REPORTS**

7.1. Council Committee Reports

Moved by Councillor Lambert

**208-25 THAT Council RECEIVE the Council Reports from Councillor Anderson, Councillor Lambert, Councillor Liboiron, and Councillor Welke for the period of July 15, 2025, to August 11, 2025, for information.**

**Councillor Anderson:**

Aug. 6 – Golden Range Society

Aug. 11 – Special In-Camera Meeting

**Councillor Lambert:**

Aug. 11 – Special In-Camera Meeting

**Councillor Liboiron:**

Jul. 16 – Mackenzie Regional Waste Management commission

Jul. 20 – High Level Library Board

Aug. 11 – Special In-Camera Meeting

**Councillor Welke:**

Aug. 7 – Intermunicipal Development Plan Joint Steering committee

Aug. 11 – Special In-Camera Meeting

Carried

**8. ADMINISTRATIVE REPORTS**

8.1 CAO Report

Moved by Councillor Liboiron

**209-25 THAT Council RECEIVE CAO Thoss' report for the period of July 15, 2025, to August 11, 2025, for information.**

Carried

**9. ADMINISTRATIVE ENQUIRIES**

9.1. 2023 Audited Financial Statements

Moved by Councillor Anderson

**210-25 THAT Council DIRECT Administration to table the *2023 Audited Financial Statements* to the next regular council meeting.**

Carried

9.2. FCM GMF Grant Application – Climate-Ready Planning Focused on Wildfire Risk

Moved by Councillor Anderson

Opposed by Mayor McAteer

**211-25 THAT Council DIRECT staff to apply to the Federation of Canadian Municipalities' Local Leadership for Climate Adaptation initiative for a project to integrate a Climate Adaptation Strategy into the Town of High Level's Asset Management Initiative;**

**AND THAT Council allocate \$17,500 from the Town's General Reserve as the municipal contribution toward the total project cost of \$87,500, contingent upon the success of the grant application, with the remaining \$70,000 to be funded through the Local Leadership for Climate Adaptation initiative.**

Carried

9.3. Policy 277-25 Residential Development Incentive Grant Application

Moved by Councillor Anderson

**212-25 THAT Council DIRECT Administration to table the *Residential Development Incentive Grant* application to the next regular council meeting.**

Carried

9.4. Bylaw No. 1056-25 – Apex Utilities Inc. Natural Gas Distribution System Franchise Agreement Renewal

Council asked for Administration to prepare financial impact scenarios showing the tax impact of a 2% to 5% reduction to the franchise fees.

Moved by Councillor Welke

**213-25 THAT Council GIVE first reading to Bylaw No. 1056-25 – Apex Utilities Inc. Natural Gas Distribution System Franchise Agreement with \$50,000 included in Article 1) n) and a franchise fee percentage rate of 30% in Article 5) a).**

Carried

9.5. Q2 Operating Variance Report

Moved by Councillor Liboiron

**214-25 THAT Council RECEIVE the Q2 Operating Variance Report as information.**

Carried

9.6. 2026 Budget Process Presentation

Moved by Councillor Anderson

**215-25 THAT Council RECEIVE the 2026 Budget Process Presentation as information.**

Carried

**10. OLD BUSINESS**

There were no old business items brought forward.

**11. NEW BUSINESS**

There were no new business items brought forward.

**12. CORRESPONDENCE FOR ACTION**

12.1. Correspondence for Action

**The items of correspondence for action BE RECEIVED.**

- Windspeaker Media – Letter of Support for CFWE Radio Transmitter
- ATCO Energy Systems – Request for Donation items
- Mayor McAteer - Letter of Support for AMMSA
- Mayor McAteer - Task Force Invitation Letter

12.2. Windspeaker Media – Letter of Support for CFWE Radio Transmitter

Moved by Councillor Welke

**216-25 THAT Council DIRECT Administration to send a letter of support to the Windspeaker Media to establish a CFWE Radio Transmitter in High level surrounding area.**

Carried

12.3. ATCO Energy Systems – Request for Donation items

Moved by Councillor Liboiron

**217-25 THAT Council DONATE one six-month Family swim pass to ATCO Energy Systems for the ATCO EPIC Campaign.**

Carried

12.4. Task Force Invitation Letter

Moved by Mayor McAteer

**218-25 THAT Council APPROVE the distribution of the Invitation letter from Mayor McAteer to identify stakeholders and authorize administration to proceed with contacting potential participants;**

**AND THAT Council APPROVE \$15,000 for Task Force on Reliable Air Access for Specialist Medical Services, to cover travel expenses and staff time associated with work on the Task Force.**

Carried

12.6. Community Standards Bylaw

Moved by Councillor Anderson

**219-25 THAT Council DIRECT Administration to enforce the Community Standards Bylaw including the provisions for enforcement of unsightly premises;**

**FURTHER THAT any proposed changes to any bylaw by Council or Administration be brought to Council for their consideration.**

Carried

12.7. Communication that Council received from a concerned citizen

Moved by Mayor McAteer

**220-25 THAT Council DIRECT Administration to resume the regular use of the High Level Facebook page for the promotion of our community programs, initiatives, and to publicly recognize and thank sponsors, donors, and community partners for their contributions to the community.**

Carried

**13. CORRESPONDENCE FOR INFORMATION**

13.1. Correspondence for information

Moved by Councillor Lambert

**221-25 THAT the items of correspondence for information BE RECEIVED.**

- 25<sup>th</sup> Annual Alberta Care Conference
- Alberta Municipalities – Recommendation on Recall of a Municipal Elected Official
- AR118334 – Minister Signed Letter to Mayor McAteer
- RCMP Letter to Mayor McAteer
- NWR FASD Society Letter to Mayor McAteer

Carried

13.2. Internal Correspondence

Moved by Councillor Liboiron

**222-25 THAT the items of internal correspondence BE RECEIVED.**

- Council Committee Chart
- Community Services Dept. Report – July 2025
- Corporate Services Dept. Report – July 2025
- Operations Dept. Report – July 2025
- Emergency Services Dept. Report – July 2025

Carried

13.3. Outgoing Correspondence

Moved by Councillor Lambert

**223-25 THAT the items of outgoing correspondence BE RECEIVED.**

- Letter of Support – Ken Sargent House CFEP Large Stream Grant Application

Carried

**14. NOTICES OF MOTION**

There were no notice of motions brought forward.

**15. QUESTION PERIOD**

There were no member of the gallery in attendance who wished to speak.

**16. RECESS TO IN-CAMERA MEETING**

16.1 Recess to In-Camera Meeting

Moved by Councillor Lambert

**224-25 THAT pursuant to the *Access to Information Act*, the meeting BE CLOSED to the public on the basis that the subject matter of all agenda items to be considered related to matters listed under Section 29 (Advice from Officials), Section 31 (Testing Procedures, Tests, and Audits), and Section 32 (Privileged Information).**

- a. Audit Matters
- b. Legal Matters
- c. HR Update

Council recessed into an In-Camera meeting at 9:00 p.m.

Carried

**17. RECONVENE OPEN MEETING**

17.1 Reconvene Open Meeting

Moved by Councillor Liboiron

**225-25 THAT the Regular Open Council meeting BE RECONVENED.**

The Regular Open Council Meeting reconvened at 9:30 p.m.

Carried

**18. IN-CAMERA ITEMS**

There were no in-camera items brought forward.

**19. ADJOURNMENT**

Moved by Councillor Lambert

**226-25 THAT there being no further business of the Regular Open Council meeting, It BE ADJOURNED.**

Carried

THE REGULAR OPEN COUNCIL MEETING ADJOURNED AT 9:31 p.m.

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MAYOR

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CHIEF ADMINISTRATIVE OFFICER

# DELEGATION BUSINESS

# MAYOR'S REPORT

**COUNCIL COMMITTEE  
REPORTS**

# ADMINISTRATIVE REPORTS

# Chief Administrative Officer

## CAO Report



**Meeting Date:** August 25<sup>th</sup>, 2025

- Since the departure of the Director of Planning and Development, I have stepped in to provide interim oversight of the department. I've been working closely with staff and Municipal Planning Services to ensure the continuity of daily operations. My responsibilities have included managing departmental functions and reviewing and approving a variety of planning applications, such as application for approach access, utility assignment permits, development permits and development variance applications, to support ongoing development and maintain service standards. I also met with the consultants overseeing various projects initiated by the former director to ensure their successful completion.
- Continue to work closely with the Provincial Grants Division and internal staff to reconcile the 2024 capital expenditures with the corresponding grants. This will ensure accurate and complete information is available for the auditors to finalize the 2024 audited financial statements.
- As per Mayor McAtee's request, I contacted the Federation of Canadian Municipalities to obtain a copy of the Town's 2023 Municipal Asset Management Program grant application, including the submitted workplan and project cost details. This information is intended for inclusion in the September 15<sup>th</sup> Committee of the Whole agenda.
- Continue to collaborate with staff to develop and implement a budget process that aligns with best practices, complies with all statutory requirements, and promotes transparency and public engagement. The process was designed to ensure residents have clear opportunities to observe, participate in, and provide feedback at key stages, fostering accountability and community involvement.
- Continue to work closely with Assistant Deputy Minister Sandberg of Municipal Affairs, whose support has been instrumental in helping the Town recover reserve funds used to assist evacuees during the 2023 and 2024 wildfire seasons. To date, the Town has successfully recovered \$1,751,926.00 and is currently awaiting an additional reimbursement of \$671,295.00.
- Met with property owners to discuss and address a range of concerns. I remain actively engaged in resolving these matters to conclusion.
- Met with engineers and consultants to receive updates and progress reports on various ongoing projects. Additionally, requested their assistance in gathering valuable information on outstanding projects to help identify the steps needed to bring them to completion.

# Chief Administrative Officer

# CAO Report



- Collaborated with Alberta Environment to review outstanding non-compliance items. Based on their assessment, several areas requiring improvement were identified. I am currently working with staff and consultants to develop a comprehensive action plan to address these issues.
- Researched available grant funding opportunities to support the Town in addressing critical infrastructure deficiencies. This initiative is part of a broader strategy to secure external funding for both immediate repairs and long-term improvements, while minimizing the financial impact on local taxpayers.
- Human Resources matters continue to require a significant investment of time, particularly in addressing complex staff-related issues and ensuring a respectful and productive workplace environment.
- Worked closely with staff to develop clear, consistent public messaging on a range of municipal priorities and initiatives.
- I have overseen and managed a wide range of responsibilities over the past two weeks, with these tasks representing just a portion of the key initiatives undertaken to support statutory requirements, municipal operations and community development.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Viv Thoss'.

---

CAO Viv Thoss

# ADMINISTRATIVE ENQUIRIES



## **Town of High Level Regular Council Meeting Request for Decision**

**Meeting Date: August 25, 2025**

**Prepared By:** Roy Amalu, Director of Finance

**Subject:** 2023 Audited Financial Statements

### **Recommendation:**

THAT Council receives the presentation relative to the audit results and approves the Town of High Level 2023 Audited Financial Statements as presented.

### **CAO Comments:**

I support the recommendation. Council's approval will bring us significantly closer to meeting the financial reporting obligations set by Municipal Affairs, with which we are currently not in compliance. This action represents a critical step toward restoring compliance and upholding our commitment to sound financial governance.

### **Background:**

The December 31, 2023 audited financial statements have been prepared by Doyle & Company Chartered Professional Accountants.

### **Discussion:**

Regarding *annual financial statements*, the *Municipal Government Act* section 276 states:

- (1) Each municipality must prepare annual financial statements of the municipality for the immediately preceding year in accordance with
  - (a) Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook, and
  - (b) any modification of the principles or any supplementary accounting standards or principles established by the Minister by regulation.
- (2) The municipality's financial statements must include
  - (a) the municipality's debt limit, and

- (b) the amount of the municipality's debt as defined in the regulations under section 271.
- (3) Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public in the manner the council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared.

Regarding Auditor's reports, the *Municipal Government Act* Section 281 states:

- (1) The auditor for the municipality must report to the council on the annual financial statements and financial information return of the municipality.
- (2) The reports on the annual financial statements and financial information return must be in accordance with
  - (a) Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook, and
  - (b) any modifications of the principles referred to in clause (a) or any supplementary principles established by the Minister by regulation.
- (3) The auditor must separately report to the council any improper or unauthorized transaction or non-compliance with this or another enactment or a bylaw that is noted during the course of an audit.
- (4) The council or the Minister may require any further examination and report from the auditor.

Attached as Appendix A are the complete set of audited financial statements for Council's review and approval.

Once approved, the statements will be posted on the Town's website and forwarded to the relevant financial institutions and government agencies as required.

### **Financial:**

The annual audit and the preparation of the Town's financial statements are incorporated into the approved annual budget.

### **Options:**

Option 1: THAT Council receives the presentation relative to the audit results and approves the Town of High Level 2024 Audited December 31, 2023 Consolidated Financial Statements as presented.

Option 2: THAT Council does not approve the Town of Cochrane December 31, 2023 Consolidated Financial Statements as submitted and provides Administration with any other action deemed appropriate by Council.

**Approvals:**



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**CAO, Viv Thoss**



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**Author: Roy Amalu**  
**Director of Finance**

**Attachments:**

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A. *2023 Audited Financial Statements*

**TOWN OF HIGH LEVEL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

DRAFT 8.11.25

# **TOWN OF HIGH LEVEL**

**DECEMBER 31, 2023**

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# **TOWN OF HIGH LEVEL**

**DECEMBER 31, 2023**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

Management of the Town of High Level is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the town's financial position as at December 31, 2023 and the results of its operation for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Town Council carries out its responsibilities for review of the financial statements principally through its regular meetings of Council. Council meets regularly with management and with external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Town Council has approved the financial statements.

The financial statements have been audited by Doyle & Company, Chartered Professional Accountants, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outline their responsibilities, the scope of their examination and their opinions on the Town's financial statements.

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Chief Administrative Officer

Date: August 11, 2025  
Town of High Level

Edward Cheung, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
Jason Bondarevich, CPA, CA\*  
\*Operates as a Professional Corporation

11210 – 107 Avenue N.W.  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

## INDEPENDENT AUDITOR'S REPORT

### To the Mayor and Members of Council of the Town of High Level

#### Opinion

We have audited financial statements of the Town of High Level, which comprise the statement of financial position as at December 31, 2023 and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes and schedules to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Town of High Level as at December 31, 2023, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

The financial statements for the Town of High Level for the year ended December 31, 2022, was audited by another auditor who expressed an qualified opinion on those financial statements on June 6,2024.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the town's financial reporting process.

#### Auditor's Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT - continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information return, and whether the financial information return represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

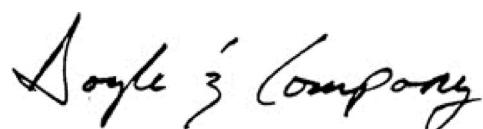
### Report on Other Legal and Regulatory Requirements

#### Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality in compliance with the Debt Limit Regulation, a detailed account of the Town's debt limit can be found in Note 10.

#### Supplementary Accounting Principles and Standard Regulations

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standard Regulations and note the information required can be found in Note 14.



August 11, 2025  
11210 - 107 Avenue NW  
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

**TOWN OF HIGH LEVEL**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	378,666	3,695,435
Asset held in trust (Note 3)	-	485,216
Accounts receivable (Note 4)	5,669,644	2,100,475
Inventory held for resale	32,031	29,638
Investments (Note 5)	8,988,795	6,806,722
	<b>15,069,136</b>	13,117,486
<b>LIABILITIES</b>		
Asset held in trust (Note 3)	-	485,216
Accounts payable and accrued liabilities (Note 6)	1,524,924	1,834,561
Deposit liabilities	30,145	29,645
Deferred revenue (Note 7)	3,051,276	4,809,049
Asset retirement obligation (Note 8)	6,385,218	4,378,419
Long-term debt (Note 9)	1,812,338	2,259,443
	<b>12,803,901</b>	13,796,333
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>2,265,235</b>	(678,847)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	109,668,601	106,315,994
Inventory for consumption	237,122	147,753
Prepaid expenses	389,085	227,565
	<b>110,294,808</b>	106,691,312
<b>ACCUMULATED SURPLUS (NOTE 12)</b>	<b>112,560,043</b>	106,012,465

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023 Budget (Unaudited)</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$	\$
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	7,363,654	7,379,767	6,458,796
User fees and sales of goods	4,855,802	6,741,567	5,501,299
Government transfers for operating (Schedule 4)	2,215,882	2,542,114	1,398,745
Fines, licenses and permits	75,225	154,678	41,191
Penalties and costs of taxes	49,146	59,487	39,658
Interest and investment income	120,000	279,160	176,369
Other	243,419	2,408,235	25,888
	<b>14,923,128</b>	<b>19,565,008</b>	13,641,946
<b>EXPENSES</b>			
Council and other legislative	439,260	341,786	429,923
Administration	2,728,868	2,782,032	2,592,017
Fire protection and safety services	2,213,906	3,462,768	1,955,180
Road, streets, walks, and lighting	2,965,924	5,692,865	5,505,089
Water supply and distribution	2,109,819	2,597,607	2,500,787
Wastewater treatment and disposals	619,527	688,136	687,578
Waste management	292,995	170,116	214,500
Family and community support	232,606	175,115	230,660
Planning and development	817,475	511,095	490,403
Parks and recreation	1,829,793	1,965,012	2,090,638
Culture and library	672,955	707,908	542,786
	<b>14,923,128</b>	<b>19,094,440</b>	17,239,561
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE</b>			
	-	<b>470,568</b>	(3,597,615)
<b>OTHER REVENUE</b>			
Gain (loss) sale of tangible capital assets	-	26,069	89,054
Government transfers for capital (Schedule 4)	-	6,050,941	1,958,668
	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>6,547,578</b>	(1,549,893)
<b>ACCUMULATED OPERATING SURPLUS</b>			
<b>BEGINNING OF YEAR, BEGINNING OF YEAR, AS</b>			
	<b>PREVIOUSLY RECORDED</b>	<b>106,012,465</b>	106,599,941
Prior period adjustment	-	-	962,417
	<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>	<b>112,560,043</b>	106,012,465

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023 Budget (Unaudited)</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$	\$
<b>EXCESS OF REVENUES OVER EXPENSES</b>	-	<b>6,547,578</b>	(1,549,893)
Acquisition of tangible capital assets	-	(6,954,291)	(5,402,053)
Amortization of tangible capital assets	-	5,474,835	5,591,649
WIP transfers of tangible capital assets	-	-	330,461
ARO asbestos abatement costs	-	(1,873,153)	-
	-	(3,352,609)	520,057
Net change in inventory for consumption	-	(89,369)	(10,231)
Net change in prepaid expenses	-	(161,518)	(36,839)
	-	(250,887)	(47,070)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	-	<b>2,944,082</b>	(1,076,906)
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>	-	<b>(678,847)</b>	(564,358)
Prior period adjustment	-	-	962,417
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	-	<b>2,265,235</b>	(678,847)

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b> \$	<b>2022</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and government agencies	15,995,839	13,641,946
Cash paid to suppliers and contractors	(9,274,654)	(1,735,834)
	<b>6,721,185</b>	11,906,112
<b>CASH OUTFLOWS FOR CAPITAL</b>		
Construction in progress transfers	-	330,461
Purchase of capital assets	(6,954,291)	(5,402,053)
	<b>(6,954,291)</b>	(5,071,592)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(3,299,650)	(4,077,398)
Proceeds from sale of investments	663,092	1,729,229
	<b>(2,636,558)</b>	(2,348,169)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term debt repayments	(447,105)	(427,387)
<b>NET CHANGE TO CASH</b>	<b>(3,316,769)</b>	4,058,964
<b>CASH - BEGINNING OF YEAR</b>	<b>3,695,435</b>	(363,529)
<b>CASH - END OF YEAR</b>	<b>378,666</b>	3,695,435

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS - SCHEDULE 1**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
				\$	\$
<b>Balance, Beginning of Year</b>	(2,430,493)	4,386,407	104,056,551	106,012,465	107,562,358
Excess (deficiency) of revenue over expenses	6,547,578	-	-	6,547,578	(1,549,893)
Asset Retirement obligation TCA adoption	(1,966,246)	-	1,966,246	-	-
Unrestricted funds designated for future use	(3,234,316)	3,234,316	-	-	-
Restricted funds used for tangible capital assets	-	(1,442,327)	1,442,327	-	-
Current years funds used for tangible capital assets	(5,553,223)	-	5,553,223	-	-
Annual amortization expenses	5,474,835	-	(5,474,835)	-	-
Asset retirement obligation accretion expense	93,096	-	(93,096)	-	-
Long-term debt repaid	(447,105)	-	447,105	-	-
Change in accumulated surplus	914,619	1,791,989	3,840,970	6,547,578	(1,549,893)
<b>Balance, End of Year</b>	(1,515,874)	6,178,396	107,897,521	112,560,043	106,012,465

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 2**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST:</b>									
Balance, Beginning of Year	5,915,615	12,483,124	22,791,452	158,507,854	10,345,399	6,155,377	2,990,594	219,189,415	214,117,825
Additions	-	161,996	-	1,284,260	841,514	119,819	4,546,702	6,954,291	5,402,053
Disposals	-	-	-	-	-	(197,262)	-	(197,262)	-
Transfers	-	730,219	806,069	3,170,516	125,299	-	(4,832,103)	-	(330,461)
ARO asbestos abatement	-	-	750,435	1,122,718	-	-	-	1,873,153	-
Balance, End of Year	5,915,615	13,375,339	24,347,956	164,085,348	11,312,212	6,077,934	2,705,193	227,819,597	219,189,417
<b>ACCUMULATED AMORTIZATION:</b>									
Balance, Beginning of Year	-	6,591,537	11,034,795	86,099,372	6,409,098	2,738,621	-	112,873,423	107,281,774
Annual amortization	-	767,131	576,475	3,247,845	543,593	339,791	-	5,474,835	5,591,649
Disposals	-	-	-	-	-	(197,262)	-	(197,262)	-
Balance, End of Year	-	7,358,668	11,611,270	89,347,217	6,952,691	2,881,150	-	118,150,996	112,873,423
<b>NET BOOK VALUE</b>	<b>5,915,615</b>	<b>6,016,671</b>	<b>12,736,686</b>	<b>74,738,131</b>	<b>4,359,521</b>	<b>3,196,784</b>	<b>2,705,193</b>	<b>109,668,601</b>	<b>106,315,994</b>

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**SCHEDULE OF PROPERTY TAXES - SCHEDULE 3**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
	\$	\$	\$
<b>TAXATION</b>			
Real property taxes	8,310,790	8,323,224	7,526,705
Linear property taxes	295,372	296,049	262,237
Government grants in place of property taxes	134,794	137,796	120,638
	<b>8,740,956</b>	<b>8,757,069</b>	<b>7,909,580</b>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	1,367,270	1,367,270	1,275,644
Seniors Foundation	-	-	165,585
Designated Industrial Property	10,032	10,032	9,555
	<b>1,377,302</b>	<b>1,377,302</b>	<b>1,450,784</b>
<b>NET MUNICIPAL TAXES</b>	<b>7,363,654</b>	<b>7,379,767</b>	<b>6,458,796</b>

**TOWN OF HIGH LEVEL**  
**SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget (Unaudited)	2023	2022
	\$	\$	\$
<b>TRANSFERS FOR OPERATING</b>			
Federal government	83,250	280,000	348,000
Local governments	1,000,000	1,000,600	997,785
Provincial governments	1,132,632	1,261,514	52,960
	<b>2,215,882</b>	<b>2,542,114</b>	<b>1,398,745</b>
<b>TRANSFERS FOR CAPITAL</b>			
Federal government	-	3,102,666	698,782
Provincial governments	-	2,948,275	1,259,886
	<b>-</b>	<b>6,050,941</b>	<b>1,958,668</b>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>2,215,882</b>	<b>8,593,055</b>	<b>3,357,413</b>

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**STATEMENT OF EXPENSES BY OBJECT - SCHEDULE 5**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
	\$	\$	\$
<b>EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	6,634,812	6,439,103	5,586,838
Contracted and general services	2,706,771	2,300,050	2,354,341
Materials, goods, and utilities	4,343,814	4,070,151	3,012,382
Provision for allowance	-	-	12,292
Transfers to local boards and agencies	441,611	364,268	306,759
Bank charges and short-term interest	20,000	33,414	23,796
Interest on long-term debt	531,972	77,361	97,383
Insurance	244,148	242,160	254,121
Amortization of tangible capital assets	-	5,474,837	5,591,649
Accretion of asset retirement obligation	-	93,096	-
<b>TOTAL EXPENSES</b>	<b>14,923,128</b>	<b>19,094,440</b>	<b>17,239,561</b>

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 6**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Legislative and Administration Services	Transportation Services	Protective Services	Utility Services	Family Recreation and Culture Services	Planning and Development	2023	2022
<b>REVENUE</b>								
Taxation	7,379,767	-	-	-	-	-	7,379,767	6,458,796
User fees and sales of goods	1,641,844	737,812	672,131	3,264,082	381,948	43,749	6,741,566	5,501,299
Government transfers	1,135,166	5,189,582	1,459,454	5,841	703,512	99,500	8,593,055	3,357,413
All other	459,757	11,474	2,304,723	200	32,793	118,690	2,927,637	372,160
	10,616,534	5,938,868	4,436,308	3,270,123	1,118,253	261,939	25,642,025	15,689,668
<b>EXPENSES</b>								
Contract & general services	1,059,877	148,188	366,393	236,613	290,518	198,466	2,300,055	2,608,464
Salaries, wages & benefits	1,363,440	1,478,538	1,375,534	679,409	1,286,830	255,353	6,439,104	5,586,838
Materials, goods & utilities	322,835	884,652	1,306,312	951,051	626,444	12,274	4,103,568	3,012,382
Transfers to local boards	3,000	-	73,975	-	259,293	28,000	364,268	306,759
Provisions for allowances	-	11,332	650	59,702	5,676	-	77,360	12,292
Bank charges and interest	112,445	66,930	29,258	85,458	40,910	255	335,256	121,177
Balance, End of Year	2,861,597	2,589,640	3,152,122	2,012,233	2,509,671	494,348	13,619,611	11,647,912
<b>EXCESS (SHORTFALL) OF REVENUE</b>								
<b>BEFORE AMORTIZATION</b>	7,754,937	3,349,228	1,284,186	1,257,890	(1,391,418)	(232,409)	12,022,414	4,041,756
Amortization	212,760	3,112,759	310,646	1,479,879	342,046	16,746	5,474,836	5,591,649
<b>EXCESS (SHORTFALL) OF REVENUE</b>	7,542,177	236,469	973,540	(221,989)	(1,733,464)	(249,155)	6,547,578	(1,549,893)

The accompanying notes are an integral part of the non-consolidated financial statements

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of High Level (the "Town") are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

**a) Reporting Entity**

The financial statements reflect the assets, liabilities, revenues, and expenses, changes in net financial position and cash flows of the reporting entity. This entity is comprised solely of the Town's operations.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the Town's reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

**b) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts received from third parties pursuant to legislation, regulations or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

Revenue are recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES Continued**

**c) Use of Estimates**

The preparation of financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

**d) Valuation of Financial Assets and Liabilities**

**Financial Statement Component**

**Measurement**

Cash	Cost and amortized cost
Short-term investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Loans receivables and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long-term debt	Amortized Cost

**e) Investments**

Investments are recorded at the lower of original cost and market value. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

**f) Long-term Debt**

Long-term debt is initially recognized net of any premiums, discounts, fees and transaction costs with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

**g) Requisition over-levy and under-levy**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and the property tax revenue is reduced. When the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

**h) Inventories for Resale**

Inventories of consumable supplies are valued at cost.

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and waste water services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**i) Tax Revenue**

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

**j) Asset Retirement Obligation**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the town reviews the carrying amount of the liability. The town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**k) Contaminated Sites Liability**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES Continued**

**l) Revenue Recognition**

Revenue from transactions with no performance obligation is recognized at realizable value when the town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

**m) Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any edibility criteria have been met, and reasonable estimates of the amounts can be determined.

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES Continued**

**n) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the Change in Net Financial Assets (Debt) for the year.

**o) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

**i) Amortization**

	Years
Land Improvements	15-45
Buildings	15-50
Engineering Structures	20-50
Machinery, Equipment and Furniture	5 - 15
Vehicles	10 - 25

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

**ii) Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

**iii) Inventories**

Inventories held for consumption are recorded at the lower of cost and replacement cost.

**iii) Cultural and Historical Tangible Capital Assets**

Works of art for display are not recorded as tangible capital assets but are disclosed.

**p) Deferred revenue**

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**2. CASH**

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash	373,092	4,177,831
Restricted cash	5,574	2,820
	<b>378,666</b>	<b>4,180,651</b>

Restricted cash are internally restricted funds held for specific purposes as deemed by Council.

**3. ASSET HELD IN TRUST**

Cash held in trust are surplus from operations of the Alberta Northwest Species at Risk Committee.

**4. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>i) Taxes and grants in place of taxes</b>		
Current taxes and grants in place of taxes	237,095	238,845
Arrears taxes	81,007	82,281
	<b>318,102</b>	<b>321,126</b>
<b>ii) Other</b>		
Trade and other accounts receivable	2,179,765	726,670
Good and services tax rebate	-	1,929
Receivables from governments	3,202,594	1,081,954
Local improvements receivable	-	(273)
Less: Allowances for doubtful accounts	(30,817)	(30,931)
	<b>5,351,542</b>	<b>1,779,349</b>
	<b>5,669,644</b>	<b>2,100,475</b>

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**5. INVESTMENTS**

	2023 Amortized Cost \$	2023 Market Value \$	2022 Amortized Cost \$	2022 Market Value \$
Short-term notes and deposits	<b>54,234</b>	<b>176,393</b>	493,012	491,866
Canadian fixed income	<b>6,722,561</b>	<b>6,550,532</b>	5,055,210	4,785,437
Principal protected notes	<b>2,212,000</b>	<b>2,213,235</b>	1,258,500	1,195,541
	<b>8,988,795</b>	<b>8,940,160</b>	6,806,722	6,472,844

Short-term notes and deposits mature in less than one year. Canadian fixed income investments have effective interest rate of 2.15% (2022 - 1.67% to 4.86%) with a maturity dates of July 7, 2031. Principal protected notes have maturity dates from September 15, 2031 to March 29, 2033.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023 \$	2022 \$
Trade and other payables	1,039,839	1,277,638
Wages payable	394,606	469,443
Government remittances payable	75,626	57,687
Accrued interest on long-term debt	14,853	29,793
	<b>1,524,924</b>	<b>1,834,561</b>

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**7. DEFERRED REVENUE**

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

Funds held in the deferred revenue account represents funds to be used for specific capital projects. These have external restrictions as outlined by their corresponding grant agreements. The restricted cash associated with these amounts is held in bank accounts and investments.

	2022	Additions	Revenue Recognized	2023
	\$	\$	\$	\$
MSI - Capital	454,454	429,864	(578,355)	305,963
Canada Community Building Fund	510,459	276,363	(324,414)	462,408
Burner Variance Grant	1,999,336	-	(49,980)	1,949,356
ACAP Grant	335,910	745,013	(846,281)	234,642
Other - Operating	1,073,011	-	(1,012,099)	60,912
Prepaid Deposits, Utilities, and Taxes	435,879	37,995	(435,879)	37,995
	<b>4,809,049</b>	<b>1,489,235</b>	<b>(3,247,008)</b>	<b>3,051,276</b>

**8. ASSET RETIREMENT OBLIGATION**

**Asbestos abatement**

The Town owns buildings which contain asbestos and, therefore, the Town is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of asbestos in a prescribed manner when it is disturbed. The Town has not designated assets for settling the abatement activities.

	2023	2022
	\$	\$
Liabilities incurred	1,873,154	-
Accretion Expense	93,096	-
	<b>1,966,250</b>	<b>-</b>

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**8. ASSET RETIREMENT OBLIGATION - CONTINUED**

**Landfill**

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The Town owns two landfills that are within 500 meters of each other. The first landfill was created and initially owned by the province (being represented by the Department of Municipal Affairs) and was transferred to the Town in 1996. The second landfill was land owned by the Town and approved for a landfill site in 1967. During the mid-1980s, both landfills no longer accepting waste and were closed. The Town has since begun utilizing the services of Mackenzie Regional Waste Management Commission's landfill operations.

In 2020, an engineering firm estimated the Town's closure costs to be \$3,345,000 with yearly post-closure monitoring costs of \$36,000 for the next 25 years associated with a final post-closure date of 2044. The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years using a discount rate of 2.71% and assuming an annual inflation rate of 3.2%. The change in the Town's accrued liability resulted from a change in Administration's intended use for the land.

	2023 \$	2022 \$
Estimated closure costs	3,385,549	3,345,000
Estimated post-closure costs	1,033,419	1,033,419
Estimated total costs	4,418,968	4,378,419
<b>Total asset retirement obligations</b>		
	2023 \$	2022 \$
Asbestos Abatement	1,966,250	-
Landfill	4,418,968	4,378,419
Estimated total costs	6,385,218	4,378,419

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**9. LONG-TERM DEBT**

	<b>2023</b>	<b>2022</b>
	\$	\$
Alberta Capital Financing Authority Debenture Debt	<b>1,812,338</b>	2,259,443

Future minimum principal repayments required to meet existing obligations are as follows:

	Principal \$	Interest \$	Total \$
2024	183,306	63,498	246,804
2025	189,884	56,920	246,804
2026	196,704	50,100	246,804
2027	203,776	43,028	246,804
2028	211,108	36,696	247,804
Thereafter	827,560	70,227	897,787
	<b>1,812,338</b>	320,469	2,132,807

Debenture debt is issued on the credit and security of the Town at large, bears interest at rates ranging from 4.86% to 5.88% per annum and matures in years 2023 through 2033. The Town's cash payments for interest in 2023 were \$83,801 (2022 - \$103,520).

**10. DEBT LIMITS**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta regulation 255/00 for the Town of High Level be disclosed as follow:

	<b>2023</b>	<b>2022</b>
	\$	\$
Total Debt Limit	<b>29,347,512</b>	20,462,919
Total Debt	<b>(1,812,338)</b>	(2,259,443)
Amount of debt limit unused	<b>27,535,174</b>	18,203,476
Debt Service Limit	<b>4,891,252</b>	3,410,487
Debt Service	<b>(246,804)</b>	530,907
Amount of debt service limit unused	<b>4,644,448</b>	3,941,394

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the consolidated financial statements must be interpreted as a whole.

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2023	2022
	\$	\$
Tangible capital assets (Schedule 2)	227,819,597	219,189,417
Accumulated amortization (Schedule 2)	(118,150,996)	112,873,423
Asset retirement obligation (Note 8)	(1,966,250)	-
Long-term Debt (Note 9)	(1,812,338)	(2,259,443)
	107,915,641	104,056,551

**12. ACCUMULATED SURPLUS**

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2023	2022
	\$	\$
Unrestricted surplus	(1,515,874)	(2,430,493)
Restricted surplus:		
Operating reserves		
General reserve	3,070,809	2,519,023
Capital reserves		
Airport	162,000	72,000
Fire equipment	28,392	(51,608)
Future development	62,944	62,944
Municipal recreation	37,295	37,295
Offsite levy	128,063	128,063
Parking lot	38,448	38,448
Tourism improvement fee	467,729	467,729
Utilities	2,182,717	1,112,515
	3,107,588	1,867,386
Total restricted surplus	6,178,397	4,386,409
Equity in tangible capital assets	107,897,521	104,056,551
	112,560,044	106,012,467

# TOWN OF HIGH LEVEL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2023

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#### **13. SEGMENTED DISCLOSURE**

The Town provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. Refer to the Schedule of Segmented Disclosure (Schedule 6). Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide are as follows:

(a) General Government

General Government is comprised of Council and Administration. General Government is responsible for making decisions regarding service delivery and service levels on behalf of the Town in order to balance the needs and wants of Town residents in a financially responsible manner.

(b) Protective Services

Department includes fire and community peace officer. The Fire Department is responsible to provide fire suppression services, fire prevention programs, motor vehicle accident response training, and education related prevention. Town peace officers enforce the Town's by-laws and some provincial statutes.

(c) Transportation Services

Operations Department is responsible for the delivery of municipal public works services related to transportation; including maintenance of roadway pedestrian systems, the High Level Airport and the maintenance of parks and open spaces.

(d) Utility Services

Operations Department is responsible for environmental programs such as the engineering and operation of water and wastewater systems and solid waste collection disposal and recycling.

(e) Recreation and Culture

Department provides public services that sustain and support individuals, families, and communities. This includes programs run through Family and Community Support Services, the R.E. Walter Memorial Aquatics Center, High Level Sports Complex, recreation programs, and the Town's outdoor baseball diamonds, playgrounds, and parks. The Town operates and maintains the Museum and Visitor's Centre and supports the Library.

(f) Planning and Development

Department manages all aspects of land use planning including long range forecasting and planning, processing development permits, and compliance certificates. The department is also responsible for corporate mapping functions.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segments' budgeted net expenditure. User charges and other revenue are allocated to the segments based upon the segment that generated the revenue. Government transfers are allocated to segments based upon the purpose for which the transfers were made. Development levies earned and developer contributions received are allocated to the segment for which the charge was collected.

**TOWN OF HIGH LEVEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**14. SALARY AND BENEFITS DISCLOSURE**

	<b>2023</b>	<b>2022</b>		
	Salary	Benefits & Allowances	Total	Total
	\$	\$	\$	\$
Mayor:				
McAteer	32,081	371	32,452	35,384
Deputy Mayor:				
Langford	22,159	257	22,416	23,474
Councillors:				
Anderson	15,909	184	16,093	18,490
Jessiman	14,794	171	14,965	15,462
Lambert	14,728	169	14,897	14,571
Liboiron	16,743	193	16,936	1,936
Welke	15,393	178	15,571	14,646
	131,807	1,523	133,330	123,963
Designated Officers (3)	256,275	55,787	312,062	279,618
Chief Administrative Officer	224,862	41,680	266,542	251,069
	612,944	98,990	711,934	654,650

1. Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration.
2. Benefits include the employer's share of employee benefits and contributions made on behalf of the employees including RSP contributions, health care, vision coverage, dental coverage, directors' liability, group life insurance, accidental disability and dismemberment insurance, and life insurance

Benefits and allowance figures also include the employer's share of the costs of additional taxable benefits including special leave with pay and travel allowances.

# **TOWN OF HIGH LEVEL**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2023**

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#### **15. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash, investments, taxes and grants in place of taxes receivable, receivable from other governments, trade and other receivables, loans receivable, accounts payable and accrued liabilities, deposit liabilities, and long term debt. It is management's opinion that the Town is not exposed to significant market, liquidity and currency risk arising from these financial statements

##### **(a) Credit Risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from taxes and grants in place of taxes receivable and trade and other receivables. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has significant number of customers which minimizes the concentration of credit risk.

##### **(b) Fair Value**

The Town's carry value of cash, taxes and grant in lieu of taxes receivable, trade and other receivables, investments, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

##### **(c) Currency Risk**

Currency risk is the risk to the Town's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the Town is not exposed to significant interest or currency risk arising from these financial instruments.

#### **16. BUDGET FIGURES**

The 2023 budget figures which appear in these financial statements have been approved by council.

#### **17. COMPARATIVE FIGURES**

The comparative amounts were audited by another chartered professional accounting firm. Certain comparative figures have been restated to conform with the current year's presentation.

#### **18. CONTINGENT LIABILITIES**

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined. There has been no change in the Town's contingent liability in 2023.

#### **19. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.



## **Town of High Level Regular Council Meeting Request for Decision**

**Meeting Date:** August 25, 2025  
**Prepared By:** Jane Dauphinee, Municipal Planning Services  
**Subject:** Policy 277-25 – Residential Development Incentive Grant Application

<b>Legal Description:</b> Lot 56, Block 30, Plan 0324786	<b>Deemed Complete:</b> August 5, 2025
<b>Civic Address:</b> 11102 106 Street	<b>Construction Estimate:</b> \$1,550,000.00
<b>LUB District:</b> R-3 (High Density Residential)	<b>Grant Amount Requested:</b> \$50,000
<b>MDP Area:</b> Residential	<b>Maximum Amount Eligible</b> \$50,000
<b>Other Statutory Plans? Y/N</b> N	<b>CAO or Council Decision:</b> Council – Grant amount exceeds \$25,000
<b>Date Received:</b> July 16, 2025	<b>If Council, Date of Council Meeting:</b> August 11, 2025

### **Recommendation:**

THAT Based on the August 25, 2025, report from the Town's Planning and Development Consultant, that Council consider approval of the proposed *Residential Development Incentive Grant* application in the amount of \$50,000.00

### **CAO Comments:**

I support the recommendation.

### **Background:**

The project involves the construction of three 16-unit apartment buildings in 3 stages in the Town of High Level. The project is designed to address the growing need for affordable, quality rental housing in the community and will, at full build-out, provide the Town a total of 48 new residential units. The development is proposed to be completed in three distinct stages to manage construction efficiency and ensure that each stage is delivered on time and within budget.

Each stage consists of the construction of a 16-unit apartment building for a total of 48 one and two-bedroom apartment-style residential housing units. The first stage was applied for, approved, and constructed in 2024. The second stage was applied for and approved in 2025. No application has been received for stage three at this time.

***It is recommended that this application be the only retroactive grant application eligible for approval under the current grant framework.***

### **Discussion:**

- The Town approved the first stage of a three-stage multi-unit residential development in 2024. The 16-unit building was constructed in 2024/25.
- Stage 2 of the development was applied for in 2025. The application was for a second 16-unit apartment building within the same title area.
- When the application was received, the Town identified significant LUB compliance issues with the original site plan—specifically related to access, parking, landscaping, and amenity area requirements, which resulted in the need to redesign the building site plan for stages 2 and 3.
- The developer made substantial revisions to the site design and layout to address these issues, resulting in delays and additional costs.
- Some of the units will be designated as affordable housing, with rents at below the average market rate for comparable properties in the area. These units will target moderate-income individuals and families, and rent will be calculated based on a fixed percentage of household income.
- Materials such as lumber, concrete, and fixtures will be sourced from local businesses wherever possible. Local contractors, tradespeople and construction workers will be hired to complete the build.
- In reviewing the proposed application, the Planning Consultant believes that the proposed grant application is consistent with the grant eligibility criteria.
- The scope of the project and anticipated project costs/expenses appear reasonable.

**REVIEW OF RESIDENTIAL DEVELOPMENT INCENTIVE POLICY 277-25  
REQUIREMENTS**

<b>Does the application comply with purpose of the policy:</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	Increase the supply of legal residential housing units			
	Promote housing affordability			
	Encourage the compliance of non-conforming backyard units and secondary suites			

<b>Does the application comply with the grant objectives?</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
4.3.1	Support the construction of back yard and secondary suites			
4.3.2	Encourage the development of multi-family housing projects with a focus on affordability			
	Assist property owners in bringing non-compliant suites built prior to 2024 into compliance with applicable building and safety codes			

**PLANNING AND DEVELOPMENT REVIEW**

<b>Planning and Development Review - General Considerations</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
7.1	Did the applicant consult with the Planning and Development Department?			
9.7	Was the application complete and legible?			
9.8	<p>Did planning and development request additional information?</p> <p>If yes, then what was requested and provided?</p> <p>Requested:</p> <ol style="list-style-type: none"> <li>1. <b>Site plan</b> for the project</li> <li>2. <b>Construction cost estimate</b></li> <li>3. <b>Conceptual drawings</b> of the building for which the grant is being requested</li> <li>4. <b>Certificate of title</b> for the property</li> <li>5. <b>Revised Page 2</b> of the application form</li> </ol>			
9.9	<p>Has a development permit been issued for the project?</p> <p>If so, what is the permit number and date of issuance?</p> <p>DP24-079 March 14, 2025</p>			
	Have all building and Safety codes permits been obtained?			

9.4	Is the applicant using locally sourced supplies and materials (where feasible)			
9.6	Are the funds to be used for new residential construction or upgrades for legal compliance that will increase housing availability in the Town?			

<b>Planning and Development Review - General Considerations</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
4.5.1	Will the project contribute to the increase or improvement of housing in the community?			
4.5.2	Does the project align with local planning policies and housing goals?			
4.5.3	Does the development meet the criteria for affordable housing as defined by the Canada Mortgage and Housing Corporation (CMHC)?			
4.5.4	Are the estimated project costs reasonable?			
	Has a grant application for the same project been previously approved by the Town and funds allocated?			
	Will approval of the grant exceed the annual grant maximum that has been approved by Council?			
<b>Does the application qualify under:</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
<b>Stream A- Backyard Units and Secondary Suites</b>				
<b>Stream B - Multi-Family Developments</b>				

### **Council Options:**

1. THAT Council approve the grant request in the amount of \$50,000.
2. THAT Council refuse the grant request in the amount of \$50,000.
3. THAT Council Direct Administration to take any other action deemed appropriate by Council.

### **Attachments:**

**Attachment 1 - Compliance with Stream A or B Requirements**

**Attachment 2 – Grant Application Package**

### **Approvals:**

**CAO, Viv Thoss**

**Author: Jane Dauphinee, Municipal Planning Services**

## Attachment 1 - Compliance with Stream A or B Requirements

Stream A - Backyard Units and Secondary Suites		Yes	No	N/A
5.1	<b>Category 1:</b> Is the development a new secondary suite project?			
	• If yes, then will the suite be developed as part of a new principal dwelling construction?			
	<b>Category 2:</b> Is the development an existing non-compliant secondary suite project?			
	• If yes, has the applicant indicated that the grant will be used to bring the unit into full code compliance?			
	Will or did the property owners or developers use qualified contractors who hold a valid Town of High Level Business Licence?			
	Have all required permits been obtained?			
	Is the property located within the Town of High Level?			

Stream B - Multi-Family Developments		Yes	No	N/A
6.1	Is the project a multi-family residential development?			
6.1	Did the applicant engage a qualified developer or contractor holding a valid Town of High Level Business Licence.			
6.2	How many units are in the development? Does the grant amount requested comply with the maximum grant amount that can be allocated per project (\$15,000 per eligible unit up to a maximum of \$50,000)?			
6.3	Does the development meet the CMHC definition of affordable housing? “Affordable housing means housing that costs less than 30% of a household’s before-tax income.”	Insufficient information provided to determine		

## Attachment 2 – Grant Application Package

# Residential Development Incentive

## Application Form

All materials must be clear, legible, and precise. Only applications that are complete will be accepted. This application is for a residential development incentive only, if other permits are required, you must apply for them separately.



**Address** 11102 106 ST High Level AB

**Lot** 56 **Block** 30 **Plan** 0324786

### Applicant

Same as Property Owner

Name Savage Construction Ltd.  
Address PO Box 3175  
Town/City La Crete Postal Code T0H 2H0  
Phone 780-821-3611  
E-mail bwiebe25@gmail.com  
Signature

### Property Owner

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Town/City \_\_\_\_\_ Postal Code \_\_\_\_\_  
Phone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Signature \_\_\_\_\_

*Providing an email means you consent to receiving documents or communications related to this application, including, but not limited to funding decisions, acknowledgments confirming an application is complete, any notices identifying or requesting outstanding documents and information, by email.*

Signature

Date August 4, 2025

### As the Applicant, I affirm:

- I am the registered owner of the above property
- I have entered into a binding agreement to purchase the above property with the registered owner(s)
- I have permission of the registered owner(s) of the above property to make this funding application.

### Project Info

Start - End Date: March 1 2025 - December 1 2025

Project Cost: \_\_\_\_\_

#New units: 16

Project Stream: Stream A: Backyard & Secondary Suite Stream B  
 New Suite  Existing Suite (Pre-2024)  Multi-Family Development

### Project Description

This project will involve the construction of three 16-unit apartment buildings in 3 phases in the Town of High Level, designed to address the growing need for affordable, quality rental housing in the area. The development will be completed in three distinct phases to manage construction efficiency and ensure that each phase is delivered on time and within budget.

### OFFICE USE ONLY

Zoning: \_\_\_\_\_

Application #: \_\_\_\_\_

Defined Use: \_\_\_\_\_

Allowable Use:  Permitted  Discretionary

Version 2025.1

# Residential Development Incentive

## Application Form



planning@highlevel.ca  
780-926-2201

Applicants must check all necessary boxes, acknowledging that their application package contains all required information. An incomplete application may result in processing delays and/or a application refusal.

### Funding Application Package Requirements

- Site Plan
- Construction Estimate
- Conceptual Drawings (As requested)
- Certificate of Title\* (<30 days)

\*If the applicant is unable to obtain a Certificate of Title, the Town will acquire one for an additional fee of \$15.

### How will the project increase or improve housing availability in the Town of High Level?

This project will add multiple rental apartment units to the housing inventory in High Level, helping meet the growing demand for long-term rental accommodations. It addresses a current shortage in the rental market and provides an option for families, health care professionals, and or education professionals requiring quality housing.

### If the project has affordable unit(s), please elaborate on type and level of affordability.

The apartment complex will include a portion of 1 bedroom units and 2 bedroom units designated as affordable housing, with rents set below the average market rate for comparable properties in the area. These units will target moderate-income individuals and families, and rent will be calculated based on a fixed percentage of household

### Explain how your project will utilize local suppliers or trades?

We are committed to supporting the local economy by sourcing materials such as lumber, concrete, and fixtures from businesses within High Level whenever possible. Additionally, we will hire local contractors, tradespeople, and construction workers to complete the build, contributing to local employment and skill development.

### Please list all contractors for the project. Note: All contractors will need a Town of High Level Business Licence.

General Contractor: Savage Construction Ltd.  
Electrical: JaCar Electric  
Plumbing & HVAC: Crosslink Mechanical  
Concrete & Aggregate: Kneslens Sand & Gravel

### Please describe how the remainder of your project will be funded.

The project will be financed through a combination of private investment, secured financing from Vision Credit Union, and potential funding support or grants from municipal or provincial housing initiatives. A detailed financial plan and budget has been prepared to ensure the project's completion without delays.

Version 2025.1

## **16 Unit Apartment Build Estimate 2025**

- Excavation \$3,000.00
- Permits \$11,000.00
- Site Prep \$2,000.00
- COC Insurance \$10,000.00
- Waste \$7,000.00
- Electrical \$125,000.00
- Plumbing & Ventilation \$160,000.00
- Flooring Install \$33,000.00
- Concrete & Weeping Tile Rock \$45,000.00
- Concrete Flatwork \$17,000.00
- Drywall Labour \$66,000.00
- Painting Labour \$55,000.00
- Eavestroughing \$4,000.00
- Kitchen Cabinets \$165,000.00
- Roofing Labour \$7,500.00
- Finishing Labour \$36,000.00
- Cleaning At Completion \$6,000.00
- Building Materials \$455,000.00
- Sidewalks \$22,500.00
- Appliances \$50,000.00
- Heater Rental \$10,000.00
- Labour Foundation, Framing, Insulation, Siding, Concrete Prepping \$250,000.00
- Parking Lots Base Work \$10,000.00

\$1,550,000.00 Estimated Total Build Price

P A R C E L      L I N C:      S H O R T      L E G A L:  
0030111736      0324786;30;56

M U N I C I P A L I T Y: T O W N O F H I G H L E V E L

**L E G A L      D E S C R I P T I O N:**

PLAN 0324786 TR: 1409.000  
BLOCK 30  
LOT 56

EXCEPTING THEREOUT ALL MINES AND MINERALS

A R E A: 0.522 HECTARES (1.29 ACRES) MORE OR LESS  
A T S R E F E R E N C E: 5:19:110:6;SE

ESTATE: FEE SIMPLE

REF E R E N C E      T I T L E: 042 160 290

NEW REGISTERED OWNER(S)  
REGISTRATION DATE (YMD) DOCUMENT TYPE VALUE CONSIDERATION  
212 071 857 21/03/24 TRANSFER OF LAND \$160.000 \$160.000

## OWNERS;

SAVAGE CONSTRUCTION LTD.

OF P.O. BOX 3175  
LA CRETE  
ALBERTA T0H 2H0

POSTED  
09/23/22

\* E N D Q F S H E E T \*



## Town of High Level Regular Council Meeting Request for Decision

**Meeting Date: August 25, 2025**

**Prepared By: Viv Thoss, Chief Administrative Officer**

**Subject: Town of High Level Election Procedure Bylaw No. 1057-25**

### **Recommendation:**

THAT Council GIVE first, second, and third readings to the *Election Procedure Bylaw No. 1057-25* as presented;

AND THAT Council ACKNOWLEDGE that the *Local Authorities Election Act* governs the majority of election procedures, and that Council's role is limited to areas permitted under the Act.

### **CAO Comments:**

### **Background:**

The *Local Authorities Election Act* governs all aspects of municipal elections in Alberta, including nomination procedures, voting methods, ballot handling, and the role of election officials. Municipalities may pass bylaws to supplement the Act, but these must remain consistent with its provisions.

The proposed Election Procedure Bylaw formalizes local practices and clarifies administrative responsibilities, while ensuring compliance with the *Local Authorities Election Act*.

### **Discussion:**

The Election Procedure Bylaw No. 1057-25 outlines procedures for municipal elections in the Town of High Level, in alignment with the *Local Authorities Election Act*.

While the Town of High Level has the authority to adopt a bylaw governing certain aspects of municipal elections, it's important to recognize that the *Local Authorities Election Act* controls the majority of the election process. The Act sets out strict requirements for nominations, voting procedures, ballot handling, and the roles

and responsibilities of election officials. Municipalities must operate within these parameters.

Council's role in this process is limited but still significant. Council may appoint the Returning Officer and Substitute Returning Officer by resolution and may adopt bylaws that support the administration of elections, provided these bylaws do not conflict with the Act.

The proposed Election Procedure Bylaw will provide a clear framework for the Town of High Level municipal elections and serve as a practical guide for the Returning Officer, Substitute Returning Officer, and all election officials involved in administering the election. The bylaw has been reviewed by legal counsel to ensure alignment with the *Local Authorities Election Act* and to confirm its legal soundness.

### **Financial:**

N/A

### **Options:**

Option 1: THAT Council give first, second, and third readings to the *Election Procedure Bylaw No. 1057-25* as presented;

AND THAT Council acknowledge that the *Local Authorities Election Act* governs the majority of election procedures, and that Council's authority is limited to areas permitted under the Act.

Option 2: THAT Council request further details regarding [specific item], and defer consideration of this matter until the requested information has been received and reviewed.

Option 3: THAT Council direct Administration to take any other action deemed appropriate by Council.

Respectfully submitted,



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**CAO, Viv Thoss**

### **Attachments:**

*Bylaw No. 1057-25 Election Procedure Bylaw (proposed)*  
*Town of High Level Bylaw 973-17 Election Ballot Rotation Bylaw 2017*



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**TOWN OF HIGH LEVEL  
ELECTION PROCEDURE BYLAW  
NO. 1057-25**

**BEING A BYLAW OF THE TOWN OF HIGH LEVEL, IN THE PROVINCE OF ALBERTA,  
TO PROVIDE FOR MUNICIPAL ELECTIONS IN THE TOWN OF HIGH LEVEL.**

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WHEREAS the *Local Authorities Election Act*, Chapter L-21, RSA 2000, as amended (the "Act"), provides for the holding of local elections by municipalities;

NOW THEREFORE, the Council of High Level, in the Province of Alberta, duly assembled, enacts as follows:

**1. SHORT TITLE**

This Bylaw may be cited as the "Election Procedure Bylaw".

**2. DEFINITIONS**

2.1 In this Bylaw, except as provided below, all words, terms and expressions used in this bylaw shall be interpreted in accordance with the definitions in the *Local Authorities Elections Act*:

- (a) "Act" means the *Local Authorities Elections Act*, RSA 2000 Chapter L-21, and any regulations, as amended.
- (b) "Ballot" means a paper card listing the names of the Candidates standing for election, and bylaws or questions posed to Electors, with spaces in which the Elector is to mark their vote on the matter to be voted on in the Election.
- (c) "Ballot Account" means an account of Ballots prepared in the form required by the Act.
- (d) "Ballot Box" means a secure container, in the form approved by the Returning Officer, for the Ballots that have been marked by the Electors.
- (e) "Council" means the municipal Council of the Town.
- (f) "Counting Centre" means a controlled access area, designated by the Returning Officer, for the counting of votes and tabulation of Election results.
- (g) "Institutional Voting" means voting which may be established for Electors who are confined to a treatment centre, or are a resident in a supportive living facility.

- (h) "Marking Device" means a writing instrument, approved by the Returning Officer, for use by an Elector to mark a Ballot.
- (i) "Nominations" means the nomination papers in an acceptable form, to be submitted by a Candidate during the nomination period, pursuant to the Act.
- (j) "Portable Ballot Box" means a cardboard container in the prescribed form, approved by the Returning Officer and intended for the use in the collection of voted ballot cards in an institutional vote, advance vote, or special ballot vote.
- (k) "Special Ballot" means a Ballot for an Elector who is unable to vote at an Advance Vote or at the Voting Station on Election Day.
- (l) "Town" means the municipal corporation of the Town of High Level.
- (m) "Town Office" means the place of the municipal office for the Town located at 10511 - 103 Street, High Level, Alberta.

### **3. PERMANENT ELECTORS REGISTER**

- 3.1 The Town must prepare a Permanent Electors Register of residents in the Town who are eligible to vote pursuant to the Act.
- 3.2 The Town may:
  - (a) compile or revise the Permanent Electors Register manually or by means of any computer-based system; and
  - (b) keep the Permanent Electors Register in printed form or may store it in any computer-based system or any other information storage device that is capable of reproducing any required information in legible printed form within a reasonable time.
- 3.3 The Town must enter into an agreement with the Chief Electoral Officer, pursuant to the Act, to:
  - (a) receive from the Chief Electoral Officer information that will assist the Town in compiling or revising the Permanent Electors Register; and
  - (b) provide to the Chief Electoral Officer information that will assist the Chief Electoral Officer in preparing or revising for the purpose of compiling or revising the register of electors under the *Election Act*, RSA 2000, c. E-1.
- 3.4 Persons who are included in the Permanent Elections Register but wish to correct information about themselves contained within the Permanent Electors Register may submit an application to the Town in the prescribed form to have their information corrected.

3.5 Only the Returning Officer may use the Permanent Electors Register and the information contained within it for the purposes consistent with the Act and will not share the Permanent Electors Register or the information contained within it to the public, Candidates, official agents or scrutineers.

**4. POWERS, DUTIES AND APPOINTMENT OF THE RETURNING OFFICER AND SUBSTITUTE RETURNING OFFICERS**

4.1 By way of resolution, Council shall appoint the Returning Officer pursuant the Act and the Substitute Returning Officer pursuant to the Act.

4.2 The Returning Officer is responsible for exercising all the duties, functions and powers of a Returning Officer under this Bylaw and the Act.

4.3 The Returning Officer is authorized to negotiate on behalf of the Town for the conduct of Elections for school divisions and other elected authorities.

4.4 The Returning Officer may delegate any of their powers or duties to a Constable, Presiding Deputy, or Deputy pursuant to the Act.

4.5 The Returning Officer may appoint one or more Deputies and any other persons the Returning Officer deems are necessary to assist with any of the requirements of this Bylaw or the Act.

4.6 The Returning Officer is authorized to designate the location of each Voting Station.

4.7 The Substitute Returning Officer is responsible for exercising all the duties, functions, and powers of a Returning Officer under this Bylaw and the Act when the Returning Officer is incapable of performing those duties, functions, and powers.

4.8 When acting as the Returning Officer, the Substitute Returning Officer may delegate any of their powers or duties to Deputy Returning Officers, Presiding Deputy Returning Officers, Constables, and other persons deemed necessary to assist with any of the requirements of this Bylaw or the Act.

4.9 The Returning Officer must be independent and impartial when performing their duties pursuant to the Act.

4.10 No persons may obstruct or attempt to influence the Returning Officer in the performance of their duties pursuant to the Act.

4.11 The following individuals are ineligible for appointment as the Returning Officer or the Substitute Returning Officer pursuant to the Act:

(a) a Candidate, or

(b) a Candidate's spouse, adult interdependent partner, child, parent, or sibling.

## 5. NOMINATIONS

- 5.1 Nominations must be submitted in person at the Town Office during regular business hours within the nomination period for an Election pursuant to the Act.
- 5.2 It is the sole responsibility of the Candidate to ensure the Nomination complies with the requirements of this Bylaw and the Act.
- 5.3 An individual nominated as a candidate may withdraw at any time during the nomination period for an Election, or within 24 hours after the close of the nomination period pursuant to the Act, by submitting a nomination withdrawal to the Returning Officer:
  - (a) in writing delivered to the Town Office during regular business hours; or
  - (b) by email.
- 5.4 A person may request to examine filed Nominations at the Town Office, and in the presence of the Returning Officer, deputy or secretary pursuant to the Act.
  - (a) When making Nominations available to the public, the nomination papers shall be partially redacted to ensure that the mailing address of the Candidate and of the Candidate's official agent, and any personal information that, in the Returning Officer's opinion, would compromise the personal safety of a Candidate and the Candidate's official agent are not disclosed pursuant to the Act.
- 5.5 Within 48 hours of the close of Nominations on Nomination Day for an Election, the Returning Officer shall make a list of all nominated Candidates and the offices for which they were nominated available to the public on the Town's website and be posted at the Town Office.
- 5.6 Nomination papers shall be retained until the term of office, to which the nomination papers relate, has expired pursuant to the Act.
- 5.7 Nomination papers must be signed by a minimum of five (5) Electors eligible to vote in that Election pursuant to the Act.
- 5.8 Every Nomination must be accompanied by a deposit of fifty dollars (\$100.00) in the form of cash, certified cheque, money order, debit, or credit card (payable to 'Town of High Level').
- 5.9 If the Candidate is not entitled to a refund of the deposit pursuant to the Act, the deposit shall then be paid into the General Revenue fund of the Town.

## 6. BALLOTS

- 6.1 The Returning Officer shall be responsible for ensuring that Ballots are produced in accordance with the Act, including that separate ballots are prepared for a vote for the office of chief elected official and for the office of a councillor, in accordance with the Act.
- 6.2 The Deputy Returning Officer shall ensure there is a separate Ballot Box at each voting station for each separate contest.

- 6.3 A sufficient number of Ballots shall be printed to ensure that there are enough Ballots available for each eligible Elector who wishes to vote.
- 6.4 Each Ballot shall:
  - (a) set out the office to be voted on in the Election, the Candidates for each office, and any bylaws or questions that are to be put to the Electors in the Election, as required;
  - (b) contain a brief explanatory note stating the maximum number of Candidates for each office for which an Elector can vote without making the Ballot subject to being rejected; and
  - (c) provide a space for the Elector to mark the Elector's vote beside each Candidate or vote on a question.
- 6.5 Candidates' names shall be listed on the Ballots pursuant to the Act.

## 7. ADVANCED VOTING

- 7.1 The Returning Officer is authorized to conduct an Advance Vote on any vote held in an Election or a vote on a bylaw or question within the Town, pursuant to the Act.
- 7.2 The Returning Officer is authorized to set appropriate days, hours and locations for conducting Advance Votes, pursuant to the Act.

## 8. INSTITUTIONAL VOTING

- 8.1 The Returning Officer is authorized to designate appropriate dates, times, and locations for Institutional Voting for the purpose of conducting an Election.
- 8.2 The Returning Officer is authorized to designate appropriate staff to assist with conducting an Election at an institution.
- 8.3 Any Ballot Box used at an Institutional Vote shall be sealed upon completion of the vote and shall not be unsealed and opened until the close of Voting Stations on Election Day.

## 9. VOTING STATIONS

- 9.1 The Returning Officer is authorized to designate appropriate locations for the Voting Stations. More than one Voting Station is permitted.
- 9.2 Promptly at 8:00 pm on Election Day, the Deputy, shall declare the Voting Station closed.
- 9.3 If when the voting station is declared closed, there is an Elector in the Voting Station or in line to enter the Voting Station who wishes to vote, the Elector shall be permitted to do so, but no other person shall be allowed to enter the voting station for that purpose.

**10. VOTING PROCEDURES**

- 10.1 The Deputy Returning Officer shall provide each Elector with the Ballots, which have been initialed by the Deputy Returning Officer.
- 10.2 Prior to issuing the Ballots to an Elector, the Deputy Returning Officer must ensure that:
  - (a) The Elector is at the correct Voting Station; and
  - (b) The Elector provides proof of elector eligibility as required under the Act.
- 10.3 Immediately upon receiving the Ballots, the Elector shall proceed to the voting compartment to vote alone or with an assistant as permitted by the Act. The Elector may bring a minor child into the voting compartment.
- 10.4 While the Elector is in the voting compartment, the Elector shall mark each Ballot only with the Marking Device provided in the voting compartment. The Elector shall mark the Ballot as follows:
  - (a) with an "X" in the space designed for a vote adjacent to the choice of the Elector's Candidate name; and
  - (b) where the Ballot includes a bylaw or question, the Elector shall mark an "X" in the space designed for a vote adjacent to the affirmative or the negative, whichever the Elector decides to vote.
- 10.5 After the Elector has finished marking each Ballot, the Elector shall leave the voting compartment and deliver each Ballot to the Deputy Returning Officer supervising the Ballot Boxes.
- 10.6 The Deputy Returning Officer supervising the Ballot Box's shall insert the marked Ballot into the appropriate Ballot Box, without exposing the marks made on the Ballot by the Elector.
- 10.7 When the Elector's Ballot has been deposited into the appropriate Ballot Box, the Elector shall leave the Voting Station.
- 10.8 The voting procedure prescribed in this section shall apply during an Advance Vote and an Institutional Vote. However, the procedures may be modified at the discretion of the Returning Officer or Presiding Deputy Returning Officer if required.

**11. POST VOTING PROCEDURE**

- 11.1 The Portable Ballot Boxes used in the Special Ballot vote, Advance Vote, and Institutional Vote, shall be sealed upon the completion of the vote in which they are used, and shall not be unsealed and opened until the close of Voting Stations on Election Day.
- 11.2 The Returning Officer may direct that the sealed Portable Ballot Boxes be brought to the Counting Centre where they remain sealed until they are opened for the counting of

Ballots and may make any other direction they deem necessary for the storage of the Ballot Boxes.

11.3 The Deputy Returning Officers at a Voting Station shall:

- (a) count the unused Ballots, the rejected Ballots, and the spoiled Ballots and place them, packaged separately, sealed and initialed, in an empty Ballot Box;
- (b) place the voting registers and all statements required under the Act in the same Ballot Box;
- (c) seal and initial the Ballot Box and provide the sealed box for the delivery to the Returning Officer;
- (d) complete the Ballot account; and
- (e) personally deliver the Ballot account and Ballot Box to the Returning Officer, or designate.

## 12. COUNTING CENTRE

- 12.1 The Returning Officer shall designate a location as a Counting Centre and shall notify all affected Candidates, Official Agents and Scrutineers of the location of the Counting Centre.
- 12.2 The Returning Officer shall ensure the Counting Centre is secure from unauthorized access by persons who are not entitled to be present during the processing and tabulation of results.
- 12.3 The Returning Officer may delegate any of the duties under this section to a Deputy Returning Officer.

## 13. REJECTED BALLOTS

- 13.1 A Ballot is void and shall not be counted in the Election results if:
  - (a) the Ballot does not bear the initials of the Deputy Returning Officer who issued the Ballot;
  - (b) the Ballot has more votes cast than an Elector is entitled to cast;
  - (c) the Ballot has anything written or marked on it by which an Elector can be identified;
  - (d) the Ballot has been torn, defaced or otherwise dealt with by an Elector so that the Elector can be identified;
  - (e) the Ballot has not been marked by an "X", unless it clearly indicates for whom or what the elector intended to vote; or
  - (f) on which not vote has been cast by an elector.

13.2 In the event an Elector has made an inadvertent error in marking a Ballot, the Elector may request a new Ballot upon returning the original Ballot to the Deputy Returning Officer who issued the original Ballot. The original Ballot shall be marked as "SPOILED" and shall not be counted or included in the tally of Election results.

**14. ELECTION RESULTS**

14.1 The Town shall publish, on the Town's website and at the Town Office, the official Election results at 12:00 pm on the fourth day after an Election pursuant to the Act.

14.2 The Town may publish, on the Town's website, the unofficial Election results once counts are received from Voting Stations pursuant to the Act.

**15. RECOUNT BY RETURNING OFFICER**

15.1 The Returning Officer may make a recount of the votes cast at one or more Voting Stations if the Returning Officer is satisfied that the circumstances meet the recount requirements pursuant to the Act.

**16. TIE VOTE**

16.1 If two or more candidates have an equal number of votes, the result of the election will be determined in accordance with the Act.

**17. RETENTION AND DISPOSITION OF ELECTION MATERIAL**

17.1 Retention and disposition of election materials will be managed in accordance with the Act.

**18. SEVERABILITY**

18.1 Nothing in this Bylaw relieves any person from compliance with any other Bylaw, enactment or applicable federal or provincial legislation.

18.2 If any portion of this bylaw is found invalid by a decision of a court of competent jurisdiction, the invalid portion is severed without effect on the remaining portions of the bylaw.

**19. REPEAL**

19.1 The following bylaw, including all respective amendments, is repealed in its entirety:

(a) *Town of High Level Bylaw 973-17 Election Ballot Rotation Bylaw 2017*

**20. EFFECTIVE DATE**

20.1 This Bylaw shall come into force and effect upon third and final reading of the Bylaw.

READ A FIRST TIME in Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

READ A SECOND TIME in Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

READ A THIRD AND FINAL TIME in Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CHIEF ADMINISTRATIVE OFFICER



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**MUNICIPALITY OF HIGH LEVEL  
BYLAW NO. 973-17**

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**BEING A BYLAW IN THE MUNICIPALITY OF HIGH LEVEL IN THE PROVINCE OF ALBERTA  
TO PROVIDE FOR THE PRINTING OF BALLOTS IN LOTS FOR THE 2017 MUNICIPAL  
ELECTION.****Contents**

1. **Citation**
2. **Definitions**
3. **Printing of Ballots**
4. **Severance**

**PURPOSE**

**WHEREAS** a general municipal election will be conducted in High Level during the year 2017; and

**WHEREAS** the Municipal Government Act, R.S.A. 2000, c. M-26 (hereinafter referred to as "the Act), as amended, provides that a municipality may amend Bylaws, and

**WHEREAS** pursuant to the provisions of the Local Authorities Election Act (Alberta), R.S.A. 2000, Chapter L-21, s43, it is necessary that a municipal bylaw be passed not less than two months before an election to allow for the printing of ballots in lots providing for the rotation of the names of candidates;

**NOW THEREFORE** the Council of the Municipality of High Level, in the Province of Alberta, duly assembled, hereby enacts as follows:

1. **Citation**
  - 1.1 That this bylaw be cited as the "Election Ballot Rotation Bylaw 2017".
2. **Definitions**
  - 2.1 In this bylaw:
    - 2.1.1 "Council" shall mean the Council of the Municipality of High Level;
    - 2.1.2 "Returning Officer" shall mean the person duly appointed to that position by Council for the 2017 municipal election.

**3. Printing of Ballots**

3.1 Council hereby directs the returning officer to ensure that ballots to be used during the 2017 municipal election shall be printed as follows:

- 3.1.1 each ballot shall contain the name of each candidate;
- 3.1.2 the names of the candidates on each ballot shall be arranged alphabetically in order of the surnames and, if 2 or more candidates have the same surname, the names of those candidates shall be arranged alphabetically in the order of their given names.
- 3.1.3 notwithstanding subsection (3.1.2), if an elected authority passes a bylaw 2 months before an election that provides that
- 3.1.4 ballots shall be printed in as many lots as there are candidates for the office,
- 3.1.5 in the first lot the names of the candidates shall appear in alphabetical order,
- 3.1.6 in the 2nd lot the names shall appear in the same order, except that the first name in the first lot shall be placed last,
- 3.1.7 in each succeeding lot, the order shall be the same as that of the preceding lot, except that the first name in the preceding lot shall be placed last, and
- 3.1.8 tablets of ballots to be used at each voting station shall be made up by combining ballots from the different lots in regular rotation so that no 2 consecutive electors may receive ballot papers from the same lot and so that each candidate's name shall appear first and in each other position substantially the same number of times on the ballots used,

then the ballots used in an election while the bylaw is in force shall be in the form described in this subsection.

**4. Severance**

4.1 If any section of the bylaw is found to be invalid, it shall be severed from the remainder of the bylaw and shall not invalidate the whole bylaw.

**READ A FIRST TIME** this 16<sup>th</sup> day of August, 2017.

**READ A SECOND TIME** this 16<sup>th</sup> day of August, 2017.

**READ A THIRD AND FINAL TIME** this 16<sup>th</sup> day of August, 2017.

**SIGNED AND PASSED** this 16<sup>th</sup> day of August, 2017.

---

**MAYOR**

---

**MUNICIPAL SECRETARY**



## **Town of High Level Regular Council Meeting Request for Decision**

**Meeting Date: August 25, 2025**

**Prepared By: Roy Amalu, Director of Finance**

**Subject: Apex Utilities Inc. Franchise Fee Consideration**

### **Recommendation:**

THAT Council MAINTAIN the current 30% franchise rate generating \$880,556.00 in annual revenue.

### **CAO Comments:**

I support the recommendation.

### **Background:**

At the August 11<sup>th</sup>, 2025 Council meeting Council gave 1<sup>st</sup> reading Bylaw No. 1056-25 – Apex Utilities Inc. Natural Gas Distribution System Franchise Agreement with \$50,000 included in Article 1) n) and a franchise fee percentage rate of 30% in Article 5) a).

During the August 11<sup>th</sup> Council meeting staff was requested to come back with alternatives of 25% and 27% to the franchise fee percentage. As mentioned in the August 11<sup>th</sup> report to Council the Town of High Level has a 30% Franchise Tax Rider. When compared to other municipalities Franchise fees are as low as 0% and as high as 35% with the average being 15% overall.

The franchise fees that are received by the Town of High Level are placed in the General Operating budget revenue along with property taxation. These funds are utilized to offset general operating expenditures where taxation would be required.

### **Discussion:**

The Town of High Level currently maintains a 30% franchise fee rate on natural gas distribution services, averaging at \$880,556.00 annually. Any reduction in the franchise fee revenue will require an increase in property taxation.

Council should note that Franchise Fees are collected on a user pay method and if reduced the Town of High Level will be required to increase property taxation which will result in an addition benefit to those that get exemptions such as schools and hospitals but result in residential and commercial taxpayers paying more based on assessment and not usage.

While taxpayers will see a reduction on their utility bills they will not likely associate that with why their property taxes are increasing without any greater service provided.

Council should note that any adjustments to the current rate structure will directly impact both natural gas customers and property taxpayers, differently.

## **Financial:**

### **Key Financial Findings**

The analysis reveals substantial revenue and taxation impacts from proposed franchise fee rate adjustments:

#### **Annual Franchise Rate Adjustment Revenue/Tax Impact**

<b>Franchise Rate Scenario</b>	<b>Annual Revenue</b>	<b>Decrease in Franchise Fee / Property Taxation Required</b>	<b>% Increase to total Property Tax</b>
Option 1 - 30% (Current)	\$880,556.00	\$0	0.00%
Option 2 - 27%	\$792,500.40	\$92,497.56	2.40%
Option 3 - 25%	\$733,796.67	\$154,162.60	4.00%
Option 4 - 15%	\$440,278.00	\$462,487.81	12.0%

### **Revenue Replacement Requirements**

Lost franchise fee revenue must be offset through property tax increases to maintain municipal fiscal balance and current service levels. The revenue losses translate directly to increase in property taxation.

These taxation increases are required to maintain current municipal service levels and fiscal sustainability in the face of reduced franchise fee revenues.

## Long-Term Fiscal Implications

### Five-Year Cumulative Impact

The long-term fiscal implications of franchise fee rate reductions are substantial:

- **Option 2 - 27% rate:** is \$462,488 in foregone revenue over five years
- **Option 3 - 25% rate:** \$770,813 in foregone revenue over five years
- **Option 4 - 15% (average) rate:** \$2,312,439 in foregone revenue over five years

### **Options:**

#### **Option 1: 30% Franchise Rate (STAFF RECOMMENDED OPTION)**

Maintaining the current 30% franchise rate generates \$924,975.62 in annual revenue. This option ensures fiscal stability with no additional property tax burden on residents or businesses.

#### **Option 2: 27% Franchise Rate**

Reducing the Finance Fee to 27% results in a revenue loss of at least \$92,497.56 annually, requiring a 2.4% increase to total property tax if Council wishes to maintain current service levels.

#### **Option 3: 25% Franchise Rate**

Reducing the Franchise fee down to a 25% rate, the Town would lose approximately \$154,162.60 in revenue annually, necessitating a 4% increase in property tax to offset the shortfall.

#### **Option 3: 15% Franchise Rate (Municipal Average)**

Reducing the Franchise fee down to a 15% rate, the Town would lose approximately \$462,487.81 in revenue annually, necessitating a 12% increase in property tax to offset the shortfall. While this is the average some municipalities are as high as 35%. Staff do not recommend this option as it would have a significant increase to property taxation that the typical homeowner would not associate with the savings on their utility bill.

## Conclusion

The analysis demonstrates that franchise fee rate reductions will provide utility cost relief for natural gas customers but create substantial municipal revenue losses ranging from \$92,498 to \$462,488 annually, depending on the rate adjustment implemented. Each percentage point reduction eliminates approximately \$29,352 in annual revenue, requiring corresponding property tax increases to maintain fiscal balance and current service levels.

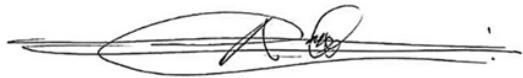
The decision represents a fundamental choice about municipal revenue structure and community cost distribution. Council should carefully weigh immediate utility cost benefits against long-term fiscal sustainability and the significant property tax implications for residents and businesses.

**Approvals:**



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**CAO, Viv Thoss**



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**Prepared by: Roy Amalu**  
**Director of Finance**

**Attachments:**

*RFD DCS 2025-08-11 - Bylaw No. 1056-25 - Apex Utilities Inc Distribution Services  
System Franchise Agreement Renewal*



## **Town of High Level Regular Council Meeting Request for Decision**

**Meeting Date: August 11, 2025**

**Prepared By:** Keir Gervais, Director of Corporate Services

**Subject: Bylaw No. 1056-25 – Apex Utilities Inc. Natural Gas  
Distribution System Franchise Agreement Renewal**

### **Recommendation:**

THAT Council give first reading to Bylaw No. 1056-25 – Apex Utilities Inc. Natural Gas Distribution System Franchise Agreement with \$50,000 included in Article 1) n) and a franchise fee percentage rate of 30% in Article 5) a).

### **CAO Comments:**

I support the recommendation.

### **Background:**

At the June 9, 2025 Regular Council meeting, Council passed the following resolution:

**THAT Council RENEW the franchise agreement with Apex Utilities Inc. (set to expire on September 30, 2025) rather than pursue the acquisition of the natural gas distribution system.**

### **Discussion:**

Attached is Bylaw No. 1056-25, authorizing the Town of High Level to enter into a renewed Natural Gas Distribution System Franchise Agreement with Apex Utilities Inc. (formally AltaGas Utilities Inc.). Information on the Town of High Level Franchise revenue for the past 10 years, up to June 30, 2025 is also included.

There are several steps required to be completed in order for the Town to enter into this new Franchise Agreement, the first of which is to give first reading to the Bylaw so it can be forwarded to the Alberta Utilities Commission (AUC) for their review.

As part of the renewal process, we are requested to complete Article 1) n), the amount for the definition of “Major Work”. This amount can range from \$50,000 and up, but Apex would contact the Town to discuss any work regardless of the amount. Administration is recommending this amount be set at \$50,000 which is the same amount that is listed in the 2014 agreement.

After the Bylaw is given first reading, it will be advertised by Apex Utilities Inc. in the local newspaper. Both Apex Utilities Inc. and the Town must record a copy or summary of all written and oral objections and concerns as well as a copy or summary of all responses provided to the objections and concerns. If no objections are received, or if objections are received and satisfied, Apex Utilities Inc. will electronically submit the application to the AUC. Once everything is in order with the AUC, they will issue an order authorizing the Franchise Agreement.

Once approval is received, the Town can provide for second and third reading of the Bylaw, which staff plan to present at the Regular meeting of Council on September 8 or 22, 2025.

### **Financial:**

Our current Franchise Fee percentage is 30% of the Companies' actual total revenue derived from the delivery tariff, including the fixed charge, base energy charge, demand charge but excluding the cost of natural gas. We are also required to include this rate, or a different percentage rate in Article 5) a) of the Franchise Agreement.

In comparison to the other municipalities Apex has agreements with, the Town of High Level has among the highest franchise fee rates (see attachment 7. – Rate Rider – Franchise Tax Riders). For 2025, the 30% franchise fee rate translates into an estimated monthly cost of \$29.51, or \$354.08 annually, to a small service general customer in High Level (see attachment 9).

The Town's 2025 Operating Budget was based on the 30% rate expected to generate \$880,556. Should we wish to change the percentage now for the future, notice is needed by Apex Utilities to accommodate advertising. The maximum the AUC has indicated they would approve is 35%.

### **Strategic Priorities:**

The above initiative supports the following strategic Goals:

- Goal 1: Vibrant Economy

### **Options:**

- Option 1: Provide First Reading to Bylaw No. 1056-25.
- Option 2: Amend Bylaw No. 1056-25 and provide First Reading.
- Option 3: Direct Administration to take any other action deemed appropriate by Council..

### **Approvals:**



**CAO, Viv Thoss**



**Author: Keir Gervais**  
**Director of Corporate Services**

Reviewed for form and content and approved for submission to Council:

Financial Considerations:

- Director of Finance

### **Attachments:**

1. *2025 Apex Utilities Franchise Renewal Letter High Level*
2. *Franchise Renewal Process 2025*
3. *Bylaw No. 1056-25*
4. *Bylaw No. 1056-25 – Franchise Agreement*
5. *Bylaw No. 953-15*
6. *Bylaw No. 953-15 – Franchise Agreement*
7. *Franchise Fee Revenue Information*
8. *Rate Rider A – Franchise Tax Riders*
9. *2025 Estimated Monthly and Annual Cost of 30% Franchise Fee on Small Service General Customer*

July 24, 2025

**Town of High Level**  
**10511-103 Street**  
**High Level AB, T0H 1Z0**

Dear Mayor Crystal McAteer and Council,

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

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Apex Utilities Inc. (AUI) currently holds the natural gas franchise for Town of High Level under an agreement effective October 1, 2015. This agreement, with a term of ten (10) years, is set to expire on September 30, 2025.

AUI invites the Town of High Level to discuss the renewal of this agreement and looks forward to continuing our collaboration.

Attached for your review are the following documents:

- A copy of the current franchise agreement.
- A copy of the Alberta Utilities Commission approved template.
- A summary of the renewal process.

Should you have any questions or concerns in the interim, please contact Irv Richelhoff at 780-980-7305 or via email at [businessdevelopment@apexutilities.ca](mailto:businessdevelopment@apexutilities.ca).

Sincerely,



Irv Richelhoff  
Supervisor, Business Development

## **Natural Gas Distribution System Franchise Agreement - Renewal Process**

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As the Alberta Utilities Commission (“AUC”) has approved **Rule 029 *Municipal Franchise Agreements, effective September 12, 2024***. Apex Utilities Inc. (“AUI”) provides the following steps as a useful guide in the franchise renewal application process. If you have any questions or concerns as we move through the application process please do not hesitate to contact the undersigned directly.

**1.** AUI provides the municipality with:

- A copy of the current franchise agreement.
- A copy of the AUC approved gas franchise agreement template.
- A document outlining the steps to the renewal process.

**2.** AUI may provide additional documents if requested:

- Copy of the Franchise Fee Revenue for 5 years.
- Sample of the by-law given for first reading.

**3.** Following, at minimum, the first reading given to the bylaw, the following information is needed by AUI to continue with the renewal process:

- Information regarding how the municipality would like to have the Notice issued.
  - (i) published in the newspaper having the widest circulation in the municipality;
  - (ii) direct mail-out or emailed to utility customers in the municipality;
  - (iii) posted on the municipality’s website, social media pages, and office notice board (as available); or
  - (iv) an alternative method that best meets the objectives under Section 4.1(b) if permission is granted by the Commission in advance.
- Name and contact information of the Municipal Contact for the Notice of Application to be published in the newspaper provided above.
- Copy of the by-law given first reading.
- A copy of the finalized Agreement. (initialled but not necessarily signed)

**4.** Application Notice:

- AUI will calculate the effect of the proposed franchise fee chosen by the Municipality on a typical residential customer.
- AUI will create and publish the Notice of Application in the newspaper provided by the municipality.

**5. Objections:**

- Both AUI and the municipality must record a copy or summary of all written and oral objections or concerns received from interested parties, and a copy or summary of all responses provided to those parties.

**6. Submission**

- If no objections are received, or if objections are received and satisfied, AUI will electronically submit the application to the AUC.

**7. The AUC will:**

- Issue an order authorizing the Franchise Agreement is for the public convenience and properly conserves the public interest.
- Indicate via email that they have approved the Franchise Agreement and AUI will save a copy of the Disposition.

**8. AUI will notify the municipality of the decision, sign two copies of the Franchise Agreement, and send back to the municipality for execution.**

**9. The municipality, once notified of the AUC's decision, can proceed to:**

- Give second and third reading to the by-law, if not already completed.
- Sign two (2) Franchise Agreements provided by AUI.
- Send one (1) copy of the certified by-law and one (1) fully executed Franchise Agreement to AUI.

If you have any questions, or require clarification of anything presented above, please don't hesitate to contact Irv Richelhoff at (780) 980-7305 or by email at [irichelh@apexutilities.ca](mailto:irichelh@apexutilities.ca).

Sincerely,

**APEX UTILITIES INC.**



Irv Richelhoff  
Supervisor, Business Development



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**TOWN OF HIGH LEVEL  
BYLAW NO. 1056-25**

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**A BYLAW OF THE TOWN OF HIGH LEVEL IN THE PROVINCE OF ALBERTA (the "Municipality") TO AUTHORIZE THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER TO ENTER INTO AN AGREEMENT GRANTING APEX UTILITIES INC., (the "Company"), THE RIGHT TO PROVIDE NATURAL GAS DISTRIBUTION SERVICE WITHIN THE MUNICIPALITY.**

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

**WHEREAS**, the Council of the Municipality and the Company have agreed to enter into a Natural Gas Distribution System Franchise Agreement (the "Agreement"), in the form annexed hereto;

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

**NOW THEREFORE THE MUNICIPAL COUNCIL OF THE TOWN OF HIGH LEVEL IN THE PROVINCE OF ALBERTA DULY ASSEMBLED ENACTS AS FOLLOWS:**

1. That the Natural Gas Distribution System Franchise Agreement, a copy of which is annexed hereto as Schedule "A," be and the same is hereby ratified, confirmed and approved, and the Mayor and Municipal Clerk are hereby authorized to enter into the Natural Gas Distribution System Franchise Agreement for and on behalf of the Municipality, and the Chief Administrative Officer is hereby authorized to affix thereto the corporate seal of the Municipality.
2. That the Natural Gas Distribution System Franchise Agreement annexed hereto as Schedule "A" is hereby incorporated in, and made part of, this Bylaw.
3. That the Council consents to the exercise by the Company within the Municipality of any of the powers given to the Company by the Water, Gas and Electric Companies Act, R.S.A. 2000 c. W-4, as amended.

4. That this Bylaw shall come into force upon the Natural Gas Distribution System Franchise Agreement being approved by the Alberta Utilities Commission and upon being given third and final reading and finally passed.

**READ A FIRST TIME** in Council this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

**READ A SECOND TIME** in Council this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

**READ A THIRD TIME** in Council this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

**SIGNED AND PASSED THIS** \_\_\_\_\_ day of \_\_\_\_\_ 2025.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Administrative Officer

4. That this Bylaw shall come into force upon the Natural Gas Distribution System Franchise Agreement being approved by the Alberta Utilities Commission and upon being given third and final reading and finally passed.

READ A FIRST TIME this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_\_

---

MAYOR

---

CHIEF ADMINISTRATIVE OFFICER

READ A SECOND TIME this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_\_

---

MAYOR

---

CHIEF ADMINISTRATIVE OFFICER

READ A THIRD TIME this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_\_

---

MAYOR

---

CHIEF ADMINISTRATIVE OFFICER

**NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

2025

**BETWEEN:**

**Town of High Level**

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**- AND -**  
**Apex Utilities Inc.**

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

BETWEEN:

**Town of High Level,**

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

OF THE FIRST PART

– and –

**Apex Utilities Inc.,**

a corporation having its head office at the City of Leduc,  
in the Province of Alberta  
(the “**Company**”)

OF THE SECOND PART

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

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

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

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

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

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

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

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

## 2) Term

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

## 3) Expiry of Term of Agreement

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

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

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

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

## 5) Franchise Fee

### a) Calculation of Franchise Fee

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

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

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

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

### b) Adjustment to the Franchise Fee

At the option of the Municipality and subject to Commission approval, the franchise fee percentage may be changed annually by providing written notice to the Company.

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

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

### c) Notice to Change Franchise Fee

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

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

**d) Payment of Franchise Fee**

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

**e) Franchise Fee Cap**

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

**f) Reporting Considerations**

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

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

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

**6) Core Services**

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

**7) Provision of Extra Services**

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

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

## **8) Municipal Taxes**

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

## **9) Right to Terminate on Default**

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

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

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

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

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

### **a) Detailed Plans**

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

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

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

b) Provision of Equipment

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

## 12) Right of First Refusal to Purchase

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

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

- b) If the Municipality does not exercise its right of first refusal and the said *bona fide* offer the Company is willing to accept does not proceed to closure, the Municipality retains its right of first refusal on any other offer.
- c) This right of first refusal applies where the offer pertains only to the entire Natural Gas Distribution System. The right of first refusal does not apply to offers that include any other distribution systems or distribution facilities of the Company located outside of the Municipal

Service Area. If such offer includes other distribution systems of the Company, the aforesaid right of first refusal will be of no force and effect and will not apply.

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

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

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

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

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

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

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

b) Restoration of Municipal Property

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

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

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

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

c) Urgent Repairs and Notification to Municipality

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

d) Company to Obtain Approvals from Other Utilities

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

e) Revised Plans and Specifications

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

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

f) Approvals

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

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

#### **14) Responsibilities For Cost of Relocations**

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

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

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

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

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

Where:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **a) Municipal Use**

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

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

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

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

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

Municipality may require such third party enter into an agreement with the Municipality, and such agreement may require such third party pay compensation to the Municipality; and

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

c) Cooperation

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

d) Payment

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

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

e) Provision of Agreements

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

## **18) Municipality as a Retailer**

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

## **19) Reciprocal Indemnification and Liability**

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

the Municipality, its servants, agents, employees, contractors, licensees and invitees, arising from, or otherwise caused by:

- i) any breach by the Company of any of the provisions of this Agreement; or
- ii) the negligence or wilful misconduct of the Company, or any of its servants, agents, employees, licensees, contractors or invitees in carrying on its business within the Municipal Service Area.

b) The Municipality will indemnify and save the Company, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements) which may be brought against or suffered, sustained, paid or incurred by the Company, its servants, agents, employees, licensees, contractors and invitees, arising from, or otherwise caused by:

- i) any breach by the Municipality of any of the provisions of this Agreement; or
- ii) the negligence or wilful misconduct of the Municipality, or any of its servants, agents, employees, licensees, contractors or invitees, in carrying on the business of the Municipality.

c) Notwithstanding anything to the contrary herein contained, in no event will the Municipality or the Company be liable under this Agreement, in any way, for any reason, for any indirect, special or consequential damages (including damages for pure economic loss, loss of profits, loss of earnings or loss of contract), howsoever caused or contributed to.

## **20) Assignment**

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

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

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

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

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

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

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

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

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

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

## **21) Notices**

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

i) To the Company:

Apex Utilities Inc.  
5509 45<sup>th</sup> Street  
Leduc, AB T9E 6T6  
Email: [businessdevelopment@apexutilities.ca](mailto:businessdevelopment@apexutilities.ca)  
Attention: Business Development

ii) To the Municipality:

Town of High Level  
10511 103 Street  
High Level, AB T0H 1Z0

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

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

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

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

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

To the extent the Company has any planned major interruptions, reductions or discontinuances in Natural Gas Distribution Service, it will notify the Municipality in writing as soon as practicable in the circumstances. For any other major interruption, reductions or discontinuances in Natural Gas Distribution Service, the Company will provide notice (in a format acceptable to the Municipality) as soon as is practicable in the circumstances.

### **23) Dispute Settlement**

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

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

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

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

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

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

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

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

#### **25) Force Majeure**

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

#### **26) Terms and Conditions**

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

#### **27) Not Exclusive Against Her Majesty**

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

#### **28) Severability**

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

to any portion which may, for any reason or to any extent, be declared or held invalid, unenforceable or illegal.

## **29) Amendments**

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

## **30) Waiver**

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

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

## **31) Confidentiality**

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

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

### **Town of High Level**

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

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

### **Apex Utilities Inc.**

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

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

## **SCHEDULE “A” Core Services**

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

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

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

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

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

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

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

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

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

## **SCHEDULE “B” Extra Services**

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

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

Municipal Bylaw  
BYLAW NO. 953-15  
OF THE Town of High Level, ALBERTA (the "**Municipality**")  
related to the

---

**NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

---

A Bylaw of the Municipality to authorize the Mayor and Chief Administrative Officer to enter into an agreement granting AltaGas Utilities Inc. (the "**Company**"), the right to provide natural gas distribution service within the Municipality.

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

WHEREAS the Council of the Municipality and the Company have agreed to enter into a Natural Gas Distribution System Franchise Agreement (the "**Agreement**"), in the form annexed hereto;

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

NOW THEREFORE the Council of the Municipality enacts as follows:

- 1) THAT the Natural Gas Distribution System Franchise Agreement, a copy of which is annexed hereto as Schedule "A", be and the same is hereby ratified, confirmed and approved, and the Mayor and Chief Administrative Officer are hereby authorized to enter into the Natural Gas Distribution System Franchise Agreement for and on behalf of the Municipality, and the Chief Administrative Officer is hereby authorized to affix thereto the corporate seal of the Municipality.
  
- 2) THAT the Natural Gas Distribution System Franchise Agreement annexed hereto as Schedule "A" is hereby incorporated in, and made part of, this Bylaw.

- 3) THAT the Council consents to the exercise by the Company within the Municipality of any of the powers given to the Company by the Water, Gas and Electric Companies Act, R.S.A. 2000 c. W-4, as amended.
- 4) THAT this Bylaw shall come into force upon the Natural Gas Distribution System Franchise Agreement being approved by the Alberta Utilities Commission and upon being given third reading and finally passed.

Read a First time in Council assembled this 22nd day of June, 2015.



Mayor



Chief Administrative Officer

Read a Second time in Council assembled this 14<sup>th</sup> day of September, 2015.

Read a Third time in Council assembled and

Passed this 14<sup>th</sup> day of September, 2015.



Mayor

(SEAL)



Chief Administrative Officer

**NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE AGREEMENT**

2014

**BETWEEN:**

**Town of High Level**

---

**- AND -**

**AltaGas Utilities Inc.**

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

BETWEEN:

**Town of High Level,**

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

OF THE FIRST PART

– and –

**AltaGas Utilities Inc.,**

a corporation having its head office at the City of Leduc,  
in the Province of Alberta  
(the “**Company**”)

OF THE SECOND PART

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

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

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

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

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

- f) **“Consumer”** or **“Consumers”** as the text may require, means any individual, group of individuals, firm or body corporate, including the Municipality, with premises or facilities located within the Municipal Service Area from time to time that are provided with Natural Gas Distribution Service by the Company pursuant to the Company’s Delivery Tariff;
- g) **“Core Services”** means all those services set forth in Schedule “A” of this Agreement;
- h) **“Delivery Tariff”** means the rates and Terms and Conditions of service approved by the Commission from time to time on an interim or final basis, as the case may be, for the Company to deliver Natural Gas to the Consumer;
- i) **“Electronic Format”** means any document or other means of communication that is created, recorded, transmitted or stored in digital form or in any other intangible form by electronic, magnetic or optical means or by any other computer-related means that have similar capabilities for creation, recording, transmission or storage;
- j) **“Extra Services”** means those services set forth in Schedule “B” that are requested by the Municipality for itself or on behalf of its citizens and provided by the Company in accordance with paragraph 7 of this Agreement;
- k) **“GUA”** means the *Gas Utilities Act* (Alberta);
- l) **“Intended Time Frame”** shall have the meaning set out in paragraph 14 (c);
- m) **“Maintain”** means to maintain and keep in good repair any part of the Natural Gas Distribution System;
- n) **“Major Work”** means any Work to Construct or Maintain the Distribution System that costs more than Fifty thousand (\$50,000) Dollars;
- o) **“MGA”** means the *Municipal Government Act* (Alberta);
- p) **“Modified Plans”** shall have the meaning set out in paragraph 14 (c)(ii);
- q) **“Municipality”** means the Party of the first part to this Agreement;
- r) **“Municipal Compensation”** shall have the meaning set out in paragraph 20;
- s) **“Municipal Service Area”** means the geographical area within the legal boundaries of the Municipality where the Company has been granted rights hereunder in connection with, among other matters, Natural Gas Distribution Service, as altered from time to time;
- t) **“Municipal Property”** means all property, including lands and buildings, owned, controlled or managed by the Municipality within the Municipal Service Area;
- u) **“Natural Gas”** means a combustible mixture of hydrocarbon gases;

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

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

## 2) Term

- a) Subject to sub-paragraph 2(b), this Agreement will be for a minimum term of ten years, commencing on the later of:
  - i) 1<sup>st</sup> day of October, 20 15; and
  - ii) the first (1<sup>st</sup>) business day after both of the following have occurred:
    - A. the Commission has approved and acknowledged this Agreement; and
    - B. Council of the Municipality has passed third reading of the applicable adopting bylaw.
- b) This Agreement will expire on the 30<sup>th</sup> day of September, 20 25.
- c) It is agreed this Agreement supersedes and replaces any prior Natural Gas franchise agreements between the Municipality and the Company.

## 3) Expiry of Term of Agreement

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

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

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

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

## 5) Franchise Fee

### a) Calculation of Franchise Fee

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

For the first (1<sup>st</sup>) calendar year or portion thereof of the Term of this Agreement, the franchise fee percentage will be 30 percent (30%).

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

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

### b) Adjustment to the Franchise Fee

At the option of the Municipality and subject to Commission approval, the franchise fee percentage may be changed annually by providing written notice to the Company.

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

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

### c) Notice to Change Franchise Fee

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

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

**d) Payment of Franchise Fee**

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

**e) Franchise Fee Cap**

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

**f) Reporting Considerations**

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

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

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

**6) Core Services**

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

**7) Provision of Extra Services**

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

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

## **8) Municipal Taxes**

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

## **9) Right to Terminate on Default**

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

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

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

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

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

### **a) Detailed Plans**

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

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

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

b) Provision of Equipment

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

## 12) Right of First Refusal to Purchase

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

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

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

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

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

- a) Municipal Approval

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

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

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

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

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

b) Restoration of Municipal Property

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

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

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

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

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

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

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

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

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

e) **Revised Plans and Specifications**

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

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

f) Approvals

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

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

#### 14) Responsibilities For Cost of Relocations

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

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

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

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

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

Where:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **a) Municipal Use**

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

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

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

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

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

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

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

c) Cooperation

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

d) Payment

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

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

e) Provision of Agreements

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

## **18) Municipality as a Retailer**

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

## **19) Reciprocal Indemnification and Liability**

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

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

- i) any breach by the Company of any of the provisions of this Agreement; or
- ii) the negligence or wilful misconduct of the Company, or any of its servants, agents, employees, licensees, contractors or invitees in carrying on its business within the Municipal Service Area.

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

## **20) Assignment**

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

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

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

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

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

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

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

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

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

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

## 21) Notices

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

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

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

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

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

To the extent the Company has any planned major interruptions, reductions or discontinuances in Natural Gas Distribution Service, it will notify the Municipality in writing as soon as practicable in the circumstances. For any other major interruption, reductions or discontinuances in Natural Gas Distribution Service, the Company will provide notice (in a format acceptable to the Municipality) as soon as is practicable in the circumstances.

## **23) Dispute Settlement**

- a) If any dispute or controversy of any kind or nature arises relating to this Agreement or the Parties' rights or obligations hereunder, the Parties agree such dispute or controversy will be resolved by negotiation, and where such negotiation does not result in the settlement of the matter within thirty (30) days of notice of such dispute being provided by one Party to the other Party, and to the extent permitted by law, the Company and Municipality agree that unresolved disputes pertaining to this Agreement, other than those contemplated in paragraphs 3 and 20

and Section 3 of Schedule "A", or those related to the sale of the Natural Gas Distribution System as contemplated in paragraphs 10 and 12 hereof, or any other matter within the exclusive jurisdiction of a governmental authority having jurisdiction, will be submitted to arbitration for determination and may be commenced by either Party providing written notice to the other Party stating the dispute to be submitted to arbitration.

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

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

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

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

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

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

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

#### **25) Force Majeure**

If either Party fails to meet its obligations hereunder within the time prescribed, and such failure is caused or materially contributed by an event of "force majeure", such failure will be deemed not to be a breach of the obligations of such Party hereunder, but such Party will use its best efforts on a commercially reasonable basis to put itself in a position to carry out its obligations hereunder. The term "force majeure" will mean any acts of God, strikes, lock-outs, or other industrial disturbances, acts of the Queen's enemies, acts of terrorism (either foreign or domestic), sabotage,

war, blockades, insurrections, riots, epidemics, lightening, earthquakes, storms, fires, wash-outs, nuclear and radiation activity or fall-out, restraints of rulers and people, orders of governmental authorities or courts of law having jurisdiction, the inability to obtain any necessary approval from a governmental authority (excluding the Municipality) having jurisdiction, civil disturbances, explosions, mechanical failure, and any other causes similar in nature not specifically enumerated or otherwise specified herein that are not within the control of such Party, and all of which by the exercise of due diligence of such Party could not have been prevented. Lack of finances will be deemed not to be an event of "force majeure".

**26) Terms and Conditions**

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

**27) Not Exclusive Against Her Majesty**

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

**28) Severability**

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

**29) Amendments**

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

**30) Waiver**

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

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

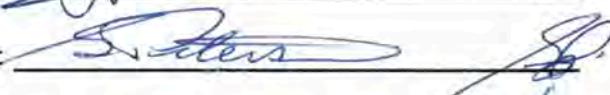
### 31) Confidentiality

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

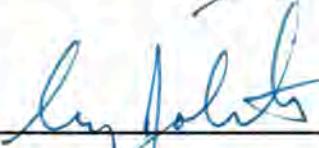
IN WITNESS WHEREOF the Parties hereto have executed these presents as of the day and year first above written.

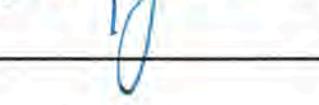
#### Town of High Level

PER:  (M)

PER:  (S)

#### AltaGas Utilities Inc.

PER: 

PER: 

## SCHEDULE "A" Core Services

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

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

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

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

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

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

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

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

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

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

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

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

### Franchise Fee Revenue

(Annual / 10-Year Total)

Year	Amount
2015	\$ 615,066.93
2016	\$ 758,062.75
2017	\$ 697,413.22
2018	\$ 747,565.67
2019	\$ 850,891.15
2020	\$ 789,947.55
2021	\$ 698,159.92
2022	\$ 769,565.93
2023	\$ 877,081.94
2024	\$ 880,629.16
2025 (June 30)	\$ 529,722.88
<b>Total to June 30, 2025</b>	<b>\$ 8,214,107.10</b>

### Municipalities Governed by Standardized Franchise Agreement

For each calendar year the franchise fee will be calculated as a percentage of the Company's actual total revenue derived from the Gas Distribution Tariff, including without limitation the fixed charge, base energy charge, demand charge but excluding the cost of gas (being the calculated revenues from the gas cost recovery rate rider or the deemed cost of gas) in that year for Gas Distribution Service within the Municipal Area.

<b>Municipality</b>	<b>Type</b>	<b>District</b>	<b>Rate (%)</b>	<b>Decision / Order</b>	<b>Effective Date<sup>4</sup> (yyyy-mm-dd)</b>
Athabasca	Town	Athabasca	22.00	29713-D01-2024	2025-01-10
Barrhead	Town	BMW <sup>1</sup>	18.00	29713-D01-2024	2025-01-10
Beaumont	City	Leduc	28.50	29713-D01-2024	2025-01-10
Bonnyville	Town	Bonnyville	21.00	29713-D01-2024	2025-01-10
Bonnyville Beach	Summer Village	Bonnyville	0.00	29921-D01-2025	2025-03-17
Boyle	Village	Athabasca	20.00	29713-D01-2024	2025-01-10
Calmar	Town	Leduc	35.00	29713-D01-2024	2025-01-10
Crystal Springs	Summer Village	Leduc	0.00	29713-D01-2024	2025-01-10
Delia	Village	Hanna	12.00	29713-D01-2024	2025-01-10
Donaldda	Village	Stettler	17.50	29750-D01-2025	2025-01-27
Drumheller	Town	Drumheller	27.00	29733-D01-2025	2025-01-10
Elk Point	Town	St. Paul	16.00	29713-D01-2024	2025-01-10
Glendon	Village	St. Paul	4.62	29750-D01-2025	2025-01-27
Grandview	Summer Village	Leduc	0.00	29713-D01-2024	2025-01-10
Hanna	Town	Hanna	17.50	29713-D01-2024	2025-01-10
Hay Lakes	Village	Leduc	9.00	29713-D01-2024	2025-01-10
High Level	Town	High Level	30.00	29713-D01-2024	2025-01-10
Island Lake	Summer Village	Athabasca	0.00	29713-D01-2024	2025-01-10
Leduc <sup>2</sup>	City	Leduc	27.00	29713-D01-2024	2025-01-10
Leduc <sup>3</sup>	City	Leduc	35.00	29713-D01-2024	2025-01-10
Ma-Me-O Beach	Summer Village	Leduc	0.00	29713-D01-2024	2025-01-10
Mewatha Beach	Summer Village	Athabasca	6.00	30101-D01-2025	2025-07-01
Morinville	Town	BMW	19.00	29713-D01-2024	2025-01-10
Morin	Village	Drumheller	12.00	29713-D01-2024	2025-01-10
Munson	Village	Drumheller	11.00	30050-D01-2025	2025-06-01
Pelican Narrows	Summer Village	Bonnyville	0.00	29713-D01-2024	2025-01-10
Pincher Creek	Town	Pincher Creek	35.00	29713-D01-2024	2025-01-10
Poplar Bay	Summer Village	Leduc	0.00	29713-D01-2024	2025-01-10
Rochon Sands	Summer Village	Stettler	0.00	29713-D01-2024	2025-01-10
St. Paul	Town	St. Paul	27.00	29713-D01-2024	2025-01-10
Stettler	Town	Stettler	30.00	29713-D01-2024	2025-01-10
Sunset Beach	Summer Village	Athabasca	3.00	29713-D01-2024	2025-01-10
Three Hills	Town	Three Hills	9.00	29713-D01-2024	2025-01-10
Two Hills	Town	Two Hills	23.00	29912-D01-2025	2025-04-01
Waskatenau	Village	BMW	8.00	29713-D01-2024	2025-01-10
Westlock	Town	BMW	29.00	29713-D01-2024	2025-01-10
White Sands	Summer Village	Stettler	0.00	29747-D01-2025	2025-02-01

<sup>1</sup> BMW denotes Barrhead, Morinville and Westlock.

<sup>2</sup> Does not apply to service under Rates 3 or 13.

<sup>3</sup> Applies only to service under Rates 3 and 13.

<sup>4</sup> Any bill rendered after this date is subject to the corresponding rate.

**ESTIMATE of Annual and Monthly Impact of 30% Franchise Fee  
on Small Service General Customer**

	Base	TPTR	Variable	Usage in GJs	Total		Total Fee Paid
					Delivery Tarrif	Proposed Fee	
Jan-24	\$ 1.810	0.479	\$ 2.984	21	\$ 128.83	30.00%	\$ 38.65
Feb-24	\$ 1.810	0.511	\$ 2.984	18	\$ 113.59	30.00%	\$ 34.08
Mar-24	\$ 1.810	0.450	\$ 2.984	15	\$ 107.62	30.00%	\$ 32.29
Apr-24	\$ 1.810	0.888	\$ 2.984	10	\$ 93.02	30.00%	\$ 27.91
May-24	\$ 1.810	1.823	\$ 2.984	7	\$ 89.76	30.00%	\$ 26.93
Jun-24	\$ 1.810	2.979	\$ 2.984	5	\$ 84.12	30.00%	\$ 25.23
Jul-24	\$ 1.810	2.699	\$ 2.984	4	\$ 78.84	30.00%	\$ 23.65
Aug-24	\$ 1.810	1.838	\$ 2.984	4	\$ 75.40	30.00%	\$ 22.62
Sep-24	\$ 1.810	1.548	\$ 2.984	7	\$ 86.02	30.00%	\$ 25.81
Oct-24	\$ 1.810	0.996	\$ 2.984	11	\$ 99.89	30.00%	\$ 29.97
Nov-24	\$ 1.810	0.550	\$ 2.984	15	\$ 107.30	30.00%	\$ 32.19
Dec-24	\$ 1.810	0.336	\$ 2.984	18	\$ 115.87	30.00%	\$ 34.76
				135		Total	\$ 354.08
							Impact Annually
							Average Monthly \$ 29.51



Estimate	Average TPTR Estimate					
August	\$2.39	\$2.87	\$1.70	\$1.73	\$0.50	\$1.838
September	\$1.97	\$1.51	\$1.40	\$1.51	\$1.35	\$1.548
October	\$1.22	\$1.13	\$1.07	\$0.88	\$0.68	\$0.996
November	\$0.70	\$0.58	\$0.56	\$0.61	\$0.30	\$0.550
December	\$0.32	\$0.49	\$0.19	\$0.37	\$0.32	\$0.336

## OLD BUSINESS

## NEW BUSINESS

## ACTION

## CORRESPONDENCE FOR

**From:** MA Engagement Team <ma.engagement@gov.ab.ca>  
**Sent:** Wednesday, August 13, 2025 8:53 AM  
**To:** MA Engagement Team  
**Cc:** Ijeoma Okolo  
**Subject:** Invitation to meet with Minister Dan Williams  
**Attachments:** 2025 ABmunis Meeting Template.xlsx

Dear Chief Administrative Officer:

I am writing to inform you of a potential opportunity for municipal councils to meet with the Honourable Dan Williams, Minister of Municipal Affairs, at the 2025 Alberta Municipalities (ABmunis) Fall Convention, scheduled to take place at the Calgary TELUS Convention Centre from November 12-14, 2025. These meetings will be in person at the convention centre, as scheduling permits.

Should your council want to meet with Minister Williams during the convention, please submit a request by email with three potential topics for discussion to [ma.engagement@gov.ab.ca](mailto:ma.engagement@gov.ab.ca) **no later than September 12, 2025**. The meeting request template is attached.

We generally receive more requests than can be reasonably accommodated over the course of the convention. Requests meeting the following criteria will be given priority for meetings during the convention:

- Municipalities that identify up to three discussion topics related to policies or issues directly relevant to the Minister of Municipal Affairs and the department.
  - Please ensure details on the discussion topics are provided.
- Priority will be given to requests from municipalities at a distance from Edmonton and to municipalities that Minister Williams has not yet had an opportunity to meet with.

Meeting requests received after the deadline will not be considered for the convention.

Meeting times with the Minister are scheduled for approximately 15 minutes. This allows the Minister to engage with as many councils as possible. All municipalities that submit meeting requests will be notified at least two weeks prior to the convention as to the status of their request.

Municipal Affairs will make every effort to find alternative meeting opportunities throughout the remainder of the year for municipalities the Minister is unable to accommodate during the convention.

Thank you.

**Engagement Team**  
**Municipal Services Division**  
**Municipal Affairs**

Classification: Protected A

## Meeting Request: **Alberta Municipalities Fall 2025 Convention**

If you have questions, require support and to submit form, please email:

### Municipal Information

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

### Meeting Topics

Please provide additional details about the topic for discussion

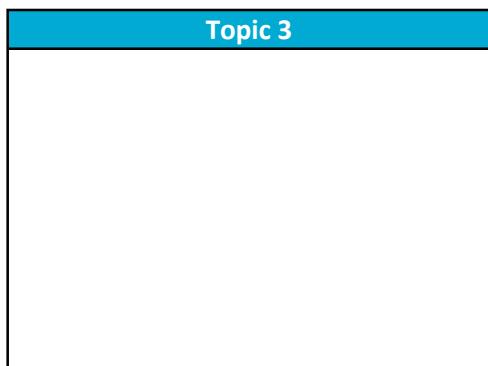
Topic 1	Topic 2

### Meeting Participants

1	_____	Mayor/Reeve
2	_____	Chief Administrator
3	_____	Councillor
4	_____	Councillor
5	_____	Councillor
6	_____	Councillor
7	_____	Councillor
8	_____	Councillor
9	_____	Councillor

[ma.engagement@gov.ab.ca](mailto:ma.engagement@gov.ab.ca)

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**CORRESPONDENCE FOR  
INFORMATION**



ALBERTA

MUNICIPAL AFFAIRS

*Office of the Minister  
MLA, Peace River*

AR119711

August 8, 2025

Her Worship Crystal McAteer  
Mayor  
Town of High Level  
10511 - 103 Street  
High Level AB T0H 1Z0

Dear Mayor McAteer:

I am pleased to confirm your allocation for the 2025-26 Canada Community-Building Fund (CCBF). In 2025, Canada allocated Alberta \$276 million; this partnership between the province and the federal government will help ensure local governments in Alberta can continue to make needed investments in local infrastructure.

For the Town of High Level, your 2025 CCBF allocation is \$288,209.

Both the CCBF and Local Government Fiscal Framework (LGFF) funding amounts for all municipalities and Metis Settlements are posted on the Government of Alberta website at <https://open.alberta.ca/publications/canada-community-building-fund-allocations>.

I look forward to working together with you to support your local infrastructure needs, and building strong, vibrant communities across Alberta.

Sincerely,

Dan Williams, ECA  
Minister of Municipal Affairs

cc: Viviane Thoss, Chief Administrative Officer, Town of High Level

## NOTICE OF MOTIONS

## QUESTION PERIOD

**CLOSED SESSION**