SCHEDULE "A"

Winnipeg

November 22, 2012

Service Sharing Policy

Consistent with Council's 2005 motion on service sharing opportunities as well as OurWinnipeg's Capital Region Direction 3 relating to "Capital Region Municipalities interested in Service Sharing", any agreement on service sharing should be consistent with the following five principles:

1) Are government to government;
2) Are consistent with the City's existing and future capacity to provide the service;
3) Are founded on a strong business case to ensure the efficient delivery of the service in the region;
4) Incorporate a joint planning agreement to manage development and related environmental concerns;
5) Include a provision for revenue sharing so that both the City and the partnering municipality share the costs and benefits associated with the delivery of services.

Basic Terms
for Service Sharing Agreements for the Provision of Sewer Services to Neighbouring Municipalities

These basic terms are intended to provide Council direction to the City of Winnipeg's Chief Administrative Officer (CAO) regarding entering into an agreement with a neighbouring municipality for the provision of sewer services by the City of Winnipeg to a neighbouring municipality.

Any agreement should have provisions relating to three components:

A) sewer charge

B) revenue sharing

C) joint planning

A) Sewer Charge

The City of Winnipeg would provide sewer services to the boundary of the City and the neighbouring municipality. Any extension of the City's infrastructure piping to the City boundary within the City would be paid for by the neighbouring municipality based on their share of benefit – from 100% to a lesser portion. As well, the neighbouring municipality would be responsible for costs associated with the distribution / collection infrastructure within their municipality as well as any billing function (charging the end user). Extending services to neighbouring municipalities would use up some of the City's sewer utility surplus capacity. There would be the following two aspects for charging for sewer services which would apply to both existing and new development:

Volume Rate User Fee

The charge for sewer service would be set at the same rate as the standard rates within the City of Winnipeg, specifically 100% of the sewer rate as adopted by City of Winnipeg Council annually. The intent is to charge the same rate paid by a typical Winnipeg homeowner, charged by metering of volume and the standard sewer rate

Utility Buy-in Charges

A one-time up front utility buy-in charges would also be levied. The basis for the utility buy-in charges would be the meter equivalency for the sewer system hydraulic capacity ratio – thus charged based on meter size. The municipality would be required to provide property information including the size of the meter servicing the building.

The utility buy-in charge applies to all existing and new properties (residential, commercial or other) with sewer service. For 2012 the charge amounts rounded to the nearest hundred dollars would be follows:

For 5/8 inch meter size for sewer service: $1,900	For 3/4 inch meter size for sewer service: $2,900
For 1 inch meter size for sewer service: $4,800	For 1.5 inch meter size for sewer service: $9,600
For 2 inch meter size for sewer service: $15,300	For 3 inch meter size for sewer service: $28,700

The actual charged amount would be calculated annually following recommended industry practice. The revenue from the volume rate fee and the utility buy-in charges would be retained by the City of Winnipeg sewer utility.

B) Revenue Sharing

The service sharing agreement would have a revenue sharing component which would also include two aspects, a one-time charge and an on-going continuous component. The one-time charge would apply only to new development.

One-time Charge
All new development would be charged a one-time up front charge as follows (for 2012):

For new residential properties: $3,000 per dwelling unit.

For new commercial, industrial and other properties, the developed assessed market values (land and building) would be used as a proxy to categorize size of development. The one-time charge will be $3,000 for each $500,000 of developed assessed market value.

$0 to $500,000	$3,000
$500,001 to $1,000,000:	$6,000
$1,000,001 to $1,500,000:	$9,000
$1,500,001 to $2,000,000:	$12,000
Continuing at $3,000 for each $500,000	

The actual one-time charge factor amount, the $3,000, would be adjusted annually by inflation and rounded to nearest 10 dollars.

On-going Annual Participation Fee
For residential properties, the on-going fee would be $200 per dwelling unit and for commercial, industrial and other properties, $200 for each $500,000 of developed assessed market value. The $200 would be adjusted annually by inflation. The fee would apply to both existing and new development which is serviced by the City of Winnipeg's sewer services.

The revenue sharing from these two revenue streams would be allocated to the City of Winnipeg regional roads capital budget.

C) Joint Planning Provision

Joint Planning Provisions managing development and related environmental concerns will be incorporated into all service sharing agreements where appropriate:

- Reinforce collaboration on orderly development including growth management within each jurisdiction.
- Where appropriate, support the creation of inter-municipal development areas that are compatible with each other, well planned and function in an efficient manner.
- Formally recognize the land use interaction created as a result of the sharing of services.
- Reduce land use conflicts between municipalities through a collaborative planning process.
- Refer to the common vision statements of *'OurWinnipeg'* and its supporting Direction Strategies as well as the *'Regional Vision Framework'* to help guide regional planning projects and initiatives

The following aspects would also be addressed:

1) The participating municipalities would enter into a collaborative planning process identifying and governing the future development of the key Planning Areas in the partnering municipality that will benefit from the extension of City services and where the future development is of mutual interest. No Development Plan Amendments, Re-zonings, Subdivisions, Building Permits, Topsoil Removal or development of any kind shall take place within these designated areas without a formal inter-municipal agreement in place guiding the future development of the lands in question.
2) A statement, forming a provision in the agreement, describing Joint Development Areas to be collaboratively planned defining future development, agreed-upon land use compatibility and standards for residential, commercial, industrial or recreational use of land being serviced by the City of Winnipeg.
3) The neighbouring municipality would be requested to provide confirmation that the proposed development is consistent with their development plan.
4) A statement, in the form of a provision in the agreement, identifying the scope of development that will be serviced within the defined geographic area. For example, the agreement may state that the City will provide 'sewer' services for 'x units' within a given geographic area.
5) In the interests of establishing inter-municipal linkages, that consideration be given to retaining public reserve lands that link active transportation right-of-ways in both municipalities.

6) Agreement that the provisions contained in the service sharing agreement would only apply to the agreement. Any additional servicing expectations will require a more in-depth planning process resulting in the successful negotiation of an Inter-municipal Area Plan.

Additional Provisions

The agreement would also include the following provisions:

- Length of the agreement: 20 years with automatic 5 year renewals
- A cancelation provision: termination by either party upon 3 years notice
- Other terms and conditions deemed necessary by the City's Chief Administrative Officer and the City Solicitor to protect the interests of the City.

All rates and charges shown in this report and appendices are 2012 dollar amounts. Future rates, charges and provisions will increase annually.