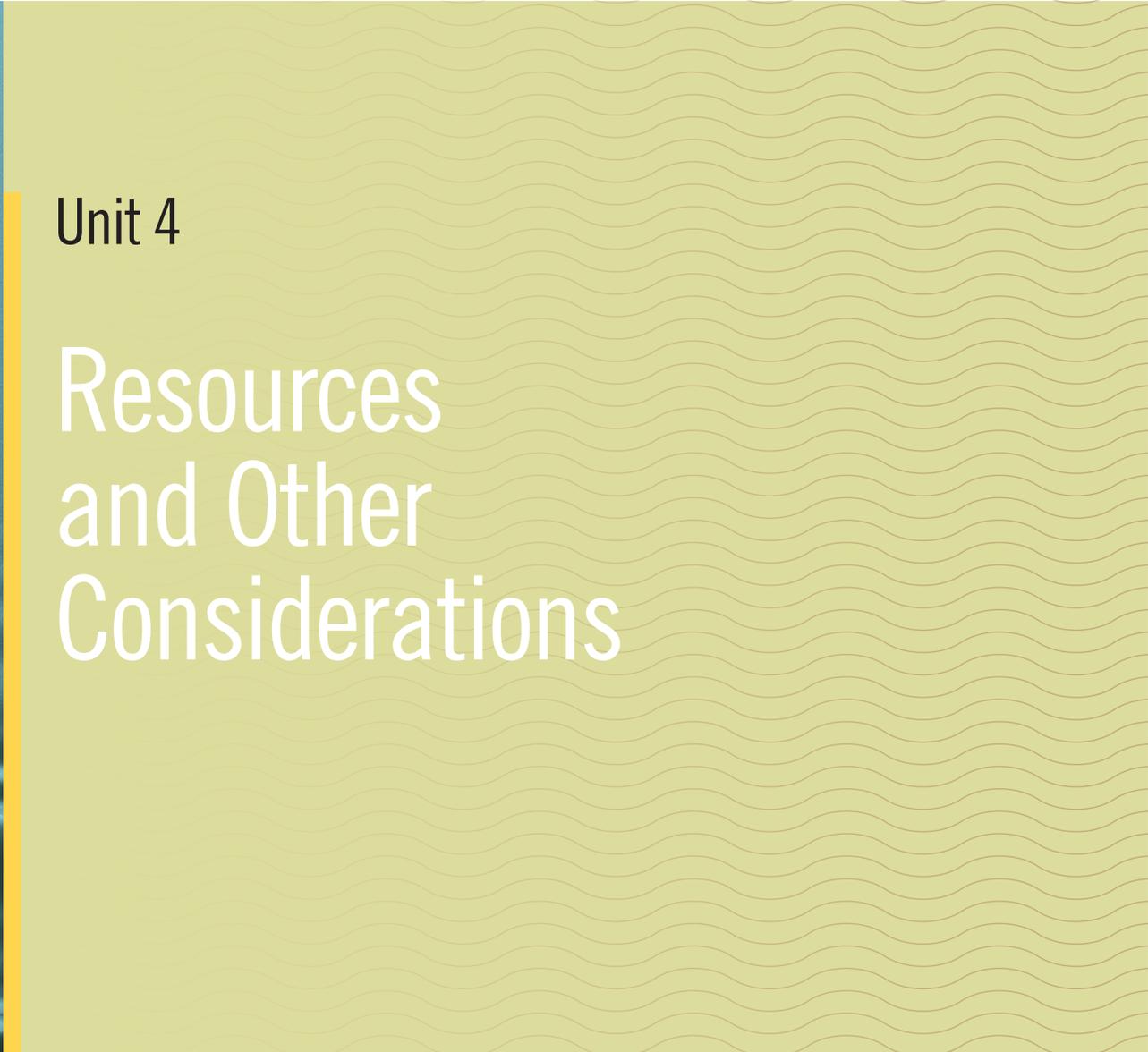
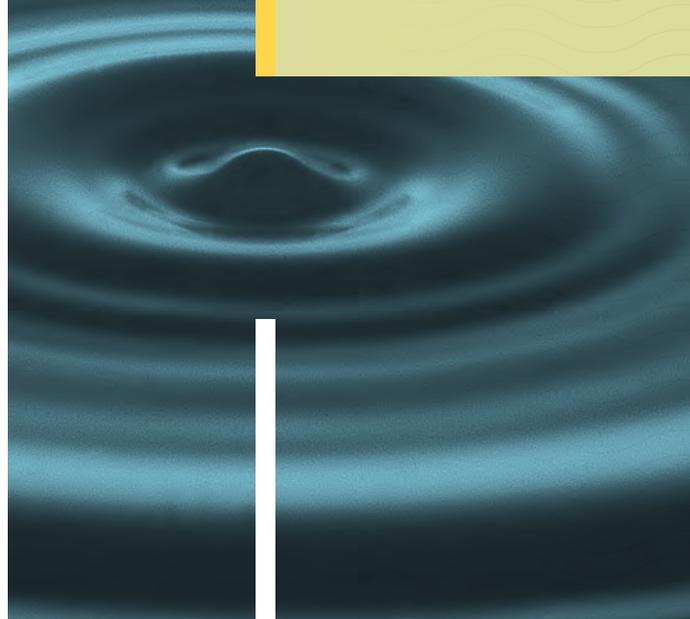
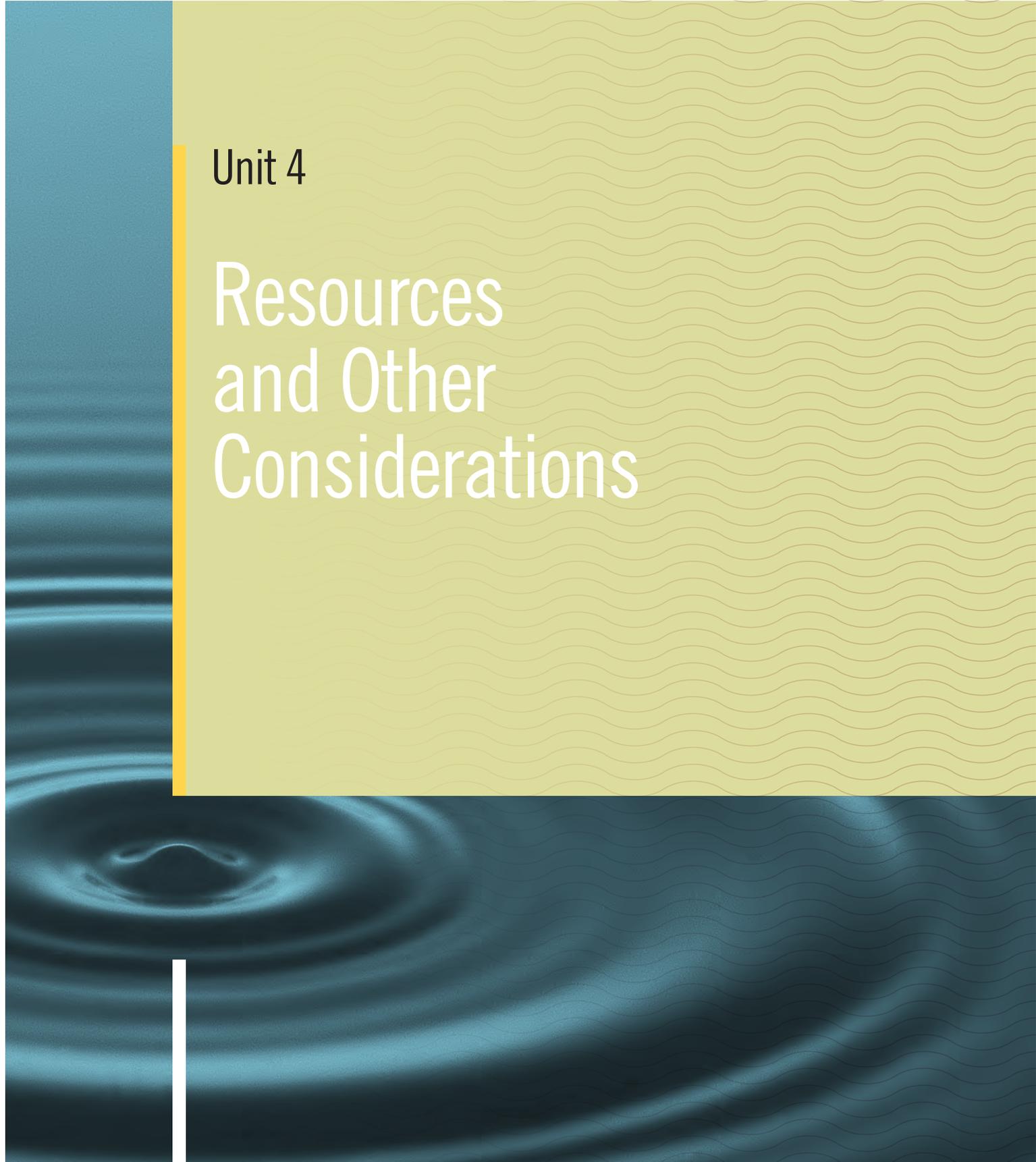




Unit 4



Resources and Other Considerations



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1. Considerations for optimal service agreements

Several elements can help add value and enhance any agreement on community infrastructure between First Nations and municipalities. The following best practices will assist both parties in obtaining the most out of their partnership and will ensure additional benefits for each community and region.

1.1 Regional water commissions

Water service agreements are only one type of partnership possible between municipalities and First Nations. Other options exist for joint water systems, such as regional water commissions. Regional water commissions are corporate water entities for joint ownership of water infrastructure.

This chapter has adapted much of its content from the *Governance Options for Municipal Regional Services of Alberta* brochure, which explains the basic features of a regional water commission, including the ministerial approval process required in a number of provinces. This information is a general guide and may not apply to all provinces. Please consult your provincial municipal affairs office and a lawyer for procedures and legal advice specific to your region and circumstance.

History of regional water commissions in Canada

In the 1980s, regional water commissions were written into many provincial Municipal Acts, leading to their increase in use particularly in Western Canada. This was especially

the case in smaller and more rural communities which were struggling with water quality or lacking capacity and funding to operate their own water systems. Regional service commissions were legislated by a number of provincial governments to enable particularly smaller communities an opportunity to own and operate their own water system with neighbouring communities providing a higher standard of water quality, operational standards, and economies of scale.

In recent years, some provincial governments have encouraged the development of more regional systems through increasing grant and loan funding to communities.

Characteristics of regional water commission

A regional water commission is a legal entity made up of a combination of partners: municipalities, First Nations, Métis settlements or armed forces bases. Regional water commissions are responsible for owning and operating the regional water system of their members. Members do not need to be directly adjacent to each other to form a commission.



Since regional water commissions are a separate legal entity, they have the power to hire staff, perform their own administrative tasks, own property in their own name and raise capital. They can hire staff from the municipality or First Nation or contract work out to an outside party. Most regional water commissions meet three or four times a year.

Regional water commissions do not provide water services for profit, and any financial surplus must be used to reduce costs for water services. Surplus funds may not be distributed back to the commission members.

Structure

Membership criteria for regional water commissions have been established by provincial legislation. Provincial legislation states that only elected officials from the member communities may sit on a regional water commission as voting members. A director of the commission is designated from among its members.

Bylaws are then set up to establish the membership structure and other operating guidelines. Factors to consider when structuring your commission include the funding contributions of each community and the number of communities being represented. A board with a large number of communities may want to divide representation by regional zones rather than individual communities.

When making decisions, usually each representative on the commission qualifies as one vote. Most regional water commissions are set up with an odd number of representatives from each community to avoid “deadlock” or split votes (e.g., four votes against four). Commissions may also choose to make decisions on a consensus basis; they have the authority to set their own operating procedures, including decision-making style.

Benefits of regional water commission

Many communities have opted to form a regional water commission in order to provide water services to their residents. A water commission has numerous benefits not limited to the following:

- **Economies of scale:** Small and rural communities face the challenge of providing services to their residents due to small and dispersed populations. When a number of small communities can work together to provide services for their populations, economies of scale can be achieved making capital-intensive services, such as water, more financially feasible.
- **Leveraging opportunities:** Since building, operating, and maintaining a regional water system requires significant capital, some municipalities and First Nations choose to establish a regional water commission to become eligible for provincial grants and loans.
- **Local participation:** A regional water commission provides all communities involved a chance to be a part of the decision-making process for local services. Employment opportunities and other spinoff benefits can be shared between all participating communities.

Challenges of regional water commissions

Regional water commissions by nature come with a number of challenges that communities should keep in mind:

- Each member community will have different water needs for its community, so determining a water treatment capacity and flow capacity may take significant research and negotiation among commission members.
- Municipal and First Nations governments may have different ways of working and dealing with issues. It may take time, patience and a solid understanding of how the other party operates before consensus may be reached.

Ministerial approval process

Provincial governments must approve the establishment of regional water commissions. In some provinces provision of services outside the boundaries of the regional water commission requires approval of the minister and the municipal authority within whose boundaries the services are to be provided.

Proposed regional service commissions should develop a business plan demonstrating their capacity for sustainability, as municipal affairs departments often require such a plan. Specialty engineering firms can help calculate costs and determine budgets.

Business plans should consider the following:

- List of assets and liabilities associated with the regional water commission both existing and proposed for the first five years of operation
- Five-year operating and capital budgets outlining estimated revenues and expenses
- Full cost-recovery rate model
- Proposed water rates to be charged and established with bylaws
- Proposed long-term debt over the first five years of operation, any interim borrowing requirements during the start-up and construction phase, and the debt limit amount requested
- Cash flow projections for the first five years of operations.

1.2 Water governance references**Governance Options for Municipal Regional Services of Alberta**

Government of Alberta

This brochure lists governance options available to municipalities considering regional services delivery. A comparison outlining basic differences between governance structures for municipal services in Alberta is included.

Other Considerations

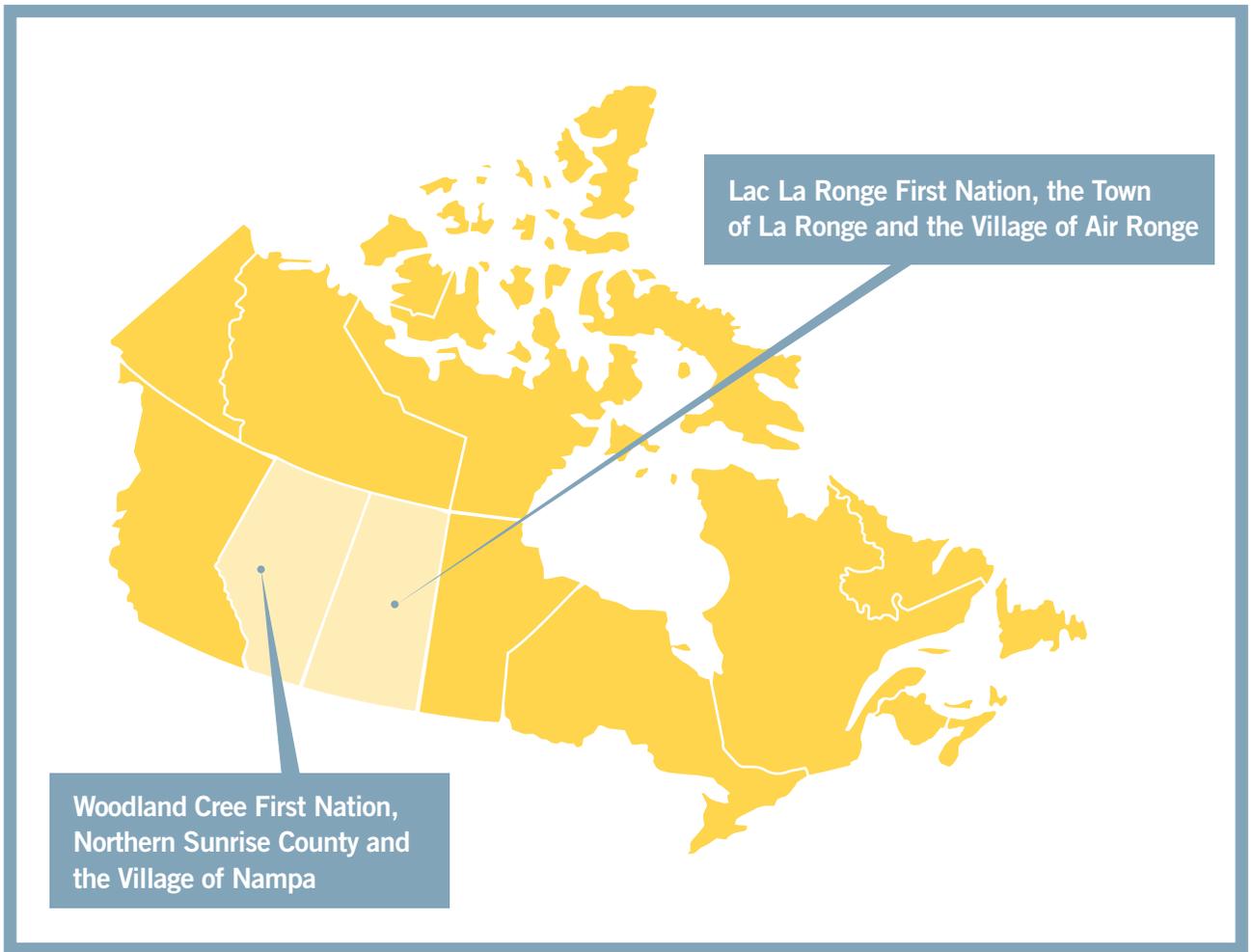
Municipal and First Nations governments must consider many factors before deciding on a water governance structure that suits their needs. A few questions to consider are as follows:

- Should the water service operate at arm's length from the municipality and First Nation?
- Will water services be provided as a business?
- Does the service provider need to borrow funds?
- Does the water service provider need to own land and property?

This chapter provides basic information about the establishment of regional water boards. Communities will have to work closely together with the province and Aboriginal Affairs and Northern Development Canada (AANDC) where necessary, as the exact process will vary from province to province.



Regional Water Case Studies



Case Study



1.3 Woodland Cree First Nation, Northern Sunrise County and the Village of Nampa (AB)

Location:

Peace River region of northwestern Alberta

Populations:

Northern Sunrise County: 2,880

Village of Nampa: 373

Woodland Cree First Nation: 986

Cost-sharing projects:

Water treatment plant (New Water Ltd.), wastewater, fire protection, family and community support services, seniors' transportation program and a recreational facility

Capital costs:

Phase one: \$46 million (the three communities contributed \$12 million in total)

Other funding:

\$34 million from various grants including \$4 million from AANDC and \$3 million from the Province of Alberta

Keys to success:

Grant funding

Communities may want to consider applying for government and other grant programs to subsidize infrastructure projects.

Striking the right balance in committees

When establishing a committee to oversee the process of developing a new entity, ensure that all relevant parties (communities, private sector, provincial and federal governments) are at the table. Also ensure that committee members have a variety of skills and backgrounds.

Spirit of cooperation and regular communication

Maintaining a spirit of cooperation and commitment between parties makes for successful long-term working relationships. Regular communication ensures that problems are dealt with early and solutions benefit all communities involved.

Lessons learned:

Innovative Problem Solving

When problems arise, identify each party's needs, think "outside the box" and focus on finding solutions together.

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Background

Poor water quality and unreliable water sources were the drivers that brought together three communities in the Peace River region of Alberta: Northern Sunrise County, the Village of Nampa and Woodland Cree First Nation. These communities were seeking a stable source of potable water for their residents and were striving to meet the future needs of their region in a sustainable manner.

In 2006, a Water System Feasibility study recommended building a new water treatment plant to replace the two existing outdated plants in Cadotte Lake and the Village of Nampa that served all three communities.

Process for the Water Treatment Plant

With such a large undertaking and financial investment, the communities began to collaborate to apply for grants from the federal and provincial governments and other potential funders.

A technical committee was established to develop design plans for the new water treatment plant. To ensure the process ran smoothly, each community nominated two representatives to attend all technical meetings and any other related meetings. Representatives included CAOs, Chief and band council members and experts in the areas of economic development and engineering. In addition, the technical committee required the regular attendance of consultants and representatives from Alberta Transportation, Alberta Environment, AANDC and Shell Canada. The contributions of committee members with a variety of different skills and backgrounds provided a solid foundation for covering all aspects of this complex and lengthy process.

Results

After four years of hard work and dedication, New Water Ltd., a state-of-the-art water treatment plant, became a reality. New Water Ltd. is jointly owned by Northern Sunrise County (62% ownership), Woodland Cree First Nation (25% ownership) and the Village of Nampa (13% ownership). Northern Sunrise County and Woodland Cree Nation have been the primary administrative entities throughout the process while Northern Sunrise County employees handle the daily operations of the facility.

The capital cost for the first phase of development was \$46 million. Together, the communities contributed \$12 million and the rest of the funds came from various grant sources including \$4 million from AANDC, and \$3 million from the Province of Alberta.

New Water Ltd. is the first plant in the Northern Alberta region to exceed current industry practices in the areas of sustainable development, environmental efficiency, and energy efficiency making it a candidate for LEED Silver certification. Energy measures are expected to achieve a 45% reduction in energy consumption and the building was constructed with solar preheating for ventilation air and a heat recovery ventilation system. The building draws water from the Peace River through the Low Lift Pump house and Shell Canada's intake. Efforts were made to reuse Shell Canada's pipeline and to build with recycled construction materials.

The second phase of development will involve extending the current pipeline an additional 40 kilometers. When the new water system is completed it will include a raw transmission line, desilting pond, raw water reservoir and regional transmission line system.

Challenges

New Water Ltd. would not have come to fruition if these communities had not sought grant funding. Grant funding can be competitive and it is usually based on meeting specific criteria in order to qualify. Communities with low populations can run the risk of being seen as a lower funding priority. The grant funding applications prepared by the communities included research explaining their need to have a stable, high-quality water supply that meets long-range sustainability practices on a regional basis.

A project of this magnitude requires a significant commitment of time, significant commitment to communicate and significant amount of research on the part of all participants. Regular meetings and consultation — among all three communities, government bodies, Shell Canada, consultants and numerous contractors — at all stages of the project helped make New Water Ltd. a reality. Regular communication enabled the parties to identify problems early and respond with solutions that would benefit the three communities. The process allowed them to think “outside the box” and work in a spirit of cooperation. These communities also committed to meeting deadlines and ensuring that their technical work was of high quality.

Working with municipalities and First Nations often involves different administrative processes. Whether this involves band council resolutions or municipal council motions and approvals, working together requires a great deal of continued coordination and communication between the communities.

Additional partnerships

The communities have had positive, ongoing relationships over the years and have entered into some other service agreements with one another. The Village of Nampa and Northern Sunrise County have a fire protection mutual aid agreement. These communities also partner for Family and Community Support Services, a seniors’ transportation program, and a recreational facility in the Village of Nampa.

The Northern Sunrise County provides Woodland Cree First Nation with both wastewater services and fire protection services on an informal basis. These communities are also developing a joint economic development strategy and a mutual aid agreement for fire protection.

Conclusion

This case study is a positive example of collaboration and cooperation between communities to solve water concerns. The communities have established sustainable and energy efficient practices that will provide long-term environmental and economic benefits. This study also demonstrates how smaller communities with limited resources worked together on a regional basis to secure grant funding to realize their goals.

References

Northern Sunrise County, Woodland Cree First Nation and Village of Nampa. (2010). *New water Ltd. Regional Water System: Official Opening October 1, 2010* [Brochure]. Peace River, AB: Author.

Northern Sunrise County. (2011). *New water Ltd. Overview*. Retrieved February 11, 2011 from http://www.northernsunrise.net/index.php?option=com_content&view=section&layout=blog&id=6&Itemid=73

Heat-Recovery Ventilation

Heat-recovery ventilation systems allow buildings to maintain high indoor air quality without excessive additional energy costs.

A heat-recovery ventilator (HRV) consists of two separate air-handling systems: one collects and exhausts stale indoor air while the other draws in outdoor air and distributes it throughout the building.

At the core of an HRV is the heat-transfer module. Both the exhaust and outdoor air streams pass through the module, and the heat from the exhaust air is used to preheat the outdoor air stream. Only the heat is transferred; the two air streams remain physically separate. Typically, an HRV is able to recover 70 to 80 per cent of the heat from the exhaust air and transfer it to the incoming air. This dramatically reduces the energy needed to heat outdoor air to a comfortable temperature.

(Adapted from Natural Resources Canada's web page: <http://www.oeo.nrcan.gc.ca/residential/personal/new-homes/r-2000/standard/how-hrv-works.cfm>)

Case Study



1.4 Lac La Ronge First Nation, the Town of La Ronge and the Village of Air Ronge (SK)

Location:

West shore of Lac La Ronge, a glacial lake about 250 km north of Prince Albert in Northern Saskatchewan

Population:

Lac La Ronge Indian Band: 8,954

Town of La Ronge: 2,725

Village of Air Ronge: 1,032

Cost-sharing projects:

Waste management with landfill and recycling program, regional fire hall and regional water corporation (including water treatment plant)

Project cost:

\$12.14 million for the water treatment plant

Additional partners:

Northern Revenue Sharing Trust Account (Province of Saskatchewan), SaskWater; Western Economic Diversification Canada, Infrastructure Canada, Indian and Northern Affairs Canada (now AANDC) and Associated Engineering.

Keys to success:

Trusting relationship

An established relationship based on trust and regular communication can avoid some of the challenges involved in setting up new entities.

Consider future needs and requirements

When considering options for future water needs, ensure that you consider current and anticipated regulatory requirements and future water demands.

Lessons learned:

Relationships take time

It can take time to establish a solid, trusting relationship with neighbouring communities. Historically, the three communities went through growing pains to establish the formal and informal structures necessary to deliver joint community services.

Cooperation across all levels

Establishing a complex entity such as a regional water corporation requires cooperation from all levels of leadership — from project management to implementation staff.

Consider regional water solutions

If water solutions for a small community are being explored, the most viable solution could be a regional solution involving neighbouring communities.

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Background

Lac La Ronge is a glacial lake located on the edge of the Canadian Shield in Northern Saskatchewan, approximately 250 kilometres north of Prince Albert. The Lac La Ronge Indian Band (the band), the Town of La Ronge (the town) and the Village of Air Ronge (the village) are on the west shore.

The band, town and village have worked collaboratively to meet joint needs in a variety of sectors including waste management with a landfill and recycling program, a regional fire hall, and a regional water corporation.

This case study will focus primarily on the development of the regional water corporation.

Process for water service agreements

For many years, the town, village, and band in Northern Saskatchewan experienced problems with their respective water systems: inadequate capacity, aging infrastructure, and difficulties in meeting new water quality regulations. At the time, the town and village had their own water treatment plants, and the band received water from the village but managed its own distribution system.

While the town and village were assessing their existing systems, the band retained the services of an engineering firm (Associated Engineering) to explore options for establishing a water treatment plant in their community.

None of these approaches were leading to viable options as one of the major obstacles was access to sufficient capital to build and/or retrofit the existing systems on an individual basis. Preliminary research indicated that establishing a regional water system to supply high-quality potable water would likely be the most cost-effective way to meet existing and longer-term growth projections

for the communities. With a mutual understanding of their collective shared needs for a sustainable and high-quality water supply, and recognizing the economic benefits of working cooperatively to meet the increasingly stringent drinking water quality requirements for their growing region, the three communities began discussing options for collaborative solutions to meet their respective water needs. Discussions expanded to include Associated Engineering, SaskWater (the provincial crown water utility) and AANDC.

A water committee was established with representation from all three communities. Associated Engineering was retained to develop the conceptual design and construction of a regional water supply and distribution system. SaskWater was asked to examine different operational and management scenarios and to analyze financing options and requirements for raising capital. Any solutions to be presented were required to meet current and anticipated regulatory requirements and future water demands for the communities.

The report written by SaskWater and Associated Engineering revealed that having one treatment plant was the most financially viable solution. Estimated at \$12.14 million, the proposed system would involve

- combining the existing water systems
- upgrading and expanding the La Ronge Water Treatment Plant and raw water intake
- constructing new connection feeder mains
- converting the village's water treatment plant to a water distribution plant,
- modifying the band's water distribution system and additional pipeline construction

Based on the most economically feasible options, a formula was presented for cost sharing the project. This included a cost analysis considering capital requirements on a per capita level, the value of existing assets, population growth rates of the different communities, and an expected 20-year lifespan for the plant.

All parties involved looked at the report and were satisfied that it met their needs but were concerned about the high implementation and operation costs. The assessments showed, however, that while the initial capital outlays would be high, the operational costs would progressively lessen over time.

The new water treatment and distribution system would upgrade the communities' water treatment facilities to address their water quality and capacity concerns and meet the regulatory requirements for water quality and waterworks operations. Implementation of the system would result in the largest service population (10,000) for a water system in northern Saskatchewan or on a Saskatchewan First Nation.

Administrative management

The leadership in all three communities worked to design the administrative structures needed to operate a regional water system. They fostered a cooperative approach that encouraged the communities to work together to develop the regional system with an eye to the long-term benefits for water quality, sustainability and economic development opportunities.

The Mayors and Chief signed an agreement to organize and set up an interim board with two representatives from each community and one representative to be elected at large by the board. This was the first example in Saskatchewan of a First Nations community serving as a shareholder in a nascent utility corporation. The governance structures for

the interim board were created using templates of similar boards elsewhere in the province. The village provided administrative support for the board and pending corporation.

Eventually a lawyer was retained and the Lac La Ronge Regional Water Corporation was established and provincially incorporated.

Provisions for contribution agreements between all three communities were established and the interim board began to pursue funding. SaskWater continued work on the Lac La Ronge Regional Water Corporation–Water Supply System, acting as project manager on behalf of the three communities.

All partners have donated services, time and financing to help establish the corporation, test water treatment processes and conduct studies. The goal was to set up the permanent board with a sustainable budget based in part on a cost-recovery model.

Results

Financing to build this system required negotiations with different orders of government and with various entities. Through discussions, support was provided by the band, the town and the village along with the provincial and federal governments. The province provided financial support through the Northern Revenue Sharing Trust Account and the federal government provided support through Infrastructure Canada, AANDC and Western Economic Diversification Canada.

The Lac La Ronge Regional Water Corporation retained Associated Engineering to complete the preliminary and detailed design, tendering and construction engineering services to upgrade the raw water intake, expand and upgrade the water treatment plant, construct a new regional pipeline and

convert the Air Ronge plant to a pump station. Preliminary designs began in 2007 and by 2009 the pipelines were completed. The intake screens for the treatment plant were installed in May 2010. Design and tendering of the treatment plant was completed in summer 2009.

Challenges

The challenges in setting up the regional water corporation were few due to the solid existing relationships between the band, the village and the town. The other key factor that helped prevent challenges was the thoroughness of the report and the technical and operational options generated by Associated Engineering and SaskWater for the water treatment plan.

Three principal issues arose related to procedural and administrative concerns and employment priorities.

1) Municipal determination of the Lac La Ronge Regional Water Corporation

GST/HST is applied to most suppliers of property and services. While municipalities are required to pay these taxes, they are entitled to a municipal rebate from the government at a rate of 100% of the GST and the federal part of the HST.

However, before they can submit claims for the rebate, they need to be registered and municipally designated. Municipalities often create autonomous boards, commissions and other local bodies to carry out specific municipal activities and provide services; these entities may also qualify for the rebates. Rebates are also permitted in instances where the corporation is owned by First Nations or tribal council as long as it provides exempt municipal services such as fire and police protection, water distribution, sewerage, drainage systems, library services, etc.

The Lac La Ronge Regional Water Corporation has experienced some administrative hurdles in providing the municipal designation given that the corporation is a tripartite formation that includes First Nations. This has impacts on the GST rebates the corporation is potentially entitled to, which can be quite significant when factoring in construction, capital costs and anticipated operational and maintenance costs.

The band has been working with authorities to receive a municipal designation for its involvement in the water corporation, which will allow the corporation as a whole to be entitled to the GST rebates.

2) Jurisdictional concerns for land ownership

The new water treatment plant is located in a community park on the town's waterfront. The town bylaws require public consultation when land is sold or leased. There was also a need to distinguish between and determine ownership of the land and ownership of the facility.

It was agreed that the town retains the right to the land. Therefore, if the water treatment plant is ever moved, the land as an asset is designated solely to the town. The water treatment plant as a facility, however, is under the control of the corporation.

To account for any unanticipated changes in the future, the agreement contains options for revisionary clauses for joint access and provincial clauses to ease maintenance of the land.

3) Employment

All three jurisdictions had some water infrastructure on their lands. Once the issue of the location for the treatment plant was settled, the parties discussed ways to ensure access to employment opportunities arising from the formation

of the water corporation and for the operation of the new plants. In addition, they decided that there was to be no loss of employment arising from realignments of the existing distribution facilities and infrastructure. They agreed that local citizens would have first right of access to employment. When SaskWater was awarded the contract to operate the plant, it provided a capacity-building program to train community members should they desire to work for the corporation.

Relationship building

Historically, the three communities have gone through growing pains as they have developed the formal and informal structures necessary to deliver joint community service.

The magnitude of work involved to make the regional water corporation a reality was significant. It required cooperation from all levels starting with the leadership and including project management and implementation staff.

In moving forward with the development of the regional water corporation, all three communities benefited from existing close working relationships where the leadership was closely involved. The key stakeholders had representatives who were respected and trusted by all parties. In addition, a transparent and open process was used to share information and exchange candid views on priorities and concerns.

The regional water corporation was built on a solid foundation of cooperation and respect. As a result, the deliberations were more of a technical nature, which required external experts. The operational and project management staff who provided technical advice were individuals already working in the area and were known and trusted by all involved parties.

Additional partnerships

In 2004, the Lac La Ronge Regional Waste Authority (later called the Lac La Ronge Regional Waste Management Corporation) was created to handle the consolidation of municipal solid waste management for the town, the village, and the band and for a number of small nearby communities represented by the Northern Saskatchewan Administration District (NSAD).

In 2007, a tri-community partnership comprising the band, town and village signed a formal memorandum of understanding to establish and manage a regional fire hall. The fire hall has an official governing body to which each of the three communities appoints members. All communities contribute to the operational costs on a per capita basis.

According to former Mayor Joe Hordyski, who served on the La Ronge Town Council for 18 years — 12 of them as Mayor — the forging of partnerships between the three communities was among the most rewarding experiences during his time in public service. In an interview with the *La Ronge Northerner* (a community newspaper) he said, “In my view the relationship that we built between the three communities is more than just cost sharing; it’s beyond that. We’ve built a trust and being able to help each other out ... it’s a mutual relationship.”

Conclusion

The success of the development of the regional water corporation can be attributed to the following factors:

- a solid trusting relationship between all three communities;
- involvement across all levels of the administrations, from elected officials to senior management to line staff; and
- participation in terms of financing, time and services from all key partners including the communities, the private sector and provincial and federal governments.

Waste management snapshot

Waste disposal in many small northern communities presents a challenge. Establishing properly run and regulated landfills in accordance with provincial standards can be financially prohibitive for a small community. Many smaller communities meet this challenge by working together through regional waste management arrangements that are more cost effective and meet provincial standards.

In 2004, the Lac La Ronge Regional Waste Authority (later called the Lac La Ronge Regional Waste Management Corporation) was created to handle the consolidation of municipal solid waste management for the Town of La Ronge, the Village of Air Ronge, the Lac La Ronge Indian Band and a number of small nearby communities represented by the Northern Saskatchewan Administration District (NSAD). The Corporation serves communities within a 40-kilometre radius of the Town of La Ronge. Existing landfills were closed and with the use of transfer stations, each community now hauls its waste to a central landfill established in the Town of La Ronge.

The Corporation is the first regional waste authority to have been established in northern Saskatchewan. Provincial support was provided to purchase collection and recycling equipment and for landfill development. The Town of La Ronge provides accounting services for the Corporation. Service fees for the operations of the Corporation are calculated using a cost-sharing formula on a per capita basis.

2. Joint community planning

Joint community planning allows communities to establish a vision for their region in the long term and then plan and implement the projects that would help them to achieve this vision. Plans may involve projects in several different sectors of the community (e.g., health, environment, natural resources, economic development, infrastructure and social well-being), but projects are working toward a common objective. Ideally, planning would not simply take place in the political or administrative bodies of a community. It would work at the grassroots level to ensure that all residents can feel that they are a part of the decision-making processes and are participating in achieving change.

Advantages of joint community planning include the following:

- Empowers communities to begin to work together and respond to change and regional needs together in an effective and comprehensive manner
- Prevents duplication of efforts between communities and streamlines approaches
- Builds capacities between governments to work together and find synergies
- Helps coordinate land use, community needs, and future developmental demands, all of which can be tackled together
- Ensures that natural environments that are important to both communities can be protected (i.e., source water protection)
- Helps identify areas for future collaboration such as economic development
- Promotes reconciliation and the recognition of common values and goals

2.1 Sustainability planning

Sustainability planning is a type of community plan that sets out a long-term vision for your community. It considers social well-being, economic development and environmental sustainability. By engaging in a sustainable community plan, you are creating an impetus for policy change and public engagement. Although local governments are usually the ones to push-start initiatives, sustainability is more than a local concern. Therefore it can be mutually beneficial to plan with your neighbour and share ideas about your community's objectives and how you can reach your sustainability goals jointly.

There are several key points to consider when thinking about sustainability planning:

- Sustainability planning means thinking long term, but creating action plans for the short, medium and long terms.



- Sustainability planning must be easy to understand and implement.
- Community sustainability plans are working documents that need to be monitored and adjusted over time to meet your community's needs.
- Sustainability must take into consideration many facets of the community, including the community's social and economic well-being.
- Sustainability planning means being engaged with your community and other local governments — having everyone on board early will allow you to have the most effective plan possible.

There are plenty of resources available to help establish community and sustainability planning. Please see **Unit 4, Chapter 4: Best practices references and CIPP Guide to Joint Community and Sustainability Planning.**

3. Source water protection

The provision of safe drinking water is a universal goal. In Canada, although municipalities do not have constitutionally defined authority over water, they have acquired responsibility under provincial statutes to supply water to users.

As such, municipalities are faced with the challenge of being the frontline providers of drinking water systems, maintenance and monitoring in the majority of Canadian communities. The primary method for meeting these requirements is shaped by their respective provincial legislative and regulatory frameworks, which vary across Canada. For First Nations reserve communities, the protection and provision of water to First Nations is a responsibility of the federal government, coordinated through AANDC. A disparity in access to clean, safe drinking water between First Nations and non-First Nations communities is well documented in Canada. Post-Walkerton, water quality issues across Canada concern many people, and the protection of safe

community water sources is of paramount interest, both on reserves and in non-First Nations communities.

3.1 Best practices in working together

The development of community approaches to ensure that more drinking water is safe and clean requires understanding the many diverse pressures and challenges to be considered in planning and managing water quality. These include a wide variety of land-use related point sources (for example, wastewater discharges from sewage treatment facilities or a variety of commercial or industrial

Source water: What is it? Why should we care?

- Source water is simply water in its natural state, prior to treatment for drinking. Approaches to source water protection focus primarily on surface water, aquifers and groundwater recharge areas.
- The primary objective in protecting source water is usually for drinking purposes. In many cases other water uses draw from the same source of drinking water supplies, including agricultural, commercial, institutional and industrial water users. In addition, there may be ecological and other non-consumptive water uses interconnected with drinking water supplies. For example, surface water sources of drinking water come from watersheds that provide for diverse environmental, recreational, cultural, spiritual and aesthetic values. By protecting water quality for drinking, all of these other values and uses of water may also benefit.



sources) and non-point sources (including runoff from urban development, and agricultural, forestry, and mining operations, flooding, landslides, erosion, and sediment transport). As such, the development of source water community plans should include a comprehensive long-term planning process that incorporates land-use planning into the protection of the water resource. Adjacent communities and jurisdictions, First Nation or municipal, naturally need to connect. In many cases, land and resource uses on Crown or private lands upstream of community water supplies, such as forestry, ranching, agriculture and mining, may be outside either jurisdiction.

Coupled with a planning process considerate of land use is the need for good infrastructure and decision-making support networks. A better understanding of the water resource itself will help develop and implement source water protections plans. It is mutually beneficial for local governments and First Nations to work together on data collection, information sharing, and infrastructure and development planning. Consideration may also need to be applied to assess the capacity of water providers to ensure that they are capable of meeting water quality standards.

Municipal–First Nation Service Agreements

Water service agreements, comprehensive integrated planning of land use and sharing of resources between First Nations and municipalities generally also benefits source water protection.

Elements to consider for drinking water service agreements include system capacity, planning and design, service needs, financing, performance criteria, operations, response plans, surface and ground water protection and if possible, land-use planning.

For most communities, the cost of installing, delivering, operating and maintaining a good drinking water system is seen as a significant limitation to maintaining system integrity. Coordinating investments in expensive systems between First Nations and municipal governments may facilitate deeper integration and advance more cooperative governance regimes.

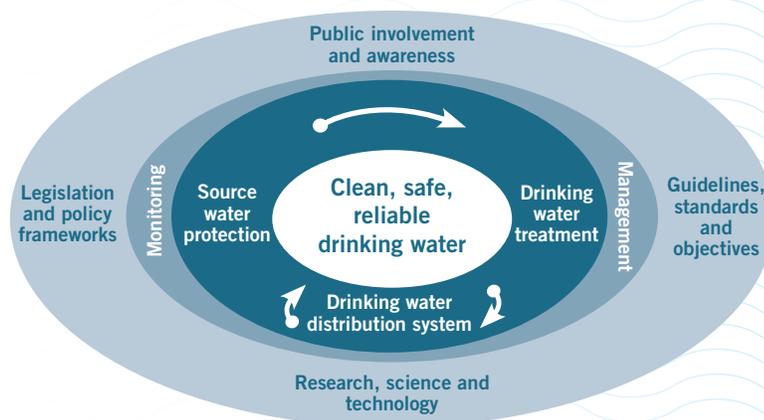
3.2 Management strategies

Protecting source water and drinking water quality is primarily about ensuring that point and non-point sources of pollution do not degrade water quality to the degree that it adversely impacts the uses of that water for human consumption (i.e., drinking). Water quality is a significant issue in some communities, particularly where there may be threats or pressures to community water supplies, where drinking water treatment capacity may be limited in relation to those threats and where the health of aquatic ecosystems is threatened by point or non-point sources of pollution. For some communities, meeting drinking water standards is a challenge.

Burns Lake Band and Village of Burns Lake, BC

Following a successful agreement signed between the Village of Burns Lake and Lake Babine First Nation in 1991, the village has also signed agreements with the Burns Lake Band for water and sewer, as well as other municipal services in April 2011.

Figure 1: Components of a multi-barrier approach to drinking water protection
(Canadian Council of Ministers of the Environment, 2004, cited in OSWS, 2008)



Approaches

Desired outcomes of source water protection planning may include ensuring a safe, secure supply of quality water for a wide variety of uses, managing wastewater discharges within the capacity of receiving waters to absorb and assimilate those wastes, managing land and resource development practices in ways that maintain and protect water quality, and managing human development patterns in ways that stabilize rather than destabilize the hydrologic cycle and associated erosion and sediment transport processes.

Comprehensive approaches to achieve desired outcomes for drinking water protection include appropriately managed and monitored source water protection, drinking water treatment and an appropriate drinking water distribution system. Approaches may include, but are in no way limited to the following:

- **Source water assessments and response plans**

Assessments of drinking water source and systems are integral to understanding the state of a community's drinking water supplies and what needs to be done to improve them. Water providers often do not have control over land use within the watersheds from which drinking water is sourced. They may not be aware of natural

conditions or activities within a watershed or around aquifers that affect water quality. Assessments can identify, inventory and assess the drinking water source for the water supply system, including land use and other activities that may affect the source; the water supply system, including treatment and operation; monitoring requirements for the drinking water source and water supply system; and threats to drinking water that is provided by the system. Assessments can help to identify opportunities for preventative or remedial action.

- **Drinking water or source protection plans**

Source or drinking water protection plans are relevant for the protection of water quality and quantity for a specified source from a wide range of pressures. Such protection plans are typically developed for a specific source of drinking water supply such as a watercourse, watershed, reservoir, well or aquifer. Well or aquifer protection plans focus on the protection of groundwater quality from pollution sources associated with the land above aquifers where groundwater infiltration may carry contaminants from the surface to groundwater. Well or aquifer protection plans are developed at a geographic scale that includes the recharge area for a well or aquifer.



All of these plans should examine water quality threats from a variety of surface and ground-water sources including residential, industrial, commercial, institutional and agricultural land uses across a wide landscape. A holistic approach to planning, that involves all possible contributors and users, is encouraged.

Although the terminology and regulatory regimes vary across Canada, good source water protection plans should characterize the source (boundaries, sensitive areas, water quality and quantity), identify potential hazards in the source area (quality and quantity, point and non-point), address and prioritize health risks posted by identified hazards and establish and implement plans for eliminating or mitigating identified hazards (including clear objectives and timelines).

Municipal and First Nation governments can further protect drinking water sources and products by developing and implementing bylaws that control land use and development. Over and above managing and monitoring their water source, communities should also consider developing public action and awareness

programs designed to address social impacts on drinking water and improve local knowledge.

3.3 Water governance

In Canada, the primary responsibilities to protect water quality are shared among federal (primarily AANDC, Environment Canada, Fisheries and Oceans Canada), provincial (Ministries of Health, Environment, etc.), First Nations, municipalities and other organizations. The responsibility for providing clean, safe drinking water in Canada lies primarily with provincial and territorial governments, while municipalities usually oversee the day-to-day operations of water supply and treatment facilities. The federal government is responsible for overseeing water on federal lands and for providing safe water to First Nations peoples living on reserves. From a community health perspective, the roles and responsibilities for water treatment vary across communities in Canada, with jurisdiction over treatment ranging from municipalities, regional districts, counties, First Nations and other water suppliers.

Grand River Notification Agreement

Signatories: The Six Nations of the Grand River, the Mississaugas of the New Credit, the County of Brant, Haldimand County, the City of Brantford and the Grand River Conservation Authority as well as the governments of Canada and Ontario

What has been termed the Grand River Notification Agreement was originally signed in October 1996 by the First Nations and municipal governments around the lower Grand River in southern Ontario, together with the federal and provincial governments and the Grand River Conservation Authority. It was renewed in October 1998 and again in October 2003 and was developed as a result of three common concerns shared by the First Nations and the municipalities along the Grand River: First Nations land claims; shared concern for environmental sustainability with respect to actions affecting water quality in the Grand River, including the impact of activities further upstream; and a recognized need for improved information sharing. The parties agreed to inform each other, according to a specified procedure, of actions that could affect the environment within the specified area. Although the agreement is not legally binding, it relies on compliance to advance the interests of the parties to the agreement.

Legislation/Regulations

The following is an overview of the main federal legislative structures in place related to source water protection. Changes in legislation and regulations will limit the following legislative highlights to a snapshot overview of systems in place in early 2011. Provincial legislation and regulations are the primary legal authorities for drinking water in Canada, but vary greatly by province and are subsequently too considerable to provide. Links to provincial and territorial legislation is provided in the resource section of the toolkit.

- **Canadian Environmental Assessment Act (CEAA).** Projects considered under the Act are screened for their impact on source water. This Act encourages responsible authorities to take actions that promote sustainable development in an efficient manner, promote cooperative action between the federal and provincial government with respect to the environmental assessment processes for projects and promote communications and cooperation between responsible authorities and Aboriginal peoples.
- **Canada Water Act (CWA).** This Act provides a framework for managing water resources in Canada. The *Canada Water Act* outlines the power to develop federal-provincial water resource management programs where there is a significant national interest. The Act also enables management programs to be developed for federal waters, inter-jurisdictional waters and international boundary waters (with respect to inter-jurisdictional water issues, the Act obliges the federal minister to let disputing bodies work together and only step in when others have failed).
- **Department of Health Act.** The *Department of Health Act* defines the powers, duties and functions of the Minister of Health, including duties related to health issues, such as access to potable water for Canadian citizens. Only the health issues under the jurisdiction of the federal government are covered in this Act.
- **Environmental Protection Act (EPA).** The EPA is designed to protect human health and contribute to sustainable development through pollution prevention and the protection of the environment (including water). Under this Act, advisory committees are established that may enter into agreements with provinces and Aboriginal peoples.
- **Indian Act.** The *Indian Act* enables an Indian band to enact bylaws regarding a range of issues, including to provide for the health of residents on the reserve and to prevent the spread of contagious and infectious diseases; the construction and maintenance of watercourses, roads, bridges, ditches, fences and other local works; and the construction and regulation of the use of public wells, cisterns, reservoirs and other water supplies.
- **First Nations Land Management Act (FNLMA).** This Act and the affiliated Framework Agreement (below) enable the participating First Nations to manage their reserve lands and resources outside of the *Indian Act*. Several bands across Canada have signed individual agreements. The *First Nation Land Management Act* speaks of land and resources, the term “resources” often interpreted to include water.



- **Framework Agreement on First Nations Land Management.** A First Nations band has the option to manage its reserve lands under the *Framework Agreement on First Nations Land Management*, by developing and adopting its own land code. The land code sets out the basic land laws of that First Nation, thereby replacing the land management provisions of the *Indian Act*. Participating First Nation bands receive the power to make laws respecting the development, conservation, protection, management, use and possession of First Nations land and interests and licences in relation to land. Federal administration of the reserve land ceases under the *Indian Act*. This type of government-to-government agreement enables First Nations to establish their own regimes to manage their lands and resources, providing for more decision making at the local level.
- **Guidelines for Canadian Drinking Water Quality.** The federal government in collaboration with the provinces and territories developed these guidelines under the Federal-Provincial-Territorial Committee

on Drinking Water. This Committee includes representatives from all provinces and territories as well as Environment Canada and Health Canada, the latter providing secretariat support for the Committee. The guidelines outline the minimum requirements of every water system in Canada to ensure clean, safe drinking water. The guidelines reinforce drinking water requirements in all Canadian jurisdictions to meet or exceed the *Guidelines for Canadian Drinking Water*.

- **Bill S-11 An Act Respecting the Safety of Drinking Water on First Nation Lands.** At the time of the writing of the toolkit, this bill had not passed third reading.

Through the entrenchment of Aboriginal rights in the Canadian Constitution of 1982, land claims and self-government agreements and treaties, and ongoing affirmations of rights by the Canadian Supreme Court, indigenous peoples of Canada have distinct rights, both as governments and individual rights holders, to be active participants in water-related decision making.

City of Saskatoon and Muskeg Cree Lake Nation, SK

The creation of a new Muskeg Cree Lake Nation commercial urban reserve adjacent to the City of Saskatoon in 1988 was supported by the development of an agreement between those parties that identified water and sewer services, fees and levies as well as roads, natural gas and electricity. While protecting source water was not the primary reason for creating the agreement, the association between the development of land and the provision of safe drinking water was made. The evolutionary nature of the agreements and relationship between these parties is notable.

4. Best practices references

This section provides references for best practices in the following sectors:

- Community planning
- Water
- Infrastructure and public works
- Sustainable development

4.1 Community planning

FCM's Green Municipal Fund™

GMF offers best practices, resources and tools to support municipal governments and other interested parties working toward sustainable community development, including sustainable community planning. The GMF Planning sector includes official plans, neighbourhood plans, and economic development plans.

Whistler Centre for Sustainability

The Whistler Centre for Sustainability (WCS) takes the expertise and leadership from the lessons it learned while developing integrated sustainability plans in Whistler, British Columbia, and combines them with global best practices to deliver consulting services and learning opportunities for interested local governments. The WCS can assist communities with integrated community sustainability planning; energy and emissions management; measurement, conservation and investment analysis; and planning and reduction strategies. It can help them develop key sustainability performance indicators, including monitoring and reporting tools; adapt proven community engagement practices; and develop on-the-ground implementation strategies and tools. It can also help communities develop applications for federal gas tax funding.

Municipal Sustainability Planning

Alberta Urban Municipalities Association (AUMA)

AUMA provides information about sustainability planning. It recommends that municipalities take a broad view of sustainability by developing a comprehensive long-term plan that includes and integrates the five dimensions of sustainability — social, cultural, environmental, economic and governance. This website includes many valuable resources and guidebooks for communities looking to create and implement a sustainable community plan.



4.2 Water

Protocol for Safe Drinking Water in First Nations Communities

Aboriginal Affairs and Northern Development Canada (AANDC)

The document, *Protocol for Safe Drinking Water in First Nations Communities*, contains standards for designing, constructing, operating, maintaining and monitoring drinking water systems on reserves. It can act as a reference guide for operators and public works employees on reserves as well as anyone interested in learning more about water standards on reserves.

Thinking Beyond Pipes and Pumps: Top Ten Ways Communities Can Save Water and Money

The POLIS Project on Ecological Governance

The handbook, *Thinking Beyond Pipes and Pumps*, presents an expanded definition of urban water infrastructure — one that goes beyond the existing physical infrastructure of pipes, pumps and reservoirs. It emphasizes decentralized technologies and lasting local programs that inspire behavioural change. There is a need for social infrastructure (i.e., the planning processes, education programs and financial and human resources) to liberate the full potential of water efficiency, conservation and sustainability on a community level.

Worth Every Penny: A Primer on Conservation-Oriented Water Pricing

University of Victoria – POLIS Project

This publication emphasizes the importance of pricing water to encourage conservation at the user level. It demonstrates

- how to price water for its real costs
- how negative impacts can be mitigated
- how revenue generated from resetting pricing can be used to invest in water protection and innovative technologies to enhance water sustainability efforts

FCM InfraGuide

The Federation of Canadian Municipalities (FCM)

This infraguide provides a range of best practices and case studies relating to decision making and investment (life-cycle planning), meeting environmental standards, integrated infrastructure, technical solutions to water challenges and technical solutions to challenges relating to waste and stormwater. It also includes two reports relating to transportation infrastructure — roads and sidewalks, and public transit.

INAC/AFN Plan of Action for Safe Drinking Water — Progress Reports

Aboriginal Affairs and Northern Development Canada (AANDC)

AANDC (formerly INAC) will provide funding for water upgrades in 18 separate projects on reserves across Canada. For information about the reserves receiving upgrades, see Appendix B in the 2009–2010 INAC report. The report also mentions provincial regulations that may be incorporated into reserve regulations to meet the needs of First Nations communities.

Water for Life

Government of Alberta

The Government of Alberta has released the Water for Life Action Plan, which reflects Alberta's Water for Life Strategy 2003. The government and its partners will follow this roadmap over the next 10 years. This renewed strategy better reflects the population increase and economic growth that Alberta has seen over the past years, and Albertans' changing water needs. As in the original, the renewed Water for Life strategy has three main goals: safe, secure drinking water; healthy aquatic ecosystems; and reliable, quality water supplies for a sustainable economy. These goals will be met through knowledge and research, partnerships, and water conservation. A complementary Water for Life website has several great resources to better understand Alberta's water resources and it provides information about source water protection.

Design Guidelines for First Nations Water Works

Aboriginal Affairs and Northern Development Canada (AANDC)

The design guidelines in the document, *Design Guidelines for First Nations Water Works*, were developed to serve as a general guide to engineers in the preparation of plans and specifications for public water supply systems on First Nations lands.

From the Source to the Tap: A Multi-Barrier Approach to Safe Drinking Water

Ontario First Nations Technical Services Corporation (OFNTSC)

This short position paper outlines the elements of a multi-barrier approach, which will help ensure that Canadian drinking water supplies are kept clean, safe and reliable for generations to come. The multi-barrier approach recognizes the inter-relationship of health and environmental issues, and encourages the integration of efforts to improve public health with those who also protect the natural environment.

**National Assessment of Water and Wastewater Systems in First Nations Communities —
Summary Report**

Aboriginal Affairs and Northern Development Canada (AANDC)

This report is the result of an assessment of water and wastewater systems on each reserve across Canada. This assessment was based on an on-site inspection of each facility, and recent drinking water quality and wastewater effluent quality data. As the assessments were completed, the results were shared with individual communities so that recommended improvements could be undertaken to reduce or mitigate potential water quality problems and minimize any health risks. INAC estimates that there are approximately 95 water agreements and 91 wastewater agreements (i.e., municipal type agreements [MTAs]) across Canada. These agreements were not included in the study.



Water Conservation for Life

Alberta Urban Municipalities Association (AUMA)

AUMA has created a website to help its members build capacity to meet conservation, efficiency, and productivity (CEP) targets with the support of Alberta Environment. A number of events, resources and information about water use in Alberta are included.

4.3 Infrastructure and public works

Building Capacity for Sound Public Works in First Nations Communities: A Planning Handbook

Institute on Governance

This handbook is a capacity-building toolkit created to help First Nations to implement a public works plan. It includes useful resources and a guide through the planning process. This handbook is recommended for any community looking to implement a public works plan, make major changes to infrastructure and public works, or for communities that are taking on additional responsibilities for public works.

Public Works in Small and Rural Municipalities

Institute on Governance

This document summarizes how public works (i.e., land-use planning, building codes, roads and bridges, parks and recreation facilities, water and sewage systems, and solid waste collection and disposal) are managed in small municipalities across Canada. This document would also be useful for First Nations communities.

FCM InfraGuide

This infraguide provides a range of best practices and case studies relating to decision making and investment (e.g., life-cycle planning), meeting environmental standards, integrated infrastructure, technical solutions to water challenges, technical solutions to challenges relating to waste and stormwater. It also includes two reports relating to transportation infrastructure — roads and sidewalks, and public transit.

Cost Sharing Works: An Examination of Cooperative Inter-Municipal Financing

Alberta Association of Municipal Districts and Counties (AAMDC)

This paper offers a summary of cost sharing between municipalities including benefits, disadvantages, and principles of cost sharing. Although this paper is intended for a municipal audience, it could also be used in the context of First Nations (e.g., for municipal cost sharing).

4.4 Sustainable development

Sustainability Planning Toolkit

Association of Ontario Municipalities

The Association of Municipalities of Ontario has created a sustainability planning toolkit to assist municipalities with creating sustainability plans in the spirit of the gas tax fund. This toolkit provides tools to develop goals, structure sustainability plans, prepare sustainability plans and create sustainability indicators. The toolkit is a useful resource for both municipalities and First Nations looking to implement a sustainable community plan.

Centre for Indigenous Environmental Resources

Centre for Indigenous Environmental Resources is a not-for-profit national organization that Chiefs from across the country formed to support sustainable development and encourage action on climate change. It includes a web-based library of resources and information about environmental seminars and workshops.

Simon Fraser University Centre for Sustainable Community Development

Sustainable Community Development (SCD) aims to integrate economic, social and environmental objectives in community development. The Centre's mission is to support the sustainable development of communities through research, education, and community mobilization. It provides research, training, and advisory services throughout British Columbia, Canada, and internationally.

Local Governments for Sustainability

Local Governments for Sustainability (ICLEI) is an international association of local governments and national and regional local government organizations that have made a commitment to sustainable development. ICLEI provides technical consulting, training, and information services to build capacity, share knowledge, and support local government in implementing sustainable development at the local level.

5. Funding options

There are several ways that adjacent First Nations and municipalities can work together to leverage funding for community infrastructure and the development of mutually beneficial service agreements.

First Nations and municipalities are responsible for securing funding and budgeting for their infrastructure and service needs. In the case of First Nations, AANDC often provides the funding for capital projects and most service costs based on their funding matrix. Municipalities often depend on transfers from the provincial government or more recently from federal stimulus funding. Nevertheless, First Nations and municipalities can often find themselves with tight budgets and little resources. This chapter provides an annotated list of available funding that municipalities and First Nations can access. This information is not exhaustive of all funding options and will need to be updated over time. And it can act as a resource to start thinking about leveraging funds and making the implementation of service agreements more financially manageable.

5.1 National

FCM's Green Municipal Fund™

Through the Green Municipal Fund (GMF), FCM provides funding to three types of environmental initiatives: plans, studies and capital projects. Grants are available for sustainable community plans, feasibility studies and field tests, while a combination of grants and loans are available for capital

(infrastructure) projects. Funding is allocated in five sectors of municipal activity: brownfields, energy, transportation, waste and water.

GMF funding for eligible projects is available to all municipal governments and their partners (including First Nations). First Nations can also apply for GMF funding independently of a municipality if the following requirements are provided to FCM:

- a copy of the relevant statute and agreement with the various orders of government
- documents that demonstrate that the province or territory has passed an act or a regulation that affords the status of municipality
- documents that the First Nations are a legal entity capable of entering into contracts is provided to FCM

For more information, visit www.gmf.fcm.ca.

Building Canada Fund

The Building Canada Fund (BCF) is a national infrastructure program that aims to advance infrastructure projects that will contribute to a stronger economy, a healthy environment, and better communities. Project funding will be allocated across Canada. Funds are divided into grants for small project areas (i.e., populations under 100,000) and larger population areas.

Green Infrastructure Fund

The Green Infrastructure Fund focuses on green energy generation and transmission infrastructure, building and upgrading wastewater treatment systems, and improving solid waste management. To be eligible for funding, projects must promote cleaner air, reduced greenhouse gas emissions and cleaner water. In addition, projects must fall within any of the following categories: wastewater infrastructure, green energy generation infrastructure, green energy transmission infrastructure, solid waste infrastructure, and carbon transmission and storage infrastructure.

Federal Gas Tax Fund

Municipalities can apply for funding to implement infrastructure projects that promote cleaner water, cleaner air or reduced greenhouse gas emissions. Predictable, long-term and entitlement-based funding is helping municipalities plan for environmental sustainability and address a massive, province-wide infrastructure deficit. Municipalities can contact their provincial territorial organization for more information about funding in their province.

5.2 Provincial

5.2.1 Alberta

Collaborative Governance Initiative (CGI)

CGI helps municipalities develop collaborative protocols and processes to avert conflict escalations and to allow municipalities to rely on an agreed-upon process for collaborative engagement, which can include engagement with adjacent First Nations. CGI can provide grant money for an assessment phase and an implementation phase.

Where appropriate, through CGI, Municipal Dispute Resolution Services (MDRS) provides for a cost-sharing arrangement between municipalities and Alberta Municipal Affairs to cover part of the consultant's costs to develop dispute resolution preventative processes. Grant funding for the assessment phase can reach \$50,000, while grant funds for the implementation phase can reach \$30,000 on a matching basis. MDRS can also provide interested governments a list of consultants with municipal or CGI experience.

Alberta Capital Finance Authority (ACFA)

ACFA provides local entities with financing for capital projects. ACFA is able to borrow in capital markets at interest rates that would not be available to local authorities acting independently. Interest rates fluctuate as they are based on the cost of borrowing.

5.2.2 British Columbia

Community to Community Forums (C2C)

The C2C Forum program promotes communication and collaboration between municipalities and First Nations by providing a small grant, which covers half of the allowable costs of the venue, food and planning for a C2C forum. The program is administered by the Union of British Columbia Municipalities and supported by the First Nations Summit. Forums are completely led and organized by the communities involved and give participants the opportunity to get to know each other and work together. All municipal, regional district and First Nations governments (e.g., band or tribal council) in British Columbia are eligible to apply for funding for a C2C forum.



5.2.3 Manitoba

Manitoba Water Services Board

The Manitoba Water Services Board assists rural residents outside Winnipeg to develop safe and sustainable water and sewerage facilities. This board can provide project management for all rural water pipeline projects. These activities include groundwater investigation, Environment Act proposals, design, construction, post-construction warranty service and operational assistance. The board provides one-third of the project costs and the remaining two-thirds are generally shared between the municipality and the federal government.

Manitoba Water Stewardship Fund (WSF)

The Manitoba Water Stewardship Department is committed to preserving the province's rivers, lakes and wetlands. It promotes the importance of having quality water for people, the environment and the economy. To help achieve this goal, the Manitoba government has developed the Water Stewardship Fund (WSF), which provides financial assistance to develop, implement and promote projects that maintain or improve the stewardship of Manitoba's water. This includes funding the formation of watershed management plans, water quality initiatives and water conservation programs. Funding is usually limited to \$25,000 per project.

5.2.4 New Brunswick

Municipal Rural Infrastructure Fund (MRIF)

The Municipal Rural Infrastructure Fund (MRIF) targets municipal and rural infrastructure that improves the quality of life and economic opportunities for communities. Most projects under this fund will require a "green" element: improving the quality of air or water (or both) in New Brunswick. These projects can include improving local systems for water, wastewater, solid waste, public transit and energy efficiency in municipal buildings.

5.2.5 Nova Scotia

Integrated Municipal Infrastructure Asset Management Tool

Service Nova Scotia and Municipal Relations developed an asset management tool for integrated municipal infrastructure to assist in determining priorities for capital infrastructure investments within individual municipalities and the province overall. This is a useful capacity-building tool for municipalities and First Nations.

Life-cycle planning tools are available for water, wastewater, water mains, reservoirs, solid waste, transfer stations, roads, and integrated roads, sewer and water. Tools and the Life Cycle Costing Analysis Tool Handbook are available.

5.2.6 Ontario

Ontario First Nations Technical Services Corporation (OFNTSC)

The OFNTSC provides professional technical advisory services to all First Nations in Ontario and aims to help foster technical self-reliance. The OFNTSC can provide assistance to First Nations in the area of water and wastewater including quality assurance initiatives, capital planning and development, engineering studies and training. It also provides peer reviews of designs, reports and studies including water treatment pilot plants and process optimization. Other areas of expertise include fire and safety, housing, environment, and operations and maintenance.

Infrastructure Ontario Loan Program

The Infrastructure Ontario Loan Program provides affordable financing for all capital investments including water, wastewater and sewage infrastructure; roads and bridges; culture, tourism, administration, and recreation infrastructure; water, hydro, heating, ventilating and air conditioning and communications systems; ambulances, fire trucks, snowplows and garbage trucks; ferries and docks; and local police and fire stations.

5.2.7 Quebec

Programme d'infrastructures Québec-Municipalités (PIQM)

The PIQM provides funding for infrastructure in small, large, and regional municipalities in Quebec with a focus on water infrastructure for the purpose of improving quality of life, the environment, and economic opportunities for communities. The funding can be used to construct new infrastructure or upgrade existing facilities. Funding ranges from 50 to 85 per cent of total project costs.

5.2.8 Saskatchewan

Northern Capital Grants Program

The Northern Capital Grants Program provides financial and technical assistance to northern communities in Saskatchewan to assist in the construction or upgrading of municipal facilities and for the acquisition of municipal equipment. The grants may provide up to a maximum of 90 per cent of the cost of the project.

Municipal Capacity Development Program

The Municipal Capacity Development Program (MCDP) was created to promote growth, cooperation and community development through inter-municipal partnerships in Saskatchewan. The MCDP was launched to assist municipalities in building capacity for planning; promote cooperation among municipalities to deliver more cost effective infrastructure and services; further the adoption of inter-municipal growth management plans; and foster long term working relationships among communities.

The MCDP can help facilitate relationships; engage municipalities and their stakeholders to work together to improve service delivery and build capacity; support the development of municipalities; assist in carrying out inter-municipal sustainability plans and strategies; and provide municipalities with the tools for a successful planning process. These services can also be extended to municipalities that are working with First Nations.

The MCDP website is a great resource for communities outside Saskatchewan. This website contains a collection of toolkits, guides, and templates, which municipalities and First Nations can benefit from as they seek to strengthen relationships and develop their communities.

Planning for Growth

The Planning for Growth (PFG) program seeks to enhance regional planning capacity and establish best practices for facilitating sustainable growth and development across Saskatchewan. The program will share project costs with groups of two or more municipalities that

- facilitate regional planning to support the coordination of infrastructure and land use to accommodate growth
- showcase best practices for planning including processes
- provide methodologies and planning models
- build municipal and professional planning capacity in municipalities and regions
- build and enhance relationships required to support regional planning initiatives



5.3 Aboriginal Affairs and Northern Development (AANDC)

First Nations Infrastructure Fund (FNIF)

The FNIF provides money to fund key infrastructure projects that fall under the following categories: planning and skills development, solid waste management, roads and bridges, energy systems and Internet connectivity. Most arrangements will be set up as cost sharing between the First Nations and the federal government, with a maximum contribution of \$10 million. It is possible to also receive funding under this program if the First Nation is in partnership with a municipality. See the website for more information about eligibility criteria and application information.

5.3.1 AANDC infrastructure funding

Federal investments to support infrastructure in First Nation communities focus on mitigating health and safety risks, maximizing the life span of a physical asset, ensuring infrastructure meets applicable codes and standards, and ensuring community infrastructure is managed in a cost-effective and efficient manner.

Three streams of expenditures are funded by the department's Capital Facilities and Maintenance Program:

- **Major Capital** (representing approximately 26% of the budget) funds large or complex infrastructure projects. Major Capital projects are defined by AANDC as “non-core” funded acquisition, construction and/or major repair projects in excess of \$1.5 million and require greater involvement and management from AANDC
 - **Minor Capital** (representing approximately 38% of the budget) funds minor infrastructure repairs, renovations and upgrades (under \$1.5 million). The funding is provided in the form of an annual allocation to First Nations.
 - **Operation and Maintenance** (representing approximately 36% of the budget) funds the costs of operating and maintaining community infrastructure. The funding is provided in the form of an annual allocation to First Nations based upon asset inventory.
- To fund these three types of expenditures, there are two types of agreements:
1. **Comprehensive Funding Arrangement (CFA)**
 - A program budgeted funding arrangement that AANDC enters into with recipients for a one-year duration and which contains programs funded by means of contribution, which is reimbursement of actual expenditures.
 - This may take the form of either a Flexible Transfer Payment (FTP), which is formula funded and surpluses may be retained provided terms and conditions have been fulfilled; and/or grant, which is unconditional.
 2. **Canada/First Nations Funding Agreement (CFNFA)**
 - A block-budgeted funding agreement that AANDC and other federal government departments enter into with First Nations and Tribal Councils for a five-year duration.
 - Contains a common set of federal government funding terms and conditions in the main body of the agreement, while schedules attached to the agreement contain terms and conditions specific to each federal department.
 - Defines minimum standards for a local accountability framework in order to transfer increased authority to First Nations over program design and delivery and the management of funds. First Nations may redesign programs to meet specific community needs.

Under both arrangements, the funding of major capital takes the form of a Contribution Funding Arrangement, whereby only department-approved projects are funded. There are established project related processes, including capital project priority rankings and project application/proposal assessments. Major capital expenditures are funded separately from the “core” funding provided to First Nations. As well, “block” funding of all programming including minor capital and operation and maintenance, pursuant to the CFM program, is provided to First Nations at intervals specified in funding agreements.

5.3.2 AANDC major capital projects selection criteria

How are infrastructure projects selected for funding?

AANDC regional offices employ a ranking system as demand historically exceeds available funding resources. The National Priority Framework (NPRF) was created to ensure that regional processes match up with national funding priorities.

Use of the Priority Matrix

Regions use what is known as a “Priority Matrix” for the following:

- Classify all major and minor capital projects to a place within the matrix based on the definitions that accompany the matrix grid.
- Assign all applications a “priority code” (e.g., B-2) to help sort applications and accompanying documentation.

- Allocate funds to the highest priority projects as regions see fit.
- Examine unfunded projects in each priority area as a way to demonstrate where the needs reside and how they may shift over time.

The following chart shows the Priority Matrix used to classify capital projects. Based on a capital projects application, the regional office will use the definitions that accompany the matrix (provided below) to classify the project in a “priority code” (a combination of the “funding category” (A-F) and the priority category (1–5)). Based on the projects placement on the matrix, the project will be given an overall priority (1–4).

For example, projects involving water and wastewater that are to protect the immediate health and safety of the on-reserve community (B-1) are given the highest priority (1) as represented by the black. The lowest priorities are coloured pale blue and would include education facilities that require capital for growth after two years (C-5), for example.

Figure 2: National Priority Funding Evaluation and Measurement Matrix

PROGRAM ACTIVITIES	Renovation (F-1)	NCSCS Type 1 (E-1)	(D-1)	(C-1)	(B-1)	(A-1)	Protection of health and safety assets	PROGRAM ACTIVITIES • CATEGORIES "A" TO "D"
	New Const. (F-2)	NCSCS Type 2 (E-2)	(D-2)	(C-2)	(B-2)	(A-2)	Health and safety improvements	
	O&M (F-3)	NCSCS Type 3 (E-3)	(D-3)	(C-3)	(B-3)	(A-3)	Recap. / Major Maint.	
	New Const. Grwth<2y (F-4)	N/A	(D-4)	(C-4)	(B-4)	(A-4)	Growth / Need Less than 2 yrs.	
	New Const. Grwth<2y (F-5)	N/A	(D-5)	(C-5)	(B-5)	(A-5)	Protection of health and safet assets	
Housing		Contam. Sites ²	Comm'ty Infra.	Education Facilities	Water/ Sewer	Custodial Assets		
INAC CAPITAL ASSET FUNDING CATEGORIES								

- PRIORITY ONE
- PRIORITY TWO
- PRIORITY THREE
- PRIORITY FOUR

Funding Categories

- A** – Custodial assets
- B** – Water and wastewater
- C** – Education facilities
- D** – Community infrastructure
- E** – Contaminated sites
- F** – Housing

Priority Categories

- 1** – Protection of health and safety
- 2** – Health and safety improvements
- 3** – Recapitalization and major maintenance
- 4** – Growth with need in less than two years
- 5** – Growth with need in more than two years

First Nations Infrastructure Investment Plan (FNIIP)

The First Nations Infrastructure Investment Plan is developed annually in partnership with First Nations to strategically plan investments in the short and medium terms. The national FNIIP is a roll-up of eight regional FNIIPs, based on five-year plans developed by First Nations communities and submitted annually to AANDC.

The FNIIP includes priority investment areas, provides a rationale to how it was developed and outlines details of specific eligible projects for investment. The FNIIP is a planning document. Not all projects identified in the plan will receive the level of funding identified in a particular year. The regional staff works with First Nations throughout the year to support projects on a prioritized basis with available resources. Adjustments to the plan occur throughout the year and into future years as community, project and financial circumstances change.

5.3.3 Service agreement funding

Service agreements are managed through AANDC regional offices and thus funding practices will vary slightly across Canada. The following section does not apply to First Nations who are receiving funding through “block funding,” which is more common in the Atlantic Region.

AANDC will provide funding for services delivered through service agreements for select services at the same percentage that would be contributed according to the formulas established by AANDC. These services are funded at 80 to 90 per cent of the Gross Funding Requirement (GFR) estimated for that service.

Eligible Services

- Street lights: 90 per cent of GFR
- Potable water supply and distribution: 80 per cent of GFR
- Wastewater collection and disposal: 80 per cent of GFR
- Solid Waste (collection, landfill fees, recycling): 80 per cent of GFR
- Fire protection: 90 per cent of GFR
- Emergency services (911): 90 per cent of GFR

Some services are not eligible for federal reimbursement under a service agreement.

Ineligible Services

- Policing
- Animal and pest control
- Snow removal
- Maintenance of recreation facilities
- Fire hydrant maintenance and inspection
- Emergency preparedness agreements
- Residential lease sites
- Ferry operation and maintenance
- Delivery of fuel, heating or electricity
- Late fees
- Bottled water
- Tree removal
- Chimney sweeping
- All costs not pertaining to residences

Sometimes funding will be provided through service agreements because a service will fall into categories. For example, if a First Nation owns its own garbage truck, the use of that truck in a service agreement is eligible for funding for operation and maintenance each year. The First Nation could also have a service agreement with a neighbouring municipality for the use of a municipal landfill. The landfill fees can be partially reimbursed by submitting the expense to AANDC through its annual service agreement process explained below.



How service agreements are processed by AANDC

Each AANDC regional office sends out a package in November and December each year asking for the First Nation to complete a service summary sheet. The services summary sheet includes all services that AANDC has record of existing (through service agreements) and space for the Band administration to update any information. Services can be any of the following:

- **Ongoing:** AANDC has record that these services are being provided and if all information including dates, fee amounts, etc. are correct. The sheet may be signed and returned.
- **Expired:** If a formal service agreement has expired, but services are continuing the First Nation must submit either a new signed service agreement or invoices for the services.
- **New:** New services should be updated and either a service agreement or invoices can be attached.

The AANDC office must receive these sheets no later than January 15 each year in order to be eligible for service funding beginning April 1 that year.

Things to keep in mind

- If invoices are provided, they must show at least three months' worth of charges.
- If an outstanding amount from the previous year was not submitted, it can be added to the summary sheet to be reimbursed.
- AANDC checks for variances from year to year in service costs. If there is a significant change in service fee rates (over 10% increase) you should include a short reason why the increase is occurring. Municipalities can help this process by providing a short explanation in writing and ensuring pricing calculations are well documented and transparent on service agreements.
- AANDC also looks for "reasonability" in service costs. The best way of ensuring costs are approved is by demonstrating pricing calculations.
- AANDC does not fund services for anything but residential use. If anything other than residential use is documented or charged, the amount for the non-residential use will be subtracted from the total amount reimbursed.
- Any service agreements submitted to AANDC as proof of payment must include signatures from both parties. Therefore, final agreements are preferable to drafts.

6. Glossary of terms

Aboriginal interests – may include concerns, wants or aspirations for a wide range of issues related to environment, social, education, economics, etc.

Aboriginal people – the descendants of the original inhabitants of North America (Status or Non-Status). The 1982 Constitution recognizes three groups of Aboriginal peoples: Indians, Inuit and Métis. These separate groups have unique heritages, languages, cultural practices and spiritual beliefs. Their common link is their indigenous ancestry.

Aboriginal rights – the rights that are specific to Aboriginal peoples in Canada based on their traditional occupancy of the land before first contact with European settlers. Rights are based on tradition and culture and therefore vary from group to group. Some common examples of Aboriginal rights include fishing, trapping and hunting.

Aboriginal self-government – a government that has been designed and implemented by Aboriginal peoples.

alternative dispute resolution (ADR) – refers to a number of methods to assist in the resolution of disputes outside the court system.

band – a body of Indians as defined under the *Indian Act* and declared to be a band by the Governor General in Council for the purposes of the Act. The term First Nation is often used in place of band.

band council resolution – the authority mechanism by which the elected representatives on a band council authorize an action.

best practice – refers to the best technique for delivering a desired outcome.

bylaws – a form of legislation passed by a municipal government relating to matters under the jurisdiction of the municipality. For the most part, they relate to land use, public order, road closings, some expenditures and similar issues. First Nations that develop a land code under the *First Nations Land Management Act* can also develop more extensive laws governing reserve lands than the bylaws allowed under the *Indian Act*.

capacity building – assistance provided to a certain group or individual to improve competencies and skills in a particular area.



First Nation – the term First Nation came into usage in the 1970s to replace the term Indian, which some may find offensive. Although the term First Nation is widely used no legal definition exists. The term First Nations People refers to the descendants of the original inhabitants of Canada. However, the term First Nation has also been adopted to replace the word band in the name of communities.

Indian – people who are one of three groups recognized as Aboriginal under the Constitution Act, 1982. Indians in Canada are often referred to as Status Indians, Non-Status Indians, Treaty Indians and registered Indians.

Indian Act – federal legislation designed to give effect to the legislative authority of Canada for “Indians and lands reserved for the Indians,” pursuant to s.91(24) of the *Constitution Act*, 1867.

municipality – a geographical area that is incorporated.

municipal-type service agreement – a term that Indian and Northern Affairs Canada uses to refer to service agreements. The agreements can be made between two First Nations or a First Nation and a provincial government, municipal government, private contractor, Crown corporation, individual or organization that could involve the provision of municipal services.

Non-Status Indians – Non-Status Indians are people who consider themselves to be Indians or members of a First Nation but the Government of Canada does not formally recognize as a Status Indian. Some are unable to prove their status or they have lost status rights. Some people are no longer considered Status Indians because of discriminatory practices in the past, especially toward women. Non-Status Indians are not entitled to the same rights as Status Indians.

on-reserve community – the locality where First Nations members reside on a reserve, comprising physical infrastructure, community services, and installations.

registered Indian – a person who is defined as an Indian under the *Indian Act* and who is included on the Indian Register maintained by the federal government.

reserve – tract of land, the legal title to which is held by the Crown, set apart for the use and benefit of an Indian band.

service agreement – an agreement (either formal or informal) between a First Nation and a municipality for the purpose of one party purchasing certain local services from the other as opposed to each party providing the services separately to their respective communities.

service area – the geographic area generally contiguous to an existing reserve community within which reserve programs and community services can be delivered, infrastructure extended and installations shared at little or no incremental cost.

Status Indian – a person who is registered as an Indian under the *Indian Act*. The Act sets out the requirements for determining who is an Indian for the purposes of the Act.

treaty – an agreement between the federal government and a First Nation that defines the rights of the First Nation with respect to lands and resources over a specified area and may also define the self-government authority of a First Nation.

Treaty Indian – a Status Indian who belongs to a First Nation that signed a treaty with the Crown.

tribal council – traditionally an autonomous body with legislative, executive, and judicial components. Contemporary councils usually represent a group of bands to facilitate the administration and delivery of local services to their members.



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