



COUNCIL POLICY

Wastewater Infrastructure Reserve Policy

C-2B.052

Section: 2.0 General Government and Administrative Services
- B. Finance

Authority: Council

Administering Department: Corporate Services

Statement

The Municipal District of Bonnyville (M.D.) is committed to prudent business practices that will enhance the M.D.'s financial health, improve financial flexibility, provide property tax stability, ensure the consistent provision of municipal services, and reduce the need for debt financing.

Purpose

The purpose of this policy is to provide structure and clarity for the management of a Wastewater Infrastructure Reserve to support the M.D.'s Financial Sustainability Plan and the Asset Management Plan for new construction, expansion, refurbishment, and enhancement of wastewater infrastructure tangible capital assets.

Definitions

For the purposes of this policy:

- (1) "Asset" means a present economic resource controlled by a public sector entity as a result of a past event(s) and from which future economic benefit is expected to be obtained;
- (2) "Asset Management Plan" means the tactical plan for managing the M.D.'s infrastructure and other tangible assets used to deliver an agreed standard of service;
- (3) "Chief Administrative Officer" (CAO) means the Chief Administrative Officer of the M.D. appointed by Council, or their authorized delegate;
- (4) "Council" means the duly elected Council of the M.D.;
- (5) "Financial Sustainability Plan" means the plan that allows the municipality to sustain itself over the long term so that it is able to support its mission;
- (6) "Operating Reserve" means a reserve fund that is established by Council for a specific municipal purpose and is not mandated by the Province of Alberta;
- (7) "Pro Rata Basis" means the proportionate allocation of an amount. In this case, the greater the value of the reserve the greater the allocation of interest to that reserve;
- (8) "Tangible Capital Asset" means non-financial assets having physical substance that:
 - (a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;

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- (b) have useful economic lives extending beyond an accounting period;
- (c) are to be used on a continuing basis; and
- (d) are not for sale in the ordinary course of operations.

Policy

- (1) This policy is established by Council and administered by the CAO for the specific purpose of managing wastewater infrastructure asset requirements.
- (2) Acceptable uses for the Wastewater Infrastructure Reserve are:
 - (a) New construction;
 - (b) Infrastructure expansion;
 - (c) Refurbishment or enhancement of existing assets;
 - (d) Other Council directed use of this reserve.
- (3) Acceptable revenue sources for allocation to this reserve are:
 - (a) Council approved annual budget transfers to reserve from operating;
 - (b) Other Council approved transfers to reserve;
 - (c) Annual allocation of excess investment interest earnings which are not required to fund the operating budget. Surplus interest will be allocated on a pro rata basis to this and other identified reserves, as per policy;
 - (d) Surplus funds from capital projects funded by this reserve;
 - (e) Contributions from other local or provincial or federal governments for future use;
 - (f) Contributions or donations from other sources.
- (4) Acceptable expenditure types for this reserve are:
 - (a) Council approved transfers from this reserve;
 - (b) Council approved capital plan budget funds for capital projects funded by this reserve.

Policy Review

Within four (4) years from date adopted / amended / reviewed.

For administrative use only:

Related Documentation:

(plans, bylaws, policies, procedures, etc.)

Policy: Reserve Framework Policy (#C-2B.039)

Date Adopted:

Resolution No:

Date Reviewed₍₀₁₎:

Resolution No: