AN AGREEMENT DATED THIS 9 DAY OF June, 2021.

BETWEEN

SADDLE HILLS COUNTY

-and-

BIRCH HILLS COUNTY

-and-

THE MUNICIPAL DISTRICT OF SPIRIT RIVER NO. 133

-and-

THE TOWN OF SPIRIT RIVER

-and-

THE VILLAGE OF RYCROFT

(Hereinafter collectively referred to as the "Municipalities")

CENTRAL PEACE REGIONAL WATER SYSTEM COLLABORATION AGREEMENT

An Intermunicipal Agreement between Saddle Hills County, Birch Hills County, the Village of Rycroft, the Municipal District of Spirit River No. 133, and the Town of Spirit River, in the Province of Alberta regarding the creation and initial operation of the Central Peace Regional Water System Colllaboration.

WHEREAS Saddle Hills County, Birch Hills County, the Village of Rycroft, the Municipal District of Spirit River No. 133, and the Town of Spirit River (or "the Municipalities") share many economic, geographic, and demographic characteristics,

AND WHEREAS the Municipalities have a responsibility to their utility rate payers and taxpayers and, as such, will adhere to the mutually agreed upon vision and principles of the Agreement;

NOW THEREFORE the Councils of Saddle Hills County, Birch Hills County, the Municipal District of Spirit River No. 133, the Town of Spirit River, and the Village of Rycroft in the Province of Alberta, duly assembled, do hereby enact:

1. TITLE AND DEFINITIONS
   - 1.1. This Intermunicipal Agreement shall be known as "the Agreement."
   - 1.2. Wherever the singular or masculine is used throughout this Intermunicipal Agreement, the same shall be construed to mean the plural or feminine respectively where applicable.
   - 1.3. Definitions for the purposes of this Intermunicipal Agreement include:
     - 1.3.1. At the time of writing, "Municipalities", "Participants" refers to Saddle Hills County, Birch Hills County, the Municipal District of Spirit River No. 133, the Town of Spirit River, and the Village of Rycroft;
     - 1.3.2. "Regional Water Utility Lead" (or "the Lead") refers to the municipality accountable for managing the Regional Water Utility Project for the duration of the Agreement and as per the terms of the Agreement;

1.3.3. "Collaboration Committee" means the group of elected officials and administrative personnel from each municipality given the authority, as consistent with its established Terms of Reference, to set direction during the development of this Agreement process leading up to its ratification by their respective Councils and for the ongoing execution and review of the Agreement.

1.3.4. "Meeting" means an organized, regular, or special meeting of Council and/or the Collaboration Committee; and

1.3.5. "Initiative" refers to the full scope of the Regional Water Utility project as undertaken by the Municipalities including obtaining and managing grant moneys and requisite financial contributions from the Municipalities, organizational design, and governance elements through the construction and operation of all associated infrastructure and services.

2. VISION AND PRINCIPLES

2.1. The agreed upon vision for the Agreement is to create and manage a water system that brings access to a quality, cost-controlled, sustainable water supply.

2.2. The principles that support this vision are:

2.2.1. Ensure sustainable (i.e., consistent) safe, high quality, affordable drinking water is accessible to residents and other utility users;

2.2.2. Improve overall quality of life for residents in the Municipalities' regions, to support citizen retention;

2.2.3. Support collaborative and cooperative relationships between the participating members of the Regional Water Utility;

2.2.4. Provide flexibility in terms of offering varying levels of financial commitment (including financial contributions and risk preferences) to participating members;

2.2.5. Be established to attract industry and enhance business development;

2.2.6. Consider future expansion in support of the vision and principles.

3. PARTICIPANTS

3.1. The Municipalities agree to extend the existing Terms of Reference for the Collaboration Committee to position it for the ongoing execution and review of the Agreement.

3.2. The Collaboration Committee is defined by and will convene according to the stipulations of its existing Terms of Reference.

3.3. The initial parties involved in the Regional Water Utility are: Saddle Hills County, Birch Hills County, the Municipal District of Spirit River No. 133, the Town of Spirit River and the Village of Rycroft.

3.4. If an additional party is identified or expresses interest in joining the collaboration, and that interest is deemed serious and potentially beneficial, the Collaboration Committee will convene to discuss the merits and logistics of expanding membership to include that additional party.

4. REGIONAL WATER UTILITY LEAD

4.1. Saddle Hills County will act as the Regional Water Utility Lead ("the Lead") for the duration of the Agreement unless agreed upon otherwise by all Participants and amending the Agreement accordingly.

5. SCOPE OF LEADERSHIP

5.1. The following are the accountabilities and authorities of the Regional Water Utility Lead:

5.1.1. Setting and leading Collaboration Committee meetings;

5.1.2. Providing reports to the broader Collaboration Committee;

5.1.3. Upholding the shared vision and principles set out under Part 2 of the Agreement;

5.1.4. Managing the initiative, that is, the financing, design, construction, operations, and maintenance of the Regional Water Utility;

5.1.5. Managing the hiring, contracting, and payment process with third party contractors; and

5.1.6. Managing the finances received from the Municipalities dedicated to the Regional Water Utility initiative including any grant funding obtained from other parties for those purposes but excluding any reserves, funds, or other moneys specified by individual participating municipalities for future use in supporting the Initiative.

5.2. Along with regular meetings as described in Part 7, the Lead reserves the right to call ad hoc committee meetings or engage the committee as appropriate for info gathering and/or decision-making purposes.

6. TIME LIMIT/DURATION OF AGREEMENT

6.1. This Agreement shall come into force upon the final ratification from the respective Councils of the Municipalities.

6.2. The Agreement may be amended by the mutual consent of all parties unless specified otherwise in this Agreement.

6.3. The Agreement will hold from the date of inception until July 31, 2024 unless agreed upon otherwise by all Participants and/or replaced by another mutually ratified agreement.

7. MEETINGS AND REPORTING

7.1. The Collaboration Committee will meet twice a year.

7.2. Information meetings can be requested by the Lead or other Participants as required and considered on ad hoc basis.

7.3. Written progress reports will be provided quarterly by the Lead to all Participants.

8. FUTURE DEVELOPMENTS

8.1. In the event any participating municipality becomes aware of opportunities, projects, or barriers that could be materially impactful to the Regional Water Utility Initiative, the municipality's Collaboration Committee members will notify, in a timely manner, the broader Collaboration Committee to open discussions.

9. INDEMNITY AND SEVERABILITY

9.1. All Municipalities shall indemnify and hold harmless the other Municipalities, their employees, or agents from any and all claims, actions, and costs whatsoever that may arise directly or indirectly out of any act of omission of the Municipalities, their employees, or agents in the performance of the Agreement.

9.2. The Agreement as a whole shall remain valid even in the event that a portion of the Agreement is found by the Court of Queen's Bench to be invalid, unless that portion of the Agreement is determined by the Court to vital to the Agreement. The invalid portion will be remedied, agreed upon, and ratified as required at the earliest possible time.

10. DISPUTE RESOLUTION

10.1. The Municipalities acknowledge the value of open and transparent negotiation as the preferred means of dispute resolution relative the Agreement and its associated agreements. In the event of dispute or issues that need to be resolved, a meeting of the Collaboration Committee will be duly convened with the intent to resolve the dispute/issue.

10.2. In the event the Collaboration Committee is unable to resolve an issue through open discussion, the Municipalities will enter into an escalating dispute resolution process as per the relevant sections of Alberta's *Municipal Government Act* (at the time of writing, Part 17.2) and the *Intermunicipal Collaboration Framework Regulation* (at the time of writing, Part 1).

11. IMPLEMENTATION

11.1. This Intermunicipal Agreement shall come into full force and effect upon the signing of the document by all participating municipalities.

11.2. The leading municipality will provide a signed copy of the Agreement to the other participating municipalities within 30 days of ratification.

12. **IN WITNESS WHEREOF,** the Municipalities have executed this Agreement as evidenced by the duly authorized signatures below:

BIRCH HILLS COUNTY

Per: _____
Reeve

Per: _____
Chief Administrative Officer

TOWN OF SPIRIT RIVER

Per: _____
Mayor

Per: _____
Chief Administrative Officer

MUNICIPAL DISTRICT OF SPIRIT RIVER NO. 133

Per: _____
Reeve

Per: _____
Chief Administrative Officer

VILLAGE OF RYCROFT

Per: _____
Mayor

Per: _____
Chief Administrative Officer

SADDLE HILLS COUNTY

Per: _____
Reeve

Per: _____
Chief Administrative Officer