**New North Briefing Note: March 21, 2014**

Northern Municipal Services Water and Sewer Consultation

Northern Municipal Services held a consultation with northern municipal representatives on March 20th in La Ronge. The meeting was presided over by Brad Henry, Executive Director of Northern Municipal Services. The meeting was to discuss funding options for Phase 4 of the Northern Water and Sewer Program (NWS).

Most northern municipalities sent a representative, either a Mayor or Administrator.

**The key messages from the meeting are as follows**:

* Affected communities need to begin socking away money to cover their 8% contribution to Phase 4 of the NWS right away
* Communities showed support for the idea that they the need to work together and contribute their share

In the coming weeks or months, Northern Municipal Services will contact individual municipalities to inform them of their options. It is hoped that this business can be concluded by the end of April 2014.

The Northern Water and Sewer program has run since 2000. It has operated on roughly 5-year cycles (or phases).

The previous phase of the NWS saw communities needing to contribute the lesser of 2 mills or 10% of the total cost to the municipality of the water and sewer project.

In the new phase of the NWS program, individual municipalities will need to contribute 8% or 1/12th of the total cost of any water and sewer project in their community. This is because grants from the federal and provincial governments, as well as the Northern Municipal Trust Account’s contribution, will not be enough to cover-off the $56.8m in total project costs identified as priorities over the next 5-7 years of the Phase 4 of the NWS.

The March 20 meeting discussed different ways municipalities could come up with the money. Some options identified were:

* Municipalities could, by resolution, request that the NMTA hold back a portion of their revenue sharing over the five year period. For example, if a municipality’s 8% contribution is $250,000 over five years, the NMTA would hold back $50,000 per year for that period.
* Northern Capital Grants
* Own-sourced revenues; municipalities discussed whether a small increase in water rates or mill rates could cover-off the municipality contribution

Other points of interest from the meeting include:

* The importance for municipalities to be aware that the decision as to how they get the money is up to them
* If a municipality does not decide not to contribute their share, they may not see the project for their community go ahead
* Phase 4 will see 25 municipalities receiving water and sewer projects in their community. Clearly, if a community is not one those 25, it will not be required to make an 8% contribution (8% of nothing is nothing)
* Most big capital projects experience “overages” (or cost overruns); because of the likelihood of overages, it is advised that municipalities budget for them in their contribution
* Municipalities that won’t see a project in their community in this phase are still asked to support the new plan; this is because that community may see a project in a later phase, or have already benefited from previous phases
* A municipality’s contribution to their part of the project would be over a five year period. They are not expected to come up with the money all at once