



NOTICE

SPECIAL MEETING OF COUNCIL

Date: Tuesday, February 25th, 2025

12:15pm

Council Chambers

NATURE OF MEETING

The purpose of this meeting is for the following:

- 1. CALL TO ORDER**
- 2. ADOPTION OF AGENDA**
- 3. DECLARATION OF INTEREST**
- 4. NEW BUSINESS**
 - a. Electrical Franchise Approvals
 - b. Electrical Franchise Agreement Bylaw Amendments
- 5. BYLAWS**
 - a. Bylaw 2368/ADMIN/25 – Chase the Ace Bylaw – Third and Final Reading
 - b. Bylaw 2388/CS/25 – Procurement Bylaw – Third and Final Reading
 - c. Bylaw 2389/CS/25 – Signing Authorities – Third and Final Reading
 - d. Bylaw 2464 – Half Day Civic Holiday – Third and Final Reading
 - e. Bylaw 2447 – Electrical Franchise Bylaw – Second and Third Reading
- 6. IN CAMERA**
 - a. **Matters under Consideration** - pursuant to Cities, Towns & Villages Act, S.N.W.T. 2003 c. 22, Section 23. (3), (e)
- 7. ADJOURNMENT**

Pursuant to the Cities, Town and Villages Act, S.N.W.T. 2003, c. 22, Section 27 (1), Mayor Jameson has called a Special Meeting of Council.

Dated at the Town of Hay River this 21st day of February 2025.

Glenn Smith
Senior Administrative Officer

MEMORANDUM

TO: Glenn Smith - Senior Administrative Officer
FROM: Mayor Kandis Jameson
DATE: Friday, February 21st, 2025
RE: SPECIAL MEETING OF COUNCIL

Pursuant to Section 27 (1) of the Cities, Towns and Villages Act, we have called a Special Meeting of Town Council to be held on:

**Tuesday, February 25th, 2025
12:15pm
Council Chambers**

The purpose of this meeting is for the following:

- 1. CALL TO ORDER**
- 2. ADOPTION OF AGENDA**
- 3. DECLARATION OF INTEREST**
- 4. NEW BUSINESS**
 - a. Electrical Franchise Approvals
 - b. Electrical Franchise Agreement Bylaw Amendments
- 5. BYLAWS**
 - a. Bylaw 2368/ADMIN/25 – Chase the Ace Bylaw – Third and Final Reading
 - b. Bylaw 2388/CS/25 – Procurement Bylaw – Third and Final Reading
 - c. Bylaw 2389/CS/25 – Signing Authorities – Third and Final Reading
 - d. Bylaw 2464 – Half Day Civic Holiday – Third and Final Reading
 - e. Bylaw 2447 – Electrical Franchise Bylaw – Second and Third Reading
- 6. IN CAMERA**
 - a. **Matters under Consideration** - pursuant to Cities, Towns & Villages Act, S.N.W.T. 2003 c. 22, Section 23. (3), (e)
- 7. ADJOURNMENT**

Pursuant to the Cities, Town and Villages Act, S.N.W.T. 2003, c. 22, Section 27(1), Mayor Jameson has called a Special Meeting of Council.

Dated at the Town of Hay River this 21st day of February 2025



Mayor Kandis Jameson



AGENDA

1. **CALL TO ORDER**
2. **ADOPTION OF AGENDA**
3. **DECLARATION OF INTEREST**
4. **NEW BUSINESS**
 - a. Electrical Franchise Approvals – page 4-6
 - b. Electrical Franchise Agreement Bylaw Amendments – page 7-11
5. **BYLAWS**
 - a. Bylaw 2368/ADMIN/25 – Chase the Ace Bylaw – Third and Final Reading – page 12-22
 - b. Bylaw 2388/CS/25 – Procurement Bylaw – Third and Final Reading – page 23-26
 - c. Bylaw 2389/CS/25 – Signing Authorities – Third and Final Reading – page 27-31
 - d. Bylaw 2464 – Half Day Civic Holiday – Third and Final Reading – page 32-33
 - e. Bylaw 2447 – Electrical Franchise Bylaw – Second and Third Reading – page 34-50
6. **IN CAMERA**
 - a. **Matters under Consideration** - pursuant to Cities, Towns & Villages Act, S.N.W.T. 2003 c. 22, Section 23. (3), (e)
7. **ADJOURNMENT**



REPORT TO COUNCIL

DEPARTMENT: OFFICE OF SAO

Date: February 24, 2025

SUBJECT: Electrical Franchise Approvals

RECOMMENDATION:

THAT THE COUNCIL OF THE TOWN OF HAY RIVER approves a resolution authorizing the Senior Administrative Officer and the Mayor to:

- a) **execute all necessary purchase and sale agreements, and any ancillary agreements referred to therein, required for the purpose of the Town of Hay River purchasing the Hay River electrical franchise assets from NAKA Power; and**
- b) **execute all necessary purchase and sale agreements, and any ancillary agreements referred to therein, required for the purpose of the Town of Hay River selling the electrical franchise assets, that were purchased from NAKA Power, to the Northwest Territories Power Corporation (NTPC) for the same price as they were purchased by the Town.**

BACKGROUND:

Naka Power, formerly Northland Utilities (NWT) Ltd. (NUL), held the electrical power distribution franchise with the Town of Hay River (the Town) prior to November 30, 2016, at which time that franchise agreement expired. In anticipation of the existing franchise agreement expiring, the Town initiated a competitive public request for proposals (RFP) process in 2015 to select a provider beyond November 30, 2016.

Two firms submitted applicable Proposals in response to the Town's RFP, NAKA and the GNWT's crown corporation, NWT Power Corporation (NTPC). The Town evaluated the Proposals and selected the Proposal from NTPC. Because this resulted in a change of franchise holder, the Cities, Towns and Village Act (CTV Act) section 91(5) applied. Section 91(5) provides that:

If a public utility franchise is not renewed, a municipal corporation may, with the approval of the Minister, purchase any or all of the rights under the franchise and any or all property used in connection with the franchise on terms agreed by the parties or, failing agreement, on terms determined by a sole arbitrator under the Arbitration Act.

In this case, the parties (NAKA and the Town) were unable to agree to the terms of the asset purchase (the Purchase and Sale Agreement) and went to arbitration. There ensued six years of arbitration, NAKA court appeals to arbitrator decisions, and negotiation of required agreements. The arbitration and court processes largely concluded with a final arbitrator's decision issued on November 22, 2021. Among other decisions, the arbitrator awarded costs to the Town.



REPORT TO COUNCIL

DEPARTMENT: OFFICE OF SAO

Date: February 24, 2025

SUBJECT: Electrical Franchise Approvals

On February 29, 2016, NTPC and the Town signed a legally binding letter of intent (LOI) pertaining to the electrical distribution franchise. The LOI addressed several important transitional matters including:

- A commitment that NTPC will pay the Town for the assets the same price the Town paid NAKA; and
- A commitment that NTPC will loan the Town the full financing required to purchase NAKA's assets and that this loan will be repaid with the proceeds from NTPC's purchase of those assets from the Town. Both transactions are to occur simultaneously on closing. This in/out transaction essentially means the Town is never in debt relative to the purchase of the assets.

The purchase and sale of the franchise assets was also the subject of a proceeding before the Public Utilities Board (the "PUB"). That proceeding resulted in PUB Decision 1-2024, wherein the PUB determined that the "no harm" standard had been met and therefore approved the purchase and sale transaction on the basis that it was in the public interest.

NTPC, NAKA, and the Town have finalized the terms associated with the purchase and sale of the assets including the valuation of the assets. Pursuant to the terms of the asset purchase and sale agreements, the Town is required to keep confidential all information concerning the agreement until closing of the sale occurs. In light of that limitation, any review of the agreements required for the purchase and sale of the Hay River electrical franchise assets would need to occur during an "in-camera" session.

Town administration is working with its legal counsel to ensure all necessary documents are completed. In order to ensure the documents can be signed, administration recommends that Council pass a resolution authorizing the Senior Administrative Officer and the Mayor to execute the purchase and sale agreements, and the related ancillary agreements referenced therein, on behalf of the Town.

With respect to next steps to electrical rates, the PUB will be reviewing rate implications for Hay River consumers through its proceedings dealing with NTPC and NAKA's general rate applications. Those proceedings are currently ongoing and are expected to be completed by early summer of 2025.

COUNCIL POLICY / STRATEGY OR GOAL:

Reduce Electrical Costs for Hay River

APPLICABLE LEGISLATION, BYLAWS, STUDIES, PLANS:



REPORT TO COUNCIL

DEPARTMENT: OFFICE OF SAO

Date: February 24, 2025

SUBJECT: Electrical Franchise Approvals

CTV Act
Public Utilities Act
2019-2023 Town of Hay River Strategic Plan

FINANCIAL IMPLICATIONS:

All costs associated with the electrical franchise agreement and the purchase and sale of the franchise assets were covered by NTPC.

ALTERNATIVES TO RECOMMENDATIONS:

Council does not pass a resolution authorizing the Senior Administrative Officer and Mayor to execute the sale and purchase agreements require in relation to this matter. Under this scenario, the Town would likely be responsible for costs incurred by parties to date associated with the franchise agreement negotiations.

ATTACHMENTS:

None

Prepared by:
Glenn Smith
SAO
February 21, 2025



REPORT TO COUNCIL

DEPARTMENT: OFFICE OF SAO

Date: February 24, 2025

SUBJECT: Electrical Franchise Agreement Bylaw

RECOMMENDATION:

THAT THE COUNCIL OF THE TOWN OF HAY RIVER:

1. Passes a resolution to amend Proposed Bylaw No. 2447, being a bylaw to grant a public utility franchise to the Northwest Territories Power Corporation, to:
 - a. identify the sources of funding for all costs that will be incurred by the Town as a result of the Bylaw (as required pursuant to section 90(1) of the CTV Act); and
 - b. update Schedule “A” to the Bylaw (the Franchise Agreement) such that the franchise fee set out within section 6 of that document refers to a franchise fee range of 0% – 10% rather than a range of 0% – 4%
2. And thereafter, proceeds with giving 2nd and 3rd readings to the amended version of Proposed Bylaw No. 2447.

BACKGROUND:

NTPC’s July 24, 2015 Proposal in response to the Town’s RFP included a draft Franchise Agreement. The LOI stated that the final franchise agreement will contain conditions consistent with the terms of the LOI and the draft franchise agreement presented in the NTPC Proposal.

On October 17, 2022 the Council of the Town of Hay River approved first reading of the proposed franchise agreement with NTPC.

The CTV Act section 91 provides that:

Subsection (1) – The grant of a public utility franchise by a municipal corporation to any person must be by bylaw approved by the voters.

Subsection (2) – Notwithstanding subsection (1), the Minister may, by order made at the request of council, exempt the public utility franchise bylaw from the requirement for approval of the voters.

Subsection (5) - If a public utility franchise is not renewed, a municipal corporation may, with the approval of the Minister, purchase any or all of the rights under the franchise and any or all property used in connection with the franchise on terms agreed upon by the parties or, failing agreement, on terms determined by a sole arbitrator under the Arbitration Act.



REPORT TO COUNCIL

DEPARTMENT: OFFICE OF SAO

Date: February 24, 2025

SUBJECT: Electrical Franchise Agreement Bylaw

In compliance with subsection 91(1), (2) and (5), on January 24, 2023 the Town secured Ministerial approval to purchase the rights and properties under the franchise agreement with NAKA and the exemption from approval by the voters of the bylaw granting a new franchise to NTPC. It is important to note that the Ministerial exemption required did not involve approval of the actual terms of the franchise agreement as those terms are within the purview of the Town Council.

The PUB was also aware of the franchise agreement being considered by the Town and NTPC given that it was included within the Town's application to the PUB regarding the purchase and sale of the franchise assets within the Town.

As part of the second and third reading of the franchise agreement bylaw, Administration is now recommending the following amendments:

1. Pursuant to section 90(1) of the CTV Act, the identification of sources of funding for all costs that will be incurred by the Town as a result of the bylaw
2. An amendment of the agreement to change the Franchise Fee allowance from "0 to 4%" to "0 to 10%" of gross electrical revenues. This will better ensure a net neutral change in associated franchise revenues through the agreement while better aligning with industry ranges. Administration is not suggesting a change to the initial fee of 4% for year 1 of the agreement.

COUNCIL POLICY / STRATEGY OR GOAL:

Reduce Electrical Costs for Hay River

APPLICABLE LEGISLATION, BYLAWS, STUDIES, PLANS:

CTV Act
Public Utilities Act
2019-2023 Town of Hay River Strategic Plan

FINANCIAL IMPLICATIONS:

Revenues received from NTPC by the Town would be between 0 and 10% of total electrical sales revenues.

ALTERNATIVES TO RECOMMENDATIONS:

Do not change the franchise fee allowance. The Town may see a decrease in related revenues with a change in community electrical sales.



REPORT TO COUNCIL

DEPARTMENT: OFFICE OF SAO

Date: February 24, 2025

SUBJECT: Electrical Franchise Agreement Bylaw

ATTACHMENTS:

Franchise Approval Bylaw with Track Changes

Prepared by:

Glenn Smith

SAO

February 21, 2025

BYLAW NO. 2447
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

A **BYLAW** of the Municipal Corporation of the Town of Hay River in the Northwest Territories to grant a public utility franchise to the Northwest Territories Power Corporation pursuant to the *Cities, Towns and Villages Act*, SNWT 2003, c 22, s 91 (the “*CTV Act*”).

WHEREAS the Council of the Municipal Corporation of the Town of Hay River deems it necessary to continue to provide for the distribution of electrical power within the municipal boundary;

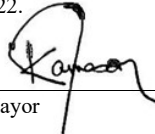
AND WHEREAS the Council has negotiated an Electric Utility Franchise Agreement (the “Agreement”) with the Northwest Territories Power Corporation, effective ~~_____~~, March 1, 2022-2025 (a copy of which is attached as Schedule “A” to this Bylaw);

NOW THEREFORE the Council of the Municipal Corporation of the Town of Hay River, duly assembled, hereby enacts as follows:

1. The Municipal Corporation of the Town of Hay River hereby grants a public utility franchise to the Northwest Territories Power Corporation, on the terms and conditions set out in the Agreement attached hereto as Schedule “A” to this Bylaw.
2. Pursuant to section 90 (1) of the *CTV Act*, the Municipal Corporation of the Town of Hay River confirms that:
 - a. pursuant to an agreement with the Northwest Territories Power Corporation, the majority of the costs incurred by the Town in relation to the transfer of the electric utility franchise from Northland Utilities (NWT) Limited to the Northwest Territories Power Corporation were covered by the Northwest Territories Power Corporation, with any other costs incurred being covered by the Town’s general revenues; and
 - b. all costs that may be incurred by the Town as a result of this bylaw, subsequent to the Town entering into the Agreement attached hereto as Schedule “A” to this Bylaw, shall be covered by the Town’s general revenues or the amounts received by the Town as franchise fees pursuant to the Agreement attached hereto as Schedule “A” to this Bylaw.

+

READ A FIRST TIME this 17th day of October 2022.



Mayor

READ A SECOND TIME this ___ day of _____ 2022-2025.

Mayor

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: List Paragraph, No bullets or numbering

Formatted: Indent: Left: 2.54 cm, No bullets or numbering

Formatted

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

READ A THIRD AND FINAL TIME this ___ day of _____ ~~2022~~2025.

Mayor

CERTIFIED that this Bylaw has been made in accordance with the requirements of the *Cities, Towns and Villages Act*, SNWT 2003, c 22, and the bylaws of the Municipal Corporation of the Town of Hay River, this ___ day of _____, ~~2022~~2025.

Senior Administrative Officer

BYLAW NO. 2447
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

Schedule "A"

(see attached Electric Utility Franchise Agreement
between Town of Hay River and Northwest Territories Power Corporation)



Bylaw No. 2368/Admin/25

5a) Chase the Ace Bylaw

Town of Hay River

Northwest Territories



Bylaw No. 2368/ADMIN/25

Chase the Ace Style Lotteries

Chase the Ace Style Lotteries

Being a By-Law of the Municipal Corporation of the Town of Hay River in the Northwest Territories to provide for the establishment of lottery regulations and guidelines pursuant to the Cities, Towns and Villages Act, R.S.N.W.T., 1988 Chapter C-8, Section 169.

Whereas the Lotteries Act G.N.W.T. 1988, Chapter L-11, section 4b delegates the authority to Hay River to regulate and license lottery schemes within the Town of Hay River; and

Whereas the Council of the Municipal Corporation of the Town of Hay River deems it to be in the public interest to establish regulations and guidelines governing the granting of Chase the Ace style lottery licencing;

Whereas Section 72 of the *Cities, Towns and Villages Act*, SNWT 2003, Chapter 22, provides for the establishment, levy and collection of charges for services provided by the Municipal Corporation of the Town of Hay River for issuing of a license.

Now Therefore, the Council of the Municipal Corporation of the Town of Hay River, at a duly assembled meeting enacts as follows:

SHORT TITLE

1. This bylaw may be cited as the "Chase the Ace Style Lotteries License Bylaw".

DEFINITIONS

2. In this bylaw:

"Applicant"	means an organization, a corporation or a co-operative association who submits an application to the Senior Administrative Officer;
"Authorized Representative"	means an individual who represents an Applicant or a License Holder, and who is responsible for ensuring that the Chase the Ace Style Lottery is held in accordance with this bylaw;
"Charitable or religious object or purpose" includes objects or purposes which:	<ol style="list-style-type: none">(a) promote the relief of poverty or disease, or including, but not limited to, providing relief to the poor; activities for the elderly so they stay active in society; or social and educational activities for the emotionally or physically disabled.(b) promote the advancement of religion or education, including, but not limited to, providing student scholarships; providing aid to schools, libraries; museums and the arts; assistance on participating in educational trips abroad; and advancement of or the preservation of cultural heritage.(c) are of a charitable or religious nature and are beneficial to the community as a whole; including, but not limited to, making improvements to the quality of health; supporting and promoting culture; supporting medical research; aiding medical treatment activities; providing a facility for a community's use; supporting amateur athletics; or, providing places for public worship and other religious activities.;
"Charitable or religious organization"	means an incorporated or unincorporated organization or foundation with a charitable or religious object or purpose; meeting one of the following requirements: <ol style="list-style-type: none">(a) registered as a charitable or religious organization under the <i>Income Tax Act</i> (Canada), or

	(b) registered for a charitable or religious purpose under the <i>Societies Act</i> , or
	(c) designated as a charitable or religious organization by the Senior Administrative Officer for the Town of Hay River, having a charitable or religious object or purpose;
"Chase the Ace Style Lottery"	Has the meaning as set forth in section 4.
"Club Room"	means an owned or leased premise where regular members meet.
"Gross receipts"	means the total revenue from all sources derived in the conduct, management and operation of a Lottery
"License"	means a license to conduct, manage and operate a Lottery in accordance with this bylaw;
"Licensee"	means an unincorporated organization, a corporation or a co- operative association licensed to conduct, manage and operate a Lottery in accordance with this bylaw;
"Member-Oriented Purpose"	means a purpose that benefits the members of an organization more than it benefits the general public;
"Person"	means an individual, partnership, corporation, association, or other similar cooperative organization;
"Progressive Jackpot"	cumulative pot that grows draw to draw based on percentage of ticket sales. Draw ticket winner has a chance to win this pot;
"Proxy"	someone who can complete the draw of the card on behalf of the purchaser of the winning ticket;
"Tickets"	tickets are paper or electronic serialized tickets with two identical numbers sets; one given to the purchaser and the other retained by the licensee for draw purposes;
" Ticket drawer"	person who draws the ticket to select the winning ticket and who handles the playing cards prior to and after the winning ticket holder selects a card;

“Town” means the Municipal Corporation of the Town of Hay River, in the Northwest Territories as established under the *Cities, Towns and Villages Act*;

APPLICATION

3. No Person shall conduct a Chase the Ace Style Lottery within the Town of Hay River (THR) except in accordance with a License issued under this bylaw.

LOTTERY DESCRIPTION

4. For the purposes of this bylaw Chase the Ace (CTA) style lottery schemes are event-based schemes whereby there is an opportunity to win a percentage take, by way of a ticket draw, as well as an opportunity to win a chance to select a card in search of a specific jackpot card. This may include, Chase the Ace, Klub the King, Crown the Queen, Jig the Joker, etc.
 - (a) Licenses are issued for 52 draws and there is a maximum of 52 draws for a period less than one year and a maximum of 52 cards permitted for use on any one license.
 - (b) The allocation of ticket sales proceeds must be in accordance with 4(e) and may be varied only upon approval of the SAO only if a written request is submitted prior to commencing the first draw.
 - (c) A licensee is to notify the Town of Hay River (THR) as soon as reasonably possible once a Chase the Ace style jackpot has been awarded as this will cause the expiration of the lottery license.
 - (d) Chase the Ace Style lottery is to be conducted using serialized tickets that are sold only to persons 19 and over with a ticket draw held at the end of the specified sales time period and the holder of the winning ticket or their proxies required to present themselves to the draw location within a specific time period to claim their prize.
 - (e) The winning ticket shall receive a percentage of the ticket sales for the approved sales period. Prizes are calculated as a percentage of total gross ticket sales. 20% for the winning ticket, 30% to be added to the progressive jackpot, and the remaining 50% is retained by the licensee.
 - (f) Additionally, the winning ticket holder is granted the opportunity to select a card and, if they select the ace of spades, or another predetermined jackpot card or approved draw item as defined in the House Rules, they further win the progressive jackpot.
 - (g) If the jackpot card is not chosen, the card selected is removed from the deck,

logged and signed in permanent marker by the winner and kept separately. The remaining cards in the deck are then resealed and secured until the next draw night.

- (h) The weekly ticket winner may choose to not draw a card in order to help the fundraising initiative and allow the progressive jackpot to build. In such a case, a remaining card from the deck that is not the jackpot card will be randomly chosen by the licensee’s representative, signed by the winner and removed from the deck as above.
- (i) . The only person not allowed to purchase tickets is the Ticket Drawer. All other volunteers and workers assisting with the lottery may buy tickets from other ticket sellers.

CTA LOTTERY LICENSE DECISION MATRIX

5. CTA style lottery licenses will be issued using the decision matrix below. A score of 50% or better is required in order to obtain a license. Where more than one applicant has applied for a CTA style lottery license, the decision matrix will determine priority status and award the license based on the highest number of points.

Points	10	15	15	5	5	50
	20%	30%	30%	10%	10%	100%
	Demonstrated capacity to conduct CTA - number of volunteers, financial capacity, Space for tickets sales, etc.	Community /Economic Development benefits of fundraising proceeds	Number of members in organization - how many people will benefit from fundraising proceeds	Number of user groups on application - how many different groups will benefit from fundraising proceeds	Past performance with lottery licenses issued by the Town. Length of time on list for CTA. Has the applicant held a license for CTA in past 3 years? How soon are the funds required?	
Applicant						Score
Applicant A						0
Applicant B						0
Applicant C						0
Applicant D						0
Applicant E						0

QUALIFYING PERSONS AND PURPOSES

6. The following persons may apply for a License using the Chase the Ace Style Lottery application form:
 - (a) A religious or charitable organization registered under the *Income Tax Act (Canada)*.
 - (b) A religious or charitable organization incorporated under the *Societies Act*.
 - (c) Any Person who has been designated by the Senior Administrative Officer as a religious or charitable organization for the purpose of this bylaw.
7. The Senior Administrative Officer may designate an Applicant to be a religious or charitable organization for the purpose of this bylaw if the Applicant proves to the satisfaction of the Senior Administrative Officer acting reasonably that the activities of the Applicant and the purpose for which the Net Proceeds will be used fall into one or more of the following categories:
 - (a) the promotion of relief of poverty or disease;
 - (b) the promotion of religion;
 - (c) youth health and wellbeing;
 - (d) the promotion of education or training;
 - (e) are of a similar nature and beneficial to the community as a whole; or
 - (f) the support of member-oriented purposes specified in this bylaw.
8. For the purpose of this bylaw, activities and purposes beneficial to the community must meet all of the following conditions:
 - (a) there is a benefit to the community as a whole or a significant portion of the community;
 - (b) the benefit to the public is significantly larger than the benefit to the membership; and
 - (c) the activities and purposes fall into one or more of the following categories:
 - (i) making improvements to the quality of health;
 - (ii) supporting and promoting culture;
 - (iii) supporting medical research;
 - (iv) aiding medical treatment activities;
 - (v) providing a facility for use by all members of the community;

- (vi) providing places for public worship and other religious activities;
and
- (vii) promoting and supporting amateur athletics;

9. For the purpose of this bylaw, allowable member-oriented purposes:

(a) are not required to be a benefit to the community as a whole or a significant portion of the community;

(b) may be of greater benefit to the membership than to the public; and

(c) must fall into one or more of the following categories:

(i) supporting seniors' social and recreational activities provided:

(A) membership must be open to the general public 60 years of age and older;

(B) the majority of the seniors' organization consists of individuals 60 years of age and older;

(C) any entertainment provided is for the seniors, not the general public; and

(D) the services paid from lottery proceeds are on a cost recovery basis, and not intended to generate a profit;

(ii) supporting youth social and recreational activities provided:

(A) membership must be open to the general public 18 years of age and younger;

(B) the majority of the youth organization consists of individuals 18 years of age and younger;

(C) any entertainment provided is for the youth, not the general public; and

(D) the services paid from lottery proceeds are on a cost recovery basis, and not intended to generate a profit;

(iii) supporting travel expense up to \$10,000 or upon written application,

SAO discretion to allow up to \$25,000 in travel expense for:

(a) seniors provided:

1. there is broad based community involvement, and eligibility for the trips is not limited to the members

of the licensed organization;

2. the majority of the seniors' organization consists of individuals 60 years of age or older; and
3. expenses are restricted to direct transportation, subsistence and lodging costs to attend an activity;

(b) youth provided:

1. the travel is to participate in religious, cultural, recreational or sporting activities;
2. the majority of the youth organization consists of individuals 18 years of age or younger; and
3. expenses are restricted to direct transportation, subsistence and lodging costs to attend an activity;

(c) a sporting event provided the opportunity is gained as a result of qualifying to advance to a superior level of competitive activity, sanctioned by the appropriate governing body.

CONTROL PROCEDURES

10. The licensee must provide a set of completed **House Rules** for the lottery with their application. The House Rules must be substantially in the form provided by the Town and shall be posted at all ticket selling locations.
11. If the Chase the Ace (CTA) style Lottery progressive jackpot reaches \$50,000, THR requires all licensees submit a **Lottery Operational Plan**. The Lottery Operational Plan must be substantially in the form provided by the Town and shall be submitted to the SAO prior to the draw date where the jackpot will reach \$50,000 or above.
12. A charitable or religious organization that has been granted a lottery license shall immediately notify the SAO in writing of any changes of any members of its executive. Until such notification is given, a license is deemed to be suspended.

FEE SCHEDULE

13. Fees for a CTA style lottery shall be charged and collected in accordance with the Fees and Charges Bylaw No. 2431, as amended or replaced from time to time."

OFFENCES

14. Every person who contravenes any provision of this bylaw is guilty of an offence and is liable upon summary conviction:
 - a. For the first offence, to a fine not exceeding \$500; and

b. For each subsequent offence to a fine not exceeding \$2,000.

15. An officer may issue a Summary Offence Ticket Information in the form prescribed by the *Summary Conviction Procedures Act and Regulations*, to any Person who violates any provision of this bylaw and such Person may, in lieu of prosecution, pay the Town the voluntary penalty of \$200 prior to the court date specified on the ticket.

16. Where in the opinion of the SAO, a lottery is being operated contrary to this bylaw, the SAO may require a peace officer or other person designated by him or her to confiscate the license.

REPEALS

17. Chase the Ace Styles Lotteries bylaw no. 2368 is hereby repealed.

EFFECT

18. This bylaw shall come into effect upon receiving Third Reading and otherwise meeting the requirements of Section 75 of the *Cities, Towns and Villages Act*.

READ A FIRST TIME this _____ day of, 2025.

Mayor

READ A SECOND TIME this _____ day of, 2025.

Mayor

READ A THIRD AND FINAL TIME this _____ day of, 2025.

Mayor

CERTIFIED that this bylaw has been made in accordance with the requirements of the *Cities, Towns and Villages Act*, S.N.W.T. 2003, and the bylaws of the Municipal Corporation of the Town of Hay River on this _____ day of, 2025.

Senior Administrative Officer



Bylaw No. 2388/CS/25

5b) Procurement Bylaw

**BYLAW NO. 2388-CS-25
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER**

A BYLAW OF THE MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER IN THE NORTHWEST TERRITORIES TO PROVIDE FOR THE TERMS AND CONDITIONS OF PROCUREMENT POLICY OF THE MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER IN THE NORTHWEST TERRITORIES

WHEREAS pursuant to the Cities, Towns and Villages Act, S.N.W.T. 2003, c. 22 and subsequent amendments thereto, municipalities are required to adopt a bylaw with respect to procurement of goods and services by the Municipality;

AND WHEREAS it is desirable to adopt such a bylaw for procurement by the Town of Hay River;

AND WHEREAS it is desirable to establish expenditure limits and signing authorities with respect to procurement by the Town of Hay River;

NOW THEREFORE the Council of the Municipal Corporation of the Town of Hay River, in Council duly assembled, enacts as follows:

1.0 PROCUREMENT POLICY AND PROCEDURES.

- 1.1 The policy attached hereto as Schedule "A" forms part of the by-law and shall be and is hereby adopted as the Procurement Policy for the Town of Hay River.
- 1.2 Amendments to Schedule "A" shall only be done by way of amendment to this by-law.
- 1.3 The guiding principle shall be that the procurement by or in the name of the Town of Hay River will be made using competitive processes that are open, transparent and fair.
- 1.4 Subject to any exceptions set out in Schedule "A" hereto, acquisition of goods and/or services by or on behalf of the Town of Hay River is not authorized unless the acquisition is done in compliance with this by-law. Goods and/or services that are obtained without following the provisions of this by-law shall not be received and any invoices received shall not be paid.
- 1.5 Without limiting the generality of section 4, the provisions of this by-law shall apply to any and all procurement in the name of the Town of Hay River by consultants and/or Directors pursuant to consultant or management contracts.

2.0 EXECUTION OF PROCUREMENT CONTRACTS

- 2.1 Where procurement has been pre-authorized in accordance with this by-law, contracts may be signed by the Director responsible for the procurement on behalf of the Town

**BYLAW NO. 2388-CS-25
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER**

of Hay River.

- 2.2** Where procurement has been authorized by Council resolution, the contract shall be signed by the Senior Administrative Officer and the Mayor.

3.0 LIMITATIONS

- 3.1** Despite any other provisions of this by-law, the following procurement contracts are subject to council approval:

- a) Any contract requiring the approval of any other approval authority;
- b) Any contract prescribed by statute to be made by Council.
- c) Where the cost amount proposed for acceptance is higher than the Council approved budget for that expenditure or where the expenditure would result in insufficient remaining funds in the project budget to complete the project as budgeted;
- d) Where the net revenue amount proposed for acceptance is lower than the Council approved budget;
- e) Where a substantive objection emanating from the procurement process has been filed;
- f) Where an irregularity precludes the award of a contract in accordance with Schedule "A";
- g) Where authority to enter into the contract has not been expressly delegated.

- 3.2** The exercise or authority to award a procurement contract is subject to the identification and availability of sufficient funds in the appropriate accounts within the Council approved budget.

4. IMPLEMENTATION AND CONFLICTS

- 4.1** The provisions of this by-law apply to any and all procurement initiated by or on behalf of the Town of Hay River after this by-law is passed despite any references to the contrary in any by-laws, regulations or policies or other documentation.
- 4.2** By-law 2388 and any amendments thereto are hereby repealed.
- 4.3** This by-law will come into effect upon the day of its final passage.

BYLAW NO. 2388-CS-25
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

READ A FIRST TIME this _____ day of _____ 2025.

Mayor

READ A SECOND TIME this _____ day of _____ 2025.

Mayor

READ A THIRD AND FINAL TIME this _____ day of _____ 2025.

Mayor

CERTIFIED that this bylaw has been made in accordance with the requirements of the CITIES, TOWNS AND VILLAGES ACT, S.N.W.T. 2003, C.22, s41(1) and the bylaws of the Municipal Corporation of the Town of Hay River on this _____ day of _____ 2025.

Senior Administrative Officer



Bylaw No. 2389/CS/25

5c) Signing Authorities Bylaw

A BYLAW OF THE MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER IN THE NORTHWEST TERRITORIES TO ESTABLISH A PROTOCOL FOR SIGNING AUTHORITIES FOR THE MUNICIPALITY

WHEREAS pursuant to the Cities, Towns and Villages Act, S.N.W.T. 2003, c. 22 and subsequent amendments thereto, municipalities are required to adopt policies with respect to Signing Authorities by the municipality;

AND WHEREAS the Council deems it desirable and necessary to establish a Protocol for Municipal Signing Authorities as it pertains to disbursements made by cheque or other negotiable instruments;

NOW THEREFORE the Council of the Municipal Corporation of the Town of Hay River in the Northwest Territories, in Council duly assembled.

1.0 POLICY AND PROCEDURES

1.1 The policy attached hereto as Schedule "A" forms part of the by-law and shall be and is hereby adopted as the Internal Controls/Signing Authorities Policy for the Town of Hay River.

1.2 Cheque and payment document signing authorities are defined in the policy attached hereto as Schedule "A".

2.0. IMPLEMENTATION AND CONFLICTS

2.1. The provisions of this by-law apply to any and all signing authority initiated by or on behalf of the Town of Hay River after this by-law is passed despite any references to the contrary in any by-laws, regulations or policies or other documentation.

2.2. By-law 2389 and any amendments there to are hereby repealed.

2.3. This by-law will come into effect upon the day of its final passage.

READ A FIRST TIME this ____ day of _____, 2025.

Mayor

READ A SECOND TIME this ____ day of _____, 2025.

Mayor

BYLAW NO. 2389-CS-25
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

READ A THIRD AND FINAL TIME this ____ day of _____, 2025.

Mayor

CERTIFIED that this bylaw has been made in accordance with the requirements of the CITIES, TOWNS AND VILLAGES ACT, S.N.W.T. 2003, C.22, s41(1) and the bylaws of the Municipal Corporation of the Town of Hay River on this ____ day of _____, 2025.

Senior Administrative Officer

Schedule "A"

Internal Controls/Signing Authorities			
Policy:	Financial Administration - 003	Date Created:	2019
Approved by:	SAO	Date of Last Review:	
Policy Owner:	Director of Corporate Services		

1.0 PURPOSE

The purpose of this policy is to ensure all internal controls and signing authorities are maintained on all financial transactions.

2.0 DEFINITIONS

“Council” means the duly elected officers of the Town of Hay River and the Chief Elected Officer or Mayor.

“Director” means a Department Head designated by SAO, or the employee(s) designated by a Director to implement this Policy.

“SAO” means the Senior Administrative Officer for the Town of Hay River as appointed by Bylaw.

“Town” means the municipal corporation of the Town of Hay River located in the Northwest Territories.

3.0 GUIDELINES

3.1 Designated staff members will be responsible to enter financial transactions while other designated staff members will review and authorize all financial transactions, postings and payments.

3.2 The Mayor or his/her designated alternate will be required to authorize and approve payment for all payroll and expenses disbursement lists prior to cheques and other payment documents being processed and issued for payment.

3.3 Once all disbursements lists have been duly approved, the Town’s cheque signing authorities will have authorization to sign and distribute cheques and other payment documents.

3.3.1 Two signatures are required for all payment documents.

3.4 The Town's signing authorities are:

3.4.1 Principal Signing Authorities: Mayor and SAO.

3.4.2 Secondary Signing Authorities (to be used if the Principal Signing Authorities are not available or are in a conflict situation): Director of Corporate Services, Deputy Mayor, Chair - Finance Committee.

3.5 Cheques and other payment documents must clearly state the individual or organization the payment is for, the exact amount of the payment and the date.

3.6 Principal and/or Secondary Signing Authorities are not authorized to sign cheques or other payment documents for themselves or for members of their immediate family or companies that they are the owner or director of, except in the event of an emergency and in the absence of other authorized Council members.

REFERENCES

Town of Hay River Procurement Bylaw

REVISION HISTORY

Date	Description
January 9, 2025	



Bylaw No. 2464

5d) Half day Civic Holiday Bylaw

BY-LAW NO. 2464
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

A BY-LAW of the Municipal Corporation of the Town of Hay River in the Northwest Territories to declare a one-half day civic holiday pursuant to the Cities, Towns and Villages Act, S.N.W.T. 2003, c.22, Section 70.

WHERE AS the Municipal Corporation of the Town of Hay River desires to declare a ½ day civic holiday in the municipality for the purpose of recognizing the 43rd Annual K’amba Carnival Celebration.

NOW THEREFORE the Council of the Town of Hay River, in session duly assembled enacts as follows:

1. That a one-half day Civic Holiday be declared in recognition of the 43rd Annual K’amba Carnival. The Civic Holiday will commence at 12:00 o’clock noon on Friday, February 28th, 2025.

READ A FIRST TIME this day of 2025.

Mayor

READ A SECOND TIME this day of 2025.

Mayor

READ A THIRD AND FINAL TIME this day of , 2025.

Mayor

CERTIFIED that this bylaw has been made in accordance with the requirements of the CITIES, TOWNS AND VILLAGES ACT, S.N.W.T. 2003, C.22, s70 and the bylaws of the Municipal Corporation of the Town of Hay River on this day of 2025.

Senior Administrative Officer



Bylaw No. 2447

5e) Electrical Franchise Bylaw

BYLAW NO. 2447

MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

A **BYLAW** of the Municipal Corporation of the Town of Hay River in the Northwest Territories to grant a public utility franchise to the Northwest Territories Power Corporation pursuant to the *Cities, Towns and Villages Act*, SNWT 2003, c 22, s 91 (the “*CTV Act*”).

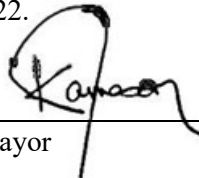
WHEREAS the Council of the Municipal Corporation of the Town of Hay River deems it necessary to continue to provide for the distribution of electrical power within the municipal boundary;

AND WHEREAS the Council has negotiated an Electric Utility Franchise Agreement (the “Agreement”) with the Northwest Territories Power Corporation, effective March 1, 2025 (a copy of which is attached as Schedule “A” to this Bylaw);

NOW THEREFORE the Council of the Municipal Corporation of the Town of Hay River, duly assembled, hereby enacts as follows:

1. The Municipal Corporation of the Town of Hay River hereby grants a public utility franchise to the Northwest Territories Power Corporation, on the terms and conditions set out in the Agreement attached hereto as Schedule “A” to this Bylaw.
2. Pursuant to section 90 (1) of the *CTV Act*, the Municipal Corporation of the Town of Hay River confirms that:
 - a. pursuant to an agreement with the Northwest Territories Power Corporation, the majority of the costs incurred by the Town in relation to the transfer of the electric utility franchise from Northland Utilities (NWT) Limited to the Northwest Territories Power Corporation were covered by the Northwest Territories Power Corporation, with any other costs incurred being covered by the Town’s general revenues; and
 - b. all costs that may be incurred by the Town as a result of this bylaw, subsequent to the Town entering into the Agreement attached hereto as Schedule “A” to this Bylaw, shall be covered by the Town’s general revenues or the amounts received by the Town as franchise fees pursuant to the Agreement attached hereto as Schedule “A” to this Bylaw.

READ A FIRST TIME this 17th day of October 2022.



Mayor

READ A SECOND TIME this ___ day of _____ 2025.

Mayor

READ A THIRD AND FINAL TIME this ___ day of _____ 2025.

Mayor

CERTIFIED that this Bylaw has been made in accordance with the requirements of the *Cities, Towns and Villages Act*, SNWT 2003, c 22, and the bylaws of the Municipal Corporation of the Town of Hay River, this ___ day of _____, 2025.

Senior Administrative Officer

BYLAW NO. 2447
MUNICIPAL CORPORATION OF THE TOWN OF HAY RIVER

Schedule "A"

(see attached Electric Utility Franchise Agreement
between Town of Hay River and Northwest Territories Power Corporation)

THIS AGREEMENT made as of the ____ day of _____, 2025.

BETWEEN:

THE TOWN OF HAY RIVER,
a municipal corporation
validly existing under the laws of the Northwest Territories,
(hereinafter called the "**Town**")

- and -

NORTHWEST TERRITORIES POWER CORPORATION,
a corporation validly
existing under the laws of the Northwest Territories
(hereinafter called the "**Corporation**")

WHEREAS the Corporation, established pursuant to the *Northwest Territories Power Corporation Act*, R.S.N.W.T. 1988, c.N-2, as amended, is a supplier of electricity in the Northwest Territories;

AND WHEREAS the Town, in accordance with section 91 of the *Cities, Towns and Villages Act*, R.S.N.W.T. (Nu) 1988, c.C-8, desires to grant an exclusive electric utility franchise to the Corporation for the term of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the premises and terms and conditions hereof, the parties covenant and agree as follows:

1. INTERPRETATION

1.1. DEFINITIONS

In this Agreement unless the context otherwise requires:

- 1.1.1. "**Actual Costs**" shall have the meaning ascribed thereto in paragraph 8.2;
- 1.1.2. "**Agreement**" means this agreement;
- 1.1.3. "**Board**" means the Public Utilities Board of the Northwest Territories as constituted pursuant to the *Public Utilities Act*, R.S.N.W.T. 1988, c. 24 (Supp.);
- 1.1.4. "**Corporation**" means Northwest Territories Power Corporation, its successors and permitted assigns;
- 1.1.5. "**Distribution System**" means facilities located within the Franchise Area that are owned by the Corporation and used in the distribution of Electricity to Residents within the Franchise Area and to other customers and franchises for wholesale or retail service outside the Franchise Area, and without limiting the

generality of the foregoing, includes poles, guys, hardware, insulators, wires, conductors, cables, ducts, meters, transformers, fences, vaults, and connection pedestals, but excluding any facilities used for the generation or transmission of Electricity and any equipment, assets or facilities that are not used solely for the benefit of the Distribution System;

- 1.1.6. "**Effective Date**" means the date of execution of this Agreement or the date upon which all necessary approvals or ratification of this Agreement prescribed by statute are granted, whichever is later in time;
- 1.1.7. "**Electricity**" means electric power, and includes both electric demand and electric energy;
- 1.1.8. "**Extension Term**" shall have the meaning ascribed in Article 2;
- 1.1.9. "**Franchise Area**" means the geographical area within the boundaries of the Town as described in the order establishing or continuing the Town, and any areas which may hereafter be added to or incorporated within the Town;
- 1.1.10. "**Franchise Fee**" shall have the meaning ascribed in Article 6;
- 1.1.11. "**Gross Revenues**" shall have the meaning ascribed in Article 6;
- 1.1.12. "**Initial Term**" shall have the meaning ascribed in Article 2;
- 1.1.13. "**Rates**" means all charges set or made for the supply and distribution of Electricity and includes all Terms and Conditions of Service pertaining thereto;
- 1.1.14. "**Resident**" means any individual, group of individuals, firm, or body corporate, governmental authority, or other user of Electricity (whether for residential, industrial, wholesale, street lighting or other use), including the Town, with premises located within the Franchise Area;
- 1.1.15. "**Term**" means the Initial Term and any Extension Term;
- 1.1.16. "**Terms and Conditions of Service**" means the Corporation's Terms and Conditions of Service, effective May 1, 2019, as amended from time to time, by which the Corporation provides services to its customers, and which are filed with and approved by the Board;
- 1.1.17. "**Town**" means the Town of Hay River, its successors and permitted assigns;
- 1.1.18. "**Town Council**" means municipal council for the Town;

1.2. ENTIRE AGREEMENT

This Agreement reflects the entire agreement between the parties relative to the subject matter of this Agreement and any promise, representation or statement not contained herein shall not be binding on either party.

1.3. SEVERABILITY

If any provision of this Agreement is for any reason held to be invalid, illegal or unenforceable, then such provision shall be severable from and shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

1.4. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the Northwest Territories.

2. TERM AND EXTENSION

This Agreement shall remain in force and effect for a period of fifteen (15) years, commencing on the Effective Date (the “**Initial Term**”). Unless one or both of the parties has provided notice of non-extension pursuant to paragraph 12.1 on or prior to the time prescribed therein for such notice, or the parties have agreed to a renewal of this Agreement on different terms and conditions, then this Agreement shall be automatically, and without further notice, extended on the same terms and conditions for an additional successive term of five (5) years (an “**Extension Term**”) from the expiry of the Initial Term.

Upon the expiration of the Term, unless a replacement or renewal franchise agreement has been executed by the parties, or the Town has exercised the right to purchase pursuant to paragraph 12.2, this Agreement shall continue in effect from the expiration of the Term until either party, with the approval of the Board, terminates it upon not less than eighteen (18) months prior written notice to the other party (such period the “**Overholding Period**”), provided, however, that during the Overholding Period, the parties shall meet not less frequently than monthly, to negotiate the terms and conditions on which a renewal of this Agreement might be made possible, or the price, terms and conditions upon which the Town may exercise the right to purchase pursuant to Section 12.2, and either party may, on ten (10) days notice to the other party, submit a dispute as to whether the terms and conditions of this Agreement remain equitable and appropriate during such Overholding Period for resolution by a sole arbitrator pursuant to the *Arbitration Act* R.S.N.W.T. 1995, c.11, whose decision shall be binding on the parties.

3. GRANT OF EXCLUSIVE FRANCHISE

3.1. GRANT

The Town hereby grants to the Corporation for the Term of this Agreement, an exclusive electric utility franchise for the purpose of generating, transmitting, distributing, marketing and

selling Electricity within the Franchise Area and to the Residents of the Town. Included in the grant of the franchise is the exclusive no cost right, license, and privilege, to construct, maintain and operate within the Franchise Area, in, under, above or through any highway, road, street, lane or public place within the jurisdiction of the Town, any poles, towers, wires, conduits, cables, buildings, erections, structures and all other works and undertakings of every kind and description for the purpose of generating, transmitting, distributing, marketing and supplying Electricity. The Town also grants to the Corporation the right to trim and remove all or parts of trees or other natural obstructions located on or in public places within the jurisdiction of the Town which interfere with the installation, maintenance and operation of the fixtures and equipment necessary for, or incidental to, the generation, transmission, distribution, marketing or supply of Electricity.

3.2. EXCEPTION

Notwithstanding paragraph 3.1 the parties hereto acknowledge the right of any Resident (other than the Town) to generate and use electric power on that Resident's own premises, provided that such electric power is not made available for resale or distribution to other Residents, and provided further that private generating systems of this nature shall not, in the absence of a Co-generation Agreement made pursuant to paragraph 3.3 hereof, be permitted to be connected to, nor in any way affect, the Corporation's Distribution System.

3.3. CO-GENERATION

Subject to the Corporation's policy respecting co-generation as amended from time to time and approved by the Board, and subject also to such approval as may be required and such directions as may be given by the Board, the Corporation may purchase such electric power as may be generated by Residents which is in excess of such Resident's immediate needs.

3.4. EXCLUSIVE SUPPLIER TO TOWN

3.4.1. The Town agrees to purchase from the Corporation for the Term all Electricity which may be required for Town purposes, including all power and lighting services required by Residents within the Franchise Area, at such Rates as may be determined by the Board.

3.4.2. Notwithstanding paragraph 3.4.1 the Town shall be permitted, subject to any applicable regulated tariff:

3.4.2.1. to generate or acquire, and use, heat derived from any source for the purpose of serving buildings owned by the Town within the Franchise Area;

3.4.2.2. to generate and use electricity for the purpose of serving buildings owned by the Town within the Franchise Area, up to a maximum of 25% of the maximum forecasted electric energy requirements of such buildings, provided that such electric power shall not be made available for resale or distribution to Residents or outside the Franchise Area; and

- 3.4.2.3. to generate and use electricity for the purpose of sale to the Corporation in accordance with the Corporation's policy respecting co-generation as amended from time to time and approved by the Board.

4. SUPPLY OF ELECTRICITY

4.1. STANDARD OF SERVICE

Subject to the Corporation's Terms and Conditions of Service, the Corporation agrees to supply Electricity to the Town and its Residents through suitable plant and equipment in accordance with good electric utility standards, and subject to the Corporation's Terms and Conditions of Service and except as provided in this Agreement, the Corporation shall provide Electricity on a continuous twenty-four (24) hour basis, every day in the year, and shall exercise all due skill and diligence in rendering service in accordance with good electric utility practice.

4.2. INTERRUPTIONS

Without limiting the Corporation's Terms and Conditions of Service, the Corporation may interrupt or reduce electrical service to the Town or any of its Residents for any of the following reasons:

- 4.2.1. necessary repairs, maintenance or alteration of service equipment;
- 4.2.2. defective electrical wiring or other such condition on private property which, in the opinion of the Corporation, is or may become hazardous to life or property;
- 4.2.3. on account of or to prevent fraud or abuse;
- 4.2.4. loss or reduction of electrical generating capacity;
- 4.2.5. failure to make timely payment of accounts rendered by the Corporation; or
- 4.2.6. breach of any condition of this Agreement, or of any provisions contained in the Corporation's Terms and Conditions of Service as amended from time to time.

4.3. NOTICE OF INTERRUPTION OF SERVICE

The Corporation shall have the right to interrupt or reduce electrical service for the purpose of making repairs or improvements to its system, to prevent fraud or abuse, or due to a lack of supply of electric energy, but shall, if practicable, use reasonable efforts to give prior notice of same to the Town and shall use reasonable efforts to ensure that any such interruption is as short in duration, and occurs at times least inconvenient to the Town, as circumstances permit. An interruption or reduction in the electrical service for any of the foregoing reasons shall not constitute breach by the Company of any of the provisions of this Agreement.

4.4. NON-BREACH

A discontinuance or reduction of electrical service for any of the reasons set out in this Article 4 shall not constitute a breach by the Corporation of any of the provisions of this Agreement.

5. RATES

The parties hereto acknowledge the sole jurisdiction of the Board to approve Rates, and therefore agree that Rates charged by the Corporation for Electricity supplied to the Town and its Residents shall be such Rates as may be approved from time to time by the Board.

6. FRANCHISE FEE

The Corporation will pay the Town a franchise fee (the "**Franchise Fee**") at a percentage rate to be agreed by the Corporation and the Town at the commencement of each calendar year of the Term and then set out in Schedule A to this Agreement, provided the Corporation receives from the Board an order authorizing the Corporation to recover from the Town and other consumers of electric energy within the Franchise Area such amount as the Corporation is required to pay to the Town in accordance with this Article 6. The Franchise Fee in respect of each full calendar year or portion thereof during the Term shall be an amount ranging between Zero (0%) and Ten (10%) percent (as agreed by the Corporation and the Town) of the gross revenue of the Corporation derived from the sale and distribution of electric energy to the Town and the consumers therein (exclusive of the aforementioned payment to the Town) (the "**Gross Revenue**") during:

- the corresponding months of the previous calendar year in those situations where the percentage of revenue is payable for less than a full calendar year; or
- the previous calendar year in those situations where the percentage of revenue is payable for a full calendar year.

The Franchise Fee payable for each calendar year or portion thereof is due and payable on or before the following 31st day of January in each and every year, together with a statement of Gross Revenues for the previous calendar year or portion thereof and details of the Franchise Fee calculation. The obligations under this Article 6 shall survive the termination or expiry of this Agreement subject to the provisions of Article 2 hereof.

The Corporation shall, in addition to the payments referred to above, pay property taxes levied by the Town on any residential properties owned by the Corporation within the Town and other taxes levied by the Town on all other lands, improvements, works and transmission lines, machinery, equipment and apparatus belonging to and used by the Corporation, whether or not used exclusively, in the exercise of the franchise granted hereby. The amounts payable above are due and payable in the same manner as taxes subject to penalties and discounts in accordance with the current bylaw in effect for the Town.

7. COORDINATION OF PLANS

7.1. MUNICIPAL PLANNING

The Corporation acknowledges the right of the Town to control the location of the Distribution System within municipal road rights-of-way or other public places within the jurisdiction of the Town, and agrees to consult with the Town Council or its authorized representative in the preparation of plans in respect of changes to, or extensions of, the said Distribution System

7.2. DISTRIBUTION LINE EXTENSIONS

Prior to proceeding with construction of the Distribution System into areas of the Town not previously serviced, the Corporation shall submit plans in respect thereof to the Town and obtain consent from the Town Council or its authorized representative to conduct construction in accordance with such plans. The Town agrees that consent to such plans shall not be unreasonably withheld, conditioned or delayed.

7.3. CONSTRUCTION WITHIN SERVICED AREAS

Prior to proceeding with the construction or reconstruction of the Corporation's physical plant in areas already serviced by the Corporation, the Corporation shall notify and obtain the approval of the Town or its authorized representative with respect to location of the Distribution System within existing road rights-of-way or other public places within the jurisdiction of the Town prior to commencement of the work. The Town agrees that consent to such plans shall not be unreasonably withheld, conditioned or delayed, and that in no event shall the Corporation be required to submit plans or obtain approval in respect of normal operations or routine maintenance.

8. RELOCATION OF DISTRIBUTION SYSTEM

8.1. MUNICIPALITY MAY ORDER REMOVAL/RELOCATION

The Corporation shall, at the request of the Town, remove, alter, or relocate all or portions of the Distribution System, provided that a suitable alternate location is assigned by the Town, and provided also that the Town shall, subject to this Article 8, pay all costs incurred by the Corporation in performing the work.

8.2. COST OF REMOVAL/RELOCATION

The costs to be charged to the Town in respect of work performed by the Corporation pursuant to this Article 8, shall, subject to paragraph 8.4 hereof, be the actual costs incurred by the Corporation and shall include, without limitation, all labour, material, shipping, and such other charges as may be incurred in performing the work, together with reasonable overhead and administration charges (hereinafter cumulatively referred to as "**Actual Costs**"). On request by the Town, the Corporation shall provide a written statement of items making up Actual Costs.

8.3. COST ESTIMATES

Upon receipt by the Corporation of a written request by the Town to remove, alter, or relocate all or portions of the Corporation's Distribution System, the Corporation shall as soon as reasonably possible thereafter provide to the Town a written estimate of the costs of the work.

The Corporation shall proceed with the work only upon the written authorization of the Town Council, and payment by the Town to the Corporation of the estimated costs in advance of construction.

8.4. COST ADJUSTMENTS

The Corporation shall refund such portion of estimated costs as may exceed Actual Costs. If, in the course of construction, it becomes evident to the Corporation that Actual Costs are likely to exceed estimated costs, the Corporation shall provide written notice thereof to the Town of that portion of Actual Costs which exceed estimated costs by more than ten (10%) percent, provided, however that the Town shall remain liable to pay all Actual Costs incurred by the Corporation in performing the work.

8.5. COST-SHARING

When requests from the Town to remove, alter, or relocate all or portions of the Corporation's Distribution System coincide with improvements or relocations already planned by the Corporation, the Corporation will agree to a commensurate reduction in the Actual Costs to be charged to the Town.

9. RESTORATION OF PROPERTY

9.1. STANDARD OF REPAIR

The Corporation shall, upon completion of any construction, reconstruction or maintenance work within the Franchise Area commenced after the Effective Date, restore any street, lane, or public place within the jurisdiction of the Town which may be affected thereby, to a state of repair as nearly as is reasonably possible, equal to that existing immediately prior to the commencement of such works and where the Corporation fails to make such repairs within sixty (60) days of written notification from the Town to do so, the Town may undertake such restoration work and the Corporation shall be liable for the reasonable costs thereof.

9.2. PRE-INSPECTION

Prior to undertaking construction, restoration or maintenance work within the Town which may affect any street, lane, or public place within the jurisdiction of the Town, the Town and the Corporation shall conduct a joint on-site inspection of the same.

9.3. ARBITRATION

Where, after consultation with the Town, the Corporation determines that the claim for repairs made pursuant to paragraph 9.1 hereof is unreasonable, or that the amount invoiced by the Town in respect of repairs is excessive, the Corporation may deny the claim for repairs and refuse to pay such invoice. In that event, the parties agree that the matter shall be submitted to arbitration pursuant to the *Arbitration Act* R.S.N.W.T. 1995, c.11, as amended.

10. MUNICIPAL USE OF POLES

Upon prior consent of the Corporation which shall not be unreasonably withheld, conditioned or delayed, and subject to any reasonable terms and conditions imposed by the Corporation, the Town may make use of the distribution poles owned by the Corporation for municipal purposes as long as such use does not interfere with the use of such distribution poles by the Corporation, and as long as any extra or additional poles, cross-arms, insulators or other fixtures, or any changes in use of any of them, required by reason of the use of the said distribution poles by the Town shall be supplied, erected or made by the Corporation at the expense of the Town. The Town covenants and agrees to be responsible for and indemnify the Corporation against any loss, damage or injury suffered, sustained, paid or incurred by or recovered from the Corporation as the direct or indirect result of the use of the said distribution poles by the Town.

11. TERMS AND CONDITIONS OF SERVICE

Notwithstanding anything contained in this Agreement, the supply of Electricity provided by the Corporation to the Town and its Residents shall be in accordance with the Corporation's Terms and Conditions of Service, as amended, revised or replaced from time to time, and as approved by the Board.

12. EXTENSION, RENEWAL AND RIGHT OF PURCHASE

12.1. NOTICE

- 12.1.1.** Not later than twelve (12) months prior to the expiry of the Initial Term, each party shall notify the other of their intention regarding extension of this Agreement for the Extension Term. If the intention disclosed by both parties is to extend this Agreement, then each party shall provide the other with confirmation in writing to that effect and thereafter take such actions as may be necessary for approval of the said extension by the Board. In the event that the intention disclosed by either party is to the effect that this Agreement may not be extended, or not extended on the same terms as contained herein, then each party covenants to promptly, and not less frequently than monthly, meet and discuss with the other the terms and conditions on which a renewal of this Agreement might be made possible, or the price, terms and conditions upon which the Town may exercise the right to purchase pursuant to Section 12.2 (including the schedule for such purchase, and the transition services and Franchise Fee following expiration of the Initial Term).
- 12.1.2.** Not later than twelve (12) months prior to the expiry of the Extension Term, if any, each party shall notify the other of their intention regarding renewal of this Agreement beyond the Extension Term. If the intention disclosed by both parties is to renew this Agreement beyond the Extension Term, then each party shall provide the other with confirmation in writing to that effect and thereafter promptly, and not less frequently than monthly, meet and discuss with the other the terms and conditions on which a renewal of this Agreement might be made possible,

(including seeking approval of the said renewal by the Board and the Town Council) or the price, terms and conditions upon which the Town may exercise the right to purchase pursuant to Section 12.2 (including the schedule for such purchase, and the transition services and Franchise Fee following expiration of the Extension Term).

12.2. RIGHT TO PURCHASE

In the event that this Agreement is not renewed or extended pursuant to Article 2, the Town may, subject to obtaining such consent as may be required of the Board and of the Minister of Municipal and Community Affairs for the Government of the Northwest Territories, purchase all, but not less than all, of the rights of the Corporation under this Agreement and all, but not less than all, equipment, facilities, and property located within the Franchise Area which is used for the purposes of exercising those rights, but excluding any equipment, facilities and property located within the Franchise Area i) that are owned by the Corporation prior to the date of this Agreement, and improvements or expansions thereof; or ii) that has not been solely and exclusively used for the purposes of the electric utility franchise contemplated in this Agreement; for such price and on such terms as may be agreed upon with the Corporation, or failing agreement within ninety (90) days of the expiration of the Term, on such terms as may be determined by a sole arbitrator pursuant to the *Arbitration Act* R.S.N.W.T. 1995, c.11, whose decision shall be binding on the parties.

13. DEFAULT

13.1. NOTICE OF DEFAULT

If at any time one party considers the other party to be in default of any of its obligations under this Agreement, such party shall give the other party written notice to that effect specifying the alleged default.

13.2. PUBLIC UTILITIES BOARD DETERMINATION

If the default has not been cured within three (3) months following the receipt of notice pursuant to paragraph 13.1 the party not in default may refer the matter to the Board, and the parties shall be bound by such recommendations or orders that the Board may render in respect thereof, including termination of this Agreement.

14. INDEMNITY

14.1. INDEMNITY

Each of the parties hereto shall be responsible for and indemnify and save harmless the other party, for any damages or losses (including legal fees on a solicitor and his own client basis), injuries or loss of life, which such other party may suffer, sustain, pay or incur, resulting from the acts or omissions of the first party or its employees, servants, agents or contractors which may occur in the performance, purported performance, or non-performance of its obligations under this Agreement; provided however, that such indemnity shall be limited to an amount

in proportion to the degree to which the indemnifying party, its employees, servants, agents or contractors are at fault or otherwise held responsible in law.

14.2. RESIDUAL LEGAL RIGHTS RESERVED

The liability of the parties to indemnify or reimburse each other under this Agreement shall not limit or prejudice them from relying on the provisions of laws of general or specific application.

14.3. LIMITATION

In the event that the Corporation's facilities or any part thereof becomes damaged so that the Corporation is unable to supply Electricity, the Corporation shall make repairs as promptly as possible and, pending repairs, shall take all reasonable steps to supply Electricity from other sources, if such is available.

15. PREVENTION OF PERFORMANCE

15.1. FORCE MAJEURE

Neither party to this Agreement shall be in default hereunder or be held responsible for any loss or damage claim brought by the other party or a claim brought by any other person if the fulfilment of any terms or provisions hereof shall be delayed or prevented by any cause not within the control of that party, including revolutions or other disorders, acts of enemies, acts of God, fire, labour disturbances, war, acts of government or governmental agency (whether foreign or domestic, federal, territorial, provincial, state, county or municipal), epidemics, pandemics or order of governmental authorities or any other cause not within the control of the party whose performance is interfered with, whether similar to the causes hereinbefore enumerated or not.

15.2. NOTICE OF FORCE MAJEURE

A party whose performance is delayed or hindered by force majeure shall forthwith give notice to the other party of the nature and expected duration of the delay or hindrance, and shall take such steps as are reasonably necessary to resume performance in the manner contemplated by this Agreement. The party whose performance is delayed or hindered shall have a reasonable time after the delay or hindrance is terminated to so perform, taking into account the nature of the delay or hindrance and the nature of the obligation to be performed.

16. WAIVER

The waiver by either party of any breach of any provision herein shall not be deemed a waiver of any other breach of the same or any other provision.

17. NOTICE

17.1. DEEMED DELIVERY

Any notice permitted or required to be given under this Agreement shall be given in writing and either delivered personally, sent by telegram, telex or facsimile, or sent by prepaid registered mail. Any such notice shall be deemed to have been received by the party to whom it is addressed if delivered, when delivered; if sent by email or facsimile, on the next business day after the day of sending the email or facsimile; or if sent facsimile; or if sent by registered mail, fourteen (14) days after the posting of such notice in any post office in Canada unless there is a mail disruption in which case the notice is effected on the date received. The addresses of the parties for the purposes hereof shall respectively be:

In the case of the Town:

Town of Hay River
62 Woodland Dr #100,
Hay River, NT X0E 1G1
Attention: Town Administrator

In the case of the Corporation:

Northwest Territories Power Corporation
4 Capital Drive
Hay River, NT X0E 1G2
Attention: Chief Financial Officer

18.ASSIGNMENT

18.1. CONSENT REQUIRED

Subject to paragraph 18.2 hereof, neither of the parties may assign this Agreement in whole or in part to a third party without the prior written consent of the other, such consent not to be unreasonably withheld, conditioned or delayed, and any assignment made without such consent shall be of no effect.

18.2. EXCEPTION

The Corporation shall have the right to assign this Agreement to any parent or subsidiary corporation or to any joint venture, to which the Corporation may hold an interest, provided, however, that the Corporation shall serve notice thereof on the Town prior to such assignment.

19.CONSEQUENTIAL DAMAGES

The Corporation shall not be liable to the Town or any Residents for losses or liabilities of an indirect, consequential, special, exemplary or punitive nature arising out of or related to the generation, distribution, use or sale of electricity by the Corporation pursuant to this Agreement.

20. FILING FOR INFORMATION

Within a reasonable time following execution of this Agreement, the parties shall submit this Agreement to the Board for its information.

21. ENUREMENT

Subject to paragraph 18.1, this Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors, legal representatives and permitted assigns.

IN WITNESS WHEREOF the parties have duly executed these presents as of the day and year first above written.

THE MUNICIPAL CORPORATION OF TOWN OF HAY RIVER N.W.T.

Per: _____

(Seal) Per: _____

NORTHWEST TERRITORIES POWER CORPORATION

Per: _____

(Seal) Per: _____

Schedule A

Franchise Fee percentage for Year 1= Four (4%)