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**VILLAGE OF FRUITVALE
WASTEWATER FINANCIAL MANAGEMENT POLICY**

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1.0. Policy Statement

Financial management is a broad strategic framework that encompasses planning, organizing, directing and controlling the financial activities of an organization and guides the procurement of assets and utilization of funds. The purpose of this policy is to provide leadership and commitment to financial responsibility and a sustainable future for the Village of Fruitvale. The principles provide guidance in the development and implementation of a financial and asset management plan for the Wastewater Department and ensure present and future services meet the needs of residents and are sustainable into the future.

2.0. Background and Purpose of Council Policy

Urban sanitation is a priority issue for all municipalities. Major deficiencies in the provision of this basic service contribute to environmental health problems and the degradation of scarce water resources. Population growth leads to increasing amounts of human wastes that need to be managed safely. The relative success in providing municipalities with usable water has led to greater volumes of wastewater requiring management. As population densities in municipalities increase, the volumes of wastewater generated per household

exceed the infiltration capacity of local soils and require greater drainage capacity and higher quality sewer systems. Wastewaters flowing out of municipalities can, in turn, affect downstream water resources and threaten their sustainable use. Confronting these challenges requires prudent financial management to ensure services and service levels are maintained today and into the future.

2.1 Council's Vision and Goals for Wastewater Financial Management

Council's vision and goals for the community are identified in the Village's Strategic plan - the Village of Fruitvale will be a visually appealing, family-oriented, welcoming community where residents, business owners, property owners and visitors have pride in the community, access to diverse amenities and honor and accent our natural surroundings and heritage. This vision is underpinned by well managed and maintained infrastructure assets which can only be achieved through well managed financial plans.

Council's goals related to wastewater financial management are:

- To deliver quality services in a sustainable manner;
- Ensure utilities are self-sustaining;
- Ensure necessary asset/infrastructure upgrades are planned and undertaken;
- Plan for the long-term sustainability of the Village;
- Develop financial resources to replace assets in the future that are being used up today
- Develop policies and strategies for investments, reserves, assets and mill rate stabilization;
- Steadily develop future funded operational and capital reserves.

This policy is to articulate Council's commitment to financial management, and guides staff using the policy statement. This policy also demonstrates to the community that Council is exercising good stewardship and is delivering affordable services while considering its legacy to future residents.

Staff will implement the policy through the development and use of financial management guidelines and practices. The responsibility for implementing these guidelines and practices are delegated to staff.

3.0. Policy Principles and Guidelines

Administration shall ensure the following principles are applied within any implemented Financial Management System:

The organization shall:

- Increase Wastewater user fees by 8% each year for the next five (5) years from the year 2020 to 2024.
- Report annually to Council the status of this policy toward reaching Council's goals.

3.1 Guidelines and Practices

This policy shall be implemented by staff following Generally Accepted Accounting Practices. Staff will ensure the necessary inclusion in all short-term budgets and long-term financial plans. The strategic Wastewater financial plan will outline long term goals, processes and steps toward achieving the goals. Replacement portfolios and associated financial plans will consider alternative scenarios and risks whenever the plan reflects Council's goals may not be met.

4.0. Key Roles and Responsibilities

a) Village Council to:

- i. Approve by resolution this policy and any amendments.
- ii. Consider the allocation of resources for successful implementation of this policy.

b) Administration:

- i. Implement this policy and approve procedures;
- ii. Carry out implementation plans for this policy;
- iii. Recommend exceptions to this policy;
- iv. Ensure open and transparent communication with the residents of the Village of Fruitvale regarding this policy.

4.1 Implementation, Review and Reporting

Due to the importance of this policy, the organization's Wastewater Financial Management Processes shall be reported annually to the community, and implementation of this policy reviewed by Council each year during budget deliberations.