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The following was approved by the Chief Administrative Officer (CAO) as an Administrative Policy.

## PURPOSE

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This policy establishes requirements, conditions, and terms of use for Artificial Intelligence (AI) used by the District of Lake Country ("District").

## POLICY

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### 1. GENERAL

#### 1.1 Definitions:

**Artificial Intelligence (AI)** means systems or tools capable of performing tasks normally requiring human intelligence.

**AI System** means any software, service, or application that incorporates AI capabilities.

- 1.2 This policy applies to both standalone AI tools and AI-enabled features embedded within software or services used for District business, where outputs may influence decisions, communications, or service delivery.

### 2. INFORMATION TECHNOLOGY (IT) DEPARTMENT RESPONSIBILITIES

#### 2.1 The Information Technology (IT) Department is responsible for:

- (a) Authorizing the procurement and use of **AI systems** for District business
- (b) Approving **AI-enabled** software and services
- (c) Maintaining an inventory of approved **AI systems**
- (d) Periodically reviewing approved **AI systems** for continued suitability, security, and compliance
- (e) Ensuring **AI systems** comply with cybersecurity, privacy, data residency, and records management requirements
- (f) Suspending or decommissioning AI systems that no longer meet District requirements or present unacceptable risk
- (g) Assisting with conducting or coordinating Privacy Impact Assessments (PIAs), where required
- (h) Restricting, suspending, or revoking **AI system** access where required
- (i) Providing best-effort support for approved **AI systems**
- (j) Providing guidance and awareness materials on approved AI tools, risks, and responsible use

- 2.2 IT is not responsible for providing support for **AI systems** that are not part of the inventory of approved systems.

### 3. GUIDING PRINCIPLES

3.1 All AI use must align with the following principles:

- (a) **Transparency** – The District will be transparent about the use of AI where it materially assists analysis, decision-making, or communications. Employees are not required to proactively disclose AI use, however, they must be able, upon request or inquiry to clearly explain how AI was used, its purpose and how it informed the outcome, including the role of human oversight (e.g. AI was used to summarize public submissions to identify common themes)
- (b) **Accountability** – Humans remain fully responsible for all AI-assisted work, including verification, accuracy, and compliance with District policies and legislation. AI does not replace professional judgment, managerial authority, or legal responsibility.
- (c) **Public Benefit** – AI must be used only where it provides a clear benefit to the District or the public and supports legitimate operational or service objectives. AI should be chosen only when it is an appropriate and effective solution compared to non-AI alternatives.
- (d) **Fairness** – AI systems must be used in a manner that avoids discrimination, bias, or inequitable outcomes for individuals or communities. The District will remain alert to unintended impacts and will not use AI where fairness concerns cannot be adequately addressed.
- (e) **Reliability** – AI outputs must be fit-for-purpose, accurate, and reviewed before use, recognizing that AI systems can change over time. The performance of AI tools must be monitored and issues addressed as they emerge.
- (f) **Safety & Privacy** – Appropriate safeguards must be in place to protect District information, personal data, and systems throughout the AI lifecycle. All AI use must comply with FOIPPA and applicable security, privacy, and records management requirements.

### 4. APPROVAL AND PERMITTED USE

4.1 All AI systems used for District business must be approved by the IT Department prior to use.

4.2 Use of AI systems may only be carried out where:

- (a) The AI system has been approved by IT prior to use
- (b) Use complies with this and all other applicable District policies, as well as applicable privacy and legal requirements
- (c) Outputs are reviewed and verified by a human prior to use

4.3 Approved AI systems may be used for low-risk activities including, but not limited to:

- (a) Drafting, summarizing, and analyzing information for District business
- (b) Supporting workflow automation and administrative efficiency

4.4 Approved AI systems may be used for moderate-risk activities with prior consideration of impacts associated with freedom of information and protection of privacy (FOI requests), legal and records management, including but not limited to:

- (a) Process, analyze or generate outputs using confidential, personal or sensitive District information for example, drafting summarizing and analyzing contractual agreements, RFPs, confidential reports and personnel information

4.5 Approved AI systems may not be used for high-risk activities without prior review and approval by IT, Corporate Services, Human Resources (where applicable) and the CAO, including, but not limited to:

- (a) influencing decisions affecting individuals' rights or services such as eligibility, enforcement or hiring
- (b) collecting, using or disclosing personal information

**5. PROHIBITED USE**

- 5.1 **AI systems** must not be used to make fully automated decisions that affect an individual’s rights, eligibility, access to services, or regulatory outcomes.
- 5.2 Third party public or consumer **AI systems** outside of the District’s internal systems must not be used to process, store, or analyze personal, confidential, or sensitive District information.
- 5.3 **AI systems** must not be used to impersonate individuals, misrepresent District communications, or simulate official authority.
- 5.4 **AI systems** must not be used to bypass established approval, record-keeping, privacy, security, or auditing controls.
- 5.5 Employees and District contractors must not:
  - (a) Represent **AI**-generated content as factual, final, or authoritative without appropriate verification and human review.
  - (b) Deploy, enable, or use **AI systems** for District business without approval from the Information Technology (IT) Department.

**6. INFORMATION SECURITY, PRIVACY, AND STORAGE**

- 6.1 All District information processed or generated using AI must be stored on District-approved systems.
- 6.2 District information must not be retained in unapproved **AI systems**, prompts, chat histories, or model memory.
- 6.3 Any loss, misuse, or unauthorized disclosure involving **AI** must be reported to the IT department and Privacy Head immediately.
- 6.4 All **AI** use must comply with the Freedom of Information and Protection of Privacy Act (FOIPPA).

**7. VIOLATIONS**

- 7.1 Violations of this policy will be reviewed on a case-by-case basis and may result in loss of access to **AI systems** and disciplinary action up to and including termination

**8. APPROVALS, AMENDMENTS AND ANNUAL REVIEWS**

Date	Approver	Type

\_\_\_\_\_  
**Chief Administrative Officer**

May 7, 2026  
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**Date**

**USER ACKNOWLEDGEMENT**

I have read and understand Use of AI Policy 228, 2026 and acknowledge my responsibility to adhere to the requirements contained herein:

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Employee Signature

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Print Name

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Date