

M A N I T O B A) Order No. 142/06
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THE PUBLIC UTILITIES BOARD ACT) October 24, 2006

BEFORE: Graham Lane, C.A., Chairman
Susan Proven, P.H.Ec., Member
Monica Girouard, C.G.A., Member

THE RURAL MUNICIPALITY OF TACHÉ
REVISED WATER AND SEWER RATES
LORETTE & LANDMARK

Executive Summary

By this Order, The Public Utilities Board of Manitoba (Board) approves the Rural Municipality of Taché's (Taché) application for increased water and sewer rates for its Lorette and Landmark utilities, effective January 1, 2007.

As well, and by varying Taché's application, the Board:

- a) supports Taché's intent to address utility infrastructure deficiencies; and
- b) takes into account the Board's obligations pursuant to The Sustainable Development Act (SDA).

Accordingly, the Board establishes further and conditional 20% across-the-board water and sewer rate increases for both Lorette and Landmark effective June 1, 2007.

The conditional increases better ensure Taché is able to proceed expeditiously with necessary water and sewer capital projects, even if senior government grants are not assured and/or scheduled by the spring of 2007. Safe and adequate water and effective effluent management are cornerstones of modern communities.

Quarterly bills for Taché's Lorette residential water and sewer customers will increase from \$31.50 to \$68.65 (over twice the existing charge) as of January 1, 2007. If the conditional increases are proceeded with, Lorette quarterly bills will increase further, to \$82.34 effective June 1, 2007.

For Taché's Landmark customers, quarterly residential water and sewer bills will increase from \$17.85 to \$33.98 (approximately

twice the existing charge) effective January 1, 2007. If the conditional increases are implemented, Landmark quarterly bills will increase further, to \$40.80 effective June 1, 2007.

The significant difference in the magnitude of the minimum quarterly bills for Lorette and Landmark customers is due to differences in the nature and costs of the utilities serving the two communities.

While the increases for both communities are very large and representative of rate shock, the Board notes both the importance of upgrading necessary water and sewer infrastructure and the fact that the last rate increases were implemented many years ago.

Hopefully, Taché will experience success with respect to acquiring senior government grants towards meeting a portion of the required capital costs; success may allow the June 2007 conditional increases to either be varied or delayed. Taché is to file updates with the Board as to its capital project plans and related grant requests no later than April 30, 2007.

Introduction

Taché operates a metered water utility in Lorette, serving approximately 360 water and sewer customers and 240 sewer only customers. Taché expects continued growth for Lorette, which has a 150-lot subdivision in process, projecting 25 to 30 new homes will be built each year though growth may be difficult to achieve with utility infrastructure issues to resolve. Water consumption is billed quarterly while sewer services have been billed on an annual flat rate basis. Taché proposes to bill quarterly.

With respect to Landmark, Taché's fully metered water and sewer system serves 412 customers. Two potential subdivisions are on hold, pending a resolution of infrastructure issues.

Taché's water supply for both Lorette and Landmark is drawn from wells, and its sewer systems involve lagoons, with effluent releases discharged into the Seine River Diversion. Lorette does not have a reservoir and draws its water direct from an aquifer. Lorette's sewer system is based on gravity flow. Lorette has experienced power outage problems, resulting in higher costs to manually maintain the pumping stations, thus causing it to have a higher cost to operate than Landmark's low pressure system.

Water and sewer rates were last revised in 1981 for Lorette and 1995 for Landmark.

Application

Taché applied to the Board for revised water and sewer rates. Notices setting out its proposal and announcing a Board hearing, which was subsequently held in Lorette on September 27, 2006, were published and posted in each community. Rate studies performed by Taché supported its proposals.

Taché noted that, though its proposed increases were substantial, the resulting rates would not be excessive in comparison to the rates charged by other Manitoba water and sewer utilities. Taché advised that large increases were required to meet urgent infrastructure needs. Lorette has been under a Boil Water Advisory since July, 2005 and Landmark is experiencing water supply capacity problems which are delaying new housing development.

Taché reported that its capital project requirements were beyond the utilities' capacity to finance without senior government grants and a debenture issue, and that even higher rates would eventually be required for its upgrading plans to be fully realized. Taché further reported that its sensitivity to the impact that even larger increases would have on low and fixed income families was a restraint to proposing larger increases.

Taché opined that a combination of Board approval of its rate proposals, the provision of senior government grants, a debenture issue and a concurrent commitment on its part to review rate adequacy on a more frequent basis in the future would allow it to move ahead with needed infrastructure projects.

Existing and proposed rates pursuant to By-law No. 19-2006 (Lorette) and No. 18-2006 (Landmark) were:

Lorette Rates

	Existing	Proposed
Water Commodity Rates (per cubic metre) ¹	\$0.50	\$0.86
Flat rate sewer (per quarter) ²	\$18.17	\$39.38
Quarterly Service Charge ³	\$3.33	\$26.19
Minimum quarterly bill (residential)³	\$31.50	\$68.65

Note¹: Billed volumetrically

Note²: Taché currently bills annually for sewer services; it proposes to charge quarterly.

Note³: Combined for water and sewer customers. Given average water consumption, average quarterly bills will significantly exceed the minimum bill. Bills for non-residential customers vary according to estimated sewer usage relative to residential customers.

Landmark Rates

	Existing	Proposed
Water and Sewer Commodity Rates (per cubic metre)		
Under 140 cubic metres	\$0.51	\$0.69
Over 140 cubic metres	\$0.27	\$0.42
Sewer, based on metered water consumption	\$0.18	\$0.50
Quarterly Service Charge	\$3.70	\$16.13
Minimum quarterly bills (residential)	\$17.85	\$33.98
Sewer only customers (flat quarterly charge)	\$19.00	\$32.00

Commentary - Lorette

Taché advised its highest capital project priority was to improve Lorette's water quality, so as to remove a Boil Water Advisory that has been in place since the summer of 2005, the result of contamination caused by heavy rains and subsequent flooding.

Some residents in the older part of the community continue to use private wells rather than Taché's system. With the aquifer contaminated in the summer of 2005, private wells were also contaminated. Taché assists those residents by facilitating testing of private wells.

Lorette has grown substantially over the last several years; and during the period 2000 to 2005, Taché made significant infrastructure improvements. Yet, due to aging water lines and compromised sewer lines due to expansion and other factors, Taché foresees a need for significant further capital improvements in the future.

Taché projects \$6.1 million of water and sewer system upgrades over the 2006/11 period:

- a) water supply projects of \$5 million over the 2006/2009 period; and
- b) \$1.1 million of sewer system enhancements between 2008 and 2011 (not including \$15,000 each year between 2011 and 2030 for sewer line replacement).

Projects envisioned include:

- a) well upgrades,
- b) reservoir and pump house improvements,
- c) upgrading and expansion of water distribution lines,
- d) decommissioning of private wells,
- e) expansion of sewer trunk lines, and
- f) enhancing the sewage lagoon.

Taché has an application for capital project funding before Canada/Manitoba Infrastructure with respect to Lorette, and a letter of intent to seek grant support has also been filed with

the Manitoba Water Services Board (in the event that Canada/Manitoba Infrastructure does not approve Taché's request).

To date, no projects have been confirmed for senior government funding, though Taché reported that decisions are expected in the near future with respect to 2006 and 2007 proposed projects.

Taché indicated that Lorette's sewer utility meets provincial guidelines with respect to effluent discharge. That said, while Taché reported being aware of the problems caused for Manitoba's waterways and lakes by nutrient discharges, nutrient removal is not presently contemplated within its capital improvement plan.

As at December 31, 2005, Taché's Lorette utility had total reserves of \$90,000 (including both the utility reserve and the accumulated operating surplus) - anticipated to be depleted to absorb a forecast operating loss of \$40,000 in 2006. The original capital cost of Lorette's utility was financed by debentures and grants; servicing of the debentures is through the tax roll (\$78,574 was obtained through tax levies in 2005).

Significant operating cost increases have arisen due to the boil water advisory, namely increased water sampling, chemical use and water quality testing. And, there are the effects of inflation since the last rate increase, increases in provincial standards and improved allocations of general municipal administrative costs to the utility.

The combination led to the Lorette utility experiencing an operating deficit in 2005 of \$17,820, met by a transfer from

surplus and reserves. The expected 2006 operating deficit will likely also to be met by transfers from surplus and reserves.

The following is a summary of Taché's Lorette utility operating costs:

	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>Rate Study</u>
Administration	\$39,983	\$40,000	\$47,140
Water	\$53,048	\$64,000	\$79,667
Sewer	\$52,059	\$52,000	\$93,403
Total	<u>\$148,090</u>	<u>\$156,000</u>	<u>\$220,210</u>

To provide funding towards its infrastructure renewal plans, Taché has included in its expense forecasts approximately \$39,500 for contingencies and \$30,000 towards a rebuilding of its utility reserves.

Landmark

As at December 31, 2005, Taché's Landmark utility had \$130,586 in accumulated surplus and a further \$56,421 in reserves. The utility has not experienced an operating deficit since rates were last approved in 1995. In 2005, the utility recorded a financial breakeven position.

Operation costs were indicated to be as follows:

	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>Rate Study</u>
Administration	\$21,661	\$25,000	\$26,575
Water	\$55,629	\$43,000	\$70,382
Sewer	\$28,285	\$62,800	\$54,660
Total	<u>\$105,575</u>	<u>\$130,800</u>	<u>\$151,617</u>

Operating expenses forecast for 2006 include a \$30,000 provision to build the utility reserve and a further \$15,642 to meet contingencies.

As is the case with Lorette, utility debenture debt servicing for Landmark's system is funded through the tax roll - \$67,771.30 in 2005. With the maturation of a debenture, overall annual servicing costs are expected to decline to \$16,842.74 for 2006.

Taché advised that its Landmark utility's capital needs are extensive through to the year 2010. Similar to the approach envisioned for the Lorette utility, Taché plans to meet these needs through borrowings, grants and rate increases.

The Landmark lagoon is operating beyond its capacity, and while remedial steps have been taken ahead of expanding the lagoon, the expansion is expected to occur in 2007 at a cost of \$750,000. A lift station upgrade to cost \$300,000 is also planned, that for 2008. These infrastructure improvements are required to allow the subdivision moratorium to be lifted. As well, approximately \$10,000 a year from 2011 through 2020 will be required to provide sewer main replacements.

Further problems lie with Landmark's water treatment facility, which is operating at capacity. Taché plans to expend \$120,000 in 2006 to increase pump house capacity, and a further \$1 million to enhance the reservoir and treatment plant by 2011. Another \$10,000 per year from 2011-2020 was indicated to be required to meet water line replacement requirements.

Taché advises Landmark's water quality is acceptable, and that it is currently meeting industry standards for lagoon discharges. However, due to the capacity situation, two emergency releases were required in 2004. Lagoon releases are into the Seine River Diversion; nutrient removal from effluent is currently not on the planning horizon.

Landmark capital projects are not expected to receive Manitoba Water Services Board grant support in 2006; Taché has sent a letter requesting support with respect to the planned 2007 lagoon expansion.

Presenters

At the hearing, the Board heard two presentations from Lorette residents. The first questioned why rates would be increased while a Boil Water Advisory notice was outstanding. The second opined Taché's infrastructure problems were the result of poor planning and that Taché's capital project priorities should be adjusted to ensure potable water prior to other municipal upgrading, such as road improvements. The presenter suggested that Taché's Capital Improvement Reserves, which are separate from the utility reserve, should be drawn on to address and resolve the Boil Water Advisory.

Board Findings

The Board will vary Taché's application and establish firm and conditional water and sewer rate increases and rates as set out in Schedules A and B to this Order.

The Board shares Taché's concern with respect to its utility infrastructure, and supports the municipality's intentions to proceed as soon as possible to address the deficiencies. Thus, the Board varies the application by providing conditional increases effective June 1, 2007, noting:

- a) the Board's obligations pursuant to the SDA;
- b) the possibility that senior government grant awards will not be timely enough to allow Taché to proceed quickly enough to address its infrastructure deficiencies (borrowings ahead of grants may be required, and revenue needed to service that debt); and
- c) safe and adequate water and safe effluent are prerequisites for Manitoba communities.

A Boil Water Advisory, recent emergency discharges of untreated effluent and development moratoriums argue for quick action.

The Board expects Taché to file with the Board updates of its capital project plans and grant situation by April 30, 2007, ahead of the effective date for implementation of June 1, 2007 conditional rate increases. Following Taché's filing, the Board will discuss the situation with Taché and reach a final determination on the conditional increases.

While the Board appreciates that rainfall and flooding led to Lorette's Boil Water Advisory and the emergency effluent releases, events beyond the immediate control of Taché, it holds that remedying the situation should occur as quickly as possible.

Infrastructure inadequacies brought about by community growth are foreseeable events, and further development should not

proceed without adequate and safe water and sewer infrastructure.

Failing to seek and obtain timely rate increases falls into the category of less than adequate planning, and places stress on utility operations, contributing to or risking delays in repairs and enhancements. Inadequate revenue may result in an inability to attend to normal and extraordinary operating situations, whether brought about by weather events, inflation, increased standards or population growth.

The capital project planning now performed by Taché should have occurred earlier, ahead of developments, with grant applications issued to senior governments well ahead of actual need. Governments at all levels have limited resources and attempt to prioritize and schedule assistance ahead of emergent and immediate need. Clearly, as Taché acknowledged at the hearing, water and sewer rates need to be adjusted on a regular basis. Consumers adjust better to higher prices when they are implemented over time.

Taché is now informed and articulate about the future needs of its utilities, and the Board is satisfied that on a go-forward basis utility needs will be recognized, grants sought, debentures planned and rates regularly adjusted, all on a timely basis.

If these steps had been taken in the past, some of the current problems and deficiencies may well have been avoided. As well, with higher rates in place over the years, perhaps water consumption would have been reduced, assisting with conservation and taking pressure off water supply and effluent capacity.

Inverted rates, rates that are higher with higher consumption, would also favour conservation and reduced consumption; while the Board favours such rate structures it accepts that now is not the time to oblige Taché to implement them. The Board recommends that Taché consider an inverted rate schedule for implementation within three to five years. There is no need to advise residents of the importance of an adequate and safe water supply and the need for safe discharges from the lagoons; however, Taché should remain vigilant in reminding utility customers of the desirability of conservation. The elimination of step rates is an issue for a future rate proposal.

The Board also expects Taché to consider for a future rate application billing sewer customers on a volumetric basis when the customers are also water customers.

While supportive of Taché's current capital project development plan, the Board notes that no attention has been paid to the issue of nutrient removal. Nutrients are poisoning Lake Winnipeg, and resulting in large algae blooms in the summer months affecting fishing, recreational enjoyment and the environment. In time, these concerns will also have to be addressed.

Unfortunately, fully meeting infrastructure and operating needs ahead of actual need results in the expectation of even higher water and sewer rates for the future - a projection that may be shared by all Manitoba communities.

Higher rates than proposed by Taché, as provided for by conditional approval, should allow Taché to consider borrowing

to advance project schedules, and build reserves and allow for future contingencies in an immediate sense.

The Board comprehends the frustrations of those presenting at the hearing represented by the suggestion that rate increases are not justified while a Boil Water Advisory is in place. However, short of doing as one presenter suggested, i.e. reallocating funds held for other capital purposes, ratepayers are the only source of the funds immediately needed to address the present infrastructure deficiency. The Board will not substitute its view for that of Taché's Council; the option of reallocating other funds is for the Council to consider.

With respect to rate shock, defined as a rate increase implemented at one time that exceeds 10%, the avoidance of it will not allow the funds Taché requires to address its infrastructure deficiency. In short, safe and adequate water and effluent management trumps rate level concerns; phasing in the necessary increases is desirable but not prudent in these circumstances.

The communities which Taché serves are experiencing growth; growth requires careful planning to ensure that both existing and new customers pay their fair share of the embedded and ongoing costs of adequate infrastructure. While the Board will not exercise its statutorily derived authority to set connection/development fees at this time, the Board expects Taché to ensure new customers contribute their fair share of the infrastructure expansion costs that Taché will incur. At this time, the Board will only direct Taché to file its connection fees annually for the Board's information. The Board accepts the connection fees now submitted.

Existing customers will meet their responsibilities through much higher rates and, potentially, higher taxes that may result when Taché's share of infrastructure expansion costs are finally determined.

Finally, the Board will require Taché to provide a bill insert reporting on the Board's decisions and supporting rationale; a draft insert is to be provided to the Board for its review prior to publication.

The Board appreciates the openness, transparency and commitment to address deficiencies expressed by Taché's officials through the hearing process.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 18-2006 of The Rural Municipality of Taché serving Local Improvement District No. 3 (Landmark) BE AND IS HEREBY APPROVED subject to incorporating Schedule "A" attached to this Order.
2. By-law No. 19-2006 of The Rural Municipality of Taché serving Local Improvement District Nos. 1 and 2 (Lorette) BE AND IS HEREBY APPROVED subject to incorporating of Schedule "B" attached to this Order.
3. Conditional rate increases effective June 1, 2007 are approved as set out in Schedules "A" and "B" attached. The conditional rate increases are to implemented upon final approval of The Public Utilities Board, which will follow the Board's review of capital projects and related funding updates to be provided by the Rural Municipality of Taché by no later than April 30, 2007.
4. Connection fees are to be filed annually with the Board.
5. The Rural Municipality of Taché is to consider the elimination of step rates for Landmark and inverted rates generally, as well as sewer billings based on volumetric metered water readings in a future application.
6. The Rural Municipality of Taché is to consider the desirability and potential implementation of nutrient removal from effluent within future capital expenditure plans.

Fees payable upon this Order - \$2,000.00.

THE PUBLIC UTILITIES BOARD

"GRAHAM F. J. LANE, C.A."
Chairman

"G. GAUDREAU, CMA"
Secretary

Certified a true copy of
Order No. 142/06 issued by
The Public Utilities Board

Secretary

SCHEDULE "A"
BOARD ORDER NO. 142/06

THE RURAL MUNICIPALITY OF TACHÉ
LOCAL IMPROVEMENT DISTRICT NO. 3 (LANDMARK)

WATER AND SEWER RATES

1i. **Schedule of Commodity Rates:**

	Min	Max	Water		Sewer		Total	
			/cubic meter		/cubic meter		Water & Sewer	
			Jan. 1, 2007	June 1, 2007	Jan. 1, 2007	June 1, 2007	Jan. 1, 2007	June 1, 2007
Domestic		140	0.69	0.83	0.50	0.60	1.19	1.43
Intermediate	141		0.42	0.50	0.50	0.60	0.92	1.10

ii. **Minimum Charges per Quarter**

a) Water & Sewer Customers

January 1, 2007

Meter Size (inches)	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Total Non-sewer Quarterly Minimum
5/8	1	15	\$16.13	\$ 10.35	\$ 7.50	\$ 33.98	\$ 26.48
1	4	60	\$16.13	\$ 41.40	\$ 30.00	\$ 87.53	\$ 57.53
1 1/2	10	140	\$16.13	\$ 96.60	\$ 70.00	\$182.73	\$112.73
2	25	340	\$16.13	\$180.60	\$170.00	\$366.19	\$196.19

June 1, 2007

Meter Size (inches)	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Total Non-sewer Quarterly Minimum
5/8	1	15	\$19.35	\$ 12.45	\$ 9.00	\$ 40.80	\$ 31.80
1	4	60	\$19.35	\$ 49.80	\$ 36.00	\$105.15	\$ 69.15
1 1/2	10	140	\$19.35	\$116.20	\$ 84.00	\$219.55	\$135.55
2	25	340	\$19.35	\$212.20	\$204.00	\$435.55	\$231.55

b) Water Only Customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

In the event types of properties other than described in this Section are serviced in the future they shall be assigned units in accordance with the principles and specifics set out in Schedule "A" to By-law No. 18-2006.

c) Sewer only customers

The average quarterly consumption in cubic meters of water used for residential customers at the domestic sewer rate plus the quarterly service charge.

	Quarterly Consumption	Customer Service Charge		Sewer Commodity Charge		Sewer Total Quarterly Charge	
		Jan. 1, 2007	June 1, 2007	Jan. 1, 2007	June 1, 2007	Jan. 1, 2007	June 1, 2007
Domestic (Residential)	64	\$16.13	\$19.35	\$32.00	\$38.40	\$48.13	\$57.75

2. **Service to customers outside Local Improvement District Limits:**

The Council of The Rural Municipality of Taché may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries for the Municipality, or Local Improvement District. Such agreements shall provide for payment of the appropriate rates set out in section 1 of this schedule, as well as a surcharge, set by resolution of Council, which shall be equivalent to the frontage levy and from time to time, and would be levied on property concerned if it were within these boundaries. In addition, all costs of connecting to the utility's mains, and installing and maintaining service connections will be paid by the customer.

3. **Billings and Penalties**

Accounts shall be billed quarterly, and shall be due and payable on the last day of the following month after the notices are mailed. A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date, and on the first day of each month thereafter until payment is received.

4. **NSF Charge**

A charge of \$20.00 shall be added to the account when payment made by cheque or pre-authorized payment is returned due to insufficient funds or inability to trace the chequing account.

5. **Outstanding Bills**

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and sewer service are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

6. **Disconnections**

In the event that access to public utility equipment is denied by the customer, the service may be disconnected immediately upon the passing of 30 days subsequent to notification by registered mail.

7. **Hydrant Rentals**

That in the event water hydrants are installed and the same provide effective fire protection, charges of \$75.00 per hydrant per year shall be made upon the General Fund of the Municipality if the Municipality provides fire protection services in the Local Urban District of Landmark.

8. **Conditions of Disrepair**

That in the event there are conditions of disrepair in the sewer and water works on a property that detrimentally affects the system as a whole and, upon the failure of the owner of the property to correct the condition within a reasonable time, the Municipality, or its agents, may enter upon the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

9. **Sewage Surcharges**

(a) There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen demand in excess of 300 parts per million, to be set by resolution of Council.

(b) A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.

SCHEDULE "B"
BOARD ORDER NO. 142/06

THE RURAL MUNICIPALITY OF TACHÉ
LOCAL IMPROVEMENT DISTRICT NOS. 1 AND 2 (LORETTE)

WATER AND SEWER RATES

1i. **Commodity and Service Charges:**

	Rate per Cubic Meter		Service Charge per Quarter	
	Jan. 1, 2007	June 1, 2007	Jan. 1, 2007	June 1, 2007
	Water	\$0.86	\$1.03	\$16.37

ii. **Minimum Charges per Quarter**

a) Water Customers

January 1, 2007

Meter Size (Inches)	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Water Total Quarterly Minimum
5/8	1	15	\$16.37	\$ 12.90	\$ 29.27
1	4	60	\$16.37	\$ 51.60	\$ 67.97
1 1/2	10	140	\$16.37	\$120.40	\$136.77
2	25	340	\$16.37	\$292.40	\$308.77

June 1, 2007

Meter Size (Inches)	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Water Total Quarterly Minimum
5/8	1	15	\$19.64	\$ 15.45	\$ 35.09
1	4	60	\$19.64	\$ 61.80	\$ 81.44
1 1/2	10	140	\$19.64	\$144.20	\$163.84
2	25	340	\$19.64	\$350.20	\$369.84

b) Sewer Customers

Residential equivalent units are determined based on Appendix A to the Report of Guidelines Used by The Public Utilities Board when Checking The Equity and Adequacy of Water and Sewer Rates Submitted for Approval. Where a sample customer is not provided in the guide, a conclusion must be reached by making a reasonable comparison to a similar volume customer, and the nature of the business.

January 1, 2007

Customers	Service Address	Residential Equivalent Units	Commodity Charge	Service Charge	Total Quarterly Charge
All Single Family Residences		1	\$ 29.56	\$ 9.82	\$ 39.38
Co-op Gas Bar (no wash racks)	7 Laramee Drive	1	\$ 29.56	\$ 9.82	\$ 39.38
Garage – no wash racks	1190 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
MTS Office	1228 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Caisse Populaire La Vérendrye	1238 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Video Store	1250 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Club Ble D'or	1254 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Liquor Store	1256 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Municipal Office	1294 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Entreprises Jubinville	1298 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Hardware Store	1328 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Take Out Restaurant (seasonal)	1220 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Thrift Store	1237 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Municipal Shop	1393 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Cabinetry Sales	1453 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Concrete Plant	1455 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Church	1464 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Curves	1309 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Law Office	1309 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
Florist	1309 Dawson Road	1	\$ 29.56	\$ 9.82	\$ 39.38
All Duplex Buildings		2	\$ 59.12	\$ 9.82	\$ 68.94
Store & Dwelling	1343 Dawson Road	2	\$ 59.12	\$ 9.82	\$ 68.94
Apartment Complex	1234 Dawson Road	2	\$ 59.12	\$ 9.82	\$ 68.94
Grocery Store & Dwelling	1224 Dawson Road	2	\$ 59.12	\$ 9.82	\$ 68.94
Sports Complex	1420 Dawson Road	2	\$ 59.12	\$ 9.82	\$ 68.94
Medical Office & Suite	1459 Dawson Road	2	\$ 59.12	\$ 9.82	\$ 68.94
Solid Rock Café	1309 Dawson Road	2	\$ 59.12	\$ 9.82	\$ 68.94
All Triplex Buildings		3	\$ 88.68	\$ 9.82	\$ 98.50
Chicken Chef	1309 Dawson Road	3	\$ 88.68	\$ 9.82	\$ 98.50
Gas Bar & Car Wash (2 wash racks)	1081 Dawson Road	3	\$ 88.68	\$ 9.82	\$ 98.50
Grocery Store	11 Laramee Drive	3	\$ 88.68	\$ 9.82	\$ 98.50
Church, Hall & Dwelling	1282 Dawson Road	3	\$ 88.68	\$ 9.82	\$ 98.50
Hair Salon & Massage Clinic	1334 Dawson Road	3	\$ 88.68	\$ 9.82	\$ 98.50
Barber shop, 2 nd commercial unit, Dwelling	1304 Dawson Road	3	\$ 88.68	\$ 9.82	\$ 98.50
All Fourplex Buildings		4	\$ 118.24	\$ 9.82	\$ 128.06
Apartment Complex	1109 Dawson Road	4	\$ 118.24	\$ 9.82	\$ 128.06
Division Scolaire Franco-Manitobaine	1263 Dawson Road	6	\$ 177.36	\$ 9.82	\$ 187.18
Strip Mall	1321 Dawson Road	7	\$ 206.92	\$ 9.82	\$ 216.74
Ecole Lagimodiere - 8 classrooms = 8 units	361 Senez Street	8	\$ 236.48	\$ 9.82	\$ 246.30
Apartment Complex	1249 Dawson Road	10	\$ 295.60	\$ 9.82	\$ 305.42
Apartment Complex	1410 Dawson Road	12	\$ 354.72	\$ 9.82	\$ 364.54
Manitoba Housing Renewal Corp.	12 St. Amant Ave	14	\$ 413.84	\$ 9.82	\$ 423.66
Hotel, Motel, & Restaurant	113 Lagimodiere Ave	21	\$ 620.76	\$ 9.82	\$ 630.58
High School (450 students) - 450 students/25 = 18 classrooms = 22 units	1082 Dawson Road	22	\$ 650.32	\$ 9.82	\$ 660.14
Trailer Park	Seine Ave	25	\$ 739.00	\$ 9.82	\$ 748.82
Elementary Schools & SD Office - SRSD Office – 4 units - Dawson Trail School – 14 classrooms = 13 units - Ecole Lorette Immersion – 9 classrooms = 9 units	425 Senez Street	26	\$ 768.56	\$ 9.82	\$ 778.38

June 1, 2007

Customers	Service Address	Residential Equivalent Units	Commodity Charge	Service Charge	Total Quarterly Charge
All Single Family Residences		1	\$ 35.47	\$11.78	\$ 47.25
Co-op Gas Bar (no wash racks)	7 Laramee Drive	1	\$ 35.47	\$11.78	\$ 47.2538
Garage – no wash racks	1190 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
MTS Office	1228 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Caisse Populaire La Vérendrye	1238 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Video Store	1250 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Club Ble D'or	1254 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Liquor Store	1256 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Municipal Office	1294 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Entreprises Jubinville	1298 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Hardware Store	1328 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Take Out Restaurant (seasonal)	1220 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Thrift Store	1237 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Municipal Shop	1393 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Cabinetry Sales	1453 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Concrete Plant	1455 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Church	1464 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Curves	1309 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Law Office	1309 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
Florist	1309 Dawson Road	1	\$ 35.47	\$11.78	\$ 47.25
All Duplex Buildings		2	\$ 70.94	\$11.78	\$ 82.72
Store & Dwelling	1343 Dawson Road	2	\$ 70.94	\$11.78	\$ 82.72
Apartment Complex	1234 Dawson Road	2	\$ 70.94	\$11.78	\$ 82.72
Grocery Store & Dwelling	1224 Dawson Road	2	\$ 70.94	\$11.78	\$ 82.72
Sports Complex	1420 Dawson Road	2	\$ 70.94	\$11.78	\$ 82.72
Medical Office & Suite	1459 Dawson Road	2	\$ 70.94	\$11.78	\$ 82.72
Solid Rock Café	1309 Dawson Road	2	\$ 70.94	\$11.78	\$ 82.72
All Triplex Buildings		3	\$106.41	\$11.78	\$118.19
Chicken Chef	1309 Dawson Road	3	\$106.41	\$11.78	\$118.19
Gas Bar & Car Wash (2 wash racks)	1081 Dawson Road	3	\$106.41	\$11.78	\$118.19
Grocery Store	11 Laramee Drive	3	\$106.41	\$11.78	\$118.19
Church, Hall & Dwelling	1282 Dawson Road	3	\$106.41	\$11.78	\$118.19
Hair Salon & Massage Clinic	1334 Dawson Road	3	\$106.41	\$11.78	\$118.19
Barber shop, 2 nd commercial unit, Dwelling	1304 Dawson Road	3	\$106.41	\$11.78	\$118.19
All Fourplex Buildings		4	\$141.88	\$11.78	\$153.66
Apartment Complex	1109 Dawson Road	4	\$141.88	\$11.78	\$153.66
Division Scolaire Franco-Manitobaine	1263 Dawson Road	6	\$212.82	\$11.78	\$224.60
Strip Mall	1321 Dawson Road	7	\$248.29	\$11.78	\$260.07
Ecole Lagimodiere - 8 classrooms = 8 units	361 Senez Street	8	\$283.76	\$11.78	\$295.54
Apartment Complex	1249 Dawson Road	10	\$354.70	\$11.78	\$366.48
Apartment Complex	1410 Dawson Road	12	\$425.64	\$11.78	\$437.42
Manitoba Housing Renewal Corp.	12 St. Amant Ave	14	\$496.58	\$11.78	\$508.36
Hotel, Motel, & Restaurant	113 Lagimodiere Ave	21	\$744.87	\$11.78	\$756.65
High School (450 students) - 450 students/25 = 18 classrooms = 22 units	1082 Dawson Road	22	\$780.34	\$11.78	\$792.12
Trailer Park	Seine Ave	25	\$886.15	\$11.78	\$898.53
Elementary Schools & SD Office - SRSD Office – 4 units - Dawson Trail School – 14 classrooms = 13 units - Ecole Lorette Immersion – 9 classrooms = 9 units	425 Senez Street	26	\$922.22	\$11.78	\$934.00

In the event types of properties other than described in this section are serviced in the future, they shall be assigned units in accordance with the principles and specifics set out in this schedule.

2. **Service to customers outside Local Improvement District Limits:**

The Council of The Rural Municipality of Taché may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries for the Municipality, or Local Improvement District. Such agreements shall provide for payment of the appropriate rates set out in section 1 of this schedule, as well as a surcharge, set by resolution of Council, which shall be equivalent to the frontage levy and from time to time, and would be levied on property concerned if it were within these boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections will be paid by the customer.

3. **Connection Fees**

All costs of connecting to the utility's mains, and installing and maintaining service connections will be paid by the customer. Where a development agreement does not exist, the customer must pay the following connection fees:

<u>Meter Size</u>	<u>Fee</u>
5/8" & 3/4" water	\$1,000.00
1" water	\$2,000.00
1 1/2" water	\$3,000.00
2" water	\$4,000.00
Sewer	\$1,000.00

4. **Billings and Penalties**

Accounts shall be billed quarterly, and shall be due and payable on the last day of the following month after the notices are mailed. A late payment charge of 1/4% shall be charged on the dollar amount owing after the billing due date, and on the first day of each month thereafter until payment is received.

5. **NSF Charge**

A charge of \$20.00 shall be added to the account when payment made by cheque or pre-authorized payment is returned due to insufficient funds or inability to trace the chequing account.

6. **Outstanding Bills**

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and sewer service are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

7. **Disconnections**

In the event that access to public utility equipment is denied by the customer, the service may be disconnected immediately upon the passing of 30 days subsequent to notification by registered mail.

8. **Hydrant Rentals**

That in the event water hydrants are installed and the same provide effective fire protection, charges of \$75.00 per hydrant per year shall be made upon the General Fund

of the Municipality if the Municipality provides fire protection services in the Local Improvement District of Lorette.

9. **Conditions of Disrepair**

That in the event there are conditions of disrepair in the sewer and water works on a property that detrimentally affects the system as a whole and, upon the failure of the owner of the property to correct the condition within a reasonable time, the Municipality, or its agents, may enter upon the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

10. **Sewage Surcharges**

(a) There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen demand in excess of 300 parts per million, to be set by resolution of Council.

(b) A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.