

M A N I T O B A) **Order No. 7/16**
)
THE PUBLIC UTILITIES BOARD ACT) **January 14, 2016**

BEFORE: Susan Proven, P.H.Ec., Acting Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

TOWN OF LAC DU BONNET
WATER and WASTEWATER UTILITY
FINAL WATER AND WASTEWATER RATES

Summary

By this Order, the Public Utilities Board (Board) hereby confirms as final the interim *ex parte* water and wastewater rates for the Town of Lac du Bonnet (Town) Water and Wastewater Utility (Utility) approved on an interim *ex parte* basis in Board Order No. 17/14, and approves revised rate increases for March 1, 2016, 2017, 2018 and 2019.

The confirmed and revised rates are shown below:

	2014	2015	2016
Quarterly Service Charge	\$23.30	\$24.10	\$24.55
Water \$/cubic meter	\$2.00	\$2.00	\$1.96
Wastewater \$/cubic meter	\$1.50	\$1.50	\$1.38
Minimum Quarterly - water and wastewater*	\$72.30	\$73.10	\$71.24
Minimum Quarterly - wastewater only**	\$102.80	\$103.60	\$97.61
Truck Fill \$/cubic meter	\$3.50	\$3.50	\$3.74
Pail Fill \$/20L pail	\$3.30	\$3.40	\$3.50
Hydrant Rental (Annual)	\$150.00	\$150.00	\$150.00
	2017	2018	2019
Quarterly Service Charge	\$25.29	\$26.05	\$26.83
Water \$/cubic meter	\$2.02	\$2.08	\$2.14
Wastewater \$/cubic meter	\$1.42	\$1.46	\$1.51
Minimum Quarterly - water and wastewater*	\$73.38	\$75.58	\$77.85
Minimum Quarterly - wastewater only**	\$100.54	\$103.55	\$106.66
Truck Fill \$/cubic meter	\$3.85	\$3.97	\$4.09
Pail Fill \$/20L pail***	\$3.50	\$3.50	\$3.50
Hydrant Rental (Annual)	\$150.00	\$150.00	\$150.00

*Based on 14 cubic meters

**Based on 53 cubic meters (water charge excluded)

Note: Tanco Only Customers - based on 53 cubic meters at the wastewater rate plus service charge (one time only) SC+ (53m³ x 4 x wastewater rate)

***as per Board Order No. 111/07, the Town has authority to implement discretionary increases up to \$5.00/20L pail

Details of other rates may be found in the attached Schedule "A".

Rationale for the Board's decisions may be found under "Board Findings".

Background

The Town of Lac du Bonnet operates a water and wastewater utility with 519 ratepayers.

Interim rates were set for a third time in Board Order No. 17/14, having previously been set in Board Orders Nos. 46/13 and 16/11. Revisions were made in Board Orders Nos. 66/13 and 51/13.

Water and Wastewater System

The Town of Lac du Bonnet Utility System consists of a lagoon which is over 20 years old and a review of its capacity issues has been ordered. The wastewater lines are in good shape with some upgrading reported to be required at the lift stations and back-up generators are required. The water treatment system is reported to be in good condition with no capacity issues. There are some remaining cast iron water lines that require replacement. The Town's water is drawn from Lac du Bonnet, a local lake.

Unaccounted for water is reported at 14%, which is close to the acceptable industry standard of 10% and greatly improved from 2013, when the Town reported losses at approximately 30%. The Town continues to work towards reducing water losses through replacing old water lines and has indicated they plan to address meter inaccuracies through a meter replacement program.

Application

The Town of Lac du Bonnet (City) applied on December 23, 2013 for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the Town's consultant and By-law No.147/13 having received 1st reading on December 19, 2013.

When reviewing an application, the Board has at its disposal several approaches. It can hold a public oral hearing at which the applicant can present its case and customers can present their concerns. In other cases, where it is deemed to be in the best interest of the Utility and its customers, the Board may review the application using a paper review process. In some cases, the Board can also establish interim *ex parte* rates, which are rates that are subject to review following a more complete process.

A Public Notice of Application was issued on January 20, 2014 affording customers the opportunity to comment to both the Board and Town with respect to the proposed increases. The Board received one response from a ratepayer inquiring about the methodology used to calculate the bulk water rate.

February 6, 2014, the Board, which had not yet had the opportunity to review the details in the submission, determined that an interim *ex parte* rate was appropriate and issued Board Order No. 17/14. The Board made this decision due to historical delays experienced in processing the Town's rate application. This interim approval was subject to variation upon completion of a more detailed review.

Following a series of information requests from the Board, the Town provided revised rate calculations based on updated water sales figures on December 8, 2014. The original rates were calculated using metered water sales only, and the new calculations included the volumes sold as bulk and pail fill sales. These sales account for over 30,000m³, and do have an impact on rates.

The Town's original submission included a request for a "one time capital charge fee" of \$4,500, in addition to the continuation of the previously approved Water Connection Inspection Fee of \$750 and the Sewer Connection Inspection Fee of \$350. In response to the Board's information requests, the Town advised that they were developing a new "System Development Charge" (SDC), which was subsequently approved by Council in By-law No. 09-2014 without making application to the Board for approval. In response, the Board issued Board Order No. 80/15 on August 6, 2015.

The Board asserted in that Order that the Town does not have the authority to establish the SDC without the approval of the Public Utilities Board. The Town requested information regarding the Board's authority in regulating the SDC charge, which was provided in writing September 21, 2015. The Board's authority comes from *The Public Utilities Board Act*, in this case the relevant sections are 41(1) **General supervision over utilities**; 64(1) **Investigation of excess charges**; 64(2) **Order on investigation**; 77 **Orders as to utilities**; 84(1) **Changes in rates to be approved by board**; 84(2) **Onus**. These sections can be found attached as Schedule "B" to this Order, and *The Act* is available in its entirety at www.pub.mb.ca.

The Town did not appeal the Board's decision, and on October 21, 2015 the Town sent a letter to the Board withdrawing the original request for approval of a \$4,500 "one time capital charge fee" and asking the Board to approve the SDC as it had been previously outlined in By-law 09-2014. Schedule "A" to this By-law provided detailed quantitative support to the proposed charges.

Bulk water calculation

The rate study submitted by the Town advised that they are concerned that the Board guidelines for calculating bulk water rates do not provide sufficient compensation for the costs incurred in providing bulk water. It was noted that the bulk water station recently required substantial upgrading and that the card system used to charge for bulk water is expensive and may require changing in the future.

The Town provided the following calculations in the December 2014 submission:

Net revenue requirement - general - (A)	\$ 48,907
Net revenue requirement - water - (A)	\$ 258,343
Net revenue requirement - wastewater	\$ 148,615
Taxation revenues-water debt - (B)	\$ 194,124
Subtotal	\$ 649,989
Bulk water ratio - (A+B)/A	1.631811
Revised water rate	\$ 1.93
Revised bulk water rate (water rate x bulk water ratio)*	\$ 3.15
*submission was calculated at \$3.15, difference is rounding	

The rate study also suggested that it may be preferable to have pail rates set at the same level as the bulk water rate. The pail rates have historically been increasing 3%, since the Board issued Order No. 111/07 in August 2007 giving the Town discretionary authority over increasing the pail rate, to a maximum of \$5.00/20L pail.

Deficits and working capital surplus

Board Order No. 93/09 established that utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus is defined as the Utility fund balance, excluding any capital related items plus Utility reserves.

As per the most recent audited financial statements, the working capital surplus at December 31, 2013 was:

	2013
Fund Surplus/Deficit	3,719,572
Deduct tangible capital assets	5,373,125
Add long term debt	2,151,111
Add utility reserves	333,387
Equals Working Capital Surplus	830,945
Operating costs	519,682
20% of operating costs	103,936

Budgeted expenditures

The rates were determined based on the following budgeted expenditures.

	3%	2014	2015	2016
Administration		47,607	49,176	50,041
Billing and collection		3,620	3,728	3,840
Total expenses - general		51,227	52,904	53,881
Penalties		2,320	2,320	2,320
Total revenue - general		2,320	2,320	2,320
Net revenue requirement - general		48,907	50,584	51,561
Staffing/Training		55,697	57,368	59,089
Purification and treatment		75,000	77,250	79,567
Regulatory		18,700	8,000	8,240
Service of Supply		12,826	13,211	13,607
Transmission and Distribution		25,400	26,162	26,947
Other water supply costs		3,600	3,708	3,819
Connection Costs		7,000	7,210	7,426
Amortization		123,782	124,582	125,382
Reserves		50,000	105,000	105,000
Contingency		33,500	33,500	33,500
Interest on long term debt		124,385	120,198	115,840
Total expenses - water		529,890	576,189	578,417
Connection Fees		3,750	3,750	3,750
Hydrant Rentals		6,300	6,300	6,300
Investment Income		5,500	2,000	2,000
Amortization of Capital Grants		54,036	50,649	47,091
Glen Howard Inn/RM		6,830	6,830	6,830
Taxation Revenues		194,131	194,131	194,131
Gas Tax Revenue		0	55,000	55,000
Other Revenue		1,000	1,000	1,000
Total revenue - water		271,547	319,660	316,102

	3%	2014	2015	2016
Staffing		17,765	18,298	18,847
Sewage Collection System		22,200	22,866	23,552
Lift Station Costs		7,700	7,931	8,169
Sewage Treatment and Disposal		20,400	21,012	21,642
Other		9,000	1,000	1,030
Connection/Net Loss		2,000	2,060	2,122
Amortization		6,250	10,250	10,250
Reserves		55,000	0	0
Future Remediation-Lagoon enhancement		200,000	0	0
Minor Capital Upgrades		57,000	57,000	57,000
Contingency		10,000	10,000	10,000
Total expenses - sewer		407,315	150,417	152,612
Connection Revenue/Reserves		200,000	0	0
Taxation Revenue-Gas Tax		55,000	0	0
Other Revenue-Tanco		3,700	3,700	3,700
Total revenue - sewer		258,700	3,700	3,700
Net revenue requirement - sewer		148,615	146,717	148,912

Cost Allocation Policy

The Board requires all municipalities to review the costs shared between the general operations of the Town and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This policy must be submitted to the Board for approval and cannot be changed without receiving approval from the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

The Town had a Cost Allocation Methodology approved in Order No. 105/13, and in response to information requests from the Board, advised that they are not proposing any changes to the existing methodology.

Board Findings

The Board confirms as final the rates approved on an interim *ex parte* basis in Board Order No. 17/14 for the years 2014 and 2015. The Board will vary the March 1, 2016 rates to reflect the updated information regarding consumption.

The Board will also approve 3% inflationary increases to be effective March 1, 2017, 2018 and 2019. The Town is expected to monitor the Utility's operating results closely throughout this period, and file for revised rates if necessary.

The Board will defer the decision regarding the System Development Charge (SDC), pending further information requests. The Board considered deferring the final processing of this rate application until all the information was received, but determined that it would be more appropriate to resolve the SDC separately, rather than delay the rate application further. The Town can expect to receive information requests specific to the SDC in the near future, and the Board will issue an Order outlining its decision in due course.

The methodology which the applicant used to determine the bulk water rate is not consistent with Board recommended methods. A revision is being made to the rate contained in the revised proposal. The Board does encourage applicants to confer with Board staff where there is uncertainty about Board recommended methodology and, where variation is proposed, that the variation be clearly substantiated in the application.

The Board will revise the bulk water rate using the Board recommended guidelines as follows:

Net revenue requirement - general - (A)	\$ 48,907
Net revenue requirement - water - (B)	\$ 258,343
Taxation revenues-water debt - (C)	\$ 194,124
Additional costs of servicing bulk customers (D)	\$ -
Subtotal (E)	\$ 501,374
Bulk water ratio - (F) = E÷B	1.940730
Revised water rate	\$ 1.93
Revised bulk water rate (water rate x bulk water ratio)	\$ 3.75

The Board will also respond to the Town's concern about the bulk water rate not providing sufficient compensation for the costs of operating this system. The Board recommended guidelines have been updated since the Town's rate study was prepared; however the allowance for inclusion of additional costs of servicing bulk customers (shown above as "D" in the formula) was in place both before and after the revisions. The Board will recommend that the Town review those additional costs, and if the difference is material and the Town wishes to make application for revision, they may do so for the bulk water rate only.

The Board will continue the practice of allowing the Town to make discretionary increases to the pail fill rate, to a maximum of \$5.00/20L pail, as established in Board Order No. 111/07. This practice allows the Town to ensure that the rates remain competitive with grocery stores and other sellers of water.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure.

IT IS THEREFORE ORDERED THAT:

1. Revised water and wastewater rates for 2016, 2017, 2018 and 2019, effective March 1 in each year, as shown on Schedule "A" attached to this Board Order for the Town of Lac du Bonnet, BE AND ARE HEREBY APPROVED.
2. The water and wastewater rates for the Town of Lac du Bonnet, as approved on an interim *ex parte* basis by Board Order No. 17/14, BE AND ARE CONFIRMED AS FINAL.
3. The Town of Lac du Bonnet revise the water and wastewater by-law to reflect the changes in this Order, and file a copy with the Public Utilities Board once it has received third and final reading.
4. The Town of Lac du Bonnet provide the Public Utilities Board with annual audited financial statements as soon as they are finalized.
5. The Town of Lac du Bonnet review its water and wastewater rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than June 30, 2019.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."

Acting Chair

"JENNIFER DUBOIS, CPA, CMA"

Acting Secretary

Certified a true copy of Order No. 7/16
issued by The Public Utilities Board

Acting Secretary

SCHEDULE "A"
 TOWN OF LAC DU BONNET
 WATER AND SEWER RATES

Year 2014

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.00	\$1.50	\$3.50
Truck fill per m ³	\$3.50		
Pail fill per 20 L pail	\$3.30		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

Meter <u>Size</u>	Group Capacity <u>Ratio</u>	Water Included, m ³	Customer Service <u>Charge</u>	<u>Commodity Charges</u>		Total Quarterly <u>Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$23.30	\$28.00	\$21.00	\$72.30
3/4"	2	28	\$23.30	\$56.00	\$42.00	\$121.30
1"	4	56	\$23.30	\$112.00	\$84.00	\$219.30
1 1/2"	10	140	\$23.30	\$280.00	\$210.00	\$513.30
2"	25	350	\$23.30	\$700.00	\$525.00	\$1,248.30

b) Water Only Customers: Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered): Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered) The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$23.30 + (53m³ X 4 X 1.50)

Year 2015

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.00	\$1.50	\$3.50
Truck fill per m ³	\$3.50		
Pail fill per 20 L pail	\$3.40		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

Meter <u>Size</u>	Group Capacity <u>Ratio</u>	Water Included, <u>m³</u>	Customer Service <u>Charge</u>	<u>Commodity Charges</u>		Total Quarterly <u>Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$24.10	\$28.00	\$21.00	\$73.10
3/4"	2	28	\$24.10	\$56.00	\$42.00	\$122.10
1"	4	56	\$24.10	\$112.00	\$84.00	\$220.10
1 1/2"	10	140	\$24.10	\$280.00	\$210.00	\$514.10
2"	25	350	\$24.10	\$700.00	\$525.00	\$1,249.10

b) Water Only Customers; Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered): Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered) The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$24.10 + (53m³ X 4 X 1.50)

Year 2016

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$1.96	\$1.38	\$3.34
Truck fill per m ³	\$3.74		
Pail fill per 20 L pail	\$3.50		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$24.55	\$27.39	\$19.30	\$71.24
3/4"	2	28	\$24.55	\$54.79	\$38.60	\$117.94
1"	4	56	\$24.55	\$109.58	\$77.19	\$211.32
1 1/2"	10	140	\$24.55	\$273.94	\$192.99	\$491.48
2"	25	350	\$24.55	\$684.86	\$482.46	\$1,191.87

b) Water Only Customers: Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered): Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered) The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$24.55 + (53m³ X 4 X 1.38)

Year 2017

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.02	\$1.42	\$3.44
Truck fill per m ³	\$3.85		
Pail fill per 20 L pail	\$3.50		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$25.29	\$28.22	\$19.88	\$73.38
3/4"	2	28	\$25.29	\$56.43	\$39.76	\$121.47
1"	4	56	\$25.29	\$112.86	\$79.51	\$217.66
1 1/2"	10	140	\$25.29	\$282.16	\$198.78	\$506.22
2"	25	350	\$25.29	\$705.40	\$496.94	\$1,227.63

b) Water Only Customers: Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered): Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered) The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$25.29 + (53m³ X 4 X 1.42)

Year 2018

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.08	\$1.46	\$3.54
Truck fill per m ³	\$3.97		
Pail fill per 20 L pail	\$3.50		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$26.05	\$29.06	\$20.47	\$75.58
3/4"	2	28	\$26.05	\$58.13	\$40.95	\$125.12
1"	4	56	\$26.05	\$116.25	\$81.90	\$224.19
1 1/2"	10	140	\$26.05	\$290.63	\$204.74	\$521.41
2"	25	350	\$26.05	\$726.56	\$511.85	\$1,264.45

b) Water Only Customers: Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered): Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered) The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$26.05 + (53m³ X 4 X 1.46)

Year 2019

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.14	\$1.51	\$3.65
Truck fill per m ³	\$4.09		
Pail fill per 20 L pail	\$3.50		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$26.83	\$29.96	\$21.14	\$77.93
3/4"	2	28	\$26.83	\$59.92	\$42.28	\$129.03
1"	4	56	\$26.83	\$119.84	\$84.56	\$231.23
1 1/2"	10	140	\$26.83	\$299.60	\$211.40	\$537.83
2"	25	350	\$26.83	\$749.00	\$528.50	\$1,304.33

b) Water Only Customers: Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered): Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered) The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$26.83 + (53m³ X 4 X 1.51)

3.0--WATER AND SEWER CONNECTIONS

- i) Each customer or developer, as the case may be, applying for a new water connection to the mainline shall be assessed a water connection inspection fee in the amount of \$750.00. The assessed amount shall be paid as a lump sum fee.
- ii) Each customer or developer, as the case may be, applying for a new sewer connection to the mainline shall be assessed a sewer connection inspection fee in the amount of \$350.00. The assessed amount shall be paid as a lump sum fee.
- iii) Each customer or developer, as the case may be, installing a new water service connection to the water mainline shall be responsible for installing and connecting the water service line to the water main and to pay all charges. Conditions on Town property to be returned to original state as before water line installations.
- iv) Each customer or developer, as the case may be, installing a new sewer service connection to the sewer mainline shall be responsible for installing and connecting the sewer service line to the sewer main and to pay all charges. Conditions on Town property to be returned to original state as before sewer line installations.
- v) Each consumer applying for water turn on or turn off of service during any quarter, shall pay the proportionate part of the current minimum quarterly charge provided that in computing same a broken half month shall be considered as a full month. In all cases any excess water used will be charged at the rates set forth under Commodity Rates.
- vi) All costs for new connections and maintenance thereafter shall be paid by the customer or developer, as the case may be, and such connections are to be approved by the Council of the Town of Lac du Bonnet.
- vii) A service charge of Twenty Five (\$25.00) Dollars shall be paid before any water is turned on, shall be the responsibility of the owner.

4.0--HYDRANT RENTALS

The annual charge for hydrant rentals shall be one hundred (\$150.00) Dollars to the Town of Lac du Bonnet.

5.0--RATES TO CUSTOMERS LOCATED OUTSIDE THE LIMITS OF THE TOWN OF LAC DU BONNET

- a) Customers located outside the Town of Lac du Bonnet shall be required to sign agreements with the Town which sets out the rights and obligations of each party. Such agreements shall include that the consumer shall pay;
 - i) An appropriate rate as set out in paragraph 1.0 and 2.0 hereof, based on the units allotted to the services;
 - ii) All costs of constructing and maintaining all connection pipes and other items required to allow service to be used;
 - iii) A surcharge to cover all tax amounts for utility purposes, which they would be required to pay if located in the Town from the date of connection.
- b) The Rural Municipality of Lac du Bonnet shall pay, to cover service provided to residences on the properties in the Tanco subdivision
 - i) The Utility rates set forth in paragraph 1.0 and 2.0 hereof;
 - ii) Any additional surcharge sufficient to cover all taxes for the sewage lagoon which it would be required to pay if such residences were located in the Town.
- c) That the above levies are due and payable July 1st of the year in which they are levied.

6.0--BILLING AND PAYMENTS

- i) All accounts shall be billed after the end of each quarter. Bills will be due and payable as per due date as stated on the bills presented. A late payment penalty will apply as per due date as stated on the bills presented. A penalty of one and one quarter percent per month of the bills shall be charged if not paid by the due date. The late payment charge will compound quarterly, and will appear on the customer's next quarterly bill if unpaid

Unpaid Accounts May be Added to Taxes on Land

- ii) Pursuant to section 252 of the Municipal Act. L.R.M.1996, c. 58, the amount of all outstanding charges, including penalties, for water and sewer service are a lien and charge upon that land, and shall be collected in the same manner in which ordinary taxes on the land are collectable, and with like remedies.
- iii) If any account is not paid within three (3) months after the due date, the service may be disconnected without further notice. Any service so disconnected shall not be reconnected until all arrears, penalties and a reconnection fee of fifty (\$50.00) Dollars has been paid.

7.0--COMPLAINTS AND ADJUSTMENTS

If a consumer believes that his/her meter reading is in error, he/she may present his/her claim in writing to the Corporation's Office before the bill becomes delinquent, 30 days from the billing date.

Such claim, if made after the bill has come delinquent, shall not be effective in preventing discontinuance of service. The consumer may pay such bill under protest and said payment shall not prejudice his/her claim.

8.0--METERS

- i) That all water connections be metered. The meter is to be supplied by and is to remain the property of the Utility. The cost of the meter shall be paid by the customer.

Meter Repairs

- ii) Where a Town of Lac du Bonnet water meter is damaged as a result of negligence of a user, such user shall pay the cost of repairing the damaged meter and the said amount will immediately become a debt due and owing to the Town of Lac du Bonnet within ten (10) days of the demand of same, the water service of the said user may be disconnected. A fee of fifty (\$50.00) Dollars shall be charged for a re-connection of the service disconnected under this paragraph.

Meter Testing

- iii) Any consumer who desires and requests that his/her water meter be tested for accuracy, shall deposit a sum of Fifty (\$50.00) Dollars with the Town of Lac du Bonnet and if the meter when tested shall be found to register in excess of the allowable limits, the deposit shall be refunded and the consumer's account adjusted for the preceding four month's use.

Meter Fees

- iv) Fees for the disconnection, removal or reconnection of water meters shall be Twenty-five (\$25.00) Dollars.

Meter Tampering

- v) Any consumer who tampers with the meter seal is to pay a meter reinstatement fee of Twenty-five (\$25.00) Dollars to have the meter resealed. The quarterly billings for the year prior to resealing of the meter will have the volumes readjusted according to the two quarters after the resealing of the meter if the volumes are greater than 10% lower than the two quarters after resealing of the meter then the difference in volume for each of the previous four quarters will be adjusted to reflect the increase and will be invoiced to the consumer. Any consumer who tampers with the meter subsequent to the first tampering will pay a fine of One Hundred and Fifty (\$150.00) Dollars for each occurrence.

Meter Circumventing

- vi) Any consumer who circumvents the water meter by installing a bypass line around the meter or by a dual line from the water main so as to illegally draw water that has not been metered shall pay a fine of \$1,000.00 plus a charge for un-metered water consumed for each occurrence. The consumer will upon discovery by the Town immediately cease the use of the bypass line and remove the bypass line within 24 hours of discovery. The Town has the right to terminate all water services to the consumer in the event of failure to eliminate the bypass and pay the fine and water charges.

9.0--BULK SALES

That the following rates shall be charged for treated water received from the truck fill system and the pail fill system:

	<u>Truck fill</u>	<u>Pail fill</u>
2014	\$3.50/m3	\$3.30/m3
2015	\$3.50/m3	\$3.40/m3
2016	\$3.74/m3	\$3.50/m3
2017	\$3.85/m3	\$3.50/m3
2018	\$3.97/m3	\$3.50/m3
2019	\$4.09/m3	\$3.50/m3

10.0--BILLINGS

All accounts for minimum quarterly charges for metered services as set forth in this Schedule of Quarterly rates shall be billed at the end of each quarter together with any excess charges for metered water and sewer services supplied to them at the rates and terms set out in this Schedule.

11.0--METER READINGS

Quarterly Meter Readings

- i) Except for remote meter reading, the Town will read the consumer meter quarterly for quarterly billing purposes. In the event that the consumer is not home or does not grant access, a meter reading card will be provided to the consumer for consumer self read meter

reading and recording. The consumer is responsible for reading and recording the current meter reading for each quarter on the provided meter reading card and returning the card to the Town administration office. Failure to provide the current meter reading for billing purposes will result in estimated quarterly charges based on consumer average consumption for metered service being billed.

Annual Meter Reading

- ii) On an annual basis or on a schedule determined by the Town, the consumer will provide access to the Town meter reader to record the water meter reading and to inspect the meter. In the event that the consumer is not home or does not grant access, the consumer will be notified that they must arrange a time and date for an appointment with the water utility to have the meter reading recorded and inspected within 30 days of the water utility notice. Failure to arrange and provide access to the water utility within 30 days of the notice will result in a \$50.00 fine. After a period of 60 days from the water utility notice and a failure to arrange and provide access to the water utility, the water service may be shut off. Fees for disconnection and reconnection according to section 8.0 will apply.

12.0--On Site Private Wastewater Holding and Disposal Facilities and Private Well Water Systems

- i) On site private wastewater holding and disposal facilities are not allowed in the Town.
- ii) On site private well water systems are not allowed in the Town.

Schedule “B”

The general law of the jurisdiction of the Public Utilities Board (Board), in respect of water and sewer utilities, can be found in the following sections of the *The Public Utilities Board Act*, and the Act is available in its entirety on the Board’s website at www.pub.mb.ca.

General supervision over utilities

74(1) The board has a general supervision over all public utilities and the owners thereof subject to the legislative authority of the Legislature, and may make such orders regarding equipment, appliances, safety devices, extension of works or systems, reporting, and other matters, as are necessary for the safety or convenience of the public or for the proper carrying out of any contract, charter, or franchise involving the use of public property or rights.

Investigation of excess charges

64(1) Where

(a) it is made to appear to the board, upon the complaint of an owner of a public utility, or of any municipality or person having an interest, present or contingent, in the matter in respect of which the complaint is made, that there is reason to believe that the tolls or charges demanded by any owner of a public utility exceed what is just and reasonable, having regard to the nature and quality of the service rendered or of the commodity supplied; or

(b) requested to do so by the minister; or

(c) in the opinion of the board it is expedient to do so, on its own initiative; the board may proceed to hold such investigation as it sees fit into all matters relating to the nature and quality of the service or the commodity in question, or to the performance of the service and the tolls or charges demanded therefor.

Order on investigation

64(2) Upon completion of an investigation made under subsection (1), the board may make such order respecting the improvement of the service or commodity and as to the tolls or charges demanded, as seems to it to be just and reasonable, and may disallow or change, as it thinks reasonable, any such tolls or charges as, in its opinion, are excessive, unjust, or unreasonable or unjustly discriminate between different persons or different municipalities, but subject, however, to such of the provisions of any contract existing between the owner and a municipality at the time the complaint is made as the board considers fair and reasonable.

Orders as to utilities

77 The board may, by order in writing after notice to, and hearing of, the parties interested,

(a) fix just and reasonable individual rates, joint rates, tolls, charges, or schedules thereof, as well as commutation, mileage, and other special rates that shall be imposed, observed, and followed thereafter, by any owner of a public utility wherever the board determines that any existing individual rate, joint rate, roll, charge or schedule thereof or commutation, mileage, or other special rate is unjust, unreasonable, insufficient, or unjustly discriminatory or preferential;

(b) fix just and reasonable standards, classifications, regulations, practices, measurements, or service to be furnished, imposed, observed, and followed thereafter by any such owner;

Changes in rates to be approved by board

84(1) No change in any existing individual rates, joint rates, tolls, charges, or schedules thereof or any commutation, mileage, or other special rates shall be made by any owner of a public utility, nor shall any new schedule of any such rates, tolls, or charges be established until the changed rates or new rates are approved by the board, when they shall come into force on a date to be fixed by the board; and the board may, either upon written complaint or upon its own initiative, hear and determine whether the proposed increases, changes, or alterations are just and reasonable.

Onus

84(2) The burden of proof to show that any such increases, changes, or alterations are just and reasonable is upon the owner seeking to make the increases, changes, or alterations.