

Order No. 37/22

**RURAL MUNICIPALITY OF GIMLI
GIMLI AMALGAMATED WATER UTILITY
REVISED RATES AND ACTUAL OPERATING DEFICITS**

APRIL 11, 2022

Revised April 21, 2022

BEFORE: Shawn McCutcheon, Panel Chair
Irene Hamilton, Q.C., Panel Member

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves revised water rates for the Rural Municipality of Gimli (RM), Gimli Amalgamated Water Utility (Utility). The Board varies the effective dates to July 1, 2022 and July 1, 2023.

The approved rates are as follows:

	Current Rates	July 1, 2022	July 1, 2023
Quarterly Service Charge	\$ 25.07	\$ 25.28	\$ 25.91
Water (per cubic meter)	\$ 1.85	\$ 1.55	\$ 1.57
Minimum Quarterly Charge*	\$ 50.05	\$ 46.21	\$ 47.11
Flat Rate Commodity Charge per REU**	\$ 100.36	\$ 84.09	\$ 85.17
Flat Rate Quarterly Bill***	\$ 125.43	\$ 109.37	\$ 111.08
Bulk Water (per cubic meter)	\$ 2.64	\$ 2.79	\$ 2.83

*Based on 13.5 cubic meters

**Residential equivalency unit

***One REU plus quarterly service charge

The Board varies the RM's request to recover actual operating deficits of \$86,367 for 2020 and \$142,262 for 2019 for the former Gimli Urban Centre Water Utility and \$94,867 for 2020 and \$27,301 for 2019 for the former Gimli Industrial Park Water Utility or a total deficit of \$350,797. The Board approves \$264,430 to be recovered from the Gimli Amalgamated Water Utility Accumulated Surplus Fund and \$86,367 to be recovered from the RM's Gas Tax Reserve Fund.

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

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

2.0 Background

The RM owns and operates the Utility that provides services to 983 metered water only customers and 60 unmetered water only customers or a total of 1,043 customers. Rates were last approved for the Utility in 2021 in Board Order No. 5/21.

Where a system has no meters, including systems with wastewater service only, volume of water used and/or volume of effluent returned to the wastewater system are based on residential equivalent units (REU); one unit being the volume of wastewater estimated to be produced by the average single family residence. Some rates for the Utility are set based on REUs.

Board Order No. 5/21 also approved the amalgamation of the Gimli Urban Centre Water Utility, Gimli Industrial Park Water Utility, Aspen Park Water Utility, and the Pelican Beach Water Utility, to be known as the Gimli Amalgamated Water Utility (Utility) effective April 1, 2021. The Board also granted approval of Utility debenture surcharges of \$0.43 per cubic meter to recover debenture-servicing costs for Utility water treatment plant and distribution system upgrades. The surcharge is to be charged on actual consumption of metered customers and based on estimated consumption of 118.15 cubic meters per year for unmetered customers, effective January 1, 2021 to December 31, 2040 or until the debenture is recovered in full, whichever comes first.

Board Order No 16/21 varied the effective date of the amalgamation of the new Utility to January 1, 2021.

Water Supply/Distribution

The water treatment plant was completed in 2018. Water is obtained from Industrial Park (west of Highway 8) from two groundwater wells that pump water to the treatment plant, also located in Industrial Park. Water is disinfected using chlorination/sodium hypochlorite and stored in three cells. Piping is approximately 50 years old and is composed of approximately 18 km of cast iron pipe and 5 km of high density polyethylene pipe.

Unaccounted for Water

The acceptable percentage of unaccounted for water is 10%, based on industry standards. If the percentage is above this amount, the applicant is to explain why and provide a plan to remedy.

The unaccounted for water noted in the RM's rate study is 8% and falls within the acceptable percentage noted above.

3.0 Application

On March 1, 2021, the RM applied for revised water rates to be effective July 1, 2021, July 1, 2022, and July 1, 2023 as outlined in By-Law No. 21-0003 having had first reading February 24, 2021. The application was supported by a rate study prepared by the RM's Project Accountant.

On May 13, 2021, Board staff requested clarification/confirmation of typographical errors in By-Law No. 21-0003, clarification/calculation of flat rate charges to customers, and deficit applications and/or explanations for deficits that occurred in the former Gimli Urban Centre Water Utility in 2019 and 2020. On May 27, 2021, the RM responded to the request.

A Public Notice of Application was issued on June 8, 2021 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the RM on or before July 8, 2021. No responses to the Notice were received.

In March 2022, Board staff advised the RM of actual operating deficits incurred by the former Gimli Urban Centre Water Utility, the former Gimli Industrial Park Water Utility, and the former Pelican Beach Water Utility for 2019 and 2020. That month, the RM provided 2019 and 2020 deficit applications for the former Gimli Urban Centre Water Utility and the former Gimli Industrial Park Water Utility, and advised deficits incurred by the former Pelican Beach Water Utility were due to errors in the reporting of amortization expenses that would be corrected by the RM's auditor(s).

When reviewing an application the Board can either: hold a public hearing at which the applicant can present its case and customers can present their concerns; or where it is deemed to be in the best interests of a utility and its customers, the Board can review the application using a paper review process without holding a public hearing. The paper review process considers all written materials submitted by the Utility and the public, as well as any information requests and responses between the Board and the Utility. This process may reduce regulatory costs to the Utility.

A public hearing process allows the Utility and the public the opportunity to review the application and address any concerns with the Board present.

Whenever reasonable, the Board will review the application using a paper review process, which saves the cost of a public hearing process. The Board has chosen a paper review process for the RM's application.

The rates were calculated based on the following projections using an annual inflation rate of 2.5% in all calculations:

Schedule of Utility Rate Requirements			
Rural Municipality of Gimli – Gimli Amalgamated Water Utility			
2021 to 2023 Budget Forecasts (\$)			
	2021	2022	2023
	Forecast		
General Expenses			
Administration	106,204	108,859	111,581
Total General Expenses	106,204	108,859	111,581
Revenue			
Penalties	3,300	3,400	3,500
Total General Revenues	3,300	3,400	3,500
Net Costs General	102,904	105,459	108,081
Water Expenses			
Staffing	130,250	133,506	136,844
Purification and Treatment	17,416	17,851	18,297
Service of Supply	42,677	43,744	44,837

	Transmission and Distribution	27,937	28,636	29,352
	Other Water Supply Costs	169,684	73,926	75,774
	Amortization	130,113	130,113	130,113
	Interest on Long-Term Debt	87,250	83,960	80,555
	Minor Capital Upgrades	40,000	41,000	42,025
	Contingency	42,796	33,866	34,713
	Reserve	44,500	44,500	44,500
	Total Water Expenses	732,623	631,102	637,010
Revenue				
	Connections	1,500	1,538	1,576
	Hydrant Rentals	20,000	20,000	20,000
	Taxation Revenue	184,553	184,553	184,553
	Investment Income/Reserve Funds	100,000	-	-
	Total Water Revenue	306,053	206,091	206,129
	Net Water Costs	426,570	425,011	430,881
	Net Operating Costs	529,474	530,470	538,962

The proposed Utility rate decreases are primarily due to the conclusion of a metering project to replace old/unrepairable meters and install new meters for flat rate customers.

Contingency Allowance and Utility Reserves

As per the Board's Water and Wastewater Rate Application Guidelines, a yearly allowance equal to 10% of the variable operating costs is recommended for a contingency allowance.

The RM has included a contingency allowance of \$42,796 for 2021, \$33,866 for 2022, and \$34,713 for 2023 in its Application.

The RM has also included an annual reserve allowance of \$44,500 in its Application.

Working Capital Surplus/Deficit

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/deficit is defined as the Utility fund balance, excluding any capital related items plus Utility reserves.

As per the 2020 Audited Financial Statements, the most recent information available, the working capital deficit for the Utility at December 31, 2020 was:

	Gimli Urban Centre	Pelican Beach	Industrial Park	Total
Utility Fund Surplus/(Deficit)	\$831,822	\$628,575	\$5,741,844	\$7,202,241
Deduct: Tangible Capital Assets	429,543	757,395	8,611,578	9,798,516
Add: Long-Term Debt	-	-	2,683,842	2,683,842
Add: Utility Reserves	317,785	9,071	742,918	1,069,774
Equals Working Capital Surplus (Deficit)	\$720,064	\$(119,749)	\$557,026	<u>\$1,157,341</u>
Operating Expenses	462,213	52,151	357,311	871,675
20% of Operating Expenses (Target)	\$92,443	\$10,430	\$71,462	<u>\$174,335</u>

The Utility meets the Board minimum working capital surplus of 20%.

Cost Allocation Methodology

The Board requires all municipal governments to review the costs shared between its general operations and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This allocation 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 Board approved the following allocation plan for shared costs in Board Order No. 42/11:

Position/Expense	Utility Share
Legislative, Chief Administrative Officer, Legal, Public Works (PW) – Wages and Benefits	5%
Office, Audit	7.5%
Manager Assets	8%
Manager of Finance, Tax Clerk	10%
PW Manager, PW Clerk, PW Operations, Vehicles and Equipment	15%
Accounts Payable/Payroll Clerk, Reception	20%
Utility Clerk	90%

The RM's cover letter to its Rate Study states the allocation plan for shared costs is reviewed annually and remains appropriate for the current application.

Deficits

By law, Manitoba utilities are not allowed to incur deficits. In the event that a deficit does occur, the Utility is required by *The Municipal Act* to obtain Board approval for both the deficit and recovery methodology as soon as it is known.

The RM's Application included the following deficits:

Utility	2020	2019
Gimli Urban Centre	\$91,685	\$147,579
Industrial Park	\$206,152	\$69,364

The RM states the deficits for the former Gimli Urban Centre Water Utility are due to a waterline renewal project budgeted to be funded from the RM's Gas Tax Reserve and a water meter replacement project. The deficits for the former Industrial Park Water Utility are due to the timing of amortization and interest costs of a water treatment plant enhancement project.

4.0 Board Findings

Rates

The Board has reviewed the application and the projections for rates presented by the RM in its rate study and finds them to be acceptable. The Board approves the revised rates as applied for by the RM, but varies the effective dates to July 1, 2022 and July 1, 2023 to coincide with the Utility's billing schedule. The Board notes, if approved Utility rates are inadequate for whatever reason, the RM is required to return to the Board to revise rates accordingly as soon as possible.

The Board notes the RM's Cost Allocation Methodology remains unchanged from the Methodology approved by the Board in Board Order No. 42/11. The Board reminds the RM the methodology must be used consistently; any changes to the Cost Allocation Methodology requires Board approval.

The Board requires the RM to review its water rates for the Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if required) on or before June 30, 2024.

The Board notes the Utility has budgeted \$184,553 in annual taxation revenue for 2021, 2022, and 2023 in its rate requirement forecast, for debentures related to water treatment plant and distribution system upgrades. The Board directs the RM to ensure it accounts for the cessation of the taxation revenue accordingly in its future rate studies to prevent a significant increase in rates at that time.

The Board also notes the RM's realignment of some expenditures from water to administration in its 2021, 2022, and 2023 forecasts. The Board recommends the RM work with its auditor(s) to ensure the realignment of expenses is correctly reported in its future Audited Financial Statements.

Deficits

The Board has reviewed the RM's Deficit Applications and the corresponding Audited Financial Statements and finds the RM did not include offsetting amortization of capital grants in its calculations.

As per the RM's 2019 and 2020 Audited Financial Statements the Board revises the actual operating deficit calculations to comply with Board regulatory requirements as follows:

	2020	2019
Gimli Urban Centre Water Utility		
Excess of Expenses Over Revenue	\$(91,685)	\$(147,579)
Add: Capital Grant Amortization	5,318	5,317
Revised Actual Operating Deficit	\$(86,367)	\$(142,262)
Industrial Park Water Utility		
Excess of Expenses Over Revenue	\$(206,152)	\$73,240
Less: Government Capital Transfers	-	\$(153,041)
Add: Capital Grant Amortization	111,285	52,500
Revised Actual Operating Deficit	\$(94,867)	\$(27,301)

The Board varies the RM's Deficit Applications, as per the above noted calculations for regulatory purposes, and approves actual operating deficits of \$86,367 for 2020 and \$142,262 for 2019 for the former Gimli Urban Centre Water Utility; and \$94,867 for 2020 and \$27,301 for 2019 for the former Gimli Industrial Park Water Utility or a total deficit of \$350,797. The Board approves \$264,430 to be recovered from the Gimli Amalgamated Water Utility Accumulated Surplus Fund and \$86,367 to be recovered from the RM's Gas Tax Reserve Fund.

The Board notes, according to the RM's 2020 Audited Financial Statements the former Pelican Beach Water Utility incurred an actual operating deficit for 2020. The RM has advised Board staff the deficit may be due to the timing of amortization expenses. The Board directs the RM to either submit a letter from the RM's auditor(s) confirming a revision to be included in its next Audited Financial Statements to eliminate the deficit or the RM submit a Deficit Application and recovery methodology for the deficit by May 31, 2022.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised water rates for the Rural Municipality of Gimli, Gimli Amalgamated Water Utility, BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective July 1, 2022 and July 1, 2023.
2. The Shared Cost Allocation Methodology for the Rural Municipality of Gimli BE AND IS HEREBY APPROVED.
3. The Rural Municipality of Gimli is to provide a notice of the decisions found in this Order to its customers as soon as possible, with a copy provided to the Public Utilities Board.
4. The Rural Municipality of Gimli amend its water rate By-Law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
5. The Rural Municipality of Gimli review its water rates for the Gimli Amalgamated Water Utility 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, 2024.

6. The actual operating deficits of \$86,367 for 2020 and \$142,262 for 2019 for the former Gimli Urban Centre Water Utility; and \$94,867 for 2020 and \$27,301 for 2019 for the former Gimli Industrial Park Water Utility or a total deficit of \$350,797 are HEREBY VARIED and \$264,430 is to be recovered from the Gimli Amalgamated Utility Accumulated Surplus Fund and \$86,367 is to be recovered from the Rural Municipality of Gimli Gas Tax Reserve Fund.
7. The Rural Municipality of Gimli either submit a letter from the RM's auditor(s) confirming a revision to be included in its next Audited Financial Statements to eliminate the deficit for the former Pelican Beach Water Utility or submit a Deficit Application and recovery methodology for the deficit for the former Pelican Beach Water Utility by May 31, 2022.

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 (Rules). The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

Fees payable upon this Order - \$650.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 37/22
issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A

**RURAL MUNICIPALITY OF GIMLI
GIMLI AMALGAMATED WATER UTILITY
WATER UTILITY RATES BY-LAW NO. 21-0003
SCHEDULE OF QUARTERLY RATES**

2.2 WATER UTILITY CHARGES**2.2.1 EFFECTIVE JULY 1, 2022****2.2.1.1 Water System - Metered**Commodity Charge - \$1.55 per cubic meter (m³)**Minimum Quarterly Charges – Water Connection Only**

Meter Size	Group Capacity Ratio	Minimum Quarterly Consumption	Service Charge	Commodity Charge	Minimum Quarterly Charges
5/8"	1	13.5 m ³	\$25.28	\$20.93	\$46.21
3/4"	2	27 m ³	\$25.28	\$41.85	\$67.13
1"	4	54 m ³	\$25.28	\$83.70	\$108.98
1 1/2"	10	135 m ³	\$25.28	\$209.25	\$234.53
2"	25	337.5 m ³	\$25.28	\$523.13	\$548.41
3"	45	607.5 m ³	\$25.28	\$941.63	\$966.91
4"	90	1,215 m ³	\$25.28	\$1,883.25	\$1,908.53
6"	170	2,295 m ³	\$25.28	\$3,557.25	\$3,582.53

2.2.1.2 Bulk Water RateVolumetric Charge - \$2.79 per cubic meter (m³) (\$12.72 per 1,000 gallons)**2.2.1.3 Water Utility-Flat Rates**

Customer	REU	Service Charge	Commodity Charge	Quarterly Bill
Single Family or small Business	1	\$25.28	\$84.09	\$109.37
Building with more than 1 residence or business				
2 residences or businesses	2	\$25.28	\$168.18	\$193.46
3 residences or businesses	3	\$25.28	\$252.27	\$277.55
Cornerstone Enterprises	1	\$25.28	\$84.09	\$109.37

Design Canada	1	\$25.28	\$84.09	\$109.37
Gimli Small Engines	1	\$25.28	\$84.09	\$109.37
Lake Agassiz Marine Office	1	\$25.28	\$84.09	\$109.37
Lake Agassiz Marine Hanger # 2	2	\$25.28	\$168.18	\$193.46
Lake Agassiz Marine Hanger # 4	2	\$25.28	\$168.18	\$193.46
Aurora Recovery Centre	5	\$25.28	\$420.45	\$445.73
Lake Agassiz Marine Hanger # 1	5	\$25.28	\$420.45	\$445.73
GIDG Dunlop Building	5	\$25.28	\$420.45	\$445.73
Natural Resources Water Bombers	5	\$25.28	\$420.45	\$445.73
North Star Marine	5	\$25.28	\$420.45	\$445.73
Skyline Hanger #3	5	\$25.28	\$420.45	\$445.73
Faroex-Warehouse	1	\$25.28	\$84.09	\$109.37
Faroex-Research Building	1	\$25.28	\$84.09	\$109.37
Faroex-Plant	15	\$25.28	\$1,261.35	\$1,286.63

One residential equivalency unit (REU) based on 217.0 cubic meters per year.

2.2 WATER UTILITY CHARGES

2.2.1 EFFECTIVE JULY 1, 2023

2.2.1.1 Water System - Metered

Commodity Charge - \$1.57 per cubic meter (m³)

Minimum Quarterly Charges – Water Connection Only

Meter Size	Group Capacity Ratio	Minimum Quarterly Consumption	Service Charge	Commodity Charge	Minimum Quarterly Charges
5/8"	1	13.5 m ³	\$25.91	\$21.20	\$47.11
3/4"	2	27 m ³	\$25.91	\$42.39	\$68.30
1"	4	54 m ³	\$25.91	\$84.78	\$110.69
1 1/2"	10	135 m ³	\$25.91	\$211.95	\$237.86
2"	25	337.5 m ³	\$25.91	\$529.88	\$555.79
3"	45	607.5 m ³	\$25.91	\$953.78	\$979.69
4"	90	1,215 m ³	\$25.91	\$1,907.55	\$1,933.46
6"	170	2,295 m ³	\$25.91	\$3,603.15	\$3,629.06

2.2.1.2 Bulk Water Rate

Volumetric Charge - \$2.83 per cubic meter (m³) (\$12.90 per 1,000 gallons)

2.4.1.2 Water Utility-Flat Rates

Customer	REU	Service Charge	Commodity Charge	Quarterly Bill
Single Family or small Business	1	\$25.91	\$85.17	\$111.08
Building with more than 1 residence or business				
2 residences or businesses	2	\$25.91	\$170.34	\$196.25
3 residences or businesses	3	\$25.91	\$255.51	\$281.42
Cornerstone Enterprises	1	\$25.91	\$85.17	\$111.08
Design Canada	1	\$25.91	\$85.17	\$111.08
Gimli Small Engines	1	\$25.91	\$85.17	\$111.08
Lake Agassiz Marine Office	1	\$25.91	\$85.17	\$111.08
Lake Agassiz Marine Hanger # 2	2	\$25.91	\$170.34	\$196.25
Lake Agassiz Marine Hanger # 4	2	\$25.91	\$170.34	\$196.25
Aurora Recovery Centre	5	\$25.91	\$425.85	\$451.76
Lake Agassiz Marine Hanger # 1	5	\$25.91	\$425.85	\$451.76
GIDG Dunlop Building	5	\$25.91	\$425.85	\$451.76
Natural Resources Water Bombers	5	\$25.91	\$425.85	\$451.76
North Star Marine	5	\$25.91	\$425.85	\$451.76
Skyline Hanger #3	5	\$25.91	\$425.85	\$451.76
Faroex-Warehouse	1	\$25.91	\$85.17	\$111.08
Faroex-Research Bldg	1	\$25.91	\$85.17	\$111.08
Faroex-Plant	15	\$25.91	\$1,277.55	\$1,303.46

One residential equivalency unit (REU) based on 217.0 cubic meters per year.

3.0 UTILITY DEBENTURE SURCHARGE

The RM of Gimli recovers debenture costs for utility capital projects from utility customers directly benefitting from the projects through a utility rate surcharge for two projects.

- a) Sewer Line Renewal Project – this project benefitted customers in the Gimli Urban Centre, Gimli Business Park and Aspen Park. RM of Gimli By-Law 13-0013 and Public Utilities Board Order #149/13 approved the surcharge on the basis of residential equivalency units (REU's). The charge is as follows:

Location	REUs	Debenture Payment	Surcharge Annual / Quarterly	
Gimli Urban Centre (former town area)	1203	\$81,394.20	\$67.65	\$16.91
Gimli Business Park	168	\$1,087.23	\$6.47	\$1.62
Aspen Park Condos (194 units, proportionate share provided by Condo Corp)		\$6,283.24	\$106.40	\$26.60

The final payment for the debenture is October 31, 2033.

- b) Water Treatment Plant Enhancement Project – This project benefitted customers in the Gimli Urban Centre, Gimli Business Park, Aspen Park and Pelican Beach. RM of Gimli By-Laws 16-0013 and 20-0005 and Public Utilities Board Order #5/21 approved the utility rate surcharge of 43 cents per cubic meter on actual water consumption for 60% of the debenture cost. The final payment for the debenture is May 1, 2040.

4.0 SERVICE TO CUSTOMERS OUTSIDE MUNICIPAL LIMITS

The Council of the Rural Municipality may sign agreements with customers for the provision of water and wastewater services to properties located outside the legal boundaries of the Rural Municipality. Such agreements shall provide for payment of the appropriate rates set out in Commodity Rates of this schedule, as well as a surcharge set by resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the 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.

5.0 PENALTY FOR LATE PAYMENT

A late payment charge of 1.25% per month compounded shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen (14) days after the mailing of the bills.

6.0 DISCONNECTION OF SERVICES

6.1 Disconnection for Non Payment / Delinquent Accounts

All utilities subject to *The Public Utilities Board Act* shall comply with the Conditions Precedent for water and/or wastewater service disconnection, as attached hereto and marked as Schedule “B”.

6.2 Disconnection at Owners Request

A fee of \$30.00 shall be charged for disconnecting the water service at the property owner’s request.

7.0 RECONNECTION OF SERVICES

7.1 Reconnection for Non Payment / Delinquent Accounts

Where any service is disconnected under the provisions of this By-Law, it shall not be reconnected until all arrears, penalties and a reconnection fee of \$100.00 have been paid.

7.2 Reconnection for Non Delinquent Accounts

A fee of \$30.00 shall be charged for reconnecting the water service at the property owner’s request.

8.0 OUTSTANDING ACCOUNTS

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and wastewater services, including fines and penalties, 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.

9.0 STANDPIPE SURCHARGE

A quarterly flat rate fee of \$168.75 shall be charged to all commercial or multi-family customers with internal sprinkler systems for the purpose of fire protection.

10.0 HYDRANT RENTALS

The Rural Municipality of Gimli shall pay to the utility an annual rental of \$125.00 for each hydrant connected to the system.

11.0 METER ACCURACY TESTING

That any customer may request that his/her water meter be tested for accuracy and before having the same tested by the Rural Municipality, he/she shall deposit with the Chief Administrative Officer the sum of One Hundred (\$100.00) Dollars, which shall be retained and if the meter shall be found to be accurate, the said sum of One Hundred (\$100.00) Dollars shall be retained by the Rural Municipality and if the meter is found to be inaccurate, the said sum of One Hundred (\$100.00) Dollars will be returned to the customer

12.0 WASTEWATER SURCHARGES

That there may be levied annually, in addition to rates set forth above, a special surcharge on wastewater having a Biochemical Oxygen Demand in excess of 300 parts per million, to be set by resolution of Council.

That a special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular wastewater or industrial wastes.

13.0 COMMERCIAL SEASONAL CUSTOMERS

That all commercial customers that have their water service disconnected in the fall and reconnected in the spring and that have a service size larger than the minimum size of 5/8" will pay the minimum metered amount, according to service size per quarter, while the water service is disconnected.

14.0 RESIDENTIAL SEASONAL CUSTOMERS

Residential customers may declare a property seasonal use whereby their residence will not be in use from January 1 to March 31 of each year and their utility bill will be discontinued for that quarter. Billing will automatically start on April 1 of each year. Once the residential customer makes the declaration and if the residence uses the utility service for any part of the quarter, the whole quarter will be charged regardless of the number of days use in the quarter.

15.0 RESIDENTIAL CUSTOMERS CONNECTED TO THE NORTH FORCEMAIN

Residents connected to the North Forcemain and have a low pressure wastewater system will be entitled to be reimbursed for one pump out per year by the Rural Municipality.

RURAL MUNICIPALITY OF GIMLI
SCHEDULE "B"
BY-LAW NO. 21-0003
WATER AND WASTEWATER RATES 2021, 2022 & 2023

Conditions Precedent Allowing for Collection and Disconnection of Water and/or Wastewater Services for Non-Payment of Accounts

POLICY AND PROCEDURES

1.0 PURPOSE:

The purpose of this document is to outline and define the disconnection and reconnection policies and procedures for customers with water and/or wastewater services.

Disconnection, in accordance with the steps outlined in the following policy and procedures may occur if a customer is in arrears and full payment or payment arrangements suitable to the utility have not been made and if so, such disconnections must occur in conformance with these conditions precedent.

Reconnection, in accordance with the following policy and procedures will occur as soon as it is reasonably possible after the account returns to good standing. This Policy and Procedure does not apply to disconnection practices for routine maintenance of the utility including emergencies.

2.0 SCOPE:

The policy and procedures apply to customers receiving water and/or wastewater services. The procedures are detailed to reflect the variety of situations that may occur for each of the following customers.

- 2.1** All property owners and/or tenants responsible for water and/or wastewater services.
- 2.2** All landlords responsible for providing tenant water and/or wastewater services covered under *The Residential Tenancies Act* (C.C.S.M. c R119).
- 2.3** Where water and/or wastewater services are added to taxes.
- 2.4** Where water is sold in bulk.
- 2.5** Where wastewater is dumped into a treatment facility.
- 2.6** Where water and/or wastewater service is provided beyond the boundaries of a municipality, if applicable.

3.0 DEFINITIONS:

Account Holder/Customer – shall refer to the person or persons who have applied for water and/or wastewater service at a particular residence, whether it be the property owner or renter.

Property Owner – shall refer to the person or persons who are listed on the title of a specific property.

Renter – is not the property owner of the subject property and shall refer to the utility account holder/customer of the subject property.

Security Deposit – shall be based on the risk to the utility and should not exceed an estimated bill for three months.

4.0 POLICY:

4.1 The Utility will normally confine collection activity to the person(s) identified on the account who requested the service(s) with an implied agreement to pay or the person or agency who has agreed to pay for the service(s), with the following exception: where a reasonable person would expect that a customer not named on the bill is implicitly responsible for the service(s), i.e. husband or wife (legal or common-law), that person will also be presumed to have liability for the outstanding balance.

4.2 In order to satisfy provisions of *The Freedom of Information and Protection of Privacy Act*, Utilities are encouraged to develop an agreement between the utility and the account holder/customer, with provisions that establish at minimum conditions for service, recourse for unpaid bills, deposits required, and for renter's acknowledgement that information relating to their account status and other information may be released to the property owner to assist with collections.

4.3 The Public Utilities Board (Board) may, on its own initiative, or at the request of a customer, review a Utility's action and make recommendations and/or orders with respect to same as the Board may determine.

4.4 Every effort is to be made by the Utility to resolve outstanding accounts, disconnection and reconnection issues directly with its customer(s). If a solution cannot be reached the customer may apply to the Board for dispute resolution.

4.5 The Utility must make special application to the Board prior to disconnecting service to a community or multiple residences/properties. Such an application must be shared with the affected community(ies) and/or multiple residences/properties. The Board will consider the circumstances and particulars of the application and provide the Utility with direction, following such process as the Board may deem appropriate.

4.6 If a landlord is responsible for the provision of water and/or wastewater services to tenant occupied premises, arrears will be based on the outstanding account balance and will be subject to Residential Tenancy Branch (RTB) procedures at the tenant occupied premises. Landlords failing to bring their outstanding account balance to good standing will be subject to disconnection of services of the same utility at their personal residence and any vacant premises under the same name.

4.7 This policy does not affect the Utility's right to disconnect in times of emergency and/or for reasons of safety or for failure to comply with water rationing requirements.

4.8 The Utility will keep current data of all disconnected customers in accordance with the following procedures.

4.9 The Utility may seek Board exemption from full disconnection procedures when faced with customers who consistently and deliberately show patterns of payment avoidance and who clearly understand the consequences of their actions.

5.0 PROCEDURES

5.1 DISCONNECTION PROCEDURE

Steps 1, 2 and 3 must be followed on water and/or wastewater services in arrears.

Step 1

Customers shall receive a billing statement each billing cycle for services. In some cases the bill is for past consumption and/or minimum quarterly bill for the prior quarter and in other cases, for past consumption over the minimum quarterly bill in the prior quarter plus the next minimum quarterly bill in advance. The due date which appears on the bill shall be no less than 14 days after the billing date. Bulk water customers or customers dumping sewage may have special billing arrangements. However, failure to pay an outstanding bill may result in the removal of the right to use the service.

Step 2

If payment is not received within 31 days from the last billing date, a message similar to the following shall appear on a reminder statement:

“Our records indicate your account is past due. Please give this your prompt attention. If payment or payment arrangements have been made, kindly disregard this notice.”

[The following is applicable to residential premises.]

“Information on service disconnection, payment arrangements and financial assistance is enclosed.”

Sample Insert:

<p>If your account is past due and you have not made payment arrangements, your water and/or wastewater service could be disconnected.</p> <p>The Public Utilities Board adopted Order No. --/08 governing the disconnection of water and/or wastewater service for nonpayment of account.</p>	<p>To make payment arrangements, please contact the utility at: <i>[Insert contact information here]</i> If you have already made payment arrangements, please disregard this notice.</p>	<p>Financial assistance may be available through Employment and Income Assistance: 204-642-6051, toll free 1-866-475-0215 Additional financial counseling and support may be available through Community Financial Counseling Services: • 1-888-573-2383</p>
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Step 3

If payment is not received within 45 days of the last billing date, a message similar to the following shall appear on the second and final reminder notice. Reconnection fees will be charged as approved by the Board from time to time.

IMPORTANT PAST DUE NOTICE

Your **account** is past due. If suitable payment arrangements or full payment of the arrears are not made on or before (*enter Date {14 calendar days from date of issue}*) your account will be subject to disconnection. If payment of the arrears has already been made, please notify us immediately. If payment arrangements have already been made kindly disregard this notice.

If your service(s) is disconnected, full payment of the arrears balance plus a reconnection fee will be required before service is fully restored. A security deposit may also be required. Customers may appeal the Utility's action by contacting the Public Utilities Board.

The Utility is not responsible for any damages or losses that may occur as a result of services which are disconnected for non-payment. Please ensure you protect people, animals and property that may be impacted by disconnection of service.

Reconnect Fees are \$50.00.

Your service will be disconnected on _____ in the a.m. or p.m.

5.2 Where the Utility bills the minimum quarterly bill in advance, and where service is not reconnected, the bill should be adjusted and prorated accordingly, for the period from the date of disconnection to the end of the next quarter.

5.3 The following are exceptions to the above notice requirements before disconnection:

(a) Where the customer's account was past due and where a payment arrangement was made and subsequently broken, the Utility may disconnect the customer's service with 7 calendar days notice.

(b) Where the customer's account was past due for services billed at a previous premise, the Utility may, with 10 days notice, disconnect the customer's service at the new premise if the customer fails to make a payment arrangement.

The Utility shall take all reasonable steps to collect the arrears from its account holder/customer before adding any arrears to taxes.

5.4 A message similar to the following shall appear on any future billing statements where services have been disconnected:

"Your account remains outstanding despite previous requests for payment. Failure to pay the outstanding account balance may make your account subject to legal action. Please call the phone number on the front of your billing statement or pay in person. If payment of the arrears has already been made, please notify the Utility immediately. If payment arrangements have already been made, kindly disregard this notice."

6.0 RECONNECTION OR RESTORATION OF SERVICE PROCEDURE:

6.1 No reconnection of service(s) shall occur unless full payment of the arrears or payment arrangements is made suitable to the Utility including a reconnection fee. Reconnection terms may also include the payment of a security deposit.

6.2 All reasonable efforts shall be made to reconnect or restore the service as soon as possible.

7.0 GENERAL GUIDELINES FOR RENTAL PROPERTIES:

7.1 The renter and property owner are both responsible for providing notice and meter readings to the utility when vacating or renting a premise for the first time.

7.2 If the new renter has an unpaid amount, the utility may refuse service to the tenant.

7.3 The departing tenant will be responsible for services to the date of departure and the arriving tenant or the property owner will be responsible on the date the new tenant takes occupancy.

7.4 If there is a period of time between departing tenant and the arriving tenant the property owner will be responsible for the service charge.

7.5 The renter's deposit, if applicable, will be applied to the utility bill at this time.

7.6 In the case where the amount of the deposit, if applicable, exceeds the amount of the final bills and a credit is shown on the utility account, the credit is then refunded to the renter in the form of a cheque.

8.0 REPORTING REQUIREMENTS:

8.1 The Utility shall record the following information which the Board may request at any time:

- (a) the name of the account holder disconnected;
- (b) efforts made by the Utility to contact the customer (bill messages, letters, telephone calls, personal visits) and the results of such efforts;
- (c) any evidence of the customer either contacting, or being encouraged to contact an appropriate social agency;
- (d) if known, details of any follow-up action being undertaken by a social agency; and
- (e) information indicating the presence of children, the elderly and the disabled. Where there are children 12 and under, the matter will be referred in writing to Child and Family Services as soon as the facts are known.