

Order No. 68/22

**PRAIRIE VIEW MUNICIPALITY
BIRTLE WATER AND WASTEWATER UTILITY
FINAL RATES**

JUNE 24, 2022

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

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves as final the water and wastewater rates as applied for by the Prairie View Municipality (Municipality), Birtle Water and Wastewater Utility (Birtle). Board Order No. 73/21 previously established rates on an interim *ex parte* basis.

The approved rates are as follows:

	July 1, 2021	July 1, 2022	January 1, 2023	January 1, 2024
Quarterly Service Charge	\$15.44	\$15.44	\$15.17	\$14.89
Water (per 1,000 gallons)	\$25.04	\$25.04	\$27.15	\$29.27
Wastewater (per 1,000 gallons)	\$3.09	\$3.09	\$3.27	\$3.45
Minimum Quarterly Charge*	\$99.83	\$99.83	\$106.43	\$113.05
Rate Rider (per 1,000 gallons)**	\$2.10	\$3.01	\$3.01	\$3.01
Minimum Quarterly Charge With Rate Rider*	\$106.13	\$108.86	\$115.46	\$122.08
Wastewater Only Customers – Minimum Quarterly Charge***	\$49.43	\$49.43	\$51.14	\$52.84
Bulk Water (per 1,000 gallons)****	\$40.75	\$40.75	\$42.00	\$44.00
Hydrant Rentals	\$200.00	\$200.00	\$200.00	\$200.00

*Based on 3,000 gallons

**Rate Rider Approved in Board Order No. 73/21 and varied in this Order to recover 2017, 2019, and 2020 actual operating deficits.

***Based on 11,000 gallons

****Pro rated for all quantities of water greater than 500 gallons

The Board varies the deficits approved in Board Order No. 73/21 as follows: an actual operating deficit of \$140,528 for 2017, an actual operating deficit of \$69,620 for 2019, and an actual operating deficit of \$140,079 for 2020, or a total three-year actual operating deficit of \$350,227, to be recovered by through a combination of surplus account funding of \$212,210 and a rate rider of \$3.01 per 1,000 gallons beginning July 1, 2022 for a period of four years or until revenue from the rate rider has reached \$138,017 (including revenue already collected from July 1, 2021 to June 30, 2022 from the previously approved rate rider of \$2.10 per customer per 1,000 gallons from Board Order No. 73/21), whichever comes first.

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 Utility provides water and wastewater services to 295 customers, water only service to 13 customers, and wastewater service to 1 customer.

On May 28, 2021, the Municipality applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the Municipality's consultant, By-Law No. 2021-04 having had first reading May 11, 2021, and Council Resolution #2021-110 requesting rates be set on an interim *ex parte* basis. Interim rates were requested because the Utility incurred three deficits in four years, has a deficit forecast for 2021, and has an insufficient working capital below Board requirements.

The Board also received an application for approval of two actual and one anticipated operating deficit of \$140,528 for 2017, \$69,620 for 2019, and \$106,815 for 2020 (anticipated) or a total three-year total operating deficit of \$316,963, when calculated for regulatory purposes. Council Resolution #2021-110 requested the deficits be recovered through a rate rider of \$2.10 per customer per 1,000 gallons of water consumed for a period of three years or until \$55,409 has been collected and existing working capital surplus funds of \$261,554.

Board Order No. 73/21 approved the rates and deficits as requested by the Municipality.

Water Supply/Distribution

The water distribution system was constructed in the 1950s. The Utility began metering customers in 2014 when new water meters were installed. A new water treatment plant was constructed in 2018. The Municipality advises the water lines are in need of replacement.

Wastewater Collection/Treatment

The wastewater collection system was constructed in the 1950s. The wastewater lagoon consists of two cells and there is one lift station included in the wastewater collection system. The Municipality advises the wastewater lines are in need of replacement.

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 Municipality's rate study is 74% as of 2020. The Municipality advises the new water treatment plant is situated on a hill above the town site, higher than the previous plant, which is causing significantly higher levels of water pressure. The Municipality submitted an application for \$3.5 million in infrastructure funding to replace the old water lines and is currently negotiating terms of funding provision and potential revisions to the scope of the project with the federal government and the Manitoba Water Services Board.

3.0 Application

A Public Notice of Application was issued on July 22, 2021 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Municipality on or before August 21, 2021. No responses to the Notice were received.

The Utility rate study was completed prior to completion of the 2020 Audited Financial Statements. Board staff reviewed the Municipality's 2020 Audit, which showed that instead of the anticipated deficit of \$106,815 the Utility had a surplus of \$120,863.

When Board staff questioned the Municipality and its consultant about the change in financial position, they reviewed the 2020 Audit, and advised Board staff that there were errors in the Audit. \$387,815 for local improvement payments (for prepayments of levies on debentures) were erroneously reported as water fee revenue and capital grant amortization was reported as \$274,341 and should be \$126,873. The resulting actual operating deficit for 2020, when calculated for regulatory purposes, was \$140,079 (or \$33,264 higher than the anticipated deficit).

On May 31, 2022, the Municipality revised its deficit application to reflect the errors noted above and requested approval of a 2017 actual operating deficit of \$140,528, a 2019 actual operating deficit of \$69,620, and a 2020 actual operating deficit of \$140,079 or a total three-year actual operating deficit of \$350,227 to be recovered through a rate rider of \$2.91 per customer per 1,000 gallons consumed for a period of five years or until \$138,017 has been collected and existing working capital surplus funds of \$212,210. The revised application was accompanied by Council Resolution # 2022-112 to support the request.

On June 6, 2022, Board staff confirmed a computational error in the revised deficit application with the Municipality and its consultant. The revised deficit was requested to be recovered through a rate rider of \$3.01 per customer per 1,000 gallons consumed for continued period of four years or until the \$138,017 has been collected effective July 1, 2022 and existing working capital surplus funds of \$212,210.

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 Municipality’s application.

The rates were calculated based on the following projections using an annual inflation rate of 2% in all calculations:

Schedule of Utility Rate Requirements Prairie View Municipality – Birtle Water and Wastewater Utility 2022 to 2024 Budget Forecasts (\$)			
	2022	2023	2024
	Forecast		
General Expenses			
Administration	16,914	17,252	17,597
Total General Expenses	16,914	17,252	17,597
Revenue			
Penalties	1,938	1,977	2,016
Investment Income	2,500	2,500	2,500
Other Income	200	200	200
Total General Revenues	4,638	4,677	4,716
Net Costs General	12,276	12,575	12,881
Water Expenses			
Purification and Treatment	123,543	126,013	128,534
Transmission and Distribution	124,236	126,721	129,255
Amortization	223,066	221,276	221,144
Interest on Long-Term Debt	47,917	44,504	41,478
Contingency	24,619	24,619	24,619
Total Water Expenses	543,381	543,133	545,030
Revenue			
Hydrant Rentals	7,600	7,600	7,600
Bulk Water Fees	4,000	4,000	4,000
Total Water Revenue	11,600	11,600	11,600
Net Water Costs	531,781	531,533	533,430
Wastewater Expenses			
Collection System	6,120	6,242	6,367
Treatment and Disposal	1,020	1,040	1,061

Lift Station	7,242	7,387	7,535
Amortization	16,875	16,583	16,045
Contingency	1,496	1,496	1,496
Net Wastewater Costs	32,753	32,748	32,504
Net Operating Costs	576,810	576,856	578,815

The proposed Utility rate increases are primarily due to inclusion of a contingency allowance and inflationary cost increases.

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 Municipality has included an annual contingency allowance of \$24,619 for water and \$1,496 for wastewater (or a total contingency allowance of \$26,115) in its Application.

The Municipality has not included an annual reserve allowance due to the magnitude of the proposed rate increases and the requested deficit rate rider.

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:

	2020
Utility Fund Surplus/(Deficit)	\$7,770,218
Deduct: Tangible Capital Assets	9,247,142
Add: Long-Term Debt	1,403,441
Add: Utility Reserves	76,159
Equals Working Capital Surplus (Deficit)	<u>\$2,676</u>
Operating Expenses	703,467
20% of Operating Expenses (Target)	<u>\$140,693</u>

The Utility does not meet the Board minimum working capital surplus of 20%.

Note – These figures may be revised at a later date due to inaccuracies in the data reported in the 2020 Audited Financial Statements as noted above.

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 Municipality's allocation plan for shared costs is as follows:

Prairie View Municipality Birtle Water and Wastewater Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at April, 2021			
Category	Sub-category	Options	
1.0	Administrative Staff		2.0% of general legislative expenses excluding assessment and grant expenses
	1.1 Billing services – meter reading to receipting and collection.		Meter reading – N/A; receipting and collection part of admin. staff allocation
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		2.0% of audit costs
	1.3 Common office space		2.0% of office costs, utilities
	1.4 Office overheads (telephone, photocopier, computer, etc.)		2.0% of printing, postage, and stationary
2.0	Operating, construction and maintenance costs		
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		The Utility has its own vehicle (donated by

			Public Works). Fuel is paid by the Utility.
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)		-
	2.3 Public works building and property.		N/A – Utility office in water treatment plant.
	2.4 Road repairs and alike (see Note 3)	Based on actual costs	-
3.0 Major projects			
	Interest/ financing		N/A
	Labor	Based on actual costs	-
	External costs	Direct charge (dedicated consulting)	-

Note 1 – Allocation must be updated periodically to reflect impacts of inflation.

Note 2 – Including salaries and benefits.

Note 3 – If a project involves work benefitting both the Utility and general operations the costs may be shared (i.e. If reconstructing a road and replacing services at the same time, a portion of the roadwork costs may be allocated to the Utility.)

4.0 Board Findings

Rates

The Board has reviewed the rate application and the projections presented by the Municipality and finds them to be reasonable. The Board grants approval for the water rates as applied for effective July 1, 2021.

The Board notes, it has been seven years since the Municipality's rates were last approved. This is too long a time-period between rate reviews. Regular rate reviews submitted in a timelier three-year period, as per the Board's Guidelines, protect the financial position of the Utility, exhibit consideration for the finances of ratepayers, and mitigates the need for substantial rate increases.

It is the Utility's responsibility to review its rates and ensure rates are adequate to recover the cost of the service provided to its customers. Customers are generally more tolerant of regular, smaller increases than one significant increase after years of stagnant rates. The Municipality needs to be much more diligent in conducting regular reviews of its revenue requirements and filing Rate/Deficit Applications with the Board accordingly.

The Board requires the Municipality to review its water and wastewater 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 December 31, 2024.

The Board approves the Municipality's Cost Allocation Methodology. The Board reminds the Municipality the methodology must be used consistently; any changes to the Cost Allocation Methodology requires Board approval.

The Board requires the Municipality to review its water and wastewater 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 December 31, 2024.

The Board notes the Utility has budgeted annual taxation revenue for 2022, 2023, and 2024 in its rate requirement forecast for debentures. The Board directs the Municipality 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.

Deficits

The Board notes, in Board Order No. 73/21 the Board approved actual and anticipated operating deficits of \$140,528 for 2017 (actual), \$69,620 for 2019 (actual), and \$106,815 for 2020 (anticipated), or a total three-year actual and anticipated operating deficit of \$316,963, to be recovered through a combination of existing surplus account funding of \$261,554 and a rate rider of \$2.10 per customer per 1,000 gallons beginning July 1, 2021 for a period of three years or until revenue from the rate rider has reached \$55,409, whichever comes first.

The Board has reviewed the Municipality's final 2020 Audited Financial Statements and notes the errors and discrepancies included in the 2020 Final Audit. The Board also notes the Municipality's explanation for the variances are primarily due to the net effect of the timing of debenture payments and revisions to the timing of revenue from property taxes and errors are due to the inaccurate reporting of local improvement payments and capital grant amortization. The net result is an actual operating deficit of \$140,079 for 2020, when calculated for regulatory purposes.

Based on the final 2020 Audited Financial Statements, the variance and reporting error explanations provided by the Municipality, and the Municipality's revised deficit application, the Board varies the deficits approved in Board Order No. 73/21. The Board approves an actual operating deficit of \$140,528 for 2017, an actual operating deficit of \$69,620 for 2019, and an actual operating deficit of \$140,079 for 2020, or a total three-year actual operating deficit of \$350,227, when calculated for regulatory purposes. The deficit is to be recovered through a combination of surplus account funding of \$212,210 and a rate rider of \$3.01 per customer per 1,000 gallons beginning July 1, 2022 for a period of four years or until revenue from the rate rider has reached \$138,017 (including revenue already collected until June 30, 2022 from the previously approved rate rider of \$2.10 per customer per 1,000 gallons from Board Order No. 73/21), whichever comes first (see Schedule A below for details).

The Board directs the Municipality to work with its auditor(s) to revise the 2020 Audited Financial Statements to properly reflect the actual operating deficit of \$140,079 incurred by the Utility for 2020.

The Board notes that as result of the above-noted deficits and utility rates that have not been revised since 2015, an additional customer cost using a rate rider is required to recover the three years of utility deficits and a significant portion of the Utility's working capital has been absorbed. The Board advises the Municipality, working capital is accumulated to provide for replacement, repair, improvement, and expansion of Utility infrastructure and equipment, not to provide for ongoing deficits resulting from insufficient rates. The Utility has depleted its

working capital to a level that it is no longer in position to absorb deficits or provide for the utility costs for which it is intended.

Unaccounted for Water

The Board finds the reported levels of unaccounted for water of 74% to be unacceptable and is concerned regarding the impact it has on increasing utility rate requirements. The Board directs the Municipality to file an update with the Board regarding its application for infrastructure funding and the steps being taken to remedy unaccounted for water amounts by December 31, 2023.

5.0 IT IS HEREBY ORDERED THAT:

1. The water and wastewater rates for the Prairie View Municipality, Birtle Water and Wastewater Utility, as approved on an interim ex parte basis in Board Order No. 73/21, BE AND ARE HEREBY CONFIRMED AS FINAL in accordance with the attached Schedule A, effective July 1, 2021.
2. The Shared Cost Allocation Methodology for the Prairie View Municipality BE AND IS HEREBY APPROVED.
3. The Prairie View Municipality 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 Prairie View Municipality 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 Prairie View Municipality submit a report to the Public Utilities Board consisting of updated information on the current volume of unaccounted for water, an update on its application for infrastructure funding, and its plan to address unaccounted for water amounts by December 31, 2023.

6. The Prairie View Municipality review its water and wastewater rates for the Birtle Water and Wastewater 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 December 31, 2024.
7. The actual and anticipated operating deficits, when calculated for regulatory purposes, incurred in the Prairie View Municipality, Birtle Water and Wastewater Utility is HEREBY VARIED, to an actual operating deficit of \$140,528 for 2017, an actual operating deficit of \$69,620 for 2019, and an actual operating deficit of \$140,079 for 2020, or a total three-year actual operating deficit of 350,227, to be recovered through a combination of surplus account funding of \$212,210 and a rate rider of \$3.01 per customer per 1,000 gallons of water consumed beginning July 1, 2022 for a period of four years or until revenue from the rate rider has reached \$138,017 (including revenue already collected until June 30, 2022 from the previously approved rate rider of \$2.10 per customer per 1,000 gallons from Board Order No. 73/21), whichever comes first.
8. The Prairie View Municipality work with its auditor(s) to revise the 2020 Audited Financial Statements to reflect the \$140,079 actual operating deficit incurred by the Birtle Water and Wastewater Utility.

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 - \$500.00

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."

Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 68/22
issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A

**PRAIRIE VIEW MUNICIPALITY
BIRTLE WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 2021-04
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2021

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$25.04	\$3.09	\$28.13

Quarterly Service Charge \$15.44

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

a) Water & Wastewater Customers

Meter Size	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Quarterly Minimum	Deficit Rate Rider \$2.10/1,000	Total Quarterly Minimum with Rate Rider
5/8 inch	3,000	\$15.44	\$75.12	\$9.27	\$99.83	\$6.30	\$106.13
3/4 inch	6,000	\$15.44	\$150.24	\$18.54	\$184.22	\$12.60	\$196.82
1 inch	12,000	\$15.44	\$300.48	\$37.08	\$353.00	\$25.20	\$378.20
1 1/2 inch	30,000	\$15.44	\$751.20	\$92.70	\$859.34	\$63.00	\$922.34
2 inch	75,000	\$15.44	\$1,878.00	\$231.75	\$2,125.19	\$157.50	\$2,282.69
3 inch	135,000	\$15.44	\$3,380.40	\$417.15	\$3,812.99	\$283.50	\$4,096.49

b) Water Only Customers

The minimum charge will be the same for each meter size as shown above but the Wastewater Commodity Charge will be excluded.

c) Wastewater Only for Residential Customers

The wastewater only charge is the Wastewater Commodity Rate based on 1.5 times average quarterly consumption plus the quarterly customer service charge. The quarterly charge for wastewater only customers is $(11 \times \$3.09) + \$15.44 = \$49.43$.

d) Bulk Water

All water sold in bulk shall be charged for at a rate of \$40.75 per 1,000 gallons on a pro rated basis for all quantities of water greater than 100 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2022

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$25.04	\$3.09	\$28.13

Quarterly Service Charge \$15.44

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

a) Water & Wastewater Customers

Meter Size	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Quarterly Minimum	Deficit Rate Rider \$3.01/1,000	Total Quarterly Minimum with Rate Rider
5/8 inch	3,000	\$15.44	\$75.12	\$9.27	\$99.83	\$9.03	\$108.86
3/4 inch	6,000	\$15.44	\$150.24	\$18.54	\$184.22	\$18.06	\$202.28
1 inch	12,000	\$15.44	\$300.48	\$37.08	\$353.00	\$36.12	\$389.12
1 1/2 inch	30,000	\$15.44	\$751.20	\$92.70	\$859.34	\$90.30	\$949.64
2 inch	75,000	\$15.44	\$1,878.00	\$231.75	\$2,125.19	\$225.75	\$2,350.94
3 inch	135,000	\$15.44	\$3,380.40	\$417.15	\$3,812.99	\$406.35	\$4,219.34

b) Water Only Customers

The minimum charge will be the same for each meter size as shown above but the Wastewater Commodity Charge will be excluded.

c) Wastewater Only for Residential Customers

The wastewater only charge is the Wastewater Commodity Rate based on 1.5 times average quarterly consumption plus the quarterly customer service charge. The quarterly charge for wastewater only customers is $(11 \times \$3.09) + \$15.44 = \$49.43$.

d) Bulk Water

All water sold in bulk shall be charged for at a rate of \$40.75 per 1,000 gallons on a pro rated basis for all quantities of water greater than 100 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2023

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$27.15	\$3.27	\$30.42
Rate Rider per 1,000 gallons of water sold (see Clause 3)			\$2.91
Quarterly Service Charge	\$15.17		

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

a) Water & Wastewater Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Quarterly Minimum	Rate Rider	Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$15.17	\$81.45	\$9.81	\$106.43	\$9.03	\$115.46
3/4 inch	2	6,000	\$15.17	\$162.90	\$19.62	\$197.69	\$18.06	\$215.75
1 inch	4	12,000	\$15.17	\$325.80	\$39.24	\$380.21	\$36.12	\$416.33
1 ½ inch	10	30,000	\$15.17	\$814.50	\$98.10	\$927.77	\$90.30	\$1,018.07
2 inch	25	75,000	\$15.17	\$2,036.25	\$245.25	\$2,296.67	\$225.75	\$2,522.42
3 inch	45	135,000	\$15.17	\$3,665.25	\$441.45	\$4,121.87	\$406.35	\$4,528.22

b) Water Only Customers

The minimum charge will be the same for each meter size as shown above but the Wastewater Commodity Charge will be excluded.

c) Wastewater Only Customers

The Wastewater only charge is the Wastewater Commodity Rate based on 1 ½ times average quarterly consumption plus the quarterly customer service charge. The quarterly charge for wastewater only customers is (11 x \$3.27) + \$15.17 = \$51.14.

d) Bulk Water

All water sold in bulk shall be charged for at a rate of \$42.00 per 1,000 gallons on a pro rated basis for all quantities of water greater than 500 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2024

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$29.27	\$3.45	\$32.72
Rate Rider per 1,000 gallons of water sold (see Clause 3)			\$2.10
Quarterly Service Charge	\$14.89		

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

a) Water & Wastewater Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Quarterly Minimum	Rate Rider	Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$14.89	\$87.81	\$10.35	\$113.05	\$9.03	\$122.08
3/4 inch	2	6,000	\$14.89	\$175.62	\$20.70	\$211.21	\$18.06	\$229.27
1 inch	4	12,000	\$14.89	\$351.24	\$41.40	\$407.53	\$36.12	\$443.65
1 ½ inch	10	30,000	\$14.89	\$878.10	\$103.50	\$996.49	\$90.30	\$1,086.79
2 inch	25	75,000	\$14.89	\$2,195.25	\$258.75	\$2,468.89	\$225.75	\$2,694.64
3 inch	45	135,000	\$14.89	\$3,951.45	\$465.75	\$4,432.09	\$406.35	\$4,838.44

b) Water Only Customers

The minimum charge will be the same for each meter size as shown above but the Wastewater Commodity Charge will be excluded.

c) Wastewater Only Customers

The Wastewater only charge is the Wastewater Commodity Rate based on 1 ½ times average quarterly consumption plus the quarterly customer service charge. The quarterly charge for wastewater only customers is $(11 \times \$3.45) + \$14.89 = \$52.84$.

d) Bulk Water

All water sold in bulk shall be charged for at a rate of \$44.00 per 1,000 gallons on a pro rated basis for all quantities of water greater than 500 gallons.

The following clauses take effect July 1, 2021:**3. Deficit Rate Rider**

Deficit Rate Rider commencing July 1, 2021 to recover a portion of the 2017, 2019 and 2020 deficits is calculated based on a 5 year recovery period as follows:

Total to recover \$138,017

Divided by water volume sold 9,490,000 gallons

Deficit rate rider, per 1,000 gallons over 5 years: \$2.10 per 1,000 gallons beginning July 1, 2021 to June 30, 2022, inclusive and \$3.01 per 1,000 gallons beginning July 1, 2022 to June 30, 2026.

4. Billings And Penalties

Accounts shall be billed quarterly based on water used. A late payment charge of 1.25% compounded monthly 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.

5. Disconnection and Reconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the Municipality with respect to disconnection of service for non-payment including such matters as notice and the right to appeal such action to The Public Utilities Board. A copy of the conditions precedent is available for inspection at the Municipality's office.

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties, and a reconnection fee of \$50.00 have been paid

6. Turn-on and Turn-off Charges

The charge for disconnection and/or reconnection of services whether at the customer's request or because of disconnection for non-payment is \$50.00 per disconnection or reconnection.

7. Service to Customers Outside Utility's Limits

- a) The Council of Prairie View Municipality may sign Agreements with customers for the provision of water and Wastewater services to properties located outside the boundaries of Birtle Utility. Such Agreements shall provide for payment of the appropriate rates set out in 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 the 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 Birtle Utility boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.
- b) All costs of connecting to the Utility's water and wastewater mains and installing service connections will be paid by the customer.

8. Hydrant Charges

Prairie View Municipality, or any other hydrant owner, will pay to the Birtle Utility a fee of \$200.00 per hydrant for the purpose of maintaining and repairing all fire hydrants connected to the system which shall include the cost of water used for firefighting.

9. Liability for Charges

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 may be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

10. Valve

Property owners are required to install and operate a suitable valve or other mechanical device for shutting off or controlling the water connection in the cellar or basement of the owner's dwelling unit.

11. Wastewater Surcharges

- a) There may be levied annually, in addition to the 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.

12. Water Meters

Water meters are owned by the Municipality but are the responsibility of the utility customer to maintain. If the water meter is broken, frozen, etc., the utility customer will be billed for a new meter at the current cost of replacement.

13. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Municipality with a deposit of \$150.00. The Municipality will then remove the subject meter and send it to an independent lab for testing. If the meter is found to be faulty, all costs associated with the testing process will be borne by the Municipality and the deposit will be refunded to the customer and the customer's account will be adjusted for the preceding four (4) months. If the meter is found to be in proper working order, all costs associated with the testing process will be borne by the customer and the customer will be billed or refunded any balance owing.

14. Cross Connections

No customer or person shall connect, cause to be connected, or allow to remain connected any piping, fixture, fitting, container, or appliance in a manner which under any circumstances may allow water, wastewater or any harmful liquid or substance to enter the Municipality's water system.

If a condition is found to exist which, in the opinion of the Municipality, is contrary to the aforesaid, the Municipality may either:

Shut off the service or services; or

Give notice to the customer to correct the fault at his or her own expense within a specified time period.

15. Conditions of Disrepair

In the event that there are conditions of disrepair in the wastewater 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 the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

16. Authorization for Officer to Enter Upon Premises

The Public Works Manager, or other employee authorized by the Municipality in the absence of the Public Works Manager, shall be authorized to enter upon any premise for the purpose of:

Affixing to any pipe, wire or apparatus connected with any such utility, a meter or any other measuring or testing device; or taking readings from, repairing, inspecting, or removing any meter or apparatus belonging to the Municipality.