

Order No. 115/23

**MUNICIPALITY OF MINITONAS-BOWSMAN
BOWSMAN WATER AND WASTEWATER UTILITY
REVISED WATER AND WASTEWATER RATES EFFECTIVE OCTOBER 1, 2023
AND RECOVERY OF ACTUAL OPERATING DEFICITS**

OCTOBER 10, 2023

BEFORE: Marilyn Kapitany B.Sc. (Hon), M. Sc., Panel Chair
Irene Hamilton, K.C., Panel Member

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates for the Municipality of Minitonas-Bowsman (Municipality), Bowsman Water and Wastewater Utility (Utility), and varies the effective dates to October 1, 2023, January 1, 2025, January 1, 2026, and January 1, 2027.

The approved rates are as follows:

	Current Rates	October 1, 2023	January 1, 2025	January 1, 2026	January 1, 2027
Quarterly Service Charge	\$6.45	\$23.66	\$25.47	\$27.28	\$29.10
Water (per 1,000 gallons)	\$7.65	\$12.29	\$12.78	\$13.27	\$13.75
Wastewater (per 1,000 gallons)	\$0.85	\$2.94	\$3.16	\$3.38	\$3.60
Minimum Quarterly Charge*	\$31.95	\$69.35	\$73.29	\$77.23	\$81.15
Bulk Water (per 1,000 gallons)	\$10.00	\$15.00	\$15.00	\$16.00	\$16.00
Reconnection Fee	\$30.00	\$35.00	\$35.00	\$35.00	\$35.00
Hydrant Charges	\$100.00	\$150.00	\$150.00	\$150.00	\$150.00

*Based on 3,000 gallons.

The Board accepts the Municipality's request for recovery of actual operating deficits in the amounts of \$12,596 for 2010, \$36,275 for 2011, \$35,809 for 2012, \$23,399 for 2013, \$30,985 for 2014, \$4,815 for 2015, \$35,990 for 2016, \$59,733 for 2017, \$55,004 for 2019, and \$22,607 for 2020 (or a total eleven-year deficit of \$365,193), when calculated for regulatory purposes, incurred by the Utility. The Board accepts the Municipality's proposed recovery methodology on a one-time basis of \$126,535 to be recovered by a seven-year rate rider of \$3.67 per customer per 1,000 gallons, \$113,658 to be recovered by future working capital surplus funds, and \$125,000 recovered through a property tax levy previously collected by the Municipality in 2022.

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 Municipality owns and operates the Utility serving 129 metered water and wastewater customers and 6 water only customers (or a total of 135 customers). Rates were last approved in 1998 in Board Order No. 148/98, with current rates coming into effect October 1, 1998.

Water Supply/Distribution

The water distribution system was constructed in 1966 and is made up of asbestos cement pipeline with no lead pipes present in the system. Raw water is supplied from two secure groundwater wells (35m in depth) and treated via sand pressure filtration and disinfection with sodium hypochlorite prior to reservoir storage. An ultraviolet disinfection system was installed in 2011 for primary disinfection. The reservoir is a single cell, concrete storage with a capacity of 355,000 litres. The Municipality advises there are no capacity issues with the water system.

Wastewater Collection/Treatment

Wastewater lines were completed in 1965. The wastewater lagoon has two cells, and one requires remediation as a nearby riverbank collapsed. Manitoba Water Services Board is leading the remediation process and currently awaiting results of an engineering study to determine next steps. A lagoon upgrade project is scheduled, pending the outcome of the engineering study. There is also one lift station that may need upgrading in the coming years.

The Municipality advises there are no capacity issues with the wastewater system.

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.

As at 2021, unaccounted for water for the Utility was 10% which falls within the industry standard of 10%.

3.0 Application

On November 24, 2022, the Municipality applied for revised wastewater rates for the Utility. The application was accompanied by a rate study prepared by the Municipality's consultant and By-Law 05-2022 having had first reading on October 18, 2022.

A Public Notice of Application was issued on December 22, 2022 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Town on or before February 5, 2023. There were no responses to the Notice.

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 3% in all calculations:

Schedule of Utility Rate Requirements				
Municipality of Minitonas-Bowsman – Bowsman Water and Wastewater Utility				
2024 to 2027 Budget Forecasts (\$)				
	2024	2025	2026	2027
	Forecast			
General Expenses				
Administration	9,966	10,265	10,573	10,890
Training	4,244	4,371	4,502	4,637
Billing and Collection	106	109	113	116
Total General Expenses	14,316	14,745	15,188	15,643
Revenue				
Penalties	1,000	1,000	1,000	1,000
Total General Revenues	1,000	1,000	1,000	1,000
Net Costs General	13,316	13,745	14,188	14,643
Water Expenses				
Purification and Treatment	38,157	39,301	40,480	41,695
Transmission and Distribution	11,730	12,082	12,445	12,818
Other Water Supply Costs	6,312	6,502	6,697	6,897
Amortization	16,681	16,640	15,728	14,800
Contingency	6,141	6,141	6,141	6,141
Total Water Expenses	79,021	80,666	81,491	82,351
Revenue				
Bulk Water Fees	10,205	10,205	10,885	10,554
Hydrant Rentals (11)	1,650	1,650	1,650	1,650
Total Water Revenues	11,855	11,855	12,535	12,204
Net Costs Water	67,166	68,811	68,956	70,147
Wastewater Expenses				
Treatment and Disposal	7,570	7,797	8,031	8,272
Lift Station	6,019	6,199	6,385	6,577
Amortization	137	137	137	137
Contingency	1,485	1,485	1,485	1,485
Total Wastewater Expenses	15,211	15,618	16,038	16,471
Net Costs Wastewater	15,211	15,618	16,038	16,471
Net Operating Costs	95,693	98,174	99,182	101,261

The proposed Utility rate increases are primarily required to account for increased operating costs and eliminate the Utility's operating and working capital deficits.

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 \$6,141 for water and \$1,485 for wastewater or a total annual contingency allowance of \$7,626.

The Municipality has not included a reserve allowance in its rate 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 2021 Audited Financial Statements, the most recent information available, the working capital surplus for the Utility at December 31, 2021 was:

	2021
Utility Fund Surplus/Deficit	\$(71,846)
Deduct: Tangible Capital Assets	(190,396)
Add: Long-Term Debt	-
Add: Utility Reserve	9,641
Equals Working Capital Surplus (Deficit)	\$(252,601)
Operating Expenses	86,662
20% of Operating Expenses (Target)	\$17,332

The Utility does not meet 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 Municipality's allocation plan for shared costs is as follows:

Municipality of Minitonas-Bowsman Bowsman Water and Wastewater Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at November 2022			
Category	Sub-category	Options	
1.0 Administrative Staff		Activity Based (Note 1)	1.75% of general government services (as defined in Financial Plan), 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.		1.75% of audit costs
	1.3 Common office space		1.75% of office cots, utilities
	1.4 Office overheads (telephone, photocopier, computer, etc.)		1.75% of printing, postage, and stationary
2.0 Operating, construction and maintenance costs			
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		Applicable vehicle costs are charted to the Utility.
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)		Based on actual costs

	2.3 Public works building and property.		Costs that could be charged to the Utility are minima and nothing is currently allocated to the Utility.
	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.)

Deficits

By law, Manitoba utilities are not allowed to incur deficits. In the event 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 Municipality applied for the recovery of actual operating deficits in the amounts of \$12,596 for 2010, \$36,275 for 2011, \$35,809 for 2012, \$23,399 for 2013, \$30,985 for 2014, \$4,815 for 2015, \$35,990 for 2016, \$59,733 for 2017, \$55,004 for 2019, and \$22,607 for 2020 (or a total eleven-year deficit of \$365,193), when calculated for regulatory purposes, incurred by the Utility. \$126,535 to be recovered by a seven-year rate rider of \$3.67 per customer per 1,000 gallons, \$113,658 to be recovered by future working capital surplus funds, and \$125,000 to be recovered through a property tax levy previously collected by the Municipality in 2022. The Deficit Application noted the deficit was due to increased operating costs and not having rates approved/revised since 1998 to offset the increased costs.

4.0 Board Findings

Rates

The Board has reviewed the application and the projections for utility rates presented by the Municipality's consultant in its rate application and notes the calculations used to formulate the Utility's rates are not consistent with Public Utilities Board Guidelines, but instead have been designed to phase-in rates to mitigate rate-shock and high year-over-year rate increases.

The Board notes that it has been 25 years since the Utility has submitted a rate application to the Board. In the Board's view the period between rate reviews is unacceptable. Regular rate reviews submitted every three years, as per the Board's Guidelines, protect the financial position of the Utility and may reduce the need for significant rate increases in one year. In this case, the additional cost of a rate rider is required to recover eleven years of operating deficits and replenish the Utility's working capital. Had the Municipality been more diligent in making rate applications to the Board every three years, the operating deficits incurred by the Utility may have been mitigated or avoided entirely.

It is the Utility's responsibility to review the rates and ensure rates are adequate to recover the cost of service being provided to its ratepayers. Ratepayers are generally more tolerant of regular, smaller increases. The Municipality needs to be much more diligent in conducting regular reviews of its revenue requirements for the Utility.

The Board approves the rates as applied for, but varies the effective dates to October 1, 2023, January 1, 2025, January 1, 2026, and January 1, 2027.

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 April 1, 2027.

The Board also directs the Municipality to review its Audited Financial Statements and Utility financials annually, and file either a Rate Adequacy Report or a request to review and vary the rates approved in this Order (whichever the Municipality deems applicable) on January 1, 2025 and January 1, 2026.

Deficits

The Board has reviewed the Municipality's Deficit Application to recover eleven years of actual operating deficits totalling \$365,399.

The Board notes, the Municipality has already recovered \$125,000 of the above-noted deficit by a municipal tax levy based on the assessed property value of municipal taxpayers. The Board also notes, under *The Municipal Act* the Municipality's taxation power does not extend to imposing a levy for water rates unless it has done so through a special services tax (or a local improvement tax for capital expenditures), which the Municipality has not done in this instance.

Pursuant to Section 84 of *The Public Utilities Board Act*, the Board has jurisdiction over the setting of water rates as follows:

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 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.

Section 74(1) of *The Public Utilities Board Act* also provides that 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.

Section 78(1) of *The Public Utilities Board Act* also grants the Board the jurisdiction to require a Municipality to comply with provincial laws as follows:

78(1) The board may, by order in writing and notice to, and hearing of, the parties interested, require every owner of a public utility

- (a) to comply with the laws of the province and any municipal by-law affecting the public utility or its owner, and to conform to the duties imposed thereby, or by the provisions of its own charter, or by any agreement with any municipality or other owner.

The Board notes that in general, it favours the user-pay principle when approving utility rates (and rate riders). It is only when rates are set on a user-pay basis that ratepayers are sent the correct price signal. This allows ratepayers to make more informed decisions regarding water consumption. In this instance, not only was a utility rate collected without Board approval, rates were also collected based on assessed property value, which has no bearing on water or wastewater consumption. It also is entirely unrelated to the user-pay principal.

The Board finds the Municipality did not have the authority to collect \$125,000 from taxpayers on property taxes to recover Utility deficits. By law, Manitoba utilities are not allowed to incur deficits. In the event 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.

In considering its powers to either impose a penalty to the Utility for non-compliance and/or direct the Utility to refund or credit ratepayers, in the Board's view either decision would most likely be too onerous and/or costly to the Utility, ultimately leading to additional costs passed on to Utility customers, despite the Municipality's negligence.

The Board will, on a one-time basis, accept the Municipality's request for recovery of the actual operating deficits for 11 years totalling \$365,193 incurred by the Utility and will also accept, on a one-time basis, the Municipality's proposed recovery methodology of \$126,535 to be recovered by a seven-year rate rider of \$3.67 per customer per 1,000 gallons, \$113,658 to be recovered by future working capital surplus funds, and \$125,000 recovered through a property tax levy previously collected by the Municipality in 2022.

The Board directs the Municipality to ensure any and all future operating deficits and recovery methodologies, as reported in the Municipality's Final Audited Financial Statements which are to be reported by June 30 of the following year, are applied for and approved by the Board prior to any deficit recoveries.

The Board has reviewed the Municipality's 2021 Audited Financial Statements and notes the Utility incurred an actual operating deficit in 2021. The Board directs the Municipality to file a deficit application and recovery methodology for 2021. The Board Also directs the Municipality to file deficit applications with the Board for any other outstanding, actual operating deficits as reported in the Municipality's Final Audited Financial Statements due June 30 of the following year as soon as possible.

The Board notes the Municipality has not submitted its 2022 Audited Financial Statements and reminds the Municipality audited financial statements are to be reported to the Board no later than June 30 of the following year. The Board directs the Municipality to submit its 2022 Audited Financial Statements as soon as they are available.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Municipality of Minitonas-Bowsman, Bowsman Water and Wastewater Utility, BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective October 1, 2023, January 1, 2025, January 1, 2026 and January 1, 2027.
2. The Shared Cost Allocation Methodology for the Municipality of Minitonas-Bowsman BE AND IS HEREBY APPROVED.
3. The Municipality of Minitonas-Bowsman 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 Municipality of Minitonas-Bowsman amend its water and wastewater 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 Municipality of Minitonas-Bowsman review its water and wastewater rates for the Bowsman 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 April 1, 2027.
6. The Municipality of Minitonas-Bowsman review its Audited Financial Statements and Utility financials annually, and file either a Rate Adequacy Report or request to review and vary the rates approved in this Order on January 1, 2025 and January 1, 2026

7. The actual operating deficit, when calculated for regulatory purposes, in the amount of \$12,596 for 2010, \$36,275 for 2011, \$35,809 for 2012, \$23,399 for 2013, \$30,985 for 2014, \$4,815 for 2015, \$35,990 for 2016, \$59,733 for 2017, \$55,004 for 2019, and \$22,607 for 2020 (or a total eleven-year deficit of \$365,193), when calculated for regulatory purposes, incurred by the Bowsman Water and Wastewater Utility is HEREBY ACCEPTED to be recovered \$126,535 by a seven-year rate rider of \$3.67 per customer per 1,000 gallons, \$113,658 by future working capital surplus funds, and \$125,000 through a property tax levy previously collected by the Municipality in 2022.
8. The Municipality of Minitonas-Bowsman file deficit applications with the Board for approval for both the deficit and recovery methodology as soon as it is known in the event an actual operating deficit occurs.
9. The Municipality of Minitonas-Bowsman submit a deficit application and recovery methodology to the Board for the Bowsman Water and Wastewater Utility for 2021 and any other outstanding deficits as soon as possible.
10. The Municipality of Minitonas-Bowsman submit its 2022 Audited Financial Statements as soon as they are available.

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

"Marilyn Kapitany"
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No.115/23
Issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A
MUNICIPALITY OF MINITONAS-BOWSMAN
BOWSMAN WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 05-2022
SCHEDULE OF QUARTERLY RATES
Effective October 1, 2023

1. Schedule of Commodity Rates & Quarterly Service Charge October 1, 2023

Quarterly Service Charge \$23.66

Quarterly Rates	Water	Wastewater	Water & Wastewater	Rate Rider
Per 1,000 Gallons	\$12.29	\$2.94	\$15.23	\$3.67

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

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Wastewater Commodity Charge</u>	<u>Water & Wastewater Total Quarterly Minimum</u>	<u>Rate Rider</u>	<u>Water & Wastewater Total Quarterly Minimum with Rate Rider</u>
5/8 inch	1	3,000	\$23.66	\$36.87	\$8.82	\$69.35	\$11.01	\$80.36
3/4 inch	2	6,000	\$23.66	\$73.74	\$17.64	\$115.04	\$22.02	\$137.06
1 inch	4	12,000	\$23.66	\$147.48	\$35.28	\$206.42	\$44.04	\$250.46
1 1/2 inch	10	30,000	\$23.66	\$368.70	\$88.20	\$480.56	\$110.10	\$590.66
2 inch	25	75,000	\$23.66	\$921.75	\$220.50	\$1,165.91	\$275.25	\$1,441.16

b. Water Only for Residential Customers

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

3. Bulk Sales

All water sold in bulk by the Bowsman Utility will be charged at the rate of \$15.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2025

Quarterly Service Charge \$25.47

Quarterly Rates	Water	Wastewater	Water & Wastewater	Rate Rider
Per 1,000 Gallons	\$12.78	\$3.16	\$15.94	\$3.67

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	Water & Wastewater Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$25.47	\$38.34	\$9.48	\$73.29	\$11.01	\$84.30
3/4 inch	2	6,000	\$25.47	\$76.68	\$18.96	\$121.11	\$22.02	\$143.13
1 inch	4	12,000	\$25.47	\$153.36	\$37.92	\$216.75	\$44.04	\$260.79
1 1/2 inch	10	30,000	\$25.47	\$383.40	\$94.80	\$503.67	\$110.10	\$613.77
2 inch	25	75,000	\$25.47	\$958.50	\$237.00	\$1,220.97	\$275.25	\$1,496.22

b. Water Only for Residential Customers

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

3. Bulk Sales

All water sold in bulk by the Bowsman Utility will be charged at the rate of \$15.00 per 1,000 gallons.

1. **Schedule of Commodity Rates & Quarterly Service Charge** **January 1, 2026**

Quarterly Service Charge \$27.28

Quarterly Rates	Water	Wastewater	Water & Wastewater	Rate Rider
Per 1,000 Gallons	\$13.27	\$3.38	\$16.65	\$3.67

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	Water & Wastewater Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$27.28	\$39.81	\$10.14	\$77.23	\$11.01	\$88.24
¾ inch	2	6,000	\$27.28	\$79.62	\$20.28	\$127.18	\$22.02	\$149.20
1 inch	4	12,000	\$27.28	\$159.24	\$40.56	\$227.08	\$44.04	\$271.12
1 ½ inch	10	30,000	\$27.28	\$398.10	\$101.40	\$526.78	\$110.10	\$636.88
2 inch	25	75,000	\$27.28	\$995.25	\$253.50	\$1,276.03	\$275.25	\$1,551.28

b. **Water Only for Residential Customers**

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

3. **Bulk Sales**

All water sold in bulk by the Bowsman Utility will be charged at the rate of \$16.00 per 1,000 gallons.

1. **Schedule of Commodity Rates & Quarterly Service Charge** **January 1, 2027**

Quarterly Service Charge \$29.10

Quarterly Rates	Water	Wastewater	Water & Wastewater	Rate Rider
Per 1,000 Gallons	\$13.75	\$3.60	\$17.35	\$3.67

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	Water & Wastewater Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$29.10	\$41.25	\$10.80	\$81.15	\$11.01	\$92.16
¾ inch	2	6,000	\$29.10	\$82.50	\$21.60	\$133.20	\$22.02	\$155.22
1 inch	4	12,000	\$29.10	\$165.00	\$43.20	\$237.30	\$44.04	\$281.34
1 ½ inch	10	30,000	\$29.10	\$412.50	\$108.00	\$549.60	\$110.10	\$659.70
2 inch	25	75,000	\$29.10	\$1,031.25	\$270.00	\$1,330.35	\$275.25	\$1,605.60

b. **Water Only for Residential Customers**

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

3. **Bulk Sales**

All water sold in bulk by the Bowsman Utility will be charged at the rate of \$16.00 per 1,000 gallons.

The following clauses take effect October 1, 2023:

4. Deficit Rate Rider

A Deficit Rate Rider of \$3.67 per 1,000 gallons of water commences October 1, 2023 for 7 years in order to recover a portion of 2010 to 2020 deficits totaling \$126,535.

5. Service To Customers Outside Utility's Limits

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

6. Billings And Penalties

Accounts shall be billed quarterly and the due date shall be at least 14 days after the mailing of the bills.

A late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date.

7. Disconnection

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.

8. Reconnection

Any service disconnected, whether due to non-payment of account or for any other reason(s) mutually agreed to by the customer and the Municipality (i.e. repairs necessitated by negligence of the customer, changes in tenant, vacancy for an extended period of time, etc.) shall not be reconnected until a reconnection fee of \$35.00 and all arrears and penalties, if any, have been paid.

9. Outstanding Bills

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

10. Hydrant Charges

The Municipality of Minitonas-Bowsman will pay to the Bowsman Utility an annual rental of \$150.00 for each hydrant connected to the system.

11. Water Allowance Due To Line Freezing

That in any case where, at the request of the Chief Administrative Officer (CAO), a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to the customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.

12. Wastewater Surcharges

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

b) 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 waste.

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 \$100.00. 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. 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.