

Order No. 58/23

**TOWN OF WINNIPEG BEACH
WINNIPEG BEACH WATER AND WASTEWATER UTILITY
REVISED WATER AND WASTEWATER RATES EFFECTIVE APRIL 1, 2023
AND 2019 ACTUAL OPERATING DEFICIT**

MAY 2, 2023

BEFORE: Shawn McCutcheon, Panel Chair
Marilyn Kapitany B.Sc. (Hon), M. Sc., Panel Member

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) varies the revised water and wastewater rates for the Town of Winnipeg Beach (Town), Winnipeg Beach Water and Wastewater Utility (Utility), and varies the effective dates to April 1, 2023 and January 1, 2024.

The approved rates are as follows:

| | Current Rates | April 1, 2023 | January 1, 2024 |
|---|----------------------|----------------------|------------------------|
| Quarterly Service Charge | \$10.80 | \$16.75 | \$17.26 |
| Water (per 1,000 gallons) | \$7.59 | \$14.85 | \$19.32 |
| Wastewater (per 1,000 gallons) | \$2.90 | \$5.56 | \$7.23 |
| Minimum Quarterly Charge* | \$42.27 | \$77.98 | \$96.91 |
| Annual Service Charge – Wastewater Only Customers | \$10.80 | \$16.75 | 17.26 |
| Unmetered Wastewater Only Customers (per REU)** | \$84.02 | \$163.81 | \$213.02 |
| Total Annual Unmetered Wastewater Only | \$94.82 | \$180.56 | \$230.28 |
| Bulk Water (per 1,000 gallons) | \$18.00 | \$18.00 | \$18.00 |

*Based on 3,000 gallons.

**Based on one Residential Equivalency Unit (REU).

Note – There is no minimum charge for metered wastewater only customers. The quarterly charge is based on metered wastewater volume at the approved wastewater rate plus the quarterly service charge.

The Board also approves the Town's request for recovery of a 2019 actual operating deficit of \$33,269, when calculated for regulatory purposes, incurred by the Utility to be recovered from the Utility's Accumulated Surplus 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 Town owns and operates the Utility serving 119 metered water and wastewater customers and 1,507 unmetered wastewater only customers allocated 1,604 REUs (or a total of 1,626 customers). Rates were last approved for the Utility in 2019 in Board Order No. 71/19, with the last increase occurring January 1, 2021.

Water Supply/Distribution

The water system was constructed in 1962 and consists of groundwater pumped from an aquifer to the Town well where it is chlorinated before distribution. The water treatment plant pumping station and ultraviolet disinfection system were upgraded in 2016 to bring the system into compliance with requirements for chlorine contact time. Water meters were also installed in 2016.

Wastewater Collection/Treatment

The wastewater system consists of a combination of gravity sewers built in 1965 and low-pressure sewers built in 1963 and 1986. Wastewater is directed to a central lift station and pumped into the Town's lagoon site.

The Town operates two separate lagoons, a two-cell facultative lagoon constructed in 1963 and a three-cell facultative lagoon constructed in 1987. The capital expenditure program includes lagoon dredging to ensure the utilities infrastructure is adequate for its customers.

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 2020, unaccounted for water for the Utility is 27% which exceeds the industry standard of 10%. The rate study notes this is due to the bulk water service and aging infrastructure. The bulk water service is unmetered and the local fire department and public works has access to this water at the Utility's discretion. Also, the Utility has provided Winnipeg Beach Provincial Park and Camp Morton access to this water when their water systems are shut down.

To address the unaccounted for water, at the time the rate study was filed with the Board, the Utility was planning to meter the bulk water service, engage an expert to assess unaccounted for water issues and assess any leaks, purchase leak detection equipment, and closely track water production versus sales to quickly detect and then fix identified leaks. The Town's consultant has advised a meter was installed for the bulk water system in July 2022.

3.0 Application

On May 19, 2022, the Town applied for revised wastewater rates for the Utility. The application was accompanied by a rate study prepared by the Town's consultant and By-Law 2/2022 having had second reading on April 27, 2022. Rates were last approved in 2019 in Board Order No. 71/19, with current rates coming into effect January 1, 2021.

A Public Notice of Application was issued on May 26, 2022 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Town on or before June 27, 2022. Seven responses were received to the Notice as follows:

- Questions regarding actions taken to address high levels of unaccounted for water, potential alternatives to rate increases to provide for Utility infrastructure replacement costs, and the impact of new housing developments on rates.
- Two responses with concerns regarding the magnitude of the proposed rate increases.
- A request for a public forum to provide more information and to answer questions regarding the Town's proposed Utility rate increases.
- Comments in support of the Town's requested rate increase.

- Concerns regarding the magnitude of the forecasted Administration Expense used in the Town's rate study (used to calculate the customer service charge) and high levels of unaccounted for water.
- Clarification regarding the impact of the requested rates on the water bill for Winnipeg Beach School.

On March 21, 2023, Board staff sent information requests to the Town regarding the Town's Utility Rate Application. On April 20, 2023, the Town's consultant responded to the information requests. On April 26, 2023, the Town's consultant revised the forecasted rate requirements and requested rates.

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 Town'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 | | | |
|---|-----------------|----------------|----------------|
| Town of Winnipeg Beach – Winnipeg Beach Water and Wastewater Utility | | | |
| 2022 to 2024 Budget Forecasts (\$) | | | |
| | 2022 | 2023 | 2024 |
| | Forecast | | |
| General Expenses | | | |
| Administration | 32,413 | 33,385 | 34,387 |
| Total General Expenses | 32,413 | 33,385 | 34,387 |
| Revenue | | | |
| Penalties | 160 | 160 | 160 |
| Total General Revenues | 160 | 160 | 160 |
| Net Costs General | 32,253 | 33,225 | 34,227 |
| Water Expenses | | | |
| Purification and Treatment | 65,791 | 67,765 | 69,798 |
| Staffing | 19,125 | 23,540 | 26,991 |
| Transmission and Distribution | 1,285 | 1,324 | 1,364 |
| Fire Hydrants | 220 | 226 | 233 |
| Amortization | 26,300 | 26,300 | 26,300 |
| Interest on Long-Term Debt | 4,262 | 3,467 | 2,644 |
| Reserves | 5,000 | 27,000 | 59,000 |
| Contingency | 9,000 | 9,000 | 9,000 |
| Total Water Expenses | 130,983 | 158,622 | 195,330 |
| Revenue | | | |
| Connection Revenue | 249 | 257 | 264 |
| Hydrant Rentals (24) | 3,600 | 3,600 | 3,600 |
| Amortization of Capital Grants | 5,850 | 5,850 | 5,850 |
| Property Tax | 26,968 | 26,968 | 26,968 |
| Total Water Revenues | 36,667 | 36,675 | 36,682 |
| Net Costs Water | 94,097 | 121,947 | 158,648 |
| Wastewater Expenses | | | |
| Staffing | 57,375 | 70,621 | 80,973 |
| Collection System | 731 | 752 | 775 |
| Lift Station | 658 | 677 | 698 |
| Treatment and Disposal | 11,008 | 11,338 | 11,678 |

| | | | | |
|----------------|----------------------------------|----------------|----------------|----------------|
| | Other Collection and Disposal | 98,996 | 101,966 | 105,025 |
| | Connections | 2,318 | 2,388 | 2,459 |
| | Allocation to General Fund | 19,367 | 19,948 | 20,547 |
| | Amortization | 144,900 | 144,900 | 144,900 |
| | Interest on Long-Term Debt | 15,151 | 12,326 | 9,402 |
| | Reserves | 12,000 | 69,000 | 150,000 |
| | Contingency | 20,000 | 20,000 | 20,000 |
| | Total Wastewater Expenses | 382,504 | 453,916 | 546,457 |
| Revenue | | | | |
| | Connections | 2,069 | 2,131 | 2,195 |
| | Tipping Fees | 2,420 | 2,493 | 2,568 |
| | Other | 394 | 406 | 418 |
| | Amortization of Capital Grants | 44,514 | 44,514 | 44,514 |
| | Property Tax | 95,879 | 95,879 | 95,879 |
| | Total Wastewater Revenues | 145,276 | 145,423 | 145,574 |
| | Net Costs Wastewater | 237,228 | 308,493 | 400,883 |
| | Net Operating Costs | 363,578 | 463,665 | 593,758 |

The proposed Utility rate increases are primarily required to provide for debt servicing costs associated with upgrades to the water treatment plant and lagoon, and increased general operating costs associated with the lagoon.

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 Town has included an annual contingency allowance of \$9,000 for water and \$20,000 for wastewater or a total annual contingency allowance of \$29,000, which represents approximately 6% of variable operating costs.

The Town has included a reserve allowance of \$5,000 for 2022, \$27,000 for 2023, and \$59,000 for 2024 for water and \$12,000 for 2022, \$69,000 for 2023, and \$150,000 for 2024 or a total reserve allowance of \$17,000 for 2022, \$96,000 for 2023, and \$209,000 for 2024.

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 surplus for the Utility at December 31, 2020 was:

| | 2020 |
|---|------------------|
| Utility Fund Surplus/Deficit | \$3,506,260 |
| Deduct: Tangible Capital Assets | (4,027,889) |
| Add: Long-Term Debt | 653,841 |
| Add: Utility Reserve | 238,028 |
| Equals Working Capital Surplus (Deficit) | \$370,240 |
| | |
| Operating Expenses | 422,569 |
| 20% of Operating Expenses (Target) | \$84,514 |

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

| Town of Winnipeg Beach Winnipeg Beach Water and Wastewater Utility Allocation Plan for Non-Direct Shared Services (see Note 1) | | | |
|---|---|---------|---|
| as at 2022 | | | |
| Category | Sub-category | Options | |
| 1.0 Administrative Staff | | | 5% legislative, administrative office staff and office costs |
| | 1.1 Billing services – meter reading to receipting and collection. | | Meter reading – 5% of Public Works staff 5% of office staff |
| | 1.2 Accounting/ auditing/ including bylaw making and enforcement. | | 5% of audit costs |
| | 1.3 Common office space | | 5% of office costs, utilities |
| | 1.4 Office overheads (telephone, photocopier, computer, etc.) | | 5% of printing, postage, and stationary |
| 2.0 Operating, construction and maintenance costs | | | |
| | 2.1 Vehicle – fuel, maintenance, lease costs, capital costs | | 5% of Public Works vehicle and equipment costs |
| | 2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2) | | One full-time Utility Operator plus 5% of Public Works staff time |
| | 2.3 Public works building and property. | | 5% of Public Works building costs |
| | 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.)

The above allocation represents no change from the Cost Allocation Methodology approved in Board Order No. 71/19.

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 Town applied for the recovery of a 2019 actual operating deficit of \$33,269 to be recovered from the Utility's Accumulated Surplus Fund. The Deficit Application noted the deficit was due to increased water purification and treatment costs.

4.0 Board Findings

The Board has reviewed the application and the projections for utility rates presented by the Town's consultant in the rate study.

The Board has reviewed the requested water and wastewater rates, and the Town's forecasted Utility water and wastewater operating expenditures. The Town has identified over \$1.0M in forecasted capital projects in its five-year capital plan that the Town plans to fund through a combination of the Utility Reserve Fund and borrowing. The Board notes the Town has included significant increases in its allocation to the Utility Reserve Fund, to provide for these costs. The Town has also identified \$48.0M in forecasted capital projects in its 20-year capital plan, which is primarily required to replace significant portions of aging utility infrastructure that is over 60 years old. The Town's consultant advises the increased Utility Reserve Fund allocation will also be used to provide for repair and upkeep of the existing infrastructure, until the major capital projects are completed.

The Board notes the requested water and wastewater rates are significantly higher due to the Town's requested Reserve Fund allocation. The Town advises these funds will be used to fund capital projects identified in the Utility's five-year capital plan and to upgrade, replace, and maintain Utility infrastructure. The Board finds that due to the age of the Utility's existing infrastructure and the need to upgrade, replace, and maintain that infrastructure, the Town's forecasted Utility water and wastewater operating expenditures seem reasonable.

The Board has also reviewed the Town's forecasted general and administrative expenses for the Utility. The Board was concerned regarding the significant increase forecasted administrative expenses and its impact on the requested Quarterly Service Charge. On March 21, 2023, Board staff requested additional information from the Town regarding the forecasted expenditure increase. On April 20, 2023, the Town's consultant advised the Board the increase was primarily to provide for the phased transfer of the full-time Utility Operator's salary from water and wastewater Utility operating expenses to general administrative Utility expenses.

The Board favours the user-pay principle when approving rates. 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 about their consumption. Appropriate rates allow for a full understanding of the value of services being provided and better meets the objectives of *The Sustainable Development Act*.

The Board finds the transfer of the Utility Operator's salary to general administrative Utility expenses is not in keeping with the user-pay principle. On April 26, 2023, the Town revised the forecasted general and administrative expenses for the Utility and returned the allocation of the Utility Operator's salary to water and wastewater Utility operating expenses to align properly with the user-pay principle.

The Board notes, the Town has chosen a lower than recommended contingency allowance of approximately 6% of variable operating costs versus 10% to mitigate the impact of the requested rate increase on customers. The Town plans to address this in its next rate study.

The Board notes no changes to the Town's Cost Allocation Methodology. The Board also notes no changes to the REU assignments for existing customers and no changes to the methodology for assigning REUs to new customers.

The Board varies the rates applied for by the Town to align with the revised forecast provided by the Town's consultant and varies the effective dates to April 1, 2023 and January 1, 2024.

The Board requires the Town 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 expiring taxation revenues of \$26,968 for water upgrades and \$95,879 for lagoon upgrades in 2026. The Town's consultant has advised the Board the Town has considered the expiring taxation revenue in its application and plans to address the reduction in revenue in its next rate application to mitigate the requested rate increases included in the current rate application.

The Board notes the Town has not submitted its 2021 Audited Financial Statements and reminds the Town audited financial statements are to be reported to the Board no later than June 30 of the following year. The Board directs the Town to submit its 2021 Audited Financial Statements as soon as they are available.

Deficits

The Board has also reviewed the Town's deficit application and approves the 2019 actual operating deficit in the amount of \$33,269, when calculated for regulatory purposes, to be recovered from the Utility's Accumulated Surplus Fund.

Unaccounted for Water

The Board is concerned regarding the Utility's high levels of unaccounted for water. The Town has advised the Board, in addition to the steps taken noted in the Unaccounted for Water section of this Order, the Town recognizes the ongoing need for continued audit/inspection. The Town's consultant has advised the Board that since the Town's application, several broken meters, bypassed meters, improperly installed meters, and various other issues have been identified and the Town is in the process of taking steps to address the issues.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised wastewater rates for the Town of Winnipeg Beach, Winnipeg Beach Water and Wastewater Utility, BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective April 1, 2023 and January 1, 2024.
2. The Shared Cost Allocation Methodology for the Town of Winnipeg Beach BE AND IS HEREBY APPROVED.
3. The Town of Winnipeg Beach 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 Town of Winnipeg Beach 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 Town of Winnipeg Beach review its water and wastewater rates for the Winnipeg Beach 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.
6. The actual operating deficit, when calculated for regulatory purposes, in the amount of \$33,269, incurred by the Town of Winnipeg Beach, Winnipeg Beach Water and Wastewater Utility, is HEREBY APPROVED and is to be recovered through the Utility's Accumulated Surplus Fund.
7. The Town of Winnipeg Beach submit its 2021 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

"Shawn McCutcheon"
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 58/23
Issued by The Public Utilities Board



Assistant Associate Secretary

**SCHEDULE A
TOWN OF WINNIPEG BEACH
WINNIPEG BEACH WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 2/2022
SCHEDULE OF QUARTERLY RATES
Effective April 1, 2023**

QUARTERLY RATES – METERED CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

April 1, 2023

Rates per 1,000 Gallons

1,000 Gallons per quarter

| | Water | Wastewater | Water & Wastewater |
|--|---------|------------|--------------------|
| | \$14.85 | \$5.56 | \$20.41 |

Quarterly Service Charge

\$16.75

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 |
|------------|----------------------|------------------------|-------------------------|------------------------|-----------------------------|--|
| 5/8 inch | 1 | 3,000 | \$16.75 | \$44.55 | \$16.68 | \$77.98 |
| 3/4 inch | 2 | 6,000 | \$16.75 | \$89.10 | \$33.36 | \$139.21 |
| 1 inch | 4 | 12,000 | \$16.75 | \$178.20 | \$66.72 | \$261.67 |
| 1 1/2 inch | 10 | 30,000 | \$16.75 | \$445.50 | \$166.80 | \$629.05 |
| 2 inch | 25 | 75,000 | \$16.75 | \$1,113.75 | \$417.00 | \$1,547.50 |
| 3 inch | 45 | 135,000 | \$16.75 | \$2,004.75 | \$750.60 | \$2,772.10 |

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) Metered Wastewater Only Customers

There shall be no minimum charge for metered sewer only customers. The quarterly charge will be based on metered wastewater volume at the wastewater rate per 1,000 gallons plus the customer service charge.

d) Bulk Water Sales

All water sold in bulk by the Winnipeg Beach Utility will be charged at the rate of \$18.00 per 1,000 gallons.

ANNUAL CHARGES – UNMETERED WASTEWATER ONLY CUSTOMERS

3. Schedule of Wastewater Rates for **April 1, 2023**
Properties within Local Improvement

District No. 3

All accounts shall be billed annually on the property tax bill and shall be based on equivalent units as set out below.

| <u>Equivalent Units</u> | <u>Service Charge</u> | <u>Wastewater Only</u> | <u>Wastewater Total Annual Bill</u> |
|------------------------------------|----------------------------------|-------------------------------|--|
| 1 | \$16.75 | \$163.81 | \$180.56 |
| 2 | \$16.75 | \$327.62 | \$344.37 |
| 3 | \$16.75 | \$491.43 | \$508.18 |
| 6 | \$16.75 | \$982.86 | \$999.61 |
| 15 | \$16.75 | \$2,457.15 | \$2,473.90 |
| 20 | \$16.75 | \$3,276.20 | \$3,292.95 |
| 32 | \$16.75 | \$5,241.92 | \$5,258.67 |

QUARTERLY RATES – METERED CUSTOMERS

1. Schedule of Commodity Rates & **January 1, 2024**
Quarterly Service Charge

Rates per 1,000 Gallons

1,000 Gallons per quarter

| Water | Wastewater | Water & Wastewater |
|---------|------------|--------------------|
| \$19.32 | \$7.23 | \$25.31 |

Quarterly Service Charge \$17.26

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 |
|------------|----------------------------|------------------------------|-------------------------------|------------------------------|-----------------------------------|--|
| 5/8 inch | 1 | 3,000 | \$17.26 | \$57.96 | \$21.69 | \$96.91 |
| 3/4 inch | 2 | 6,000 | \$17.26 | \$115.92 | \$43.38 | \$176.56 |
| 1 inch | 4 | 12,000 | \$17.26 | \$231.84 | \$86.76 | \$335.86 |
| 1 1/2 inch | 10 | 30,000 | \$17.26 | \$579.60 | \$216.90 | \$813.76 |

| | | | | | | |
|--------|----|---------|---------|------------|----------|------------|
| 2 inch | 25 | 75,000 | \$17.26 | \$1,449.00 | \$542.25 | \$2,008.51 |
| 3 inch | 45 | 135,000 | \$17.26 | \$2,608.20 | \$976.05 | \$3,601.51 |

b) Water Only Customers

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

c) Metered Wastewater Only Customers

There shall be no minimum charge for Metered wastewater only customers. The quarterly charge will be based on metered sewer volume at the sewer rate per 1,000 gallons plus the customer service charge.

d) Bulk Water Sales

All water sold in bulk by the Winnipeg Beach Utility will be charged at the rate of \$18.00 per 1,000 gallons.

ANNUAL CHARGES – UNMETERED WASTEWATER ONLY CUSTOMERS

3. Schedule of Wastewater Rates for January 1, 2024
Properties within Local Improvement

District No. 3

All accounts shall be billed annually on the property tax bill and shall be based on equivalent units as set out below.

| <u>Equivalent Units</u> | <u>Service Charge</u> | <u>Wastewater Only</u> | <u>Wastewater Total Annual Bill</u> |
|-------------------------|-----------------------|------------------------|-------------------------------------|
| 1 | \$17.26 | \$213.02 | \$230.28 |
| 2 | \$17.26 | \$426.04 | \$443.30 |
| 3 | \$17.26 | \$639.06 | \$656.32 |
| 6 | \$17.26 | \$1,278.12 | \$1,295.38 |
| 15 | \$17.26 | \$3,195.30 | \$3,212.56 |
| 20 | \$17.26 | \$4,260.40 | \$4,277.66 |
| 32 | \$17.26 | \$6,816.64 | \$6,833.90 |

The following clauses take effect April 1, 2023:

4. Billings and Penalties

Accounts shall be billed quarterly based on water used. A late payment penalty 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. Hydrant Charges

The Town of Winnipeg Beach, or any other hydrant owner, will pay the Utility an annual fee of \$150.00 for each hydrant connected to the system, which shall include the cost of water used for firefighting.

6. Liability for Charges

Pursuant to Section 252 (2) of *The Municipal Act*, the amount of all outstanding charges for water and sewer 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. The Town will add a service fee of \$50.00 for each utility account added to property taxes.

7. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Town with a deposit of \$200.00. The Town 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 Town 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.

8. Disconnection and Reconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the Town 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 Town's office.

9. Water or Wastewater Turn-on/Turn-off

- a. The Town shall charge a fee of \$35.00 for any water or sewer service turned on or off at the customer's request.
- b. Any water or sewer service turned off as a result of non-payment shall not be reconnected until all arrears, penalties and a reconnection fee of \$35.00 have been paid.
- c. Emergency Regular Hours water or sewer service turn off/on (under 48 Hour Notice but within business day (8:00AM to 4:00 PM))
- d. Emergency After Hours water or sewer service turn off/on (Before 8:00AM or After 4:00 PM Monday to Friday or any time on weekends or holidays)

10. Sewage Tipping Fees

The sewage tipping fee for septage trucks to dump septage from Town Utility customers into the Town sewage lift station or sewage lagoon shall be \$25.00 per truck. This amount may be amended by resolution as deemed necessary by the Town of Winnipeg Beach.

The Town may by standing written policy or resolution of Council provide a period of time each year, in compliance with restrictions imposed in the facility's operating license, in the spring and/or fall to waive the sewage tipping fee into the sewage lift station or sewage lagoon. Notice will be placed in the Property Tax Insert, Town Website and Facebook Page Annually.

11. Service To Customers Outside Utility's Limits

The Council of the Town of Winnipeg Beach may sign Agreements with customers for the provision of water and sewer services to properties located outside the boundaries of the Town. 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 the Town's boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

12. Water Allowance Due to Line Freezing

That in any case where, at the request of Council, 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 that 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.

13. 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.

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 Town's water system.

If a condition is found to exist which, in the opinion of the Town, is contrary to the aforesaid, the Town 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 Town, 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 Utility Manager or Public Works Manager, or delegated representative of the Town be authorized by the Town in the absence of the Utility Operator or 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 Town.