

**Order No. 73/23**

**CITY OF WINKLER  
WINKLER WATER AND WASTEWATER UTILITY REVISED RATES  
EFFECTIVE JULY 1, 2023  
AND 2019 ACTUAL OPERATING DEFICIT**

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**REVISED – July 10, 2023**

**JUNE 23, 2023**

**BEFORE: Shawn McCutcheon, Panel Chair  
Jack Winram, B.A. (Econ.), 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 City of Winkler (City), Winkler Water and Wastewater (Utility), and varies the effective dates to July 1, 2023, January 1, 2024, and January 1, 2025.

The approved rates are as follows:

	<b>Current Rates*</b>	<b>July 1, 2023</b>	<b>January 1, 2024</b>	<b>January 1, 2025</b>
Quarterly Service Charge	\$18.15	\$27.50	\$27.50	\$27.50
Water (per 1,000 gallons)	\$9.98	\$10.21	\$8.35	\$8.55
Wastewater (per 1,000 gallons)	\$6.42	\$6.59	\$8.42	\$9.25
Minimum Quarterly Charge**	\$67.35	\$77.90	\$77.81	\$80.90
Bulk Water (per 1,000 gallons)***	\$13.73	\$12.81	\$12.81	\$12.81
Wastewater Only Customers****	\$69.51	\$80.22	\$94.86	\$101.50

\*Includes a pass through rate increase from Pembina Valley Water Cooperative (PVWC).

\*\*Based on 3,000 gallons

\*\*\*Pro rated for all quantities greater than 500 gallons. The minimum charge is \$12.81 for all quantities less than 500 gallons.

\*\*\*\*Based on 8,000 gallons, Flat Quarterly Charge.

The Board also approves the 2019 actual operating deficit in the amount of \$40,994, when calculated for regulatory purposes, 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 City owns and operates the Utility serving 4,911 water and wastewater customers, 5 water only customers, and 15 wastewater only customers (or a total of 4,931 customers) as at 2021.

Rates were last approved for the Utility in 2012 in Board Order No. 80/12, with the current rates coming into effect March 1, 2012.

### Water Supply/Distribution

The original water distribution system was installed in the 1950s and 1960s using asbestos cement pipe and currently includes 546 hydrants. Distribution system upgrades use polyvinyl chloride (PVC) and some high-density polyethylene (HDPE) pipe.

The water treatment plant was constructed in 2012 and obtains its raw water from 9 to 10 groundwater wells. The water is treated using greensand filtration followed by reverse osmosis.

Due to limited plant capacity, the City also purchases water from PVWC to meet peak demand periods. The City is in the process of designing a plant upgrade to increase capacity by 2024 or 2025.

### Wastewater Collection/Treatment

The wastewater system consists of gravity wastewater lines originally installed in the 1950s and 1960s that are composed of clay tile and concrete. Most upgrades/replacements to the wastewater mains have been made using PVC. The system also has four main lift stations that pumps all wastewater into the lagoon.

The lagoon was constructed in the 1980s and upgraded in the early 2000s. The lagoon is aerated with a design capacity of 1,827 kg/day, and includes 227 days of winter storage volume.

The City is in the process of tendering a major upgrade to construct a new, mechanical wastewater treatment plant for the City and surrounding Rural Municipality of Stanley communities. The City advises it hopes to have the new plant operational by 2024.

### **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, the City estimates unaccounted for water for the Utility at 3.95%, which is within industry standards as noted above.

### **3.0 Application**

On July 19, 2022, the City applied for revised water and wastewater rates for the Utility and recovery of a 2019 actual operating deficit in the amount of \$40,994, when calculated for regulatory purposes, to be recovered from the Utility's Accumulated Surplus Fund. The application was accompanied by a rate study prepared by the City's consultant and By-Law No. 2279-22 having had first reading on May 10, 2022.

A Public Notice of Application was issued on July 22, 2022 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the City on or before August 22, 2022. No responses to the Notice were received.

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 City's application.

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

<b>Schedule of Utility Rate Requirements</b>				
<b>City of Winkler – Winkler Water and Wastewater Utility</b>				
<b>2022 to 2025 Budget Forecasts (\$)</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>Forecast</b>			
<b>General Expenses</b>				
Administration	578,910	590,488	602,298	614,344
<b>Total General Expenses</b>	<b>578,910</b>	<b>590,488</b>	<b>602,298</b>	<b>614,344</b>
<b>Revenue</b>				
Penalties	13,000	13,000	13,000	13,000
<b>Total General Revenues</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>
<b>Net Costs General</b>	<b>565,910</b>	<b>577,488</b>	<b>589,298</b>	<b>601,344</b>
<b>Water Expenses</b>				
Staffing	531,185	541,809	552,645	563,698
Purification and Treatment	302,838	308,895	315,073	321,374
Water Purchases	709,920	724,118	738,601	753,373
Service of Supply	161,619	164,851	168,148	171,511
Transmission and Distribution	391,629	399,462	407,451	415,600
Amortization	395,656	405,656	405,656	433,056

	Interest on Long-Term Debt	3,928	2,011	-	-
	Minor Capital Upgrades	-	25,000	150,000	150,000
	Reserves	-	-	475,000	450,000
	Contingency	209,719	216,413	233,192	237,556
	<b>Total Water Expenses</b>	<b>2,706,49</b>	<b>2,788,215</b>	<b>3,445,766</b>	<b>3,496,168</b>
<b>Revenue</b>					
	Connection Fees	65,000	65,000	65,000	65,000
	Hydrant Rentals	40,950	40,950	40,950	40,950
	Other	10,000	10,000	10,000	10,000
	Amortization of Capital Grants	119,700	119,700	119,700	119,700
	Taxation Revenue – Water Debt	42,644	42,644	620,698	578,054
	Bulk Water Fees	7,500	7,500	7,500	8,000
	<b>Total Water Revenue</b>	<b>285,794</b>	<b>285,794</b>	<b>863,848</b>	<b>821,704</b>
	<b>Net Costs Water</b>	<b>2,420,70</b>	<b>2,502,421</b>	<b>2,581,918</b>	<b>2,674,464</b>
<b>Wastewater Expenses</b>					
	Staffing	277,551	283,102	288,764	294,539
	Collection System	108,426	110,595	112,806	115,063
	Lift Station	128,826	131,403	134,031	136,711
	Treatment and Disposal	250,920	255,938	261,057	266,278
	Operations and Maintenance	-	-	455,934	911,868
	Amortization	658,700	664,700	3,117,450	3,119,450
	Interest on Long-Term Debt	10,318	2,654	476,668	498,118
	Minor Capital Upgrades	110,000	150,000	150,000	-
	Reserves	250,000	307,000	32,000	-
	Contingency	87,572	93,104	94,666	81,259
	<b>Total Wastewater Expenses</b>	<b>1,882,31</b>	<b>1,998,496</b>	<b>5,123,376</b>	<b>5,423,286</b>
<b>Revenue</b>					
	Wastewater Fees	-	-	50,153	100,305
	Amortization of Capital Grants	24,219	24,219	1,933,338	1,933,338
	Taxation Revenue – Debentures	166,209	56,268	986,319	986,319
	<b>Total Wastewater Revenue</b>	<b>190,428</b>	<b>80,487</b>	<b>2,969,810</b>	<b>3,019,962</b>
	<b>Net Wastewater Costs</b>	<b>1,691,88</b>	<b>1,918,009</b>	<b>2,153,566</b>	<b>2,403,324</b>
	<b>Net Operating Costs</b>	<b>4,678,49</b>	<b>4,997,918</b>	<b>5,324,782</b>	<b>5,679,132</b>

The City advises the proposed Utility rate increases are primarily required to gradually increase rates to sustainable levels for the new utility systems and water treatment plant expansion.

### 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 City has included a contingency allowance of \$209,719 in 2022, \$216,413 in 2023, \$233,192 in 2024, and \$237,556 for water and \$87,572 in 2022, \$93,104 in 2023, \$94,666 in 2024, and \$81,259 in 2025 for wastewater.

The City has included a reserve allowance of \$475,000 in 2024 and \$450,000 in 2025 for water and \$250,000 in 2022, \$307,000 in 2023, and \$32,000 in 2024 for wastewater.

### 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	\$37,318,963
Deduct: Tangible Capital Assets	(36,384,788)
Add: Long-Term Debt	288,853
Add: Utility Reserve	2,682,400
Add: Utility Equipment Reserve	544,796
<b>Equals Working Capital Surplus (Deficit)</b>	<b>\$4,450,224</b>
Operating Expenses	4,228,000
<b>20% of Operating Expenses (Target)</b>	<b>\$845,600</b>



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 City’s allocation plan for shared costs is as follows:

<b>City of Winkler – Allocation Plan for Shared Costs</b>				
Shared Overhead: Includes all direct and indirect costs related to administration of the Utility.				
Sub-Category	Activity/Expenses	Expenses Allocated to Utility (Estimated)		Tracked Increments (Actual)/hr
		Percentage	Dollar Value	
Direct Overhead Cost	Meter Reading – Salaries & Wages	100%		
	Billing – Receipting and Collection	30%		
Indirect Overhead Costs – General Administrative Costs and Shared Office Costs	CAO Salaries and Benefits	30%		
	Council Costs	30%		
	Audit and Legal	33.3%		
	Interest on Office Space	-		
	Lease Costs	-		
	Utilities (i.e. telephone, heat)	-		
	Photocopying (etc.)	40%		
Shared Direct Operating Costs: Includes all costs directly attributable to the maintenance and repair of the Utility. Public work employees repair and maintain both transportation and utility infrastructure. A portion of the cost for the public works department should be allocated to the Utility.				
Direct Equipment Costs	Public Works Buildings – Maintenance	30%		
	Vehicles – Fuel/Insurance	-		
	Machinery and Equipment	-		

	Road Construction and Maintenance Equipment – Interest/Lease/Amortization	-		
Direct Labour	Labour costs directly attributable to the maintenance and repair of Utility tangible capital assets		Public Works and Utility share admin. staff 50%	\$21,300
<p>Shared Capital Costs: These shared costs should not be directly charged to utility operations. Capital costs should be capitalized as a tangible capital asset and amortized to utility operations over its useful life.</p> <p>*Includes all costs directly attributable to the development and construction of a tangible capital asset for a utility. Public works projects often construct transportation and utility assets at the same time. In these cases a portion of road work should be allocated to Utility tangible capital assets based on the relative fair market value of assets.</p> <p>*The cost of a tangible capital asset can include interest costs on debt directly attributable to the development and construction of a tangible capital asset. Only interest owed to external parties such as banks or debenture holders. Capitalization of interest costs must end when there is no construction or when the asset is put into use.</p>				
Direct Overhead	<b>Administrative</b>			
	Legal Fees/Surveys	-		
	Design/Engineering	-		
	Interest on Debt	-		
Direct Equipment	<b>Operating</b>			
	Vehicles/Fuel/Insurance	-		
	Equipment/Amortization/Interest	-		
Direct Labour	Labour costs directly attributable to the maintenance and repair of the Utility tangible capital assets.	-		

## 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.

On July 19, 2022, Board staff advised the City the Utility incurred an actual operating deficit in 2019, after regulatory adjustments, and requested the City submit an application requesting approval of the deficit and a proposed recovery method. On July 27, 2022, the Board received the requested Deficit Application.

The City's Deficit Application requested recovery of a 2019 actual operating deficit in the amount of \$40,994, after regulatory adjustments, to be recovered through the Utility's Accumulated Surplus Fund. The Application did not include a reason for the deficit.

On April 3, 2023, Board staff requested a reason for the 2019 deficit. On April 18, 2023, the City advised the Utility incurred a deficit in 2019 after regulatory adjustments. On a cash basis, the Utility did not incur a deficit, but after the required regulatory adjustments, the Utility incurred a deficit.

On May 2, 2023, Board staff requested additional information regarding the reason for the 2019 deficit, advising the City, since the implementation of Public Sector Accounting Board (PSAB) accounting standards, accounting standards for utilities were mandated for utility financial reporting to be done on an accrual basis and is no longer done on a cash basis. On May 10, 2023, the City advised the deficit was primarily due to decreased water sales and unanticipated maintenance expenses for wastewater lines.

#### 4.0 Board Findings

The Board has reviewed the City's application for revised utility rates for the Utility. The Board notes, the City has requested retroactive rate increases to January 1, 2022. Generally, the Board does not approve retroactive rate increases, as it does not allow ratepayers the time and opportunity to adjust their consumption to mitigate the increase in costs. As per the City's 2021 Audited Financial Statements, the Utility had a Working Capital surplus of \$4,450,224 and a Reserve Fund balance of \$2,682,400. The Board finds there is no need to revise rates retroactively to January 1, 2022 and denies the City's request for retroactive rates for the Utility.

The Board notes the calculation of utility rate requirements includes a significant Reserve Fund allocation of \$475,000 in 2024 and \$450,000 in 2025 for water and \$250,000 in 2022, \$307,000 in 2023, and \$32,000 in 2024 for wastewater. The Board also notes the City's rationale for the inclusion of the Reserve Fund allocation was to offset Utility revenue from taxation revenues for debentures to stabilize rates.

As per the Board's Guidelines for preparing applications for revised utility rates, utilities may create reserves to provide for future, unforeseen expenses or anticipated, but undefined or not fully planned, future capital costs. The building of reserves is encouraged where future capital improvements or significant repairs are anticipated. The target level must be determined, indicating a final amount and the end date. The rate study should also delineate the nature and projected cost of the anticipated capital improvements.

The Board Guidelines also state, however, building excess reserves may create intergenerational inequities where current ratepayers are paying for services from which they will not benefit. A utility must seek a balance between sufficient savings for unforeseen circumstances and excessive rates.

Given the City has not identified any future capital improvements, significant repairs, or a potential to provide for or mitigate future, unforeseen expenses to be paid for by Utility

reserves, the Board finds the City has not provided sufficient rationale or supporting calculations for the Reserve Fund allocations included in the requested rates. The Board therefore denies the City's request for Reserve Fund allowances of \$475,000 in 2024 and \$450,000 in 2025 for water and \$250,000 in 2022, \$307,000 in 2023, and \$32,000 in 2024 for wastewater and varies the rates accordingly.

The Board promotes the user-pay principle in rate setting to send proper price signals to customers. It is therefore important the true cost of running the utility is included in the financial reporting and projections related to each of those utilities. All utility related costs have to be attributed fairly if rates are to reflect an accurate accounting of providing the service(s) and avoid cross-subsidization from general municipal operations.

The Board varies the rates as applied for by the City as per the attached Schedule A below and varies the effective dates to July 1, 2023, January 1, 2024, and January 1, 2025.

The Board approves the City's revised Cost Allocation Methodology and reminds the City the methodology must be used consistently; any changes to the Cost Allocation Methodology require Board approval.

The Board requires the City 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 July 1, 2025. Given the water plant capacity upgrade and new wastewater treatment plant scheduled for 2024, the Board wishes to ensure rates have been reviewed by the City so they remain adequate for 2026.

### **Audited Financial Statements**

The Board has reviewed the City's 2020 and 2021 Audited Financial Statements and notes the City has not reported any wastewater fees revenue. The Board finds that the indicated rates based on the wastewater fees revenue reported in the audits would not be indicative of the actual wastewater rates required to operate and financially sustain the Utility.

The City's Director of Corporate Services advised, wastewater fees are included in the water rate (utility rate) and only one rate is charged for water and wastewater which is combined in the Utility Rate. The Board directs the City to work with its auditor(s) to ensure water fees and wastewater fees are properly reported in future Audited Financial Statements so revenues are properly delineated to correctly align with the rates charged for the provision of each service. The Board also recommends the City revise its billing practices to provide better transparency to customers regarding the separate rates for water and wastewater.

### **2019 Deficit**

The Board has also reviewed the City's deficit application and notes the Utility has sufficient working capital surplus to fully provide for the applied for deficit. The Board approves the 2019 actual operating deficit in the amount of \$40,994, when calculated for regulatory purposes, to be recovered from the Utility's Accumulated Surplus Fund.

The Board notes that the City initially advised that the rationale for the 2019 actual operating deficit was, on a cash basis, the Utility did not incur a deficit, but after making the regulatory adjustments the Utility incurred a deficit.

The Board advises the City that the implementation of PSAB accounting standards for all levels of government, including cities and their utilities, has been mandated by Manitoba government. As a result, utility financial reporting is done on an accrual basis and is no longer done on a cash basis. Board Order No. 151/08 outlines the financial reporting requirements for water and/or wastewater utilities and Board Order No. 93/09 outlines the regulatory requirements for rate setting due to the adoption of PASB accounting standards for local governments. The Board recommends the City review current PSAB accounting standards, and Board Order No. 151/08, Board Order No. 93/09 prior to filing any future applications with the Board.

## 5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the City of Winkler, Winkler Water and Wastewater Utility, BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective July 1, 2023, January 1, 2024, and January 1, 2025.
2. The Shared Cost Allocation Methodology for the City of Winkler BE AND IS HEREBY APPROVED.
3. The City of Winkler 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 City of Winkler amend its 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 City of Winkler review its wastewater rates for the Winkler 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 July 1, 2025.
6. The 2019 actual operating deficit, when calculated for regulatory purposes, in the amount of \$40,994, incurred by the City of Winkler, Winkler Water and Wastewater Utility, is HEREBY APPROVED and is to be recovered through the Utility's Accumulated Surplus Fund.

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](http://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. 73/23  
Issued by The Public Utilities Board



Assistant Associate Secretary



**SCHEDULE A  
CITY OF WINKLER  
WINKLER WATER AND WASTEWATER UTILITY  
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 2279-22  
SCHEDULE OF QUARTERLY WATER AND WASTEWATER RATES  
Effective July 1, 2023**

Effective July 1, 2023:

Customer Service Charge \$27.50  
Water Rate (per 1,000 gallons) \$10.21  
Wastewater Rate (per 1,000 gallons) \$ 6.59

Meter Size (Inches)	Group Capacity Ratio	Water Included (imp. gallons)	Customer Service Charge	Commodity Charges		Minimum Quarterly Charges
				Water	Wastewater	
5/8	1	3,000	\$27.50	\$30.63	\$19.77	\$77.90
3/4	2	6,000	\$27.50	\$61.26	\$39.54	\$128.30
1	4	12,000	\$27.50	\$122.52	\$79.08	\$229.10
1 1/4	7	21,000	\$27.50	\$214.41	\$138.39	\$380.30
1 1/2	10	30,000	\$27.50	\$306.30	\$197.70	\$531.50
2	25	75,000	\$27.50	\$765.75	\$494.25	\$1,287.50
3	45	135,000	\$27.50	\$1,378.35	\$889.65	\$2,295.50
4	90	270,000	\$27.50	\$2,756.70	\$1,779.30	\$4,563.50
6	170	510,000	\$27.50	\$5,207.10	\$3,360.90	\$8,595.50

Effective January 1, 2024:

Customer Service Charge \$27.50  
Water Rate (per 1,000 gallons) \$ 8.35  
Wastewater Rate (per 1,000 gallons) \$ 8.42

Meter Size (Inches)	Group Capacity Ratio	Water Included (imp. gallons)	Customer Service Charge	Commodity Charges		Minimum Quarterly Charges
				Water	Wastewater	
5/8	1	3,000	\$27.50	\$25.05	\$25.26	\$77.81
3/4	2	6,000	\$27.50	\$50.10	\$50.52	\$128.12
1	4	12,000	\$27.50	\$100.20	\$101.04	\$228.74
1 1/4	7	21,000	\$27.50	\$175.35	\$176.82	\$379.67
1 1/2	10	30,000	\$27.50	\$250.50	\$252.60	\$530.60
2	25	75,000	\$27.50	\$626.25	\$631.50	\$1,285.25
3	45	135,000	\$27.50	\$1,127.25	\$1,136.70	\$2,291.45

4	90	270,000	\$27.50	\$2,254.50	\$2,273.40	\$4,555.40
6	170	510,000	\$27.50	\$4,258.50	\$4,294.20	\$8,580.20

Effective January 2025:

Customer Service Charge	\$27.50
Water Rate (per 1,000 gallons)	\$ 8.55
Wastewater Rate (per 1,000 gallons)	\$ 9.25

Meter Size (Inches)	Group Capacity Ratio	Water Included (imp. gallons)	Customer Service Charge	Commodity Charges		Minimum Quarterly Charges
				Water	Wastewater	
5/8	1	3,000	\$27.50	\$25.65	\$27.75	\$80.90
3/4	2	6,000	\$27.50	\$51.30	\$55.50	\$134.30
1	4	12,000	\$27.50	\$102.60	\$111.00	\$241.10
1 1/4	7	21,000	\$27.50	\$179.55	\$194.25	\$401.30
1 1/2	10	30,000	\$27.50	\$256.50	\$277.50	\$561.50
2	25	75,000	\$27.50	\$641.25	\$693.75	\$1,362.50
3	45	135,000	\$27.50	\$1,154.25	\$1,248.75	\$2,430.50
4	90	270,000	\$27.50	\$2,308.50	\$2,497.50	\$4,833.50
6	170	510,000	\$27.50	\$4,360.50	\$4,717.50	\$9,105.50

(a) Water Only Customers

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

(b) Sewer Only for Residential Customers

Since these customers are all without meters, and the average quarterly consumption of water by residential customers was 8,000 imperial gallons, the Flat Rate Charge per Quarter for these customers will be:

Effective July 1, 2023: **\$80.22**/quarter including the customer service charge.

Effective January 1, 2024: **\$94.86**/quarter including the customer service charge.

Effective January 1, 2025: **\$101.50**/quarter including the customer service charge.

Bulk Sales Rate

All water sold in bulk by the City of Winkler shall be charged for at the rate of **\$12.81** per 1,000 imperial gallons on a pro-rated basis for all quantities greater than 500

imp. gallons. For any quantity of 500 imp. gallons or less the minimum charge will be **\$12.81**.

#### Service to Customers Outside the City of Winkler Limits

The Council of the City of Winkler may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the City of Winkler. 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 utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries. In addition, all costs of connecting to the utility's mains and installing and maintaining service connections will be paid by the customer.

#### Billings and Penalties

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

#### Disconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the municipality with respect to the 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.

#### Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of **\$30.00** have been paid. The outstanding amount may be added to taxes of the property, by the City Manager, to be collected in a like manner.

#### Request for Disconnection and Reconnection Fee

Any customer requesting a service disconnection shall pay a fee of **\$30.00** and if the customer requests a reconnection that occurs at another date or time, a reconnection fee of **\$30.00** will apply.

#### Outstanding Bills

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

#### Hydrant Rentals

The City of Winkler will pay to the utility an annual rental of **\$75.00** for each hydrant connected to the system.

#### Water Allowance Due to Line Freezing

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

#### Meter Testing

Any customer wishing to have a meter tested for accuracy will pay in advance a fee of **\$125.00**, plus any applicable meter testing costs. In the event that the meter tests proves that the meter is recording water flows in excess of actual flows, the meter testing fee and associated costs will be refunded to the customer, and the customer's account will be reviewed and adjusted accordingly.

#### Wastewater Surcharges

- (a) There may be levied annually, in addition to 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. Refer to our current Sewer By-Law for more detail.
- (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 wastes.