

M A N I T O B A) Order No. 86/10
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THE PUBLIC UTILITIES BOARD ACT) August 16, 2010

BEFORE: Graham Lane, CA, Chairman
 Susan Proven, P.H.Ec., Member

RURAL MUNICIPALITY OF EAST ST. PAUL
WATER AND SEWER RATES

Executive Summary

By this Order, the Public Utilities Board (Board) varies an application by the Rural Municipality of East St. Paul (RM) and establishes revised water and sewer rates, the increases to be phased in over the next three years.

Existing and revised rates are:

Commodity Rates	Interim	October 1, 2010	July 1, 2011	July 1, 2012
Water per m ³	\$1.05	\$1.16	\$1.48	\$1.79
Sewer per m ³	\$1.28	\$1.47	\$1.80	\$2.05
Residential Equivalent Unit (REU)*	\$77.99	\$106.58	\$130.50	\$148.63
Water Quarterly Service Charge	\$12.39	\$7.66	\$7.89	\$8.10
Sewer Quarterly Service Charge	\$6.71	\$9.94	\$10.21	\$10.41
Bulk Water Rate	\$1.27	\$1.27	\$1.52	\$1.83

*One REU is based on an estimated 290 m³ usage per year

The Board approves the RM's proposed decrease in the amount of water included in the minimum quarterly billing, that to change from 25 m³ to 15 m³ for a 15 mm meter service, and also approves the RM's proposed allocations of Residential Equivalent Units (REU). As well, the Board approves the RM's proposals with respect to other miscellaneous charges and fees, that is except for the annual hydrant rental rate, which will increase from \$100 to \$150 per hydrant (the latter change to take effect in 2011).

The new rates and other changes follow a public hearing held on June 15, 2010, where approximately 100 persons were in attendance.

Introduction

The RM applied to the Board on November 27, 2009 for approval of rate By-law No. 2009-19, read the first time on November 18, 2009. The RM's application was accompanied by a rate study initially prepared in October 2009 and revised in May 2010. The application also included several reports and studies commissioned by the RM over the last five years.

The RM provides both water and sewer services to approximately 850 properties, and sewer-only service to an additional 1,500 properties.

The water production and distribution system includes about 29 kilometres of water mains, six wells, reservoirs and pumping facilities. The wastewater collection and treatment system consists of about 58 kilometres of sewer lines, four lift stations and sewage treatment facilities.

Rate Proposal

The RM proposed the following rates and a change to the minimum amount of water to be included in its quarterly billings:

Sewer Commodity Rates:	Interim	Proposed
Customer Service Charge	\$ 6.71	\$ 9.94
Volumetric Charge per cubic meter m ³	\$ 1.28	\$ 2.10
Residential Equivalent Unit (REU)	\$ 77.99	\$ 152.57

Minimum Quarterly Charges - Sewer Service Only:

Customer	REU	Interim Quarterly	Proposed Quarterly
Single Family or small business	1	\$ 84.70	\$ 162.51
Building with more than one residence or business:			
Two residences or business:	2	\$162.69	\$ 315.08
Three residences or business:	3	\$240.68	\$ 467.65
Fire Hall	2	\$162.69	metered
Bus Garage	2	\$162.69	metered
Bird's Hill Manor	5	\$369.66	\$ 772.79
3111 Bird's Hill Road	7	\$552.64	\$1,077.93
Robert Andrews School	7	\$552.64	metered
Dr. Hamilton School	7	\$552.64	metered
Service Station/Car Wash	10	\$786.61	\$1,535.64
Bird's Hill Plaza	12	\$942.59	\$1,840.78

Water commodity rates:	Interim	Proposed
Customer Service Charge	\$ 12.39	\$7.66
Volumetric Charge per m ³	\$ 1.05	\$1.66
Bulk Volumetric Charge m ³	\$ 1.27	\$1.73

Minimum Quarterly Charges - Water Service Only:

Meter Size	Water Incl (m ³)	Interim Service Charge	Interim Water Charge	Interim Quarterly Minimum	Water Incl (m ³)	Proposed Service Charge	Proposed Commodity Charge	Proposed Quarterly Minimum
15 mm	25	\$12.39	\$ 26.25	\$ 38.64	15	\$7.66	\$ 24.90	\$ 32.56
19 mm	50	\$12.39	\$ 52.50	\$ 64.89	30	\$7.66	\$ 49.80	\$ 57.46
25 mm	100	\$12.39	\$ 105.00	\$ 117.39	60	\$7.66	\$ 99.60	\$ 107.26
38 mm	250	\$12.39	\$ 262.50	\$ 274.89	150	\$7.66	\$ 249.00	\$ 256.66
50 mm	625	\$12.39	\$ 656.25	\$ 668.64	375	\$7.66	\$ 622.50	\$ 630.16
75 mm	1125	\$12.39	\$1,181.25	\$1,193.64	675	\$7.66	\$1,120.50	\$1128.16
100 mm	2250	\$12.39	\$2,362.50	\$2,374.89	1350	\$7.66	\$2,241.00	\$2248.66
150 mm	4250	\$12.39	\$4,462.50	\$4,474.89	2550	\$7.66	\$4,233.00	\$4240.66

Minimum Quarterly Charges - Sewer and Water Service:

Commodity rates:	Interim	Proposed
Customer Service Charge	\$19.10	\$17.60
Volumetric Sewer Charge per m ³	\$ 1.28	\$ 2.10
Volumetric Water Charge per m ³	\$ 1.05	\$ 1.66

Meter	Water	Interim	Interim	Water	Proposed	Proposed
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Size	Included (m ³)	Combined Service Charge	Quarterly Minimum	Included (m ³)	Combined Service Charge	Quarterly Minimum
15 mm	25	\$19.10	\$ 77.35	15	\$17.60	\$ 74.00
19 mm	50	\$19.10	\$ 135.60	30	\$17.60	\$ 130.40
25 mm	100	\$19.10	\$ 252.10	60	\$17.60	\$ 243.20
38 mm	250	\$19.10	\$ 601.60	150	\$17.60	\$ 581.60
50 mm	625	\$19.10	\$1,475.35	375	\$17.60	\$1427.60
75 mm	1125	\$19.10	\$2,640.35	675	\$17.60	\$2555.60
100 mm	2250	\$19.10	\$5,261.60	1350	\$17.60	\$5093.60
150 mm	4250	\$19.10	\$9,921.60	2550	\$17.60	\$9605.60

The RM's application included the following projected net revenue requirements for the period 2010 to 2012.

	2010	2011	2012
General Revenue Requirements (service charge)			
Water	\$ 27,481	\$ 28,296	\$ 29,058
Sewer	\$ 97,255	\$ 99,813	\$ 101,780
Water			
Expenses	\$ 198,257	\$ 203,483	\$ 208,830
Amortization	\$ 250,130	\$ 257,633	\$ 265,362
Reserve Provision	\$ 96,140	\$ 99,024	\$ 101,995
Contingency Provision	\$ 50,629	\$ 52,147	\$ 53,712
Deficit Recovery	\$ 7,697	\$ 7,697	\$ -
Less Revenues	\$ (154,772)	\$ (159,086)	\$ (163,529)
Water Revenue Requirements	\$ 448,080	\$ 460,899	\$ 466,370
Sewer			
Expenses	\$ 888,429	\$ 890,941	\$ 892,239
Amortization	\$ 609,661	\$ 627,951	\$ 646,789
Reserve Provision	\$ 331,740	\$ 331,740	\$ 331,740
Contingency Provision	\$ 117,987	\$ 121,526	\$ 125,172
Deficit Recovery	\$ 65,352	\$ 65,352	\$ -
Less Revenues	\$ (502,678)	\$ (507,418)	\$ (512,301)
Sewer Revenue Requirements	\$ 1,510,491	\$ 1,530,092	\$ 1,483,639

The RM anticipated that if its proposal was approved by the

Board the increased rates would generate sufficient annual revenue to recover all utility maintenance and operating costs, including the annual amortization expense, and provide for adequate reserve and contingency provisions through to and including calendar year 2012.

Also, the RM expressed the view that its proposed rates would address the recovery of the 2008 operating deficits in the water and sewer utilities. Please refer to Order 25/09 for details of this deficit; the Order is available on the Board's website (www.pub.gov.mb.ca).

The RM provided the following breakdown related to its projected utility expenses and its expectations as to the impact of the proposed rate increases.

To meet expected annual operational and maintenance costs through to and including 2012, a 40% increase to water rates and 33% increase to sewer rate was indicated to be required. These increases, if approved by the Board, would be in addition to the 10% increase for water and 20% increase for sewer provided by the Board in July 2009 on an interim *ex parte* basis. (Please refer to Order 47/09, available on the Board's website.)

In addition to the operating and maintenance costs, the RM held that increased water and sewer rates are needed to build reserves for future capital projects, these expected to include additional lift stations, Sewer Treatment Plant upgrades, and the development of additional water sources. These requirements were indicated to justify further proposed increases for both water and sewer services, and amount to a 33% increase for sewer

customers and a 10% increase for water customers.

The proposed rate increases also provide for the implementation of revised Public Sector Accounting Board accounting standards; these require the municipality to include amortization of capital assets in operating expenses. (The RM indicated that 50% of the proposed water rate increase is a result of this new requirement, and also represents 33% of the proposed sewer rate increase.)

At the end of 2009, the RM's water utility reserve and accumulated operating surplus accounts comprised an aggregate balance of \$225,000; the sewer utility reserve and surplus was in deficit (\$11,600). The combined annual debt servicing payment for debentures issued for both utilities is \$356,000, raised through property tax assessments.

The RM advised that additional rate increases to meet anticipated incremental operational and maintenance costs are expected in 2013 and future years, but are not expected to be of the same magnitude of the increases sought in this proposal.

As required by the Board, the RM provided its methodology for allocating costs of services shared between general and utility operations. The allocations are based on a percentage of actual costs of shared expenses, which include council and staff time, office costs, legal and audit costs. In 2009, the total cost for shared services allocated to the Utility was \$72,258; \$54,477 to the sewer, and \$17,781 to the water. The un-depreciated capital cost of the water and sewer system was \$48,587,185 at the Utility's last year-end.

Supplementary Information

As was required by the Board following approval of 2005 rates, the RM submitted copies of the following reports.

Water Supply Master Study Plan

This report was commissioned to assist the RM in determining its future water supply requirements. The report determined that with the well development projects currently planned and underway, the water utility should be able to meet its ten-year projected average demand, as well as 75% of peak demand. Additional water sources were indicated to be required to meet the remaining 25% peak demand and provide back-up to meet the potential for future drought conditions.

Water Distribution Master Plan Study

The RM commissioned this report to help determine future water requirements and to highlight key deficiencies in the water distribution system. The report identified two significant areas needing improvement:

1. Water Looping - Completion of the Birds Hill Road water main between Spatuck and Mulder Roads; connection on Henderson Highway between Hoddinott Road and Eagle Creek Drive; and a second feed from the water treatment plant to Gateway Road; and
2. Water Supply and Treatment - Development of the Bray Road water supply well and related pipeline to the water treatment plant; analysis of existing water treatment plant

fire flow pumping; and expansion of water treatment plant reservoir storage.

Wastewater Sewer Master Plan Study

The study helps the RM determine future wastewater servicing requirements and highlighted key deficiencies in the current wastewater collection system. The following were identified as priorities:

1. Addition of a third pump to Mowat Lift Station; identify and mitigate inflow and infiltration sources; and install emergency generator at Mowat Lift Station; and
2. Silverfow Lift Station pump upgrade; Mowat Lift Station additional pump; Mowat forcemain twinning; Mowat Lift Station wet well storage manhole; twinning wastewater sewer on Mowat Road between Pritchard Farm Road and Mowat Lift Station; and construction of Fahr Lift Station.

In addition to the above noted priorities, the sewage treatment plant has undergone process upgrading and capacity improvements. Further improvements may be required pending the outcome of the Manitoba Clean Environment Commission (CEC) investigation into nutrient reduction and ammonia treatment at the City of Winnipeg. Following the CEC's investigation, the RM intends to commission a *Sewage Treatment Master Plan Study*.

Capital Projects

Future capital projects related to the water utility for 2010 to 2014 include those outlined (from the commissioned studies) as

well as future well development, hydrant installations, equipment and vehicle purchases.

Anticipated water utility capital projects total \$6,524,000, and the RM plans to finance these projects through Utility reserve withdrawals (\$1,066,000), Utility rates (\$33,000), borrowing through the issuance of debentures (\$4.7 million), and senior government grants (\$725,000).

Capital sewer projects and purchases, planned for the same period, include the projects identified in the previously noted studies, additional septage storage cells, as well as the purchase of pumps, vehicles and other equipment.

Proposed capital projects for the sewer system total \$5,878,500, and the RM currently plans for funding this from Utility reserves (\$2,038,000), Utility rates (\$15,500), senior government grants (\$825,000), and debenture borrowing (\$3.0 million).

Manitoba Conservation has indicated that the RM's wastewater treatment will have to include additional nutrient removal. While the current Environmental licence does not have such a requirement, the RM expects future licensing will do so.

The RM began the process of preparing for nutrient removal earlier, with a Sewage Treatment Plant Expansion (STP) - Pre-Design Report completed by Stantec in 2006. The study was undertaken to assist the RM in identifying the scope and estimated cost of the required upgrading.

The report identified a phased-in approach to address sewage treatment issues, which include an increasing need for additional capacity as well as the anticipated nutrient removal requirement.

The report suggested the first stage would be to implement two magnetic flow meters for each of the forcemains of the existing STP. This will allow the utility operators to track the total plan flows on a real time basis, and allow flow-paced chemical addition in the future.

Public Sector Accounting Board (PSAB) and other changes

Effective January 1, 2009, PSAB accounting standards became applicable for municipalities, including utility operations.

The implications for the RM's annual audited financial statements and Utility rates are significant. Capital expenditures and principal debt payments are no longer treated as expenditures, nor are reserve transfers. Such transfers no longer affect the net income or loss of the Utility.

Amortization expense is to be recorded annually, which will increase Utility annual costs. As well, PSAB requires the consolidation of all funds/reserves/accumulated surplus or deficit.

In addition to the required PSAB changes, there are other implications for the development of rate proposals. The Board has determined that, contrary to PSAB, capital grants related to the utility are to be amortized at the same rate that the capital asset is amortized. In the RM's case, the RM has not advised of any grants. However, any water and sewer infrastructure that has been transferred by developers is required to be treated as a donation/contribution, and is or will be recorded similarly to how grants are to be recorded.

The RM advised that as a result of the imposed accounting changes 50% of the proposed water rate increase and 33% of the proposed sewer rate increase are the direct result of the revised PSAB standards.

Implications for Utility Customers (Current Rate Proposal)

If the Board were to approve the rates applied for by the RM, customers would be affected depending on their consumption levels. To provide an idea of what the increases would represent, please note the following examples:

- An average family connected to both water and sewer using 33 m³ (~15,000 gallons) per quarter, would, with the Board approving the RM's application, expect to note a quarterly increase of about \$46 or 48%.
- A water-only customer using 33 m³ (~15,000 gallons) per quarter, would see the quarterly bill increase by \$15 or 33%.
- For a sewer only customer, the proposed rates would result

in quarterly bill increasing by \$78, or 92%

Public Hearing

Approximately 100 people attended the public hearing including RM Councillors, staff and consultants and numerous residents of the municipality. Mr. Jerome Mauws, Chief Administrative Officer and Messrs. Ken Mills, Saibal Basu and Brett Ransom, consultants, spoke on behalf of the RM.

The RM endeavoured to address all prior Board directions as well as changes that have arisen since the last rate review, such as PSAB.

At the hearing, the RM advised that:

- the additional wells installed now allow the system to provide 100% of peak demand requirements;
- meetings continue with the City of Winnipeg with the RM seeking agreement from the City to provide utility services to customers constructing homes near the RM/City boundary;
- the RM has not been successful in past attempts to receive grants for capital projects;
- REU's for unmetered customers have not been revised and are consistent with the Board's guidelines;
- Conservation efforts are encouraged through circulars, handouts, enforcement of the RM's sprinkler bylaw, and further through the RM's current rate proposal to reduce the minimum quarterly water included from 25 m³ to 15 m³;

- recent sewage treatment plant upgrades cost \$4.6 million, of which \$1.4 million was borrowed and the remainder paid from reserves that was mostly augmented by developer fees.

Many issues were raised by those in attendance at the hearing, as residents were given an opportunity to express views. While stated in different ways, the messages were similar, and follow, along with the responses of the RM, included:

CONCERN: Municipally-approved development is the reason for the increase in rates, and developers do not 'pay their way';

RM: Developers are required to pay a per lot development fee of \$17,750, of which \$4,000 is for the water utility and \$5,000 is for the sewer utility. Also, developers are required to construct water and sewer infrastructure within the development and pay for costs to connect the development to existing utility mains. All new major development and new homes built within 800 metres of the existing water and sewer system must connect to the municipal system. All residents within these developments are subject to rates as approved by the Board.

CONCERN: With respect to REUs for the sewer system, a single person is paying the same rate as that of a residence with four or six persons. Suggestions to address this included assessing charges based on the number of people in the house and to be based on the number of wage earners in the house.

RM: While the RM agrees that it may not be the fairest way to assess each customer, the approach is an accepted method for assessing rates. The best approach would involve the metering of all properties, but unless all customers connect to the water utility the RM would have to meter sewage or install a meter on private wells.

(Following this statement, further comments were made suggesting not all residents want a meter on their own private well.)

CONCERN: Did the municipality consider phasing in the rate increases over a period of time as opposed to all at once?

RM: The RM is supportive of phasing-in the increases. However, did not submit a proposal for this in its initial application.

Other comments included that the proposed rate increases are too high, and that rates should have increased gradually over the years to avoid rate shock. Another observation was that with both the inclusion of a large reserve contribution and the implementation of amortization expense, represents 'double dipping'. There were more inquiries of whether there is another way to calculate REU's, and, finally a positive comment when the RM was thanked for being "forward thinking" and for addressing issues now, as opposed to later when costs would be likely be even higher.

In response to the Board's request of the RM following the public hearing, the RM submitted additional information, including different scenarios to phase-in the rate increases over a three, four, five and ten-year period.

The RM was asked to submit a proposal for increases by phasing-in reserve and contingency provisions, while maintaining full recovery of operating costs including amortization expense.

The RM submitted the following:

Three Year Phase In			
Commodity	Year One No Reserve	Year Two 50% Reserve	Year Three 100% Reserve
Water	\$1.35	\$1.50	\$1.66
Sewer	\$1.64	\$1.84	\$2.10
REU	\$118.70	\$133.31	\$152.57

Four Year Phase In				
Commodity	Year One No Reserve	Year Two 33% Reserve	Year Three 67% Reserve	Year Four 100% Reserve
Water	\$1.35	\$1.44	\$1.53	\$1.66
Sewer	\$1.64	\$1.76	\$1.82	\$2.10
REU	\$118.70	\$127.35	\$131.96	\$152.57

Five Year Phase In					
Commodity	Year One No Reserve	Year Two 25% Reserve	Year Three 50% Reserve	Year Four 75% Reserve	Year Five 100 % Reserve
Water	\$1.35	\$1.49	\$1.65	\$1.66	\$1.66
Sewer	\$1.64	\$1.83	\$1.96	\$1.97	\$2.10
REU	\$118.70	\$132.68	\$142.31	\$142.66	\$152.57

Ten Year Phase In (% to Reserve)	Water	Sewer	REU
Year One (10%)	\$1.35	\$1.64	\$118.70

Year Two (20%)	\$1.35	\$1.64	\$119.03
Year Three (30%)	\$1.36	\$1.58	\$114.87
Year Four (40%)	\$1.40	\$1.64	\$118.64
Year Five (50%)	\$1.44	\$1.82	\$132.00
Year Six (60%)	\$1.48	\$1.88	\$136.11
Year Seven (70%)	\$1.53	\$1.93	\$140.23
Year Eight (80%)	\$1.57	\$1.99	\$144.34
Year Nine (90%)	\$1.62	\$2.04	\$148.46
Year Ten (100%)	\$1.66	\$2.10	\$152.57

The RM advised that if the Board ordered a phase-in, its preference was for either a three or four-year process. A longer-time period would, for the RM, exacerbate the problems of deficits.

Board Findings

The Board commends the RM in its efforts to address capital projects and changed accounting standards in a timely manner. The Board also thanks the public for attending the hearing.

The increases sought by the RM are significant, but, unfortunately, they are not by far the highest this Board has approved as infrastructure needs are addressed and new accounting standards implemented.

The Board will vary the RM's application, and approve rates that will be phased-in over an approximate three-year period. As a result of the implementation of PSAB, and noting that the utility rates now include amortization for both the water (~\$250,000 to \$265,000) and sewer (~\$610,000 to \$646,000), the Board has some latitude in approving expenses to be recovered

through rates.

The rates approved by this order, include neither reserve nor contingency provisions with the first increase, the second increase will include 50% of the proposed reserve and contingency provisions and then, one year later, the full provisions are to be included.

The Board's varied rates also provide for anticipated increased operational costs in each of the three years. The service charges are to increase as noted herein at the same time to provide for increased administrative costs.

The Board will also require the annual per hydrant rental charge to increase, to \$150 in 2011 and going forward. This change recognizes the increased costs of water to provide fire-fighting services.

The Board is satisfied that developers are paying a fair share of capital costs, as such relate to water and sewer system. Not only are upfront charges required when a development agreement is entered into, but once a residence is constructed and connected to the system that property is subject to the rates to use the service and required to pay capital costs that are recovered through taxes. This distributes the costs of the system to more customers.

The Board agrees that the REU system is flawed. However, without a metered system there is little choice than to continue with the REU approach as to how costs are assessed. Circumstances change within a household frequently, and to assess a charge

based on the number of people in a house or by the number of wage earners are not feasible and would likely cost more to administer, driving rates even higher.

The best approach is to install a fully metered system, and the Board encourages the RM to continue to explore ways by which metering may be possible at a reasonable cost.

The Board is concerned with the RM's apparent unsuccessful attempts to gain senior government funding for water and sewer related projects, especially in instances where the requirement for capital upgrades is not associated with expansion and development but with either safety or regulatory matters. The Board encourages the RM to continue submitting applications for funding as projects arise, and as soon as possible once announcements of the availability of funding are made. The Board suggests that the RM continue to engage the Manitoba Water Services Board in discussion.

The Board is pleased with RM's approach to working with its municipal neighbours in either joint projects or where access to services in another jurisdiction is feasible.

The Board will approve the RM's Shared Allocation policy which is based on percentages of the municipality's costs of providing administrative services. The RM is reminded that if these percentages change, prior Board approval is required.

The Board will require the municipality to file its annual utility financial statements within 3 months of the 2010, 2011 and 2012 year end, respectively. The Board will also seek the RM's comments as to rate adequacy at those times.

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. The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS THEREFORE ORDERED THAT:

1. The Rural Municipality of East St. Paul amend By-law No. 2009-19 prior to second reading to be consistent with the provisions of this order and the attached Schedule "A".
2. The Rural Municipality of East St. Paul file a certified copy of By-law No. 2009-19 once it has received third and final reading.
3. The Public Utilities Board approves the Shared Cost Allocation Policy as submitted by the Rural Municipality of East St. Paul, for administrative costs associated with the utility.
4. The Rural Municipality of East St. Paul file a copy of its 2010, 2011, and 2012 utility financial statements with the Public Utilities Board within three months following each respective year end, and include comments as to the adequacy of rates.

Fees payable upon this Order - \$1,500.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"KRISTINE SHIELDS"

Acting Secretary

Certified a true copy of Order No.
86/10 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 86/10

RURAL MUNICIPALITY OF EAST ST. PAUL

WATER AND SEWER RATES

BY-LAW NO. 2009-19

1. Quarterly Sewer Rates

October 1, 2010

Customer Service Charge	\$ 9.94
Volumetric Charge (m ³)	\$ 1.47
Residential Equivalent Unit	\$106.58

July 1, 2011

Customer Service Charge	\$ 10.21
Volumetric Charge (m ³)	\$ 1.80
Residential Equivalent Unit	\$130.50

July 1, 2012

Customer Service Charge	\$ 10.41
Volumetric Charge(m ³)	\$ 2.05
Residential Equivalent Unit	\$148.63

2. Minimum Quarterly Sewer Charges - Sewer Service Only

Quarterly rates for customers connected to the sewer utility only will be as follows:

October 1, 2010

Customer	Residential Equivalent Units	Service Charge	Commodity Charge	Quarterly Charge
Single Family or small business	1	\$9.94	\$106.58	\$116.52
Building with more than 1 residence or business:				
2 residences or businesses	2	\$9.94	\$213.16	\$223.10
3 residences or businesses	3	\$9.94	\$319.74	\$329.68
Bird's Hill Manor	5	\$9.94	\$532.90	\$542.84

3111 Bird's Hill Road	7	\$9.94	\$746.06	\$756.00
Service Station/Car Wash	10	\$9.94	\$1065.80	\$1075.74
Bird's Hill Plaza	12	\$9.94	\$1278.96	\$1288.90

July 1, 2011

Customer	Residential Equivalent Units	Service Charge	Commodity Charge	Quarterly Charge
Single Family or small business	1	\$10.21	\$130.50	\$140.71
Building with more than 1 residence or business:				
2 residences or businesses	2	\$10.21	\$261.00	\$271.21
3 residences or businesses	3	\$10.21	\$391.50	\$401.71
Bird's Hill Manor	5	\$10.21	\$652.50	\$662.71
3111 Bird's Hill Road	7	\$10.21	\$913.50	\$923.71
Service Station/Car Wash	10	\$10.21	\$1305.00	\$1315.21
Bird's Hill Plaza	12	\$10.21	\$1566.00	\$1576.21

July 1, 2012

Customer	Residential Equivalent Units	Service Charge	Commodity Charge	Quarterly Charge
Single Family or small business	1	\$10.41	\$148.63	\$159.04
Building with more than 1 residence or business:				
2 residences or businesses	2	\$10.41	\$297.26	\$307.67
3 residences or businesses	3	\$10.41	\$445.86	\$456.30
Bird's Hill Manor	5	\$10.41	\$743.15	\$753.56
3111 Bird's Hill Road	7	\$10.41	\$1040.41	\$1050.82
Service Station/Car Wash	10	\$10.41	\$1486.30	\$1496.71
Bird's Hill Plaza	12	\$10.41	\$1783.56	\$1793.97

3. Quarterly Water Commodity Rates

October 1, 2010

Customer Service Charge	\$7.66
Volumetric Charge (m ³)	\$1.16
Bulk Volumetric Charge (m ³)	\$1.27

July 1, 2011

Customer Service Charge	\$7.89
Volumetric Charge (m ³)	\$1.48

Bulk Volumetric Charge (m ³)	\$1.27
July 1, 2012	
Customer Service Charge	\$8.10
Volumetric Charge (m ³)	\$1.79
Bulk Volumetric Charge (m ³)	\$1.27

4. Minimum Quarterly Charges - Water Service Only

A minimum charge is to be paid by all customers connected to the water distribution system only so all customers will make a fair minimum contribution to the cost of operating the water production and distribution system.

October 1, 2010

Meter Size	Water Included (m ³)	Service Charge	Commodity Charge	Quarterly Minimum
15mm (5/8")	15	\$7.66	\$17.40	\$25.06
19 mm (3/4")	30	\$7.66	\$34.80	\$42.46
25 mm (1")	60	\$7.66	\$69.60	\$77.26
38 mm (1 1/2")	150	\$7.66	\$174.00	\$181.66
50 mm (2")	375	\$7.66	\$435.00	\$442.66
75 mm (3")	675	\$7.66	\$783.00	\$790.66
100 mm (4")	1350	\$7.66	\$1566.00	\$1573.66
150 mm (6")	2550	\$7.66	\$2958.00	\$2965.66

July 1, 2011

Meter Size	Water Included (m ³)	Service Charge	Commodity Charge	Quarterly Minimum
15mm (5/8")	15	\$7.89	\$22.20	\$30.09
19 mm (3/4")	30	\$7.89	\$44.40	\$52.29
25 mm (1")	60	\$7.89	\$88.80	\$96.69
38 mm (1 1/2")	150	\$7.89	\$222.00	\$229.89
50 mm (2")	375	\$7.89	\$555.00	\$562.89
75 mm (3")	675	\$7.89	\$999.00	\$1006.89
100 mm (4")	1350	\$7.89	\$1998.00	\$2005.89
150 mm (6")	2550	\$7.89	\$3774.00	\$3781.89

July 1, 2012

Meter Size	Water Included (m³)	Service Charge	Commodity Charge	Quarterly Minimum
15mm (5/8")	15	\$8.10	\$26.85	\$34.95
19 mm (3/4")	30	\$8.10	\$53.70	\$61.80
25 mm (1")	60	\$8.10	\$107.40	\$115.50
38 mm (1 1/2")	150	\$8.10	\$268.50	\$276.60
50 mm (2")	375	\$8.10	\$671.25	\$679.35
75 mm (3")	675	\$8.10	\$1208.25	\$1216.35
100 mm (4")	1350	\$8.10	\$2416.50	\$2424.60
150 mm (6")	2550	\$8.10	\$4564.50	\$4572.60

5. Minimum Quarterly Charges - Sewer and Water Service

A minimum charge is to be paid by all customers connected to the sewer and water systems so all customers will make a fair minimum contribution to the cost of operating the water production and distribution system.

October 1, 2010

Meter Size	Water Incl. (m³)	Combined Service Charge	Water Commodity Charge	Sewer Charge	Quarterly Minimum Bill
15mm (5/8")	15	\$17.60	\$17.40	\$22.05	\$57.05
19mm (3/4")	30	\$17.60	\$34.80	\$44.10	\$96.50
25 mm (1")	60	\$17.60	\$69.60	\$88.20	\$175.40
38 mm (1 1/2")	150	\$17.60	\$174.00	\$220.50	\$412.10
50 mm (2")	375	\$17.60	\$435.00	\$551.25	\$1003.85
75 mm (3")	675	\$17.60	\$783.00	\$992.25	\$1792.85
100 mm (4")	1350	\$17.60	\$1566.00	\$1984.50	\$3568.10
150 mm (6")	2550	\$17.60	\$2958.00	\$3748.50	\$6724.10

July 1, 2011

Meter Size	Water Incl. (m³)	Combined Service Charge	Water Commodity Charge	Sewer Charge	Quarterly Minimum Bill
15mm (5/8")	15	\$18.10	\$22.20	\$27.00	\$67.30
19mm (3/4")	30	\$18.10	\$44.40	\$54.00	\$116.50
25 mm (1")	60	\$18.10	\$88.80	\$108.00	\$214.90
38 mm(1 1/2")	150	\$18.10	\$222.00	\$270.00	\$510.10
50 mm (2")	375	\$18.10	\$555.00	\$675.00	\$1248.10
75 mm (3")	675	\$18.10	\$999.00	\$1215.00	\$2232.10
100 mm (4")	1350	\$18.10	\$1998.00	\$2430.00	\$4446.10
150 mm (6")	2550	\$18.10	\$3774.00	\$4590.00	\$8382.10

July 1, 2012

Meter Size	Water Incl. (m³)	Combined Service Charge	Water Commodity Charge	Sewer Charge	Quarterly Minimum Bill
15mm (5/8")	15	\$18.51	\$26.85	\$30.75	\$76.11
19mm (3/4")	30	\$18.51	\$53.70	\$61.50	\$133.71
25 mm (1")	60	\$18.51	\$107.40	\$123.00	\$248.91
38 mm(1 1/2")	150	\$18.51	\$268.50	\$307.50	\$594.51
50 mm (2")	375	\$18.51	\$671.25	\$768.75	\$1458.51
75 mm (3")	675	\$18.51	\$1208.25	\$1383.75	\$2610.51
100 mm (4")	1350	\$18.51	\$2416.50	\$2767.50	\$5202.51
150 mm (6")	2550	\$18.51	\$4564.50	\$5227.50	\$9810.51

6. Service to Customers outside Municipality

The Council of the Rural Municipality of East St Paul may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Rural Municipality of East St Paul. 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.

7. **Billing, Due Dates and Penalties**

All sewer and water utility accounts shall be billed quarterly and all bills shall be due and payable 30 days after the billing date. A penalty of 1 1/4 % per month will be charged if not paid by the due date.

8. **Disconnection**

The Public Utilities Board has approved the Conditions Precedent (CP) to be followed by the Rural Municipality of East St. Paul 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.

9. **Reconnection**

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$100.00 have been paid.

10. **Outstanding Bills**

Pursuant to Subsection 252(2) of *The Municipal Act*, the amount of all outstanding charges for water or sewer service are a lien upon that land and shall be collected in the same manner in which ordinary taxes upon the land are collectable and with like remedies. Where a tenant is in arrears the property owner should be notified in all cases.

11. **Inspection Rates**

A \$100.00 inspection fee shall be levied on any sewer or water connections made to the wastewater collection and water distribution systems, to ensure the connections are constructed in accordance with applicable codes.

12. **Hydrant Rentals**

The Rural Municipality of East St Paul will pay to the utility an annual rental of \$150.00 for each hydrant connected to the system. In addition, the Rural Municipality of East St Paul will pay for water used for fire-fighting.