

Order No. 14/18

**CITY OF PORTAGE LA PRAIRIE
WATER and WASTEWATER UTILITY
FINAL WATER AND WASTEWATER RATES**

January 16, 2018

BEFORE: Shawn McCutcheon, Panel Chair
Sharon McKay, Member
Susan Nemec, FCPA, FCA, Member

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves as final the water and wastewater rates as applied for by the City of Portage la Prairie Water and Wastewater Utility (Utility). These rates were previously established on an interim *ex parte* basis by Board Order No. 124/15.

The approved rates are as follows:

	By-law (15-8633) January 1, 2016	By-law (15-8633) January 1, 2017	By-law (15-8633) January 1, 2018
Quarterly service charge	\$19.72	\$20.31	\$20.92
Water (gallons per quarter) \$/1,000 gal.			
50,000 and less	\$5.58	\$5.75	\$5.92
50,001 to 500,000	\$4.51	\$4.69	\$4.88
500,001 to 4,000,000	\$4.34	\$4.47	\$4.63
over 4,000,000	\$1.82	\$1.91	\$2.01
Sewer (gallons per quarter) \$/1,000 gal.			
50,000 and less	\$8.42	\$8.67	\$8.93
50,001 to 500,000	\$8.42	\$8.67	\$8.93
500,001 to 4,000,000	\$5.90	\$6.25	\$6.63
over 4,000,000	\$5.90	\$6.25	\$6.63
Bulk water (\$/1,000 gal.)	\$8.33	\$8.58	\$8.84
Hydrant rental (annual)	\$125.00	\$125.00	\$125.00

Details of other rates and charges may be found in Schedule "A" attached.

Rationale for the Board's decisions may be found under "Board Findings".

2.0 Background

The City of Portage la Prairie (City) operates a public water and wastewater system serving 4,976 water and wastewater customers, 107 water-only customers and 2 wastewater-only customers for a total of 5,085 customers.

In addition to the City itself, water service is extended to the Rural Municipality of Portage la Prairie, for the Cartier Regional Water System and the Yellowhead Regional Water System.

The City uses step rates (declining block rates) in charging their customers. The City uses 4 steps for water charges and 2 steps for wastewater charges. The breakdown of the steps are as follows:

- Water charges
 - Step 1 (domestic level) 50,000 gallons or less per quarter
 - Step 2 (intermediate level) 50,001 to 500,000 gallons per quarter
 - Step 3 (wholesale level) 500,001 to 4,000,000 gallons per quarter
 - Step 4 (special level or large industry level) over 4,000,000 gallons per quarter
- Wastewater charges
 - Step 1 (domestic and intermediate levels) up to 500,000 gallons per quarter
 - Step 2 (wholesale and variable levels) 500,001 or more gallons per quarter

Water- Supply/Distribution

The Water Treatment Plant (WTP) was built in 1978 with upgrades in 2001-2002. As per the rate application, the WTP is deemed to be in good condition with adequate capacity to meet future growth.

The Water Pollution Control Facility (WCPF) was built in 1996 with upgrades and expansion in 2002. The secondary treatment with ammonia removal is in good condition and the Nutrient Removal upgrade design is in progress.

The water distribution system was built in the 1900's and has been added to and upgraded in ensuing years. The condition of the system is reported to be in varying from poor to new condition, as older sections are being replaced with new, it has adequate capacity levels and meets guidelines for fire fighting in most areas.

Unaccounted for water

Unaccounted for water is reported at 9.74%, which is within the standard acceptable level of 10%.

Wastewater- Collection/Treatment

The wastewater collection system was installed in the 1900's. It is reported to be varying from poor to new condition with adequate capacity levels with groundwater infiltration and overland flooding concerns for some areas with flows exceeding capacity on occasion.

Water treatment consists of discharge from lime sludge dewatering/drying beds to the Assiniboine River.

The WTP has a plant manager and 3 operators certified to level 4. Technically, 2 operators are level 2 (will receive 3 shortly), 1 is an operator in training. The WPCF's plant manager has written level 3 and 3 operators certified to level 4 and 2 operators at level 3.

3.0 Application

The City of Portage la Prairie (City) applied on October 1, 2015 for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the City and By-law No. 15-8633 having received 1st reading on September 28, 2015. Rates were last set in 2013 by Board Order No. 2/13.

The City requested that the Board consider approving the revised water and wastewater rates on an interim *ex parte* basis so that the City could meet its operational requirements financially and prepare for significant capital projects. To consider approving interim *ex parte* rates, the Board asks that the applicant provide information showing there is an urgent need in approving the rates without the application having been fully reviewed using the Board's regular process.

In November of 2015, the Board, which had not yet had the opportunity to review the details in the submission, determined that interim rates were in order. The Board made this decision due to the urgent need to increase revenues to avoid future deficits that may occur due to the increased operating expenses that were not reflected in the current rates being charged.

This interim approval was subject to variation upon completion of a more detailed review. The process included a requirement that a Notice of the proposed increase be provided to ratepayers. This was done in November 2015 and no responses were received.

The rates were calculated based on 2013 and 2014 actual expenses. The utility rate requirements are as follows:

2.00%	2013 (Actual)	2014 (Actual)	2015 (Projected)	2016 (Projected)	2017 (Projected)	2018 (Projected)
General Expenses						
Administration*	\$ 1,335,186	\$ 1,423,190	\$ 678,036	\$ 691,597	\$ 705,429	\$ 719,537
Total general expenses	\$ 1,335,186	\$ 1,423,190	\$ 678,036	\$ 691,597	\$ 705,429	\$ 719,537
Investment Income	\$ 29,352	\$ 39,307	\$ 34,000	\$ 34,680	\$ 35,374	\$ 36,081
Other Revenue			\$ 10,400	\$ 40,608	\$ 10,820	\$ 11,037
Penalties	\$ 8,876	\$ 9,400	\$ 9,200	\$ 9,384	\$ 9,572	\$ 9,763
Total general revenue	\$ 38,228	\$ 48,707	\$ 53,600	\$ 84,672	\$ 55,766	\$ 56,881
Net general costs	\$ 1,296,958	\$ 1,374,483	\$ 624,436	\$ 606,925	\$ 649,663	\$ 662,656
Water Expenses						
Purification and treatment - variable	\$ 917,034	\$ 1,669,446	\$ 1,490,600	\$ 1,520,412	\$ 1,550,820	\$ 1,581,837
<i>Sub-total-variable water production/purchase</i>	<i>\$ 917,034</i>	<i>\$ 1,669,446</i>	<i>\$ 1,490,600</i>	<i>\$ 1,520,412</i>	<i>\$ 1,550,820</i>	<i>\$ 1,581,837</i>
Purification and treatment - fixed	\$ 917,034	\$ 1,669,446	\$ 1,516,852	\$ 1,547,189	\$ 1,578,133	\$ 1,609,695
Amortization**	\$ 771,051	\$ 54,299	\$ 55,944	\$ 78,361	\$ 85,528	\$ 116,194
Interest on long term debt	\$ 79,960	\$ 65,026	\$ 63,305	\$ 44,761	\$ 24,932	\$ 80,921
Reserves				\$ 353,206	\$ 448,908	\$ 517,275
Major capital upgrades				\$ 5,000	\$ 5,000	\$ 5,000
<i>Sub-total-fixed water production/purchase</i>	<i>\$ 1,768,045</i>	<i>\$ 1,788,771</i>	<i>\$ 1,636,101</i>	<i>\$ 2,028,517</i>	<i>\$ 2,142,501</i>	<i>\$ 2,329,085</i>
<i>Distribution</i>						
Transmission and distribution	\$ 1,112,224	\$ 1,132,202	\$ 674,331	\$ 687,817	\$ 701,573	\$ 715,605
Amortization/depreciation***	\$ 771,051	\$ 54,299	\$ 54,299	\$ 173,390	\$ 208,524	\$ 227,857
Interest on long term debt	\$ 79,960	\$ 65,026	\$ 63,305	\$ 44,761	\$ 24,932	\$ 80,921
Reserves				\$ 353,206	\$ 448,908	\$ 517,275
Minor capital upgrades				\$ 5,000	\$ 5,000	\$ 5,000
<i>Sub-total-transmission and distribution</i>	<i>\$ 1,963,235</i>	<i>\$ 1,251,527</i>	<i>\$ 791,935</i>	<i>\$ 1,264,174</i>	<i>\$ 1,388,937</i>	<i>\$ 1,546,658</i>
Total water expenses	\$ 4,648,314	\$ 4,709,744	\$ 3,918,636	\$ 4,813,103	\$ 5,082,258	\$ 5,457,580
Water Revenue						
Water rate charges	\$ 4,952,798	\$ 5,180,117	\$ 5,373,336			
Connection revenue	\$ 21,291	\$ 23,633	\$ 21,300	\$ 21,726	\$ 22,161	\$ 22,604
Hydrant rentals	\$ 57,725	\$ 57,725	\$ 57,700	\$ 57,700	\$ 57,700	\$ 57,700
Amortization of capital grants - water production				\$ 12,223	\$ 12,223	\$ 15,556
Amortization of capital grants - distribution				\$ 46,806	\$ 46,806	\$ 46,806
Revenue from RM for Debt Pmt. - production	\$ 130,633	\$ 130,633	\$ 130,633	\$ 130,633	\$ 130,632	\$ 34,800
Revenue from RM for Debt Pmt. - distribution	\$ 130,633	\$ 130,633	\$ 130,633	\$ 130,633	\$ 130,632	\$ 34,800
Other revenue - production		\$ 29,661	\$ 129,650	\$ 29,661	\$ 29,661	\$ 29,661
Other revenue - distribution		\$ 29,661	\$ 29,650	\$ 29,661	\$ 29,661	\$ 29,661
Non-rate revenue - production	\$ 130,633	\$ 160,294	\$ 260,283	\$ 172,517	\$ 172,516	\$ 80,017
Non-rate revenue - distribution	\$ 209,649	\$ 241,652	\$ 239,283	\$ 286,526	\$ 286,960	\$ 191,571
Total non-rate revenue water	\$ 340,282	\$ 401,946	\$ 499,566	\$ 459,043	\$ 459,476	\$ 271,588
Net rate revenue requirement - production fixed	\$ 1,637,412	\$ 1,628,477	\$ 1,375,818	\$ 1,856,000	\$ 1,969,985	\$ 2,249,068
Net rate revenue requirement - production variable	\$ 917,034	\$ 1,669,446	\$ 1,490,600	\$ 1,520,412	\$ 1,550,820	\$ 1,581,837
Net rate revenue requirement - distribution	\$ 1,753,586	\$ 1,009,875	\$ 552,652	\$ 977,648	\$ 1,101,977	\$ 1,355,087
Net rate revenue requirement - water	\$ 4,308,032	\$ 4,307,798	\$ 3,419,070	\$ 4,354,060	\$ 4,622,782	\$ 5,185,992

2.00%	2013 (Actual)	2014 (Actual)	2015 (Projected)	2016 (Projected)	2017 (Projected)	2018 (Projected)
Sewer Expenses						
<i>Expenses-collection</i>						
Sewage collection system	\$ 1,100,718	\$ 1,021,938	\$ 772,071	\$ 787,512	\$ 803,262	\$ 819,328
Sewage lift station	\$ 215,085	\$ 220,031	\$ 255,124	\$ 260,226	\$ 265,431	\$ 270,740
Amortization/depreciation	\$ 602,419	\$ 69,973	\$ 69,973	\$ 148,398	\$ 161,198	\$ 221,364
Interest on long term debt	\$ 79,960	\$ 65,027	\$ 49,460	\$ 34,971	\$ 19,479	\$ 63,223
Reserves				\$ 353,206	\$ 448,908	\$ 517,275
Minor capital upgrades				\$ 21,000	\$ 16,000	\$ 17,000
<i>Sub-total collection</i>	\$ 1,998,182	\$ 1,376,969	\$ 1,146,628	\$ 1,605,313	\$ 1,714,278	\$ 1,908,930
<i>Expenses-disposal</i>						
Sewage treatment and disposal	\$ 153,833	\$ 241,349	\$ 1,509,411	\$ 1,539,599	\$ 1,570,391	\$ 1,601,799
Amortization/depreciation***	\$ 602,419	\$ 69,973	\$ 173,973	\$ 184,480	\$ 192,146	\$ 216,146
Interest on long term debt	\$ 79,960	\$ 65,027	\$ 49,460	\$ 69,943	\$ 39,958	\$ 126,446
Reserves				\$ 1,774,079	\$ 1,869,781	\$ 1,938,148
Minor capital upgrades				\$ 10,000	\$ 10,000	\$ 10,000
<i>Sub-total disposal</i>	\$ 836,212	\$ 376,349	\$ 1,732,844	\$ 3,578,101	\$ 3,682,276	\$ 3,892,539
Total Sewer Expense	\$ 2,834,394	\$ 1,753,318	\$ 2,879,472	\$ 5,183,414	\$ 5,396,554	\$ 5,801,469
Revenue						
Sewer rate changes	\$ 3,862,791	\$ 4,038,776	\$ 4,198,164			
Amortization of disposal - capital grants				\$ 36,679	\$ 36,679	\$ 36,679
Amortization of collection capital grants				\$ 34,596	\$ 34,596	\$ 67,929
Taxation revenue & RM payment for RM Debt - collection	\$ 134,134	\$ 134,134	\$ 130,633	\$ 130,633	\$ 130,632	\$ 34,800
Taxation revenue & RM payment for RM Debt - disposal	\$ 130,633	\$ 130,633	\$ 130,633	\$ 130,633	\$ 130,632	\$ 34,800
Other revenue collection	\$ 20,043	\$ 22,405	\$ 42,050	\$ 42,891	\$ 43,749	\$ 44,624
Other revenue disposal		\$ 87,376	\$ 205,250	\$ 209,355	\$ 213,542	\$ 217,813
Total non-rate revenue - sewer	\$ 284,810	\$ 374,548	\$ 508,566	\$ 584,787	\$ 589,830	\$ 436,645
Net collection revenue requirement sewer	\$ 1,844,005	\$ 1,220,430	\$ 973,945	\$ 1,397,193	\$ 1,505,301	\$ 1,761,577
Net disposal revenue requirement sewer	\$ 705,579	\$ 158,340	\$ 1,396,961	\$ 3,201,434	\$ 3,301,423	\$ 3,603,247
Net rate revenue requirement - sewer	\$ 2,549,584	\$ 1,378,770	\$ 2,370,906	\$ 4,598,627	\$ 4,806,724	\$ 5,364,824

*Auditors included benefits for all staff. For other reporting, including rate calculation, benefits only for Admin staff are shown.

**In 2014, plant reached maturity

***In 2014, older lines matured

The requirement for annual rate increases is attributed in part to increasing capital and operating costs. It focuses on addressing upcoming operating and debt costs while building contingencies (reserves) and flattening the rate structure.

The Board had asked the City to submit its next rate application using the Board's guidelines. However, the calculations indicated that using the Board's guidelines will result in a larger spread between domestic and industry than the current rates. The proposed rates continue to narrow the gap between various step rates.

The City is applying for the following rate increases:

- Quarterly service charges: 3% per year for years 2016 to 2018 and up to 3% per year thereafter*
- Water charges
 - Step 1 (domestic level): 3% per year for years 2016 to 2018 and up to 3% per year thereafter*
 - Step 2 (intermediate level): 3% in 2016, 4% in 2017, 4% in 2018 and up to 3% per year thereafter
 - Step 3 (wholesale level): 3% in 2016, 3% in 2017, 3.5% in 2018 and up to 3.5% per year thereafter*
 - Step 4 (special level or large industry level): 5% per year for years 2016 to 2018 and up to 5% per year thereafter*
- Sewer charges
 - Step 1 (domestic and intermediate levels): 3% per year for years 2016 to 2018 and 3% per year thereafter*
 - Step 2 (wholesale and variable levels): 6% per year for years 2016 to 2018 and up to 5% per year thereafter*

*Rate increases beyond 2018 are proposed as listed in the above, with the requirement to amend the Utility Rate By-law and submit it to the Board for file.

In addition to the increases proposed above, the City also requested the ability to raise the utility rates an additional increase of up to 1% at its discretion for the years 2017 and 2018 to accommodate any unforeseen capital expenditures or operating increases.

The Board in its Order 124/15 denied the City's request for interim *ex parte* approval of the discretionary increases, indicating that it will review the request prior to setting final rates.

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 is defined as the Utility fund balance, excluding any capital related items plus Utility reserves.

As per the 2016 audited financial statements, the most recent information available, the working capital surplus at December 31, 2016 was:

	2016	2015
Fund Surplus (Deficit)	\$14,109,552	\$9,248,646
Deduct Tangible Capital Assets	\$14,675,736	\$11,310,170
Add Long-Term Debt	\$1,291,884	\$2,312,170
Add Utility Reserves	\$16,908,651	\$15,236,495
Equals Working Capital Surplus (Deficit)	\$17,635,351	\$15,487,141
Last year's operating costs	\$6,257,520	\$5,206,933
20% of last year's operating costs	\$1,251,504	\$1,041,387

Cost allocation methodology:

The Board requires all municipalities to review the costs shared between the general operations of the Municipality and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This policy 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 had a Cost Allocation Methodology approved in Board Order No. 02/13.

Contingency Allowance

No contingency allowance was incorporated in the proposed rates. The City has indicated that the reserves and working capital are at sufficient levels. The new rates will continue to build the reserves for the major capital expenditures.

Capital Plan

The City is planning to spend \$145 million in capital projects, with approximately \$25 million of it funded from its reserves and \$17 million from borrowing. The cost of the project is estimated at \$106 million with 83% funded expected through grants from the Canada Manitoba Infrastructure and Industry program.

The most significant capital project is the removal of nutrients from the wastewater effluent. The City's share of \$17.7 million has been built into its 10 year capital plan (2016-2025), with funding sources of reserves and debt. The engineering and design work is scheduled in 2015 and 2016 and construction is to take place from 2017 to 2019.

4.0 Board Findings

The Board has reviewed the projected operating expenses submitted by the City and will confirm as final the water and wastewater rates for the City of Portage la Prairie as previously approved in Board Order No. 124/15.

The Board notes that the City has not used the recommended guidelines for determining rates for some time. The Board has approved this divergence in rate Board Orders for the City for more than 10 years and will continue this approval in this Board Order. Should the City continue to recommend an alternative methodology, the Board will expect the City to prepare future rate submissions using Board recommended methodology, if only for comparative purposes.

The Board acknowledges the City's progress in narrowing the gap between various step rates that are charged, and encourages continued efforts in that direction.

Using the City's methodology, the quarterly service charges are significantly less than would otherwise be dictated under Board recommended methodologies.

This results in revenue requirements being achieved through commodity rates rather than through fixed charges. While this reduces revenue certainty for the Utility, it provides customers the flexibility to affect their costs by more judicious consumption habits. The Board accepts that this is directionally consistent with its objective of water conservation.

With regards to the discretionary rate increases after 2018, the Board will not approve the applied for rates, instead it encourages the City to review Board Order No. 86/17, which outlines the Simplified Rate Application Process for municipally owned public utilities. If after its review the City finds that it meets the designated criteria, it should apply for rates using the Simplified Rate Application Process.

The Board, per Board Order No. 2/13, will continue requiring the City to provide annual progress reports to the Board with respect to the nutrient removal project, which began in 2013 until completion, to be submitted by February 15 of the following year, as previously Ordered. The City is encouraged to provide the updates on a timely basis.

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.

5.0 IT IS HEREBY ORDERED THAT:

1. The water and wastewater rates for the City of Portage la Prairie as approved on an interim basis in Board Order No. 124/15 BE AND ARE HEREBY CONFIRMED AS FINAL in accordance with the attached Schedule "A", effective January 1, 2016.
2. The City of Portage la Prairie amend its water and wastewater rate By-law to reflect the decisions in this Board Order and submit a copy to the Board once it has received third and final reading.
3. The City of Portage la Prairie provide annual progress reports to the Board with respect to the nutrient removal project until its completion, to submitted by February 15 of the following year.
4. The City of Portage la Prairie review its water and wastewater rates 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 June 30, 2019.

Fees payable upon this Order - \$500.00.

THE PUBLIC UTILITIES BOARD

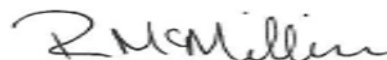
“Shawn McCutcheon.”

Panel Chair

“Rachel McMillin, B.Sc.”

Acting Secretary

Certified a true copy of Order No. 14/18 issued
by The Public Utilities Board



Acting Secretary

SCHEDULE "A"

City of Portage la Prairie Water and Sewer Rates By-Law No. 15-8633

1

Schedule of
Quarterly

i) Rates:

	gallons per quarter		2016		Total
	Min	Max	Water /1,000 gal.	Sewer /1,000 gal.	Water & Sewer
Domestic		50,000	5.58	8.42	14.00
Intermediate	50,001	500,000	4.51	8.42	12.93
Wholesale	500,001	4,000,000	4.34	5.90	10.24
Variable	4,000,001		1.82	5.90	7.72

Bulk Sales 8.33

restated in cubic meters

	Min	Max	Water	Sewer	Water & Sewer
			/cubic meter	/cubic meter	
Domestic		227.31	25.37	38.28	63.65
Intermediate	227.32	2,273.05	20.5	38.28	58.78
Wholesale	2,273.06	18,184.36	19.73	26.82	46.55
Variable	18,184.37		8.27	26.82	35.09

Bulk Sales 37.87

Sewer only residential customers

For most customers, the average quarterly consumption in gallons of water used for residential customers at the domestic sewer rate plus the quarterly service charge.

Where an exception to this occurs there is a water meter installed at locations such as these and charged per quarter on measured consumption.

II) **Minimum Charges per Quarter** **2016**

A) **Water & Sewer Customers**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Total Non-sewer Quarterly Minimum
5/8 inch	1	3,000	19.72	16.74	25.26	61.72	36.46
3/4 inch	2	6,000	19.72	33.48	50.52	103.72	53.2
1 inch	4	12,000	19.72	66.96	101.04	187.72	86.68
1 1/2 inch	10	30,000	19.72	167.4	252.6	439.72	187.12
2 inch	25	75,000	19.72	391.75	631.5	1,042.97	411.47
3 inch	45	135,000	19.72	662.35	1,136.70	1,818.77	682.07
4 inch	90	270,000	19.72	1,271.20	2,273.40	3,564.32	1,290.92
6 inch	170	510,000	19.72	2,351.90	4,269.00	6,640.62	2,371.62

B) Water only customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

C) Sewer only residential customers

Customers using sewer service only will pay the relevant minimum charge shown in "A" above except that the water commodity charge will be omitted.

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Schedule of
Quarterly

i) <u>Rates:</u>	gallons per quarter		2017		Total
	Min	Max	Water /1,000gal.	Sewer /1,000 gal.	Water & Sewer
Domestic		50,000	5.75	8.67	14.42
Intermediate	50,001	500,000	4.69	8.67	13.36
Wholesale	500,001	4,000,000	4.47	6.25	10.72
Variable	4,000,001		1.91	6.25	8.16

Bulk Sales 8.58

restated in cubic meters

	Min	Max	Water	Sewer	Water &
			/cubic meter	/cubic meter	Sewer
Domestic		227.31	26.14	39.41	65.55
Intermediate	227.32	2,273.05	21.32	39.41	60.73
Wholesale	2,273.06	18,184.36	20.32	28.41	48.73
Variable	18,184.37		8.68	28.41	37.09

Bulk Sales 39.01

Sewer only residential customers

For most customers, the average quarterly consumption in gallons of water used for residential customers at the domestic sewer rate plus the quarterly service charge.

Where an exception to this occurs there is a water meter installed at locations such as these and charged per quarter on measured consumption.

ii) **Minimum Charges per Quarter** **2017**A) **Water & Sewer Customers**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum	Total Non- sewer Quarterly Minimum
5/8 inch	1	3,000	20.31	17.25	26.01	63.57	37.56
3/4 inch	2	6,000	20.31	34.5	52.02	106.83	54.81
1 inch	4	12,000	20.31	69	104.04	193.35	89.31
1 1/2 inch	10	30,000	20.31	172.5	260.1	452.91	192.81
2 inch	25	75,000	20.31	404.75	650.25	1,075.31	425.06
3 inch	45	135,000	20.31	686.15	1,170.45	1,876.91	706.46
4 inch	90	270,000	20.31	1,319.30	2,340.90	3,680.51	1,339.61
6 inch	170	510,000	20.31	2,442.70	4,397.50	6,860.51	2,463.01

B) Water only customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

C) Sewer only residential customers

Customers using sewer service only will pay the relevant minimum charge shown in "A" above except that the water commodity charge will be omitted.

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Schedule of
Quarterly

i) Rates:

	gallons per quarter		2018		Total
	Min	Max	Water /1,000 gal.	Sewer /1,000 gal.	Water & Sewer
Domestic		50,000	5.92	8.93	14.85
Intermediate	50,001	500,000	4.88	8.93	13.81
Wholesale	500,001	4,000,000	4.63	6.63	11.26
Variable	4,000,001		2.01	6.63	8.64

Bulk Sales 8.84

restated in cubic meters

	Min	Max	Water /cubic meter	Sewer /cubic meter	Water & Sewer
Domestic		227.31	26.91	40.6	67.51
Intermediate	227.32	2,273.05	22.18	40.6	62.78
Wholesale	2,273.06	18,184.36	21.05	30.14	51.19
Variable	18,184.37		9.14	30.14	39.28

Bulk Sales 40.19

Sewer only residential customers

For most customers, the average quarterly consumption in gallons of water used for residential customers at the domestic sewer rate plus the quarterly service charge.

Where an exception to this occurs there is a water meter installed at locations such as these and charged per quarter on measured consumption

ii) **Minimum Charges per Quarter** **2018**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer	Total
						Total Quarterly Minimum	Non-sewer Quarterly Minimum
A) 5/8 inch	1	3,000	20.92	17.76	26.79	65.47	38.68
3/4 inch	2	6,000	20.92	35.52	53.58	110.02	56.44
1 inch	4	12,000	20.92	71.04	107.16	199.12	91.96
1 1/2 inch	10	30,000	20.92	177.6	267.9	466.42	198.52
2 inch	25	75,000	20.92	418	669.75	1,108.67	438.92
3 inch	45	135,000	20.92	710.8	1,205.55	1,937.27	731.72
4 inch	90	270,000	20.92	1,369.60	2,411.10	3,801.62	1,390.52
6 inch	170	510,000	20.92	2,538.30	4,531.30	7,090.52	2,559.22

B) Water only customers

Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

C) Sewer only residential customers

Customers using sewer service only will pay the relevant minimum charge shown in "A" above except that the water commodity charge will be omitted.

Meter Size conversion to cubic meters

Meter Size	Group Capacity Ratio	Water Included Gallons	Cubic Meters
5/8 inch	1	3,000	13.64
3/4 inch	2	6,000	27.28
1 inch	4	12,000	54.55
1 1/2 inch	10	30,000	136.38
2 inch	25	75,000	340.96
3 inch	45	135,000	613.72
4 inch	90	270,000	1,227.44
6 inch	170	510,000	2,318.51

4. Accounts Due – Penalties

All water accounts shall be filed within 15 days following the end of the quarter in which the water was used, and shall be payable at par on the first day of the month, next following the date of billing, called hereafter the due date, and for 21 days thereafter. A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date.

5. Disconnections

The Public Utilities Board has approved the Conditions Precedent to be followed by the City 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 City Hall.

The water may be shut off in compliance with the Conditions Precedent, and may be turned on only after all arrears and penalties have been paid together with the sum of \$40.00 for the turning on of the water, during the normal working hours of the City Employees.

6. Outstanding Charges Form a Lien on the Land

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 collected, and with like remedies.

7. Service to customers Outside the City Limits

The Council of the City may sign agreements with customers for the provision of water and sewer services to properties outside the legal boundaries of the City. Such agreements shall provide for payment of the appropriate rates set out in this schedule herein, 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 utilities mains and installing and maintaining service connections will be paid by the customer.

8. Fire Hydrant Rental and Connections

The City shall pay to the water utility an annual rent of \$125.00 per hydrant for fire hydrants situated within the corporate limits of the City, which annual rental amount shall include charges for all water used through such hydrants for fire fighting purposes.

Privately owned hydrants that are direct extensions of the City's internal water distribution system shall be subject to an annual connection fee as follows:

	i. Location of hydrant:	
	ii. <u>In-city</u>	<u>Rural</u>
Metered	\$50	\$125
Unmetered	\$125	\$200

9. Bulk Sales

All water sold in bulk sales shall be charged for at the rate as identified in this schedule per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons.

10. Water Service for Construction

This rate shall be a flat rate of \$45.00 per construction turn-on for a period up to the date of substantial completion of the project as defined by the Builders Liens Act. The Contractor will also be responsible to pay the City the cost of any water consumed during this period at the applicable sewer and water rates. There would be a maximum of one construction turn-on per building allowed.

The rate for either construction turn-on performed outside of normal working hours shall be fixed at \$95 per construction turn-on.

11. Oversize Meter Charges *Note: fees may change with new digital meters*

That an oversize meter charge be levied on every water meter installed larger than the basic 5/8" water meter at actual cost difference to cost of the basic 5/8" water meter.

12. Calibration Fee

That a calibration fee be charged on each water meter removed to check the meter calibration. That calibration shall be \$75.00 per calibration, which represents the cost of removing the water meter, checking the calibration and installing of a water meter. When the calibration of the water meter is found to be reading incorrect, the calibration fee shall be returned to the water meter user.

13. Change of Water or Water & Sewer

That a charge for change of water or water and sewer shall be \$40.00 per meter per turn on, performed during normal working hours, for a service that has changed users or service, the fee to recover the cost of completing the change of user or service.

That the charge for a change of water or water and sewer user shall be \$95.00 per meter per turn-on, performed outside of normal working hours, for a service that has changed users, the fee to recover the cost of completing the change of user.

14. Inspection Fee

That the inspection fee for a new sewer and water installation shall be \$50.00 per inspection per service installation between the street property line and the buildings. The inspection fee recovers the cost of the inspection and the completion of the records.

15. Reconnection Fee

That the reconnection fee shall be \$40.00 per meter per reconnection performed during normal working hours. That the charge be services that are discontinued due to unpaid accounts.

That the reconnection fee shall be \$95.00 per meter per reconnection performed outside of normal working hours. That the charge be for services that are discontinued due to unpaid accounts.