

Order No. 43/22

**TOWN OF LAC DU BONNET
TOWN OF LAC DU BONNET WATER AND WASTEWATER UTILITY
REVISED WATER AND WASTEWATER RATES**

**April 25, 2022
Revised January 3, 2023**

**BEFORE: Shawn McCutcheon, Panel Chair
Irene Hamilton, Q.C., Panel Member**

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6.0 IT IS THEREFORE ORDERED THAT: 21

1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board or PUB) grants approval of the Town of Lac du Bonnet (Town) Water and Wastewater Utility's (Utility) application for revised water and wastewater rates.

The Board grants approval to revise the Town's methodology in charging the Rural Municipality of Lac du Bonnet (RM) for wastewater customers located in the Tanco Development (Tanco).

The revised rates are below:

	Jul 1, 2022	Jan 1, 2023	Jan 1, 2024
Quarterly Service Charge	\$ 20.75	\$ 21.25	\$ 21.80
Water (\$/cubic meter)	\$ 2.75	\$ 2.80	\$ 2.85
Wastewater (\$/cubic meter)	\$ 1.25	\$ 1.30	\$ 1.30
Minimum Quarterly Charge*	\$ 76.75	\$ 78.65	\$ 79.90
Bulk Water (\$/cubic meter)	\$ 4.10	\$ 4.15	\$ 4.20

*based on 14 cubic meters

Details of other rates can be found in Schedule A.

The reasons for the Board's decisions are under Board Findings.

2.0 Background

The Town serves 528 metered water and wastewater customers within Town limits and 10 metered water and wastewater customers outside its boundaries.

The Town provides lagoon service to the Rural Municipality of Lac du Bonnet (RM) serving 20 members of a water co-operative known as Tanco Crescent Water Coop Ltd. (Tanco). The RM has historically been billed annually for a single quarterly service charge for each connection and a charge for lagoon service based on 53 cubic meters of use per connection, per quarter. The individual residents' water service is not metered.

The Town has a 10" water line that is capped currently and was installed for future expansion. A minimum bill for a 10" meter was included in the Town's request to review and vary Board Order No. 7/16, and was approved in Board Order No. 36/16. The Town advised in its rate study that no 10" meter is installed.

The Town has a 6" water line and a meter pit with a 6" meter installed, located at the boundary line of the Town and the RM. This installation was to serve several new customers in the RM. The Town advised in its rate study this expanded use has not yet materialized.

There has previously been one customer attached to the 6" line. The customer was the Glen Howard Inn (GHI) and the connection was served by a 1½" line and meter. GHI closed operations several years ago, however the Town advised the Board in November 2021 that GHI had new owners receiving water and wastewater services.

The Town also serves one fire hydrant served by the 6" line and this hydrant is located in the RM. The Town pays currently the fire hydrant charge to the Utility, and has requested approval to bill the RM the approved fire hydrant charge.

The Town also requested approval to bill Manitoba Hydro for a fire hydrant rental, but did not provide any further information about the location or why Manitoba Hydro is responsible for the fire hydrant change.

Water Supply/Distribution

The Town sources its water from the Winnipeg River. The water treatment plant has unused capacity and is in good condition.

The Town has replaced 75% of its old cast iron water mains and plans to replace the remainder at a cost of \$1,750,000. The Town intends to pay for half this cost from its fund surplus and the balance from federal/provincial grants. The Town advises there are no plans to raise any new debt to be recovered by taxes.

In 2019, the Town spent \$1,200,000 for line replacements of which half was funded through internal funds and the balance from grants. The same year the Town spent \$295,000 replacing meters; 30% of this project was funded by a grant, and the balance from internal funds.

The Town sells a considerable amount of bulk water and in 2018; it earned \$140,039 from bulk water fees.

The Town is meeting Drinking Water Standards. Operators are all duly certified to operate the water facility and training is provided as necessary.

An engineering assessment of the water system is required every 5 years unless extended by Water Stewardship. The Town advised that the last assessment was in 2019.

Wastewater Collection and Treatment

The Town's lagoon is 25 years old and while it was at first believed the lagoon might have hydraulic capacity issues subsequent investigation and repairs resolved an overloading issue. A discharge restriction was detected and once repaired the overloading was resolved. A lagoon capacity assessment is no longer required.

Lagoon discharges are made into the Winnipeg River.

The wastewater lines are in reasonable condition and the Town is considering a wastewater line insertion process to extend the useful life of the lines. The lines are regularly scoped and flushed. The Town is considering a wastewater line insertion process to extend the useful life of the lines.

Upgrades have been made to both the lift stations including the installation of back-up generators.

The Town is compliant with its Environmental License. Prior to the lagoon discharge repairs, all emergency releases had the necessary approvals.

Operator training is budgeted to the extent required.

3.0 Board Methodology

Review Process

When reviewing an application, the Board has at its disposal two approaches, a paper review process or a public hearing. After the publication of the Notice of Application, the Board considers the application and responses, if any, and determines which method of review is most appropriate. Whenever reasonable, the Board can review the application using a paper review process, which saves the cost of a public hearing.

Where there is an urgent need for initial or revised rates and the Board determines it to be in the best interest of all parties, the Board may establish interim *ex parte* rates.

Contingency Allowance and Utility Reserves

The Board's Water and Wastewater Rate Application Guidelines recommend an annual contingency allowance equal to 10% of the variable operating costs.

Working Capital

Board Order No. 93/09 established utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus is the Utility fund balance, excluding any capital-related items plus Utility reserves.

Operating Deficits

By law, Manitoba utilities are not allowed to incur deficits. In the event that a deficit does occur, the Utility is required by *The Municipal Act* to obtain Board approval for both the deficit and recovery methodology. The Board is therefore bound to approve reasonable rates based on reasonable expense projections.

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 approval by the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

Unaccounted for Water

Water losses may be caused by such events as distribution line losses, service leaks, water used for fire fighting or line flushing, and under-registration of water meters. The Board Guidelines require utilities to compare the volume of water produced or purchased against the volume of water sold, to determine the percentage of unaccounted for water. Unaccounted for water volumes of approximately 10% are considered industry standard.

The Board expects any utility experiencing a greater volume of unaccounted for water to provide an explanation and plan to address the water losses.

4.0 Application

On September 29, 2020 the Board received an electronic copy of the rate study from the Town prepared by the Town's consultant. The submission referenced By-law No. 14/20, read for the first time January 8, 2020; however a copy of the by-law was not included. The Town had previously submitted By-law No. 14/20 with an earlier rate application, but the proposed rates in the September 2020 rate study and By-law No. 14/20 did not match.

On October 13, 2020, the Board contacted the Town to request an amended By-law No. 14/20 supporting the proposed rates identified in the rate study. The Board asked that the Town provide a copy in Word and a certified copy of the amended by-law. A revised copy was received October 15, 2020 in PDF format, followed the next day by a version in Word.

The Town did not advise there were any changes between the PDF and Word versions, and the discrepancies between these two versions were not detected until April 2022. The discrepancy is in the wording used in Clause 3.0 iii and iv, which are new additions to the Utility's by-law and involve the "Capital Charge" for new connections. Further details on this are found below.

A third version was submitted November 9, 2020, with a note advising the Board of the proposed change to By-law 14/20, which would amend Clause 4.0 to include a provision to bill Manitoba Hydro for one (1) hydrant rental. No additional information was provided regarding this hydrant or why the Town was requesting to bill Manitoba Hydro the annual rental charge.

All three versions of the By-law had received first reading January 8, 2020, and had not yet received second reading.

The Town's application included a request to revise the method in which the RM is billed for Tanco wastewater connections. The rate study provided the following information regarding the billing arrangement between the Town and the RM:

"The Rural Municipality of Lac du Bonnet shall pay, to cover service provided to residences on the properties in the Tanco subdivision:

i) The Utility rates that are set.

ii) Any additional surcharge sufficient to cover all taxes for the sewage lagoon which it would be required to pay if such residences were in Town."

The Town's application states it believes the estimated quarterly usage of 53m³ is low. While the Town does not supply water to the residents, Tanco residents are receiving a metered piped water service measured through a single meter. Through a Freedom of Information request, the Town has obtained these meter readings. It is based on this information the Town believes the use of the lagoon exceeds 53m³ and has requested the meter readings be provided to the Town and used to bill the RM in the future.

The Town stated it had previously sought to obtain the meter reading from both the RM and Tanco, without success. The Board asked the Town how it intended to obtain the meter readings for future billing purposes, and the Town advised if unable to obtain the readings from the RM or Tanco, it would continue to request an annual reading from Manitoba Conservation, and use that reading to bill the RM for services provided to Tanco.

The Town's By-law No. 14/20 also repeals By-law No. 147/13, which includes interim rates for 2014, 2015 and 2016 approved in Board Order No. 17/14, approved as final in Board Order No. 7/16. Board Order No. 7/16 also granted approval of revised rates for March 1, 2017, 2018 and 2019. The Town requested a review and vary of Board Order No. 7/16 in February 2016 asking to change the effective dates to January 1 instead of March 1, to remove the pail fill rate and add rates for 6" and 10" connections, as well as a request to change the methodology for charging the RM for Tanco connections. All

requests were approved, with the exception of the Tanco request, which was denied. The Board recommended the Town consult with Tanco ratepayers and revise the existing agreement prior to seeking Board approval.

Board Order No. 36/16 was issued as a result of the Town's request to review and vary Board Order No. 7/16 and included revised rates for April 1, 2016, January 1, 2017, 2018 and 2019. The Town's 2020 rate study and the Notice of Application approved by the Town both identified the Utility's current rates as those approved in Board Order No. 36/16.

The Board sent a letter October 15, 2021 with a list of questions stemming from the review of the Town's rate application, including a request for a copy of any current or amending by-laws in use by the Town. On November 17, 2021 the Town sent a copy of By-law 147/13, which did not include the current rates identified in the Town's rate study and the Notice of Application. The Board sent a follow up inquiry in April 2022, and was advised by the Town that the only By-law in use is 147-13, and further, "There was never a Rate Study or By-Law done for 2016-2019 as the new rates for 2016-2019 were determined by PUB without the Town of Lac du Bonnet's request or input that we know of."

It is unclear if the Town is charging the rates approved in Board Order No. 36/16 to be implemented January 1, 2019 without a by-law, or if the Town is charging the rates set out in By-law 147/13, which are not the rates approved by the Board.

Schedule A to By-law No. 14/20 also included revisions to other fees charged and terms and conditions of service. These changes were consistent among the three versions of the by-law submitted by the Town. The changes to fees (except Clauses 3.0 iii and iv, which are reviewed below) were as follows:

Clause	Description	By-law 14/20	By-law 147/13
3.0 vii)	Fee for water "turn on" or "turn off"	\$ 50.00	\$ -
3.0 ix)	Service charge before water is turned on	\$ 50.00	\$ 25.00
4.0	Annual fire hydrant charge	\$ 200.00	\$ 106.00
8.0 iv)	Fees for the disconnection, removal or reconnection of water meter	\$ 50.00	\$ 25.00
8.0 v)	Tampering with meter seal, meter reinstatement fee	\$ 50.00	\$ 25.00
11.0 ii)	Failure to arrange and provide access to meter	\$ 100.00	\$ 50.00

Revisions to terms and conditions were:

1. Clause 2.0, which sets out Minimum Quarterly Charges, eliminated the clauses for Water Only Customers and Sewer Only Customers.
2. Clause 3.0 vii, which revised the process for billing a consumer applying for a turn on or turn off service during the quarter from a proportionate billing to billing the full amount of the minimum quarterly charge.
3. Clause 8.0 iii, which amended the adjustment period from four months to three.

System Development Charge

By-law No. 14/20 included the addition of a Capital Charge. These charges are found in Clause 3.0 iii and iv of By-law No. 14/20, and are the same amount as the System Development Charges for out-of-boundary connections approved by the Board in Board Order No. 62/17.

It is unclear if the Town is charging the SDC approved in Board Order No. 62/17 to be implemented January 1, 2016 without a by-law, if the Town is not charging an SDC or if no new out-of-boundary connections have been made since January 1, 2016.

The versions of By-law No. 14/20 received October 16 and November 9, 2020 proposed the following for Clause 3.0:

iii) Each customer or developer installing a new water connection to the mainline shall be assessed a Capital Charge in the amount of \$2,500.00. The assessed amount shall be paid as a lump sum fee.

iv) Each customer or developer installing a new wastewater connection to the mainline shall be assessed a Capital Charge in the amount of \$1,500.00. The assessed amount shall be paid as a lump sum fee.

The version of By-law 14/20 received October 15, 2020 proposed the charges be multiplied by the group capacity ratio size, rather than a single charge regardless of the size of the meter. Since this version was the first received by the Board, and subsequent versions did not include this language, the Board considers the version received on November 9, 2020 to be the final version to be used in its decision.

The Town's rate study provided a history of the Board's approval of a System Development Charge (SDC) to out-of-boundary customers in Board Order No. 62/17, which was issued June 13, 2017. On August 14, 2017 the Town requested a review and vary of Board Order No. 62/17, on the grounds the Board had erred in law.

The Board reviewed the Town's application to review and vary Order No. 62/17, and issued Board Order No. 141/18 denying the Town's request.

The 2020 rate study stated (in part):

As noted earlier there now is a strong emphasis on not using taxes to fund capital projects in the future as the Town plans to pay future capital costs by grants and by the use of internal funds. This would have the affect of capital costs no longer being recovered in taxes. Therefore, it will be only through consumption that future capital will be paid and accordingly, new customers and/or developers will not have contributed to the capital cost through taxes.

The rate study goes on to provide information relating to the three outstanding debentures and the amount a vacant lot owner would have contributed over the life of these debentures, stated to be \$682.25.

In relation to determining the appropriate contribution for an SDC, the rate study stated:

The second issue relates to whether a landowner should be asked to pay a multiple of the SDC if the landowner builds a multiple use facility, industrial facility or a multiple residential property on the property. Since the SDC is intended to reflect the use of the capacity of a system paid for by others it would seem appropriate to charge the landowner based on the group capacity ratio of the meter installed to service the development. In fact, this appears to be the direction the PUB was providing when it stated as follows:

“If the Town uses REUs in calculating the value of the SDC, then that is how the charge should be applied to new customers. If a multi family dwelling is added with a two inch connection, it should be paying the equivalent of 25 REUs.”

Appendix 1 Clause 2.0 shows the Group Capacity Ratios (GPRs) of various meter sizes, which could be used to determine the multiple of the SDC to be charged. A 5/8” residential meter has a GPR of 1 and a 2” meter has a GPR of 25 times. While the GPR does reflect the potential capacity to be used by a customer, a contribution of 25 times the approved SDC will be significant. In Order No 62/17 the PUB notes that the then Town Council was concerned with this approach presumably because the large SDC may deter development.

There is an ability of the Town through General Funds to subsidize such SDCs by making a transfer from General Funds to the Utility Fund by the amount of the subsidy. If the new customer is an industrial customer, for example, that brings other benefits to the Town then the transfer may be appropriate but the Transfer keeps the Utility whole as the Utility customers alone ought not be the only residents contributing the incentive for the development.

The Town will be considering these two (2) issues in making its application to the PUB.

No further evidence or explanation was provided in the application. The Town did not submit any further description or information about the proposed subsidy from General Funds.

The Board issued a Public Notice of Application on January 18, 2021 affording customers the opportunity to comment to both the Board and the Town with respect to the proposed rate changes. The Board received six responses to the Notice, all of which were from members of the Tanco Crescent Water Cooperative.

The responses expressed concern about the metered water volume being used as the basis for the wastewater volume being charged, given that not all water is returned to the wastewater system.

Contingency Allowance and Utility Reserves

The Town has included in its projections a contingency allowance of 10% of net rate requirements, less amortization expenses and interest. This equates to \$9,760 for water and \$515 for wastewater.

There is an annual transfer of \$12,250 from water rates and \$75,000 from wastewater rates to the Utility Reserve proposed.

Working Capital

As per the 2019 audited financial statements, the working capital surplus at December 31, 2019 was:

	2019
Accumulated Fund Surplus	\$5,774,897
Deduct tangible capital assets	\$6,458,448
Add long term debt	\$1,663,614
Add utility reserves	\$628,804
Equals Working Capital Surplus	\$1,608,867
Total utility expenses	\$526,118
20% of total utility expenses (target)	\$105,224

Operating Deficits

The Town has advised the Utility has not experienced any operating deficits in the past five years.

Cost Allocation Methodology

The Board approved the Utility's current Cost Allocation Methodology (CAM) in Board Order No. 105/13. The Town did not propose any changes to the existing CAM.

Unaccounted for Water

The Utility indicated the average unaccounted for water for the five year period ending 2019 was 8.9%.

5.0 Board Findings

Having considered the Town's filing and reviewed the responses to the Notice of Application, the Board has chosen a paper review process.

The Board has reviewed the proposed revisions to other fees charged and terms and conditions of service in By-law No. 14/20, and finds them to be reasonable, with the exception of those relating to the System Development or Capital Charge.

The By-law sought to define three customers responsible for annual fire hydrant rental charges; the Town itself, the RM of Lac du Bonnet and Manitoba Hydro. Typically, fire hydrant rental charges are the responsibility of the municipality that owns the Utility. The Board is not aware of any other utility in this position. The Board will vary Clause 4.0 to grant approval of the annual charge for the fire hydrant charge, without designating who is responsible for payment of the annual charge. The Board will direct the Town to provide evidence of consultation with, and Notice to, both the RM and Manitoba Hydro regarding the proposed charging of a hydrant fee, including the Town's rationale for the charge. This evidence must be filed with the Board prior to implementation of the charge to the RM or Manitoba Hydro.

The Board has reviewed the Town's proposal to charge the RM for customers in the Tanco Development based on water volumes. The practice of using water volumes as the basis for wastewater volumes being charged is common to all metered utilities, including the customers of the Utility located in the Town itself. The Board is not aware of any utility in Manitoba metering wastewater and recognizes using the water inflows is the best practice. The Board finds the Town's proposed revisions to better align with the user-pay principle, and will grant approval to the Town to charge the RM of Lac du Bonnet for wastewater usage based on the water meter readings for the Tanco Crescent Water Co-op Ltd. Since the Town bills the RM annually, the effective date of this change will be January 1, 2022.

The wastewater charge is to reflect the actual water meter reading, and there is no established minimum quarterly volume associated with this billing. The Board recommends the RM and/or the Tanco Water Co-op cooperate with the Town to provide timely meter readings, in order to keep the Town's administration costs associated with Tanco as economical as possible.

The Board notes that on page one of By-law 14/20 mentions "...each customer connected to the wastewater system but not connected to the water system..." however, the only wastewater-only customers identified are the Tanco customers. If this section of page one of the By-law refers to Tanco customers, it should be revised to reflect the Board's decisions in this Order, otherwise it should be stricken from the By-law, before third and final reading.

In addition, Clause 1.0 b) should be amended from "...the number of residents..." to "...the number of connections...", as reflected in Schedule A to this Order.

The Board has reviewed the Town's submission in support of revising the System Development Charge to apply to new connections located within the Town. The Town's application suggested the possibility of the General Fund subsidizing these charges, but does not provide details of such an arrangement.

The Board considered the Town's proposal to adjust the System Development Charge to exclude the contributions for the current value over the life of the debentures valued at \$682.25. This valuation only includes the three outstanding water debentures, and makes no adjustment for contributions to capital associated with wastewater at all.

In page 10 of Board Order No. 62/17 the Board found:

"The Town submitted that its intention is to charge the same SDC to both in and out of boundary customers; therefore the Board does not find that this adjustment is reasonable for all users and does not align with the goal of the system buy-in method. The Board finds that the Town taxpayers are not subject to the SDC, as they have already contributed to the existing equity and will continue to contribute through their taxes."

The Board does not find the Town has provided any compelling evidence to revise the finding from Board Order No. 62/17. The Board will edit the by-law to include the System Development Charge approved in Board Order No. 62/17 into Clause 5.0, which applies to out-of-boundary connections only.

The Town's attempts to establish an SDC (also referred to in previous submissions as connection fees, one time capital charge fee, etc) are complex and date back to 2011. The history of the issue is detailed in Board Orders No. 46/13, 80/15, 62/17 and 141/18.

The Board has reviewed the application and revenue projections presented by the Town and grants approval of the revised rates.

The Town's submission included offsetting amounts for capital contributions from the Gas Tax Reserve and made reference to the "amortization of grants" allowed by the Board, as established in Board Order 93/09.

In page 10 of Board Order No. 93/09, "...for rate setting purposes the Board will require that amortization expense be offset in the reflection of rates by the amortization of related capital grants." The distinction of the grants being amortized being defined as capital grants is important and intentional. The amortization adjustment is only permitted for capital grants, which are designated and must be used for specific capital projects. The Board allowed the deferral of capital grants, because there is an expectation the money from a capital grant will be spent on a mutually known and agreed to project, rather than funds with no conditions attached to them.

Gas Tax Reserves are not capital grants, and may not be amortized in the same way for rate setting purposes. Future submissions from the Town should not include any offsetting amortization except that stemming from capital grants, as intended in Board Order No. 93/09. The Public Utilities Board Note to the Consolidated Financial Statements should provide verification to support the Town's submission regarding capital grant amortization.

The Board strongly encourages the Town to work closely with its auditor(s) to ensure the Public Utilities Board Note to the Consolidated Financial Statements is complete and accurate. If this note is omitted, incomplete, or incorrect, it limits the Board's ability to assess the Utility's financial position, and the Town's ability to set appropriate rates to sustain the Utility and its operations.

The Town's failure to amend its utility by-law to include the revised rates approved in Board Order No. 36/16 and the SDC approved in Board Order No. 62/17 is of concern to the Board. All items found in the empowerment section of an Order, under the heading, "IT IS THEREFORE ORDERED THAT:" are Board ordered directives. Directives are not recommendations, or discretionary and all directives must either be complied with or appealed as outlined below. Pursuant to The Public Utilities Board Act, the Board can apply penalties for noncompliance.

The Board will order the Town to amend its utility rate by-law to reflect the decisions in this Order. Considering the Board's rules allow 30 days for applications to review its decisions, the Board will direct the Town to submit the by-law, in draft form, to the Board to review it for completeness on or before May 31, 2022 but prior to third and final reading.

According to the Manitoba Municipal Officials Directory 2022, Town Council meets the 2nd and 4th Thursday of every month, therefore the Board will expedite the review and commit to approving the draft by-law one week from receipt (June 6, 2022 or sooner), to allow for Council to give it third reading at the June 9, 2022 meeting.

Once the by-law has had third and final reading, the Town must submit a certified copy to the Board, on or before June 13, 2022.

The Board directs the Town to review its water and wastewater rates for adequacy and file a report with the Board, as well as an application for revised rates if required, by no later than June 30, 2025.

The Board reminds the Town regular reviews are important for a financially sound utility and encourages the Town to review Board Order No. 86/17 for future rate applications.

The Order outlines the Simplified Rate Application Process for municipally owned public utilities. If, after its rate review, the Town finds it meets the designated criteria for a simplified rate application, it should apply for future rates using the Simplified Rate Application Process.

6.0 IT IS THEREFORE ORDERED THAT:

1. The water and wastewater rates for the Town of Lac du Bonnet Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2022, January 1, 2023 and 2024.
2. The Town of Lac du Bonnet provide to the Public Utilities Board evidence of consultation with, and Notice to, both the Rural Municipality of Lac du Bonnet and Manitoba Hydro, regarding the annual hydrant charge, including the Town of Lac du Bonnet's rationale for the charge. This is to be filed with the Public Utilities Board prior to implementation of the charge.
3. The Town of Lac du Bonnet's application to bill the Rural Municipality of Lac du Bonnet for residents of the Tanco Development based on water meter readings for the Tanco Crescent Water Cooperative, BE AND IS HEREBY APPROVED in accordance with the attached Schedule A, effective January 1, 2022.
4. The Town of Lac du Bonnet amend its Utility rate By-law to reflect the decisions in this Order, and submit a draft copy to the Board on or before May 31, 2022.
5. The Town of Lac du Bonnet's application to charge the System Development Charge to residents within the boundaries of the Town of Lac du Bonnet BE AND IS HEREBY DENIED.
6. The Town of Lac du Bonnet review its Utility rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if applicable), on or before June 30, 2025.

Fees payable upon this Order - \$500.00

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.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD


"Shawn McCutcheon"

Panel Chair

"Jennifer Dubois, CPA, CMA"

Assistant Associate Secretary

Certified a true copy of Order No. 43/22
issued by The Public Utilities Board



Assistant Associate Secretary

January 1, 2023**1.0 SCHEDULE OF QUARTERLY RATES**A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
Domestic per m ³	\$2.80	\$1.30	\$4.10
Truck fill per m ³	\$4.15		

2.0 MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Wastewater Customers

Meter <u>Size</u>	Group Capacity <u>Ratio</u>	Water Included, <u>m³</u>	Customer Service <u>Charge</u>	<u>Commodity Charges</u>		Total Quarterly <u>Minimum</u>
				<u>Water</u>	<u>Wastewater</u>	
<u>Water and Wastewater Customers</u>						
5/8"	1	14	\$21.25	\$39.20	\$18.20	\$78.65
3/4"	2	28	\$21.25	\$78.40	\$36.40	\$136.05
1"	4	56	\$21.25	\$156.80	\$72.80	\$250.85
1 1/2"	10	140	\$21.25	\$392.00	\$182.00	\$595.25
2"	25	350	\$21.25	\$980.00	\$455.00	\$1,456.25
6"	170	2380	\$21.25	\$6,664.00	\$3,094.00	\$9,779.25
10"	610	8540	\$21.25	\$23,912.00	\$11,102.00	\$35,035.25

b) Tanco Only Customers

The annual wastewater charge shall be based on annual meter readings (multiplied by the sewer rate) plus an annual service charge equal to a multiple of a single quarterly service charge based on the number of connections on the Tanco system (20).

January 1, 2024**1.0 SCHEDULE OF QUARTERLY RATES**A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
Domestic per m ³	\$2.85	\$1.30	\$4.15
Truck fill per m ³	\$4.20		

2.0 MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Wastewater Customers

Meter <u>Size</u>	Group Capacity <u>Ratio</u>	Water Included, <u>m³</u>	Customer Service <u>Charge</u>	<u>Commodity Charges</u>		Total Quarterly <u>Minimum</u>
				<u>Water</u>	<u>Wastewater</u>	

Water and Wastewater Customers

5/8"	1	14	\$21.80	\$39.90	\$18.20	\$79.90
3/4"	2	28	\$21.80	\$79.80	\$36.40	\$138.00
1"	4	56	\$21.80	\$159.60	\$72.80	\$254.20
1 1/2"	10	140	\$21.80	\$399.00	\$182.00	\$602.80
2"	25	350	\$21.80	\$997.50	\$455.00	\$1,474.30
6"	170	2380	\$21.80	\$6,783.00	\$3,094.00	\$9,898.80
10"	610	8540	\$21.80	\$24,339.00	\$11,102.00	\$35,462.80

b) Tanco Only Customers

The annual wastewater charge shall be based on annual meter readings (multiplied by the sewer rate) plus an annual service charge equal to a multiple of a single quarterly service charge based on the number of connections on the Tanco system (20).

3.0 WATER AND WASTEWATER CONNECTIONS

i) Each customer or developer installing a new water connection to the mainline shall be assessed a water connection inspection fee in the amount of \$750.00. The assessed amount shall be paid as a lump sum fee at time of application.

ii) Each customer or developer installing a new wastewater connection to the mainline shall be assessed a wastewater connection inspection fee in the amount of \$350.00. The assessed amount shall be paid as a lump sum fee at time of application.

iii) Each customer or developer installing a new water service connection to the water mainline shall be responsible for installing and connecting the water service line to the water main and to pay all charges. Conditions on Town property to be returned to original state as before water line installations.

iv) Each customer or developer installing a new wastewater service connection to the wastewater mainline shall be responsible for installing and connecting the wastewater service line to the wastewater main and to pay all charges. Conditions on Town property to be returned to original state as before wastewater line installations.

v) Each customer applying for water “turn on” or “turn off” of service (\$50.00) during any quarter, shall pay the full amount of the minimum quarterly charge during the “turn off”, unless the customer is physically disconnected. In all cases any excess water used will be charged at the rates set forth under Commodity Rates.

vi) All costs for new connections and maintenance thereafter shall be paid by the customer or developer and such connections are to be approved by the Council of the Town of Lac du Bonnet.

vii) A service charge of Fifty (\$50.00) Dollars shall be paid before any water is turned on, shall be the responsibility of the owner.

4.0 HYDRANT RENTALS

The annual charge for hydrant rentals shall be two hundred (\$200.00) Dollars.

5.0 RATES TO CUSTOMERS LOCATED OUTSIDE THE LIMITS OF THE TOWN OF LAC DU BONNET

a) Customers located outside the Town of Lac du Bonnet shall pay;

i) The appropriate rate as set out in paragraph 1.0 and 2.0 hereof, based on the units allotted to the services;

ii) All costs of constructing and maintaining all connection pipes and other items required to allow service to be used;

iii) And, in addition; from the date of connection, a surcharge to cover all current and future tax amounts for utility purposes, which they would be required to pay if located in the Town.

iv) Each customer or developer installing a new water connection to the mainline shall be assessed a Capital Charge in the amount of \$2,500.00. The assessed amount shall be paid as a lump sum fee.

v) Each customer or developer installing a new wastewater connection to the mainline shall be assessed a Capital Charge in the amount of \$1,500.00. The assessed amount shall be paid as a lump sum fee.

- b) The Rural Municipality of Lac du Bonnet shall pay, to cover service provided to residences on the properties in the Tanco subdivision
 - i) The Utility rates set forth in paragraph 1.0 and 2.0 hereof;
 - ii) Any additional surcharge sufficient to cover all taxes for the sewage lagoon which it would be required to pay if such residences were located in the Town.
- c) That the above levies are due and payable September 30th of the year in which they are levied.

6.0 BILLING AND PAYMENTS

i) All accounts shall be billed after the end of each quarter. Bills will be due and payable as per due date as stated on the bills presented. A late payment penalty will apply as per due date as stated on the bills presented. A penalty of one and one quarter percent per month of the bills shall be charged if not paid by the due date. The late payment charge will compound quarterly and will appear on the customer's next quarterly bill if unpaid.

Unpaid Accounts May be Added to Taxes on Land.

ii) Pursuant to section 252 of the Municipal Act. L.R.M.1996, c. 58, the amount of all outstanding charges, including penalties, for water and wastewater service are a lien and charge upon that land, and shall be collected in the same manner in which ordinary taxes on the land are collectable, and with like remedies.

iii) If any account is not paid within three (3) months after the due date, the service may be disconnected without further notice. Any service so disconnected shall not be reconnected until all arrears, penalties and a reconnection fee of fifty (\$50.00) Dollars has been paid.

7.0 COMPLAINTS AND ADJUSTMENTS

If a customer believes that his/her meter reading is in error, he/she may present his/her claim in writing to the Town's Office before the bill becomes delinquent, 30 days from the billing date.

Such claim, if made after the bill has come delinquent, shall not be effective in preventing discontinuance of service. The customer may pay such bill under protest and said payment shall not prejudice his/her claim.

8.0 METERS

i) That all water connections be metered. The meter is to be supplied by and is to remain the property of the Utility. The cost of the meter shall be paid by the customer.

Meter Repairs

ii) Where a Town of Lac du Bonnet water meter is damaged as a result of negligence of a user, such user shall pay the cost of repairing the damaged meter and the said amount will immediately become a debt due and owing to the Town of Lac du Bonnet within ten (10) days of the demand of same, the water service of the said user may be disconnected. A fee of fifty (\$50.00) Dollars shall be charged for a re-connection of the service disconnected under this paragraph.

Meter Testing

iii) Any customer who desires and requests that his/her water meter be tested for accuracy, shall deposit a sum of Fifty (\$50.00) Dollars with the Town of Lac du Bonnet and if the meter when

tested shall be found to register in excess of the allowable limits, the deposit shall be refunded and the customer's account adjusted for the preceding three month's use.

Meter Fees

iv) Fees for the disconnection, removal or reconnection of water meters shall be Fifty (\$50.00) Dollars.

Meter Tampering

v) Any customer who tampers with the meter seal is to pay a meter reinstatement fee of Fifty (\$50.00) Dollars to have the meter resealed. The quarterly billings for the year prior to resealing of the meter will have the volumes readjusted according to the two quarters after the resealing of the meter if the volumes are greater than 10% lower than the two quarters after resealing of the meter then the difference in volume for each of the previous four quarters will be adjusted to reflect the increase and will be invoiced to the customer. Any customer who tampers with the meter subsequent to the first tampering will pay a fine of One Hundred and Fifty (\$150.00) Dollars for each occurrence.

Meter Circumventing

vi) Any customer who circumvents the water meter by installing a bypass line around the meter or by a dual line from the water main so as to illegally draw water that has not been metered shall pay a fine of \$1,000.00 plus a charge for un-metered water consumed for each occurrence. The customer will upon discovery by the Town immediately cease the use of the bypass line and remove the bypass line within 24 hours of discovery. The Town has the right to terminate all water services to the customer in the event of failure to eliminate the bypass and pay the fine and water charges.

9.0 BULK SALES

That the following rates shall be charged for treated water received from the truck fill system:

2022	(effective July 1, 2022)	\$4.10/m ³
2023	(effective January 1, 2023)	\$4.15/m ³
2024	(effective January 1, 2024)	\$4.20/m ³

10.0 BILLINGS

All accounts for minimum quarterly charges for metered services as set forth in this Schedule of Quarterly rates shall be billed at the end of each quarter together with any excess charges for metered water and wastewater services supplied to them at the rates and terms set out in this Schedule.

11.0 METER READINGS

Quarterly Meter Readings

i) The Town will read the customer meter quarterly for quarterly billing purposes.

Annual Meter Reading

ii) The customer will provide access to the Town meter reader to record the water meter reading and to inspect the meter. In the event that the customer is not home or does not grant access, the customer will be notified that they must arrange a time and date for an appointment with the water

utility to have the meter reading recorded and inspected within 30 days of the water utility notice. Failure to arrange and provide access to the water utility within 30 days of the notice will result in a \$100.00 fine. After a period of 60 days from the water utility notice and a failure to arrange and provide access to the water utility, the water service may be shut off. Fees for disconnection and reconnection according to section 8.0 will apply.

12.0 On Site Private Wastewater Holding and Disposal Facilities and Private Well Water Systems

- i) On site private wastewater holding and disposal facilities are not allowed in the Town.
- ii) On site private well water systems are not allowed in the Town.