

**Order No. 121/18**

**THE MUNICIPALITY OF BOISSEVAIN-MORTON  
BOISSEVAIN WATER AND WASTEWATER UTILITY RATES  
February 1, 2019, 2020 and 2021  
UTILITY OPERATING DEFICIT RECOVERY FOR 2014, 2015 & 2016**

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**September 6, 2018**

**BEFORE: Marilyn Kapitany, B.Sc. (Hon), M. Sc., Panel Chair  
Carol Hainsworth, C.B.A, Member**

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates for the Municipality of Boissevain-Morton (Municipality), Boissevain Water and Wastewater Utility (Utility) effective February 1, 2019, February 1, 2020 and February 1, 2021.

The approved rates are as follows:

	<b>Current By-Law 2009-22</b>	<b>Year 1 (By-Law 2018-05)</b>	<b>Year 2 (By-Law 2018-05)</b>	<b>Year 3 (By-Law 2018-05)</b>
Water (\$/1,000 gallons)	\$ 11.25	\$ 13.40	\$ 15.55	\$ 17.70
Wastewater (\$/1,000 gallons)	\$ 3.31	\$ 3.52	\$ 3.79	\$ 4.13
Quarterly Service Charge	\$ 10.23	\$ 13.92	\$ 17.61	\$ 21.31
Rate Rider (\$/1000)	\$ -	\$ 1.68	\$ 1.68	\$ 1.68
Minimum Quarterly Charge*	\$ 53.91	\$ 69.72	\$ 80.67	\$ 91.84
Wastewater only Customers **	\$ 71.47	\$ 45.60	\$ 51.72	\$ 58.48
Bulk water sales (\$/1,000 gallons)	\$ 12.00	\$ 17.00	\$ 19.00	\$ 22.00
*Based on 3,000 gallons				
**Current rates based on 18.500 gallons, proposed rates based on 9,000 gallons				

The Board also approves the 2014 operating deficit of \$32,316, 2015 operating deficit of \$77,548 and 2016 operating deficit of \$125,879, to be recovered by rate rider of \$1.68 per 1,000 gallons per customer, per quarter. Effective February 1, 2019, this rate rider will be recovered over five (5) years, or until the total deficit amount of \$235,743 is fully recovered, whichever comes first.

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

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

## 2.0 Background

The Municipality owns and operates a water and wastewater utility serving 806 customers. All customers are metered and the utility bills are sent out on a quarterly basis, separate from the property tax bills. The Utility does not service any customers outside the Boissevain area.

In January 2014, the Municipality applied to the Board for revised water and wastewater rates but formally withdrew this application. Board Order No. 118/17 approved the withdrawal.

### Water and Wastewater Systems

The Municipality's Utility consists of a water treatment plant, five wells, a reservoir, water and wastewater lines, three lift stations and a lagoon. The water treatment plant was constructed in 2001 and the wells were reconditioned in 2008. The lift stations were reconditioned in 2001 and an improved aeration system was installed in the lagoon in 2009. Approximately 60% of the Utility's water and wastewater lines were replaced between 1996 and 2009.

The Utility is compliant with applicable environmental licenses and regulation. The Municipality is just commencing a preliminary study on the lagoon.

### Unaccounted for Water

As per the Board's Guidelines, the acceptable percentage of unaccounted water is 10%. If the percentage is above this the applicant is to explain why and the plan to remedy.

Unaccounted for water could not be calculated for this rate study because the Municipality is undergoing a meter replacement program, and as a result, negative consumption meter readings were occurring. The Municipality will be commencing an adjusting entry for new meters in 2018. As of February 2018, approximately half of the water meters have been changed.

For the purposes of this application, water volume consumed was calculated based on water billing revenue to arrive at water consumption volume to use for rate setting purposes.

### **3.0 Application**

On February 27, 2018, the Municipality applied for revised water rates, to be effective January 1, 2019 as set out in By-law No. 2018-05 having had first reading on February 22, 2018. The application was supported by a rate study prepared by the Municipality's consultant. Rates were last approved on April 28, 2010 in Board Order No. 43/10.

The application stated the proposed utility rate increases are primarily required to cover the annual operating deficit in the Boissevain Utility, to provide contingency funding (built into the utility rates) and for an annual transfer to the Utility Reserve fund.

Capital projects included in this application are \$60,000 for water meter upgrades in 2017, \$25,000 for water plant upgrades in 2017 and \$20,000 in 2018, \$30,000 for wastewater line replacement in 2017 and 2018, and \$400,000 for a lagoon upgrade scheduled for 2021. The lagoon upgrade is to be funded by debenture in 2021.

A Public Notice of Application was issued on March 19, 2018, which closed on April 18, 2018 affording customers the opportunity to comment to both the Board and the Municipality with respect to the proposed rate increases. Having received no expression of concern from consumers, this indicates to the Board that ratepayers understand the proposed rates are reasonable.

When reviewing an application, the Board has at its disposal two approaches, either a paper or a public hearing review. After the publication of the Notice of Application, the Board considers the application and stakeholder responses, and determine 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 process.

The Board has chosen a paper review process for this application.

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

SCHEDULE OF UTILITY RATE REQUIREMENTS - BOISSEVAIN-MORTON					
FOR PUBLIC UTILITIES USE ONLY					
2012 to 2016 Audited, 2017 Budget, 2018 to 2021 Forecasts					
	2017	2018	2019	2020	2021
	Budget		Forecast		
<b>General</b>					
<b>Expenses:</b>					
Administration	\$60,884	62,101	63,343	64,610	65,902
Training costs	-	-	-	-	-
Utilities (telephone, electricity)	-	-	-	-	-
Billing and collection (stationary, office supplies)	-	-	-	-	-
Insurance and Audit	-	-	-	-	-
Total general expenses	60,884	62,101	63,343	64,610	65,902
<b>Revenue</b>					
Penalties	3,000	3,000	3,000	3,000	3,000
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
Total general revenues	3,000	3,000	3,000	3,000	3,000
<b>Net Costs General</b>	57,884	59,101	60,343	61,610	62,902
<b>Water</b>					
<b>Expenses</b>					
Purification and treatment	227,362	231,909	236,548	241,278	246,104
Water purchases	-	-	-	-	-
Hydrant Maintenance	-	-	-	-	-
Transmission and distribution	38,000	38,000	38,760	39,535	40,326
Transportation services	54,764	55,752	56,868	58,006	59,166
Connection costs	1,000	1,020	1,040	1,061	1,082
Other costs	4,686	4,686	4,780	4,875	4,973
Amortization	95,969	101,184	97,476	97,476	97,476
Interest on long term debt	31,288	24,280	16,755	8,676	-
Total water expenses	453,069	456,832	452,227	450,907	449,127
<b>Revenue</b>					
Other revenue	-	-	-	-	-
Bulk Water fees	8,000	-	9,000	11,000	12,000
Connection fee	-	-	-	-	-
Hydrant rentals; 52 hydrants @ \$90 per hydrant	4,200	4,680	4,680	4,680	4,680
Total revenue	12,200	4,680	13,680	15,680	16,680
<b>Net rate costs - Water</b>	440,869	452,152	438,547	435,227	432,447
<b>Sewer</b>					
<b>Expenses</b>					
Collection system costs	53,182	54,246	55,331	56,438	57,567
Treatment and disposal cost	-	-	-	-	-
Lift Station costs	12,000	12,240	12,485	12,734	12,989
Connection costs	-	-	-	-	-
Other sewage & disposal costs	5,000	5,100	5,202	5,306	5,412
Amortization	19,081	17,983	14,743	13,239	10,181
Interest on long term debt	-	-	-	-	-
Total sewer expenses	89,263	89,569	87,761	87,718	86,149
<b>Revenue</b>					
Lagoon tipping fees	-	-	-	-	-
<b>Net rate costs - Sewer</b>	89,263	89,569	87,761	87,718	86,149
<b>Water and Sewer Billing Revenues</b>					
Water and Sewer billings (excluding Deficit Rate Rider Revenues)	437,503	437,503	516,245	595,768	677,224
<b>Property Taxes</b>					
Transfer from Gen. Optg.	-	126,310	126,310	126,310	-
<b>Net Revenue/(Expenses)</b>	<b>(150,512)</b>	<b>(37,009)</b>	<b>55,903</b>	<b>137,523</b>	<b>95,726</b>
<b>Capital Grants</b>					
Amortization of water capital grants	51,018	51,018	51,018	51,018	51,018
Amortization of sewer capital grants	-	-	-	-	-
Amortization of Capital Grants	51,018	51,018	51,018	51,018	51,018
Deduct Contributed TCAs Current Year	-	-	-	-	-
<b>Net Operating Surplus (Deficit) with PUB Adjustments</b>	<b>(99,494)</b>	<b>14,009</b>	<b>106,921</b>	<b>188,541</b>	<b>146,744</b>
<b>Transfers</b>					
Provincial Grants/Federal Grants	-	-	-	-	-
Transfers from/(to) Utility Reserve	-	-	-	-	-
Transfers to Utility Reserve from accumulated surplus	-	-	-	-	-
Transfers to Utility Reserve included in utility rate calculations	-	(100,000)	(100,000)	(100,000)	(100,000)
<b>Change in Utility Fund Balance after Surplus Transfers</b>	<b>(99,494)</b>	<b>(85,991)</b>	<b>6,921</b>	<b>88,541</b>	<b>46,744</b>
<b>Water and Sewer Billing Deficit Rate Rider Revenues</b>		<b>23,558</b>	<b>47,116</b>	<b>47,116</b>	<b>47,116</b>
<b>Reverse PUB Adjustments to Adjust Surplus to PSAB</b>					
<b>Capital Grants - Reverse PUB Adjustments</b>					
Deduct Amortization of Contributed TCAs	-	-	-	-	-
Deduct Amortization of Capital Grants	(51,018)	(51,018)	(51,018)	(51,018)	(51,018)
Add Capital Grants	-	-	-	-	-
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>754,568</b>	<b>604,056</b>	<b>490,604</b>	<b>493,623</b>	<b>578,261</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 604,056</b>	<b>\$ 490,604</b>	<b>\$ 493,623</b>	<b>\$ 578,261</b>	<b>\$ 621,103</b>

## Working Capital Surplus/Deficit

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

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

	2016	2015	2014
Utility accumulated fund surplus	\$754,568	\$931,465	\$1,060,031
Deduct tangible capital assets	\$2,193,664	\$2,268,149	\$2,097,172
Add long term debt	\$424,242	\$512,738	\$595,155
Add utility reserves	\$29	\$18	\$2
<b>Equals Working Capital Deficit</b>	<b>(\$1,014,825)</b>	<b>(\$823,928)</b>	<b>(\$441,984)</b>
Operating costs	\$634,738	\$561,011	\$551,679
<b>20% of operating costs (target)</b>	<b>\$126,948</b>	<b>\$112,202</b>	<b>\$110,336</b>

The above-noted working capital calculation for the Utility is below the Board's recommended 20% target and insufficient to be applied to the Utility's 2014, 2015 and 2016 deficits. As a result, there is no surplus available to offset any deficit.

As per the Municipality's application, this working capital deficit is forecast to continue until 2021. The Working Capital deficit is a result of annual operating deficits and a debenture that was issued for \$1.3 million in 2000. The debenture's annual payments were to be funded by property taxes, which through an oversight, have never been levied.

With the annual debenture payments not recovered through property taxes, the debenture payments caused a significant degradation in the Utility's Working Capital. The Municipality has indicated that the remainder of the annual debenture payments, 2018 through to 2020, will be levied on property taxes. Provided there are no unforeseen circumstances, the Municipality states the Utility should be in compliance with its working capital by 2025.

## Operating Deficits

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

On February 27, along with the rate application, the Municipality applied for approval to recover operating deficits for 2014 in the amount of \$32,316, 2015 in the amount of \$77,548 and 2016 in the amount of \$125,879. The Municipality has requested the deficits to be recovered through a rate rider, per Council Resolution No. 2018-042.

The reasons stated for the deficit are; that the operating costs have increased, and the debenture debt was not issued or collected with the property taxes. The Municipality has proposed that the total deficit amount of \$235,743 be recovered by rate rider of \$1.68 per 1,000 gallons, per customer, per quarter, over a five (5) year period.

## 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 previous administration costs, last approved in Board Order No. 43/10, were based on 20% of office staff salaries. The Municipality is proposing the same administration cost allocation of 20% of office staff salaries and office costs.



<b>Municipality of Boissevain-Morton; Boissevain Utility Allocation Plan for Non-Direct Shared services</b>	
<b>Category &amp; Sub-category</b>	<b>Allocation of Cost</b>
<b>1.0 Administrative Staff</b>	20% of office staff, office and audit expenses
1.1 Billing services –meter reading to receipting and collection.	Meter reading - Part of Public Works staff allocation; receipting and collection part of Admin staff allocation
1.2 Accounting/ auditing/ including bylaw making and enforcement.	20% of audit costs
1.3 Common office space	20% of office costs, utilities
1.4 Office overheads (telephone, photocopier, computer, etc.)	20% of PP&S
<b>2.0 Operating, construction and maintenance costs</b>	
2.1 Vehicle – fuel, maintenance, lease costs, capital costs	Costs that could be charged to the Utility are minimal and at present nothing is allocated to the Utility
2.2 Labor – full time, part time, on call, sick time, vacation, Note 2	45% of public works salary and benefits are charged to the Utility
2.3 Public works building and property.	Costs that could be charged to the Utility are minimal and at present nothing is allocated to the Utility
2.4 Road repairs and alike (Note 3)	Based on actual costs
<b>3.0 Major projects</b>	
Interest/ financing	N/A
Labor	Based on actual costs
External costs	Direct charge (dedicated consulting)

## Contingency Allowance and Utility Reserves

As per the Board's Guidelines, a yearly allowance equal to 10% of the variable operating costs is recommended for a contingency allowance.

The Municipality has proposed a contingency allowance of 10% of net rate costs less the amortization expenses and interest costs. This equates to \$33,497 contingency for water and \$7,597 contingency for wastewater, totalling \$41,094. Due to the significant working capital deficit, an annual transfer of \$100,000 to the Utility Reserve fund is proposed.

## 4.0 Board Findings

The Board has reviewed the application and the projections presented by the Municipality in its rate application, and finds them to be reasonable. The Board approves the water and wastewater rates, effective February 1, 2019, February 1, 2020 and February 1, 2021, to coincide with Utility billing dates.

The Board approves the revised Cost Allocation Methodology, and reminds the Municipality that this methodology must be used consistently, and requires Board approval should any further changes be considered.

The Board also approves the 2014 operating deficit of \$32,316, the 2015 operating deficit of \$77,548 and the 2016 operating deficit of \$125,879, be recovered by a rate rider of \$1.68 per 1,000 gallons per customer, per quarter. Effective February 1, 2019, this rate rider is to be recovered over five (5) years, or until the total deficit amount of \$235,743 is fully recovered, whichever comes first.

The Board acknowledges the Municipality's efforts in correcting administrative issues within the Utility and the timely submission of the rate application and rate study.

The rates for the Municipality have not been revised since 2010, over eight years ago. The Board is sensitive to consumer reaction to the magnitude of rate increases, however must consider the sustainability of the Utility when approving rates. Consumers are generally more tolerant of regular, smaller increases.

Regular rate reviews submitted on a timelier three-year period, as per the Board's Guidelines, protect the financial position of the Utility and mitigates the need for substantial rate increases and deficit recovery such as rate riders. The deficit of the Utility could have potentially been addressed sooner, had a regular review taken place.

The Board directs the Municipality to submit the 2017 and 2018 Audited Financial Statements as soon as they are available, and directs the Municipality to submit a PUB Schedule 9 and a deficit application for 2017 and 2018, should a deficit materialize.

The Board requires the Municipality of Boissevain-Morton review the water and wastewater rates of the Boissevain Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates, on or before December 31, 2021.

The Board also requires the Municipality to include a report on the Unaccounted for Water in its next rate study, with an explanation and plan to remedy, if the percentage is above the industry standard of 10%. Should the Municipality file a rate application using the Simplified Filing process, a report on the Unaccounted for Water is required to be included.

## 5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Municipality of Boissevain-Morton, Boissevain Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A", effective February 1, 2019, February 1, 2020 and February 1, 2021.
2. The cost allocation methodology for shared services as submitted by the Municipality of Boissevain-Morton BE AND IS HEREBY APPROVED.
3. The 2014, 2015 and 2016 actual operating deficits, when calculated for regulatory purposes, totalling \$235,743, incurred in the Municipality of Boissevain-Morton, Boissevain Water and Wastewater Utility BE AND ARE HEREBY APPROVED. The deficits are to be recovered by a rate rider of \$1.68 per 1,000 gallons of water consumption per customer, per quarter, beginning February 1, 2019, for a period of five (5) years or until the total deficit amount of \$235,743 has been recovered, whichever comes first.
4. The Municipality of Boissevain-Morton submit its 2017 and 2018 audited financial statements, with a deficit application if required, as soon as the statements are available.
5. The Municipality of Boissevain-Morton amend its water and wastewater rate By-law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
6. The Municipality of Boissevain-Morton provide a notice to its customers, including the decisions found in this Order, in the next quarterly billing with a copy provided to the Public Utilities Board.
7. The Municipality of Boissevain-Morton 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 December 31, 2021.

8. The Municipality of Boissevain-Morton provide a report to Public Utilities Board on the Utility's Unaccounted for Water with its next rate application, simplified or long form, no later than December 31, 2021

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.pub.manitoba.ca](http://www.pub.manitoba.ca)

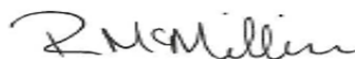
Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"Marilyn Kapitany, B.Sc. (Hon), M. Sc."  
Panel Chair

"Rachel McMillin, B.Sc."  
Acting Secretary

Certified a true copy of Order No. 121/18 issued  
by The Public Utilities Board



\_\_\_\_\_  
Acting Secretary

**SCHEDULE "A"**

**MUNICIPALITY OF BOISSEVAIN-MORTON  
BOISSEVAIN UTILITY  
WATER & WASTEWATER UTILITY RATES BY-LAW NO. 2018-05  
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge  
Rates per 1,000 Gallons

**February 1, 2019**

	<u>1,000 Gallons per quarter</u>		
	Water	Wastewater	Water & Wastewater
	\$13.40	\$3.52	\$16.92

Quarterly Service Charge                      \$13.92

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

**a) Water & Wastewater Customers**

<u>Meter Size</u>	<u>Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Wastewater Commodity Charge</u>	Deficit Rate	<u>Water &amp; Wastewater Total Quarterly Minimum</u>
					Rider	
					Commodity (see Clause 3)	
					\$1.68/1,000	
5/8 inch	3,000	\$13.92	\$40.20	\$10.56	\$5.04	\$69.72
3/4 inch	6,000	\$13.92	\$80.40	\$21.12	\$10.08	\$125.52
1 inch	12,000	\$13.92	\$160.80	\$42.24	\$20.16	\$237.12
1 ¼ inch	18,000	\$13.92	\$241.20	\$63.36	\$30.24	\$348.72
1 ½ inch	30,000	\$13.92	\$402.00	\$105.60	\$50.40	\$571.92
2 inch	75,000	\$13.92	\$1,005.00	\$264.00	\$126.00	\$1,408.92

**b) Water Only Customers**

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

**c) Wastewater Only for Residential Customers**

The wastewater only charge is based on average quarterly consumption of 9,000 gallons plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is  $(9 * \$3.52) + \$13.92 = \$45.60$

**d) Bulk Water Sales**

All water sold in bulk by the Boissevain Utility will be charged at the rate of \$17.00 per 1,000 gallons (includes Deficit Rate Rider; see Clause 3).

1. Schedule of Commodity Rates & Quarterly Service Charge

**February 1, 2020**

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$15.55	\$3.79	\$19.34

Quarterly Service Charge \$17.61

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

**a) Water & Wastewater Customers**

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Deficit Rate	
					Wastewater Rider (see Clause 3)	Water & Wastewater Total Quarterly Minimum
5/8 inch	3,000	\$17.61	\$46.65	\$11.37	\$5.04	\$80.67
3/4 inch	6,000	\$17.61	\$93.30	\$22.74	\$10.08	\$143.73
1 inch	12,000	\$17.61	\$186.60	\$45.48	\$20.16	\$269.85
1 ¼ inch	18,000	\$17.61	\$279.90	\$68.22	\$30.24	\$395.97
1 ½ inch	30,000	\$17.61	\$466.50	\$113.70	\$50.40	\$648.21
2 inch	75,000	\$17.61	\$1,166.25	\$284.25	\$126.00	\$1,594.11

**b) Water Only Customers**

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

**c) Wastewater Only for Residential Customers**

The wastewater only charge is based on average quarterly consumption of 9,000 gallons plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is  $(9 * \$3.79) + \$17.61 = \$51.72$

**d) Bulk Water Sales**

All water sold in bulk by the Boissevain Utility will be charged at the rate of \$19.00 per 1,000 gallons (includes Deficit Rate Rider; see Clause 3).

1. Schedule of Commodity Rates & Quarterly Service Charge  
Rates per 1,000 Gallons

**February 1, 2021**

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$17.70	\$4.13	\$21.83

Quarterly Service Charge \$21.31

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

**a) Water & Wastewater Customers**

**With Deficit Rate Rider**

Deficit Rate

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Rider Commodity Charge	Deficit Rate (\$1.42/1,000)	Water & Wastewater Total Quarterly Minimum
5/8 inch	3,000	\$21.31	\$53.10	\$12.39	\$5.04	\$91.84
3/4 inch	6,000	\$21.31	\$106.20	\$24.78	\$10.08	\$162.37
1 inch	12,000	\$21.31	\$212.40	\$49.56	\$20.16	\$303.43
1 ¼ inch	18,000	\$21.31	\$318.60	\$74.34	\$30.24	\$444.49
1 ½ inch	30,000	\$21.31	\$531.00	\$123.90	\$50.40	\$726.61
2 inch	75,000	\$21.31	\$1,327.50	\$309.75	\$126.00	\$1,784.56

**Without Deficit Rate Rider**

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8 inch	3,000	\$21.31	\$53.10	\$12.39	\$86.80
3/4 inch	6,000	\$21.31	\$106.20	\$24.78	\$152.29
1 inch	12,000	\$21.31	\$212.40	\$49.56	\$283.27
1 ¼ inch	18,000	\$21.31	\$318.60	\$74.34	\$414.25
1 ½ inch	30,000	\$21.31	\$531.00	\$123.90	\$676.21
2 inch	75,000	\$21.31	\$1,327.50	\$309.75	\$1,658.56



**b) Water Only Customers**

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

**c) Wastewater Only for Residential Customers**

The wastewater only charge is based on average quarterly consumption of 9,000 gallons plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is  $(9 * \$4.13) + \$21.31 = \$58.48$

**d) Bulk Water Sales**

All water sold in bulk by the Boissevain Utility will be charged at the rate of \$22.00 per 1,000 gallons (includes Deficit Rate Rider; see Clause 3).

**The following clauses take effect February 1, 2019:****3. Deficit Rate Rider**

Deficit Rate Rider commencing February 1, 2019 for 2014, 2015 audited & 2016 actual unaudited deficits is calculated based on a 5-year recovery period as follows:

2014 deficit	\$32,316.
2015 deficit	\$77,548.
2016 deficit	<u>\$125,879.</u>
Total to recover	<u>\$235,743.</u>

Divided by 2016 water volume sold 28,045,000 gallons

Deficit Rate Rider, per 1,000 gallons over 5 years: \$1.68 per 1,000 gallons

**4. Billings and Penalties**

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1 ¼% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen (14) days after the mailing of the bills.

**5. Hydrant Charges**

The Municipality of Boissevain-Morton, or any other hydrant owner, will pay to the Utility an annual fee of \$90.00 for each hydrant connected to the system, which shall include the cost of water used for firefighting.

#### 6. Liability for Charges

Pursuant to Section 252 (2) of the Municipal Act, the amount of all outstanding charges for water and wastewater services, including fines and penalties, are a lien and charge upon the land serviced, and may be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies

#### 7. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Municipality with a deposit of \$100. The Municipality will then remove the subject meter and send it to an independent lab for testing. If the meter is found to be faulty, all costs associated with the testing process will be borne by the Municipality and the deposit will be refunded to the customer. If the meter is found to be in proper working order, all costs associated with the testing process will be borne by the customer and the customer will be billed or refunded any balance owing.

#### 8. Disconnection and Reconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the Municipality with respect to disconnection of service for non-payment including such matters as notice and the right to appeal such action to The Public Utilities Board. A copy of the conditions precedent is available for inspection at the Municipality's office.

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$15.00 have been paid.

#### 9. Service To Customers Outside Utility's Limits

The Council of Municipality of Boissevain-Morton may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the Municipality. Such Agreements shall provide for payment of the appropriate rates set out in this Schedule, as well as a surcharge set by Resolution of Council, which shall be equivalent to the frontage levy, general taxes, and special taxes for the Utility purposes in effect at the time or may be in effect from time to time, and which would be levied on the property concerned if it were within the Municipality's boundaries. In addition, all costs of connecting to the Utility's mains and installing, and maintaining service connections will be paid by the customer.

#### 10. Water Allowance Due to Line Freezing

That in any case where, at the request of Council, a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to that customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.

11. Providing Water Meter Read On/Or Before Due Date

Anyone not providing their meter reading on/or before the due date of their quarterly billing will automatically receive a \$10.00 surcharge on their next water billing.

12. Wastewater Surcharges

a) There may be levied annually, in addition to the rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand in excess of 300 parts per million, to be set by Resolution of Council.

b) A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.

13. Cross Connections

No customer or person shall connect, cause to be connected or allow to remain connected any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater or any harmful liquid or substance to enter the Municipality's water system.

If a condition is found to exist which, in the opinion of the Municipality, is contrary to the aforesaid, the Municipality may either:

Shut off the service or services; or

Give notice to the customer to correct the fault at his or her own expense within a specified time period.

14. Conditions of Disrepair

In the event that there are conditions of disrepair in the wastewater and water works on a property that detrimentally affects the system as a whole and, upon the failure of the owner of the property to correct the condition within a reasonable time, the Municipality, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

15. Authorization For Officer To Enter Upon Premises

The Public Works Manager, or other employee authorized by the Municipality in the absence of the Public Works Manager, shall be authorized to enter upon any premise for the purpose of:

Affixing to any pipe, wire or apparatus connected with any such utility, a meter or any other measuring or testing device; or taking readings from, repairing, inspecting or removing any meter or apparatus belonging to the Municipality.