

Order No. 47/18

**THE TOWN OF STONEWALL
WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER RATES
2015 and 2016 OPERATING DEFICIT RECOVERY
INITIAL LAGOON TIPPING FEES**

April 9, 2018

**BEFORE: Shawn McCutcheon, Panel Chair
Carol Hainsworth, C.B.A., Member**

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1.0 Summary

By this Order, the Public Utilities Board (Board) approves the water and wastewater rates, cost allocation methodology and initial lagoon tipping fees as applied for by The Town of Stonewall (Town), Water and Wastewater Utility (Utility).

The approved rates are provided:

	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021
Water \$/cubic meter	\$0.87	\$0.90	\$0.91	\$0.93
Wastewater \$/cubic meter	\$0.73	\$0.79	\$0.80	\$0.81
Quarterly Service Charge	\$19.08	\$19.48	\$22.05	\$22.50
Minimum Quarterly Charge*	\$40.91	\$42.54	\$45.37	\$46.24
Hydrant Rental (Annual)	\$150.00	\$150.00	\$150.00	\$150.00
Lagoon Tipping Fee**	\$4.00	\$4.00	\$4.00	\$4.00
Reconnection Fee	\$75.00	\$75.00	\$75.00	\$75.00
Deficity Recovery per Quarter***	\$18.35	\$0.45	\$0.45	\$0.00

*Based on 13.64m³ with wastewater only customers based on 53.13 cubic metres.

**By-law 01-17; charged per load based on the size of vehicle registered.

\$75 initial access fee per truck and \$25 annual licence fee per truck

*** Flat rate \$18.35 per customer per quarter for three quarters for 2018 for deficit recovery.
For years 2019 and 2020 \$0.45 per cubic metre charge per quarter for deficit recovery.

The Board will also approve the 2015 operating deficit of \$244,175 and the 2016 operating deficit of \$142,641. However, the Board will vary the recovery methodology to be recovered by a flat rate surcharge of \$18.35 per customer per quarter for the remainder of 2018. For years 2019 and 2020 a rate rider of \$0.45 per cubic metre per quarter will be applied for the two years or until the total deficit amount of \$386,816 has been recovered, whichever comes first. Unmetered customers will be charged the deficit recovery rate rider at the quarterly average consumption for residential customers, 53.13 cubic metres per quarter.

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 Town owns and operates a water supply system and wastewater collection and treatment system. The original distribution system consists of asbestos cement pipe but more recent developments and extensions are PVC pipe (1970s).

As per the Town's rate application, the Utility provides service to 1,704 customers; two of which are wastewater only customers, that are billed based on residential equivalency units (REU's). Where a system or residence has no meters, volume of water used and/or volume of effluent returned to the wastewater system are based on residential equivalent units; one unit being the volume of wastewater estimated to be produced by the average single family residence.

The following table is a breakdown of the current list of customers according to meter size

Meter Size	Number of Customers
16 mm (5/8")	1,324
19 mm (3/4")	322
25 mm (1")	22
38 mm (1 1/2")	18
50 mm (2")	14
75 mm (3")	1
100 mm (4")	1
No meter - wastewater only (REU)	2
Total	1,704

Water is currently not being serviced to customers beyond the boundaries of the Town of Stonewall; however, the Town has entered into an agreement with a property owner in the Rural Municipality of Rockwood to connect to the Town's utilities.

The Town has also entered into a development agreement with Quarry Ridge Park Developments Ltd. for a development consisting of 398 lots (approximately 400 single family

dwelling units and 200 multi-family dwelling units) located at 656 3rd Ave South. The development is divided into 15 phases to be completed over the next 25 years.

Water Supply/Distribution

The water system consists of a water treatment plant with a raw water supply from three wells. The water is treated with chlorination and contact time. In 2005, a new reservoir pumping station was constructed to ensure the system provided enough contact time. The water treatment plant and treated water meet all water quality guidelines set forth by the Province.

The Town has a meter replacement program to upgrade old meters to radio frequency (RF) meters. An estimated 1500 meters were replaced with new RF meters by the end of 2017 costing an estimated \$740,000 that is shared equally by the Town and The Manitoba Water Services Board.

In March 2016, the Town retained a consultant to complete a Water System Reassessment. The study recommended that the Town opt to start considering supplemental raw water sources, as the existing water use limit will likely be reached within the next 10 to 20 years, if the Town continues to grow as planned.

Wastewater Collection/Treatment

The Town's lagoon was constructed in 1972 with upgrades in 1992. The existing wastewater stabilization pond consists of one primary treatment and one secondary cell that collectively function in the treatment and storage of the incoming wastewater and septage. The facility receives wastewater via three main lift stations from Town. The Town also receives some truck haul from the Stonewall Trailer Court located in the RM of Rockwood.

The effluent from the lagoon is discharged to the Grassmere Drain and currently meets the Environmental License requirements.

In a study in 2009 conducted by a consultant, it was indicated that the facility could reach its organic limit by 2015 and exceed the hydraulic limit by 2027. As of this rate study, the organic limit has not yet been reached. The Town has purchased adjacent land for a Lagoon Expansion Project and is committed to make the required upgrades over the next 25 years.

Unaccounted for Water

As per the Board's Water and Wastewater Rate Application Guidelines, the acceptable percentage of unaccounted water is 10% which is the industry standard. If the percentage is above this the applicant is to explain why and the plan to remedy.

Unaccounted for water was reported as follows: 15.4% in 2015, 11.28% in 2016 and 10.20% in 2017. The Town estimates that the majority of the unaccounted for water in the system is due to leaks.

In 2015, there were two large house fires that attributed to the distributed water that was not metered. The Town has also recently discovered that many of the older meters (installed in the 1970s-1980s) were malfunctioning and not providing accurate readings. In addition, the billing system was flawed; it had not been properly flagging accounts with multiple consecutive estimates. The combination of the two problems resulted in extensive periods of unbilled water consumption.

The Town has since had the billing system rectified and has also put into place a meter replacement program for better accountability. The Town has also completed the metering of the Town's largest unmetered services – Quarry Park, Stonewall Arena and Sports Complex, in order to have more accuracy in accounting for water use.

3.0 Application

On March 12, 2017, the Town applied for revised water and wastewater rates, to be effective January 1, 2017 for a five year period until January 1, 2021, as set out in By-law No. 03-17 having had first reading on March 1, 2017. The application was supported by a rate study prepared by the Town. Rates were last approved in 2010 in Board Order No. 58/10.

A Public Notice of Application was issued on May 18, 2017 affording customers the opportunity to comment to both the Board and the Town with respect to the proposed rate increases. Three responses were received.

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 determines which method of review is most appropriate.

A public hearing process allows the Utility and stakeholders the opportunity to present their application and any concerns to the Board in person. While a paper review process, saves the cost of a public hearing process. After considering the application and responses, the Board decided to process this application with a paper-based review.

The rates were calculated based on the following revenue projections and an inflation rate of 3% was used in all calculations.

	Actual	Actual	Projected	Year 1	Year 2	Year 3	Year 4	Year 5
	2014	2015	2016	2017	2018	2019	2020	2021
<i>Administration</i>	(1)(2)	(2)						
Administration (building, office, staff, etc.)	234,201	262,555	182,539	111,793	115,147	118,601	122,159	125,824
Billing and collection	19,496	25,741	18,704	21,740	22,392	23,064	23,756	24,468
Working capital surcharge (1% of yrly exp)				-	-	14,973	15,285	15,459
Deficit Recovery for the year 2015				24,271	24,270	24,270		
Total gen. exp./Admin revenue requirement (A)	253,697	288,297	201,242	157,804	161,809	180,908	161,200	165,751
<i>Revenue:</i>								
Service charges ⁽⁴⁾	150,501	153,351	154,866					
Surcharges			-	900	900	900	900	900
Penalties	2,969	3,027	1,641	2,622	2,701	2,782	2,865	2,951
Total general revenue	153,470	156,378	156,506	3,522	3,601	3,682	3,765	3,851
Net rate revenue requirement general/Admin				154,282	158,208	177,226	157,435	161,900
<i>Water</i>								
<i>Expenses:</i>								
Staffing	70,586	99,930	90,166	35,875	36,951	38,060	39,202	40,378
Purification and treatment	56,024	57,679	65,773	63,800	65,714	67,685	69,716	71,807
Water purchases		-		-	-	-	-	-
Service of Supply					-	-	-	-
Transmission and Distribution	8,518	26,276	26,023	28,000	28,840	29,705	30,596	31,514
Other Water Supply Costs		4,500			-	-	-	-
Connections - Net Loss	36,822	24,355	6,122	22,882	23,568	24,275	25,003	25,753
Amortization/ depreciation	105,311	109,271	116,073	166,930	171,010	175,593	175,593	175,593
Interest on long term debt	33,444	31,316	29,077	46,724	43,578	40,278	40,278	40,278
Reserves				150,000	150,000	150,000	150,000	150,000
Minor capital upgrades ⁽⁵⁾				50,000	51,500	53,045	54,636	56,275
Contingency ⁽³⁾				35,535	36,601	37,699	38,830	39,995
Deficit Recovery for year 2015								
Sub-total water expenses	310,705	353,326	333,235	599,746	607,763	616,342	623,856	631,595
<i>Revenue:</i>								
Water rate charges ⁽⁴⁾	156,600	145,580	150,492					
Connection Revenue	2,302	2,063	2,175	6,000	6,000	6,000	6,000	6,000
Hydrant rentals	17,625	17,625	18,025	36,450	36,450	36,450	36,450	36,450
Investment Income-MWSB	555	16	-	-	-	-	-	-
Amortization of capital grants		26,128		74,476	69,315	69,315	69,315	69,315
Taxation revenues-water debt (C)	74,854	74,854	74,854	111,645	111,645	111,645	111,645	111,645
Other revenue-bulk water fees (D)				-	-	-	-	-
Total revenue - water	251,936	266,266	245,546	228,571	223,410	223,410	223,410	223,410
Net rate revenue requirement - water (B)				371,175	384,353	392,932	400,446	408,185

Sewer								
<i>Expenses:</i>								
Staffing	56,950	87,193	79,619	24,175	24,900	25,647	26,417	27,209
Sewage Collection System	8,187	5,886	7,568	42,913	44,201	45,527	46,893	48,299
Sewage Lift Station	18,109	19,921	49,830	30,165	31,070	32,002	32,962	33,951
Sewage Treatment and Disposal		-		-	-	-	-	-
Other Sewage Collection & Disposal Costs	45,497	26,923	31,851	35,800	36,874	37,980	39,119	40,293
Connection - Net Loss		-		-	-	-	-	-
Amortization/ depreciation	84,076	85,381	88,498	246,247	280,330	284,913	284,913	284,913
Interest on long term debt	48,077	45,472	42,747	136,707	149,357	143,169	143,169	143,169
Reserves				150,000	150,000	150,000	150,000	150,000
Future Remediation								
Minor capital upgrades ⁽⁵⁾				50,000	51,500	53,045	54,636	56,275
Contingency ⁽³⁾				40,358	41,569	42,816	44,101	45,424
Deficit Recovery for Year 2015								
Total sewer expenses	260,896	270,775	300,112	756,366	809,801	815,100	822,211	829,534
<i>Revenue</i>								
Sewer rate charge ⁽⁴⁾	243,628	222,976	236,447					
Connection Revenue	1,450	450	2,175	6,000	6,000	6,000	6,000	6,000
Lagoon Tipping Fees	10,000	18,667	7,500	15,000	15,000	15,000	15,000	15,000
Investment Income								
Amortization of capital grants				155,544	150,383	150,383	150,383	150,383
Taxation revenues	105,165	105,165	105,165	261,149	294,261	294,261	294,261	294,261
Other Revenue	239	9,350	9,964	6,713	6,914	7,122	7,336	7,556
Total revenue- sewer	360,482	356,608	361,251	444,406	472,558	472,766	472,979	473,199
Net rate revenue requirement - sewer				311,960	337,243	342,335	349,231	356,335
Net results	59,410	133,145	71,286					

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 deficit at December 31, 2016 was:

	2015	2016
Accumulated Fund Surplus	\$7,702,378	\$8,806,780
Deduct Tangible Capital Assets	\$10,510,788	\$11,541,316
Add Long-Term Debt	\$1,564,508	\$1,456,313
Add Utility Reserves	\$17,939	\$17,940
Equals Working Capital Deficit	(\$1,225,963)	(\$1,260,283)
Operating expenses	\$924,646	\$835,908
20% of operating expenses (Target)	\$184,929	\$167,182

Actual 2015 and 2016 Operating Deficit

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 duty bound to approve reasonable rates based on reasonable expense projections.

On October 23, 2017, the Town applied for approval of the recovery of the 2015 operating deficit in the amount of \$244,175 and a 2016 operating deficit in the amount of \$142,641. Both deficits are proposed to be recovered through a rate rider as per Council Resolution No. 2017/340. In the Town's deficit application it states the reason the Utility has been experiencing deficits is because the rates that are being charged are too low.

The Town has requested that the totalled deficit amounts of \$386,816 to be recovered by rate rider be considered over four years per customer per quarter provided in the below table:

	2018	2019	2020	2021
Total amount of deficit recovery per year	\$96,704	\$128,939	\$128,939	\$32,234
Total Rate Rider charge per Quarter (for 3 quarters)	\$18.34	\$18.16	\$18.05	\$17.58
No. Customers	1757	1775	1790	1805

Cost Allocation Methodology

The Board requires all municipalities/towns to review the costs shared between the general operations of the municipality/town 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 Town states in the rate application that the percentages used in the cost allocation for Shared Costs were previously high. The Town has proposed a new cost allocation

methodology and states the percentages give a more accurate representation of the actual amounts to be recovered from the Utility fund.

Allocation Plan for Shared Costs			
<u>Shared Overhead</u> Includes all direct and indirect costs related to the administration of the utility.			
Sub-Category	Activity	Expenses (function)	Flat Rate
Direct Overhead Costs	Billing	Office	
	Receipting and Collection		10%
Indirect Overhead Costs	General Administrative Costs	Legislative	5%
		CAO & Office Staff Salaries/Wages	15%
	Shared Office Costs	Legal Services	5%
		Audit Fees	10%
		Assessment	5%
		Conventions & Delegations Expenses	5%
		Insurance & Damage Claims	5%
		Intergovernmental Relations	5%
		Payroll	5%
		Workers Comp	5%
Employee Benefits	10%		

<u>Shared Direct Operating Costs</u>			
Includes all costs directly attributed to the maintenance and repair of the utility. Works and Operations employees repair and maintain both transportation and utility infrastructure. A portion of the cost for the works and operations department should be allocated to the utility.			
Sub-Category	Activity	Expenses (function)	Flat Rate
Direct Equipment Costs	Vehicles	Insurance on equipment	15%
	Machinery and Equipment	Insurance on vehicles	15%
		Machinery and Equipment repairs	15%
	Cleaning supplies	Repair Materials and Parts-Equipment	15%
		Boots and Clothing	15%
		Gasoline	15%
		Diesel/oil/Lubes	15%
		Janitorial Supplies	10%
		Hardware	10%
		Tools	10%
Minor Equipment		10%	
Direct Labour	Labour costs directly attributed to the maintenance and repair of the utility TCA	W/O Manager	15%
		Public Works Employees	15%

Shared Capital Costs:

These shared costs **should not** be directly charged to the utility operations. Capital costs should be capitalized as a tangible capital asset (TCA) and amortized to utility operations over its useful life.

Includes all costs directly attributed to the development and construction of a TCA for a utility. Public works projects often construct transportation and utility assets at the same time. In these cases a portion of the road work should be allocated to utility TCA based on the relative fair market value of the asset.

The cost of a TCA can include interest costs on debt directly attributed to the development and construction of a TCA. Only interest owed to external parties such as banks or debenture holders. Capitalization of interest cost must end when there is no construction or when the asset is put into use.

Sub-Category	Activity	Expenses (function)	Flat Rate
Direct overhead costs	Administrative	Legal fees	15%
		Survey costs	
		Design and engineering fees	
		Interest on debt	
Direct equipment costs	Operating costs for: Vehicles Machinery & equipment Road construction and maintenance equipment	Maintenance	15%
		Fuel	
		Insurance	
		Amortization	
		Interest cost on equipment	
		Lease costs	
Direct labour	Labour costs directly attributable to the development and construction of a utility TCA	Salaries and wages	15%
		Benefits	

Contingency Allowance and Utility Reserves

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

The Town's has proposed an increased annual contingency allowance from 10% of the operating expenses to 20% of operating expenses for the each of the water and wastewater systems. This increase has been made because of the lack maintenance and deteriorating state of the infrastructure.

The Town will be implementing a maintenance program to upgrade the original water and wastewater lines and plans on allocating money in the reserves and budget for these minor capital upgrades. The Town has allocated \$150,000 for reserves for water and \$150,000 for reserves for wastewater. The reserves will be used for sourcing supplemental raw water sources and the lagoon upgrade.

In addition, the Town is proposing to allocate funds to future minor capital upgrades for water and wastewater in the amount of \$50,000 for each for replacement of curbstops, saddle clamps, shutoff valves and other repairs not to be capitalized, including televising the wastewater mains.

Lagoon Fees

The Town owns and operates a wastewater lagoon located in the Rural Municipality of Rockwood. The Town allows wastewater to be hauled to the lagoon from residents within the Town's boundaries not serviced by the Town's wastewater system. The Town does not currently charge septic haulers to haul wastewater to the lagoon. The Town has a Lagoon Use Agreement for sewage dumping with a mobile home park located outside the Town's boundaries but within the Rural Municipality of Rockwood.

On February 2, 2017, the Board received an application from the Town for proposed lagoon fees to be charged and regulations for septic haulers, supported by By-law 01-17, having had first reading on February 1, 2017. All fees proposed are new.

The Town advised that the proposed rate is based on what neighbouring municipalities are charging. The Town is of the view that it is important to keep rates consistent with neighbouring municipalities to minimize the risk of haulers dumping in another jurisdiction if the proposed rates are higher, or overloading the system if lower.

The Town is in the process of completing a lagoon expansion project which is scheduled to be completed in late 2018. An electronic gate will control the lagoon where access is gained using a card lock system. With this new system, access can be monitored and data on use will be obtained. Septic haulers will be required to register their vehicles to acquire a card and pay an initial access fee. Septic haulers will also be required to pay an annual licence fee for each registered septic truck.

The proposed Lagoon Tipping Fee is \$4.00 per cubic metre, which will be charged based on the vehicle tank capacity provided at the time of licensing.

The Town advised the Board that septic haulers are aware of the charges in this application and further advise the haulers have been advising their customers of the proposed changes. The lagoon tipping fee was included in the Notice of Application May 18, 2017. The Board has received no public response to tipping fees.

The Town states that until the expansion is complete and the By-law comes into force, the septic haulers are to proceed with the current procedures in place.

4.0 Board Findings

The Board has reviewed the application, and revenue projections presented by the Town and finds it to be acceptable. The Board approves the water and wastewater rates as applied for years 1 to 4 effective April 1, 2018 (starting Year 1), January 1, 2019 (Year 2), January 1, 2020 (Year 3), January 1, 2021 (Year 4).

The Board approves the 2015 operating deficit of \$244,175 and 2016 operating deficit of \$142,641 but varies the recovery methodology. Effective April 1, 2018 the deficit recovery method will be a flat rate surcharge of \$18.35 per customer per quarter for the remaining

three quarter of 2018. Effective January 1, 2019 and January 1, 2020 the deficit recovery method will be through rate rider on a per cubic metre basis. The rate rider of \$0.45 per cubic metre will be charged over two years, or until fully recovered, whichever comes first. Unmetered customers will be charged the deficit recovery rate rider at the quarterly average consumption for residential customers, 53.13 cubic metres per quarter.

The calculation for this is based on the total deficit of \$386,816 divided by the average consumption over the two deficit years.

The Board supports the principle of user-pay utility rates. It is only when rates are set on a user pay basis that they send the correct price signal to ratepayers and allow ratepayers to make decisions about their use of the services. This variation of methodology will also allow owners of multi-tenant housing time to incorporate the per cubic metre rate rider into the rent charged.

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

The Board approves the initial lagoon Tipping fees as applied for by the Town to be effective April 1, 2018.

The Board commends the Town for its efforts in managing the unaccounted for water with the upgrade metering program and for installing meters for its large user customers.

The Board is sensitive to customer reaction to the magnitude of rate increases, however, must consider the sustainability of the Utility when approving rates. Although the rate increases are not as significant as seen in previous rate applications from the Town, the rates have not been revised since 2011, over seven years ago. Consumers are generally more tolerant of regular, smaller increases.

The Town needs to be more diligent in conducting rate reviews on a more regular schedule and submit timelier three-year rate applications or take advantage of the simplified filing rate application.

The Board will require the Town of Stonewall to 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, on or before June 30, 2022.

5.0 IT IS HEREBY ORDERED THAT:

1. The water and wastewater rates for the Town of Stonewall, Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A" to this Order, effective April 1, 2018, January 1, 2019, January 1, 2020 and January 1, 2021.
2. The Initial Lagoon fees for the Town of Stonewall, Water and Wastewater Utility, BE AND IS HEREBY APPROVED effective April 1, 2018, January 1, 2019, January 1, 2020 and January 1, 2021.
3. The Town of Stonewall amend its water and wastewater rate By-law and Licencing and Fees for Septic Haulers By-law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
4. The actual 2015 operating deficit of \$244,175 and 2016 operating deficit of \$142,641 when calculated for regulatory purposes, incurred in the Town of Stonewall, Water and Wastewater Utility is HEREBY APPROVED to be recovered through a flat rate surcharge of \$18.35 per customer per quarter for the remaining three quarters in 2018 and a rate rider of \$0.45 per cubic metre per quarter for 2019 and 2020 (2 years) or until the total deficit is paid in full, whichever comes first. These rate riders are effective April 1, 2018, January 1, 2019 and January 1, 2020 and notice is to be provided to customers.
5. The Town of Stonewall is to provide notice to its customers regarding the final rates in the quarterly billing with a copy provided to the Public Utilities Board.
6. The Town of Stonewall review the Utility's 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, 2022.

Fees payable upon this Order - \$500.00

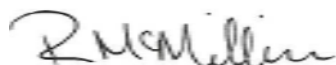
Board decisions may be appealed in accordance with the provisions of Section 58 of The Public Utilities Board Act, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure (Rules). The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Rachel McMillin, B.Sc."
Acting Secretary

Certified a true copy of Order No. 47/18 issued by
The Public Utilities Board



Acting Secretary

SCHEDULE "A"**THE TOWN OF STONEWALL
BY-LAW NO. 03-17
WATER & WASTEWATER RATES****1. COMMODITY RATES – WATER & WASTEWATER – PER CUBIC METRE (m³)**

All Water Consumption	<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
Effective April 1, 2018	\$0.87	\$0.73	\$1.60
Effective January 1, 2019	\$0.90	\$0.79	\$1.69
Effective January 1, 2020	\$0.91	\$0.80	\$1.71
Effective January 1, 2021	\$0.93	\$0.81	\$1.74

2. MINIMUM CHARGED PER QUARTER – WATER & WASTEWATER**a) Water and Wastewater Customers:**

Effective April 1, 2018

Meter Size	Group Capacity Ratio	Water Included m3	Service Charge	Water	Waste-water	Total Minimum Quarterly
5/8" – 16mm	1	13.64	\$19.08	\$11.87	\$9.96	\$40.91
3/4" – 19mm	1	13.64	\$19.08	\$11.87	\$9.96	\$40.91
1" – 25mm	4	54.56	\$19.08	\$47.47	\$39.83	\$106.38
1.5" - 38mm	10	136.40	\$19.08	\$118.67	\$99.57	\$237.32
2" – 50mm	25	341.00	\$19.08	\$296.67	\$248.93	\$564.68
3" – 75mm	45	613.80	\$19.08	\$534.01	\$448.07	\$1,001.16
4" – 100mm	90	1,227.60	\$19.08	\$1,068.01	\$896.15	\$1,983.24

Effective January 1, 2019

Meter Size	Group Capacity Ratio	Water Included m3	Service Charge	Water	Waste-water	Total Minimum Quarterly
5/8" – 16mm	1	13.64	19.48	\$12.28	\$10.78	\$42.54
3/4" – 19mm	1	13.64	19.48	\$12.28	\$10.78	\$42.54
1" – 25mm	4	54.56	19.48	\$49.10	\$43.10	\$111.68
1.5" - 38mm	10	136.40	19.48	\$122.76	\$107.76	\$250.00
2" – 50mm	25	341.00	19.48	\$306.90	\$269.39	\$595.77
3" – 75mm	45	613.80	19.48	\$552.42	\$484.90	\$1,056.80
4" – 100mm	90	1,227.60	19.48	\$1,104.84	\$969.80	\$2,094.12

Effective January 1, 2020

Meter Size	Group Capacity Ratio	Water Included m3	Service Charge	Water	Waste-water	Total Minimum Quarterly
5/8" – 16mm	1	13.64	\$22.05	\$12.41	\$10.91	\$45.37
3/4" – 19mm	1	13.64	\$22.05	\$12.41	\$10.91	\$45.37
1" – 25mm	4	54.56	\$22.05	\$49.65	\$43.65	\$115.35
1.5"- 38mm	10	136.40	\$22.05	\$124.12	\$109.12	\$255.29
2" – 50mm	25	341.00	\$22.05	\$310.31	\$272.80	\$605.16
3" – 75mm	45	613.80	\$22.05	\$558.56	\$491.04	\$1,071.65
4" – 100mm	90	1,227.60	\$22.05	\$1,117.12	\$982.08	\$2,121.25

Effective January 1, 2021

Meter Size	Group Capacity Ratio	Water Included m3	Service Charge	Water	Waste-water	Total Minimum Quarterly
5/8" – 16mm	1	13.64	\$22.50	\$12.69	\$11.05	\$46.25
3/4" – 19mm	1	13.64	\$22.50	\$12.69	\$11.05	\$46.25
1" – 25mm	4	54.56	\$22.50	\$50.74	\$44.19	\$117.45
1.5"- 38mm	10	136.40	\$22.50	\$126.85	\$110.48	\$259.86
2" – 50mm	25	341.00	\$22.50	\$317.13	\$276.21	\$615.86
3" – 75mm	45	613.80	\$22.50	\$570.83	\$497.18	\$1,090.53
4" – 100mm	90	1,227.60	\$22.50	\$1,141.67	\$994.36	\$2,158.54

b) Water Only Customers:

Customers with water only service shall be charged the quarterly service charge and rate applicable to the customer's meter size, less the wastewater charge.

c) Wastewater Only Customers:

Customers with wastewater only service shall be charged the quarterly service charge and a wastewater charge on the Residential Equivalency Unit of 53.13 cubic metre on wastewater only.

d) If it can be shown that a customer uses a substantial amount of water which is not returned to the wastewater system (at least 10% of the water sold to the customer), the utility may deduct such water in calculating the wastewater charge to such customers.

3. SERVICE TO PROPERTIES OUTSIDE THE TOWN LIMITS

The Council of the Town of Stonewall may sign agreements with customers for the provision of water and wastewater services to properties located outside the Town

boundaries. Such agreements shall provide for payment of appropriate rates set out in the Schedule, a surcharge set by resolution of Council which shall be equivalent to the frontage levy, municipal general and special taxes for utility purposes in effect at the time and which would be levied on the subject property if it were located within the Town limits, as well as terms and conditions, including connection, installation and maintenance fees or other charges for providing the service. Such terms and conditions may differ from ones applied within Town.

4. BILLING AND PENALTIES

Accounts shall be billed quarterly (every three months), except in the case of large volume consumers with usage over 4,000 cubic metres per month, which may be billed monthly. All billings shall be due and payable within 30 days after the date of the billing. A penalty of 1.25% of the amount shall be added if not paid by the due date. For every month thereafter, a further penalty of 1.25% of the amount of the bill shall be added if the debt is unpaid.

5. DISCONNECTION

Service may be disconnected and discontinued for non-payment of an account where the unpaid balance of the account, inclusive of penalties is Fifty Dollars (\$50.00) or greater. Services may be disconnected and discontinued for non-payment of the account in accordance with the Condition Precedent attached hereto as Appendix "A".

6. RECONNECTION

- a) Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of Seventy Five Dollars (\$75.00) has been paid.
- b) Any customer wishing to have the billing discontinued due to vacancy of premises or other reasons shall be required to have the service disconnected and the water meter removed and shall pay a Seventy Five Dollar (\$75.00) reconnection fee when the meter is reinstalled and the service resumes.

7. OUTSTANDING BILLS

Pursuant to section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and wastewater service, including fines and penalties, are a lien and charge upon the property serviced, and shall be collected in the same manner in which ordinary property taxes upon the property are collectible and enforced. Upon doing so, the Town will charge a \$75.00 service fee to the account.

8. HYDRANT RENTALS

The Town of Stonewall shall pay to the utility an annual rental of \$150.00 for each hydrant connected to the system. This includes the water for fire purposes.

9. WATER ALLOWANCE DUE TO FREEZING

In cases where, at the request of the Town of Stonewall, the 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 billing for the last 2 previous quarters to the same customer, or to the same premises, if the occupant has changed.

10. CONNECTION FEES AND INSPECTION RATES

- a) For a property within the Town of Stonewall limits to connect to the water distribution and wastewater collection systems, the cost of connection from the mains to the property line including any boulevard and street restoration , and any permit fee, shall be as prescribed in Policy No. 16.2 in the Town's Policy and Procedure Manual.
- b) A \$50.00 inspection fee shall be levied on any water and wastewater service connections made to ensure that the connections are constructed and installed in accordance with applicable codes and standards.
- c) No property within the Town of Stonewall shall be permitted to connect to the water distribution and wastewater collection systems without connecting to both systems.

11. WATER METERS

- a) The water meter shall be installed by a licensed and/or registered plumber and the costs shall be borne by the property owner. The meter shall be located at a point easily accessible at all times and approved by the Town. The property owner shall ensure that the water meter is maintained in working condition and not be removed or relocated without prior approval of the Town.
- b) The meter shall be installed 75 cm above the floor and properly supported or as approved by the Town.
- c) The meter shall be located as close as possible to the point of entry of the water line. Ample room must be provided for access to the meter and main valve at all times.
- d) The meter shall be in a horizontal position with the main shut off valve immediately before the meter. Another valve shall be installed downstream of the meter before any distribution piping or ports.
- e) The meter shall be protected from any type of damage including freezing.
- f) Costs for any damage and labour for repairs to the water meter, remote read touch pad and associated equipment shall be the responsibility of the property owner.
- g) A customer may request that their water meter be tested for accuracy and before having the same tested by the Town, they shall deposit with the Town of Stonewall, the amount of \$50.00, and if the meter is found to be accurate, the \$50.00 shall be retained by the Town. If the meter is found to be inaccurate the \$50.00 will be repaid to the customer.

- h) If the meter is tampered with so as to not record or properly record the water provided to and used by the customer, a fine in the amount of \$500.00 will be assessed to the account of the customer plus an estimated cost for the unmetered water and wastewater used.

12. SERVICE CALL-OUTS

- a) The Property owners of the residential premises will be charged a set fee of \$75.00 for each and every call out concerning blocked wastewater services, maintenance of service, thawing of frozen services, repairs to tampered water meter, etc.
- b) There will be a charge to businesses and/or institutions for a call out rate of \$50.00 per hour, during regular working hours, for municipal staff plus actual costs for any private contractor to clean out the wastewater service and/or disconnect, reconnect, flush and/or thaw the water services or repair the water meter for the businesses and/or institutions.
- c) After hours call out rate is \$100.00 per hour plus actual cost for a private contractor.

13. SEPTAGE DUMPING CHARGES

Regulations and fees for dumpage from either septic or holding tanks by registered haulers are established by By-law 01-17, upon said by-law receiving final approval of the Public Utilities Board and passage by the Municipality, and amendments or substitutions therefore.

14. WATER AND WASTEWATER USE

- a) New residential, commercial, institutional and industrial construction within the Town of Stonewall shall install low flow plumbing fixtures.
- b) All commercial and institutional food service facilities shall have installed and shall properly maintain grease traps sufficient to prevent cooking grease from entering the wastewater collection system.
- c) All commercial and private vehicle and equipment wash bays shall have a solid material debris collection pit which will prevent the solids from entering the wastewater collection system. The solids are to be collected and disposed in a manner consistent with accepted practices.

15. CONTRAVENTIONS

- a) Every person who contravenes any provision of By-Law 05-16 is guilty of an offense and on conviction is liable to a fine of not more than Five Hundred Dollars (\$500.00) for every day or part thereof upon which the offense occurs or continues.
- b) Every person who contravenes any provision of By-Law 05-16 and as a result of which contravention damages or any part hereof, is liable to the Town for full costs of such damage or injury including any fine or penalty imposed on the Town in relation to said contravention.