

**Public
Utilities
Board**

**Régie
des
services
publics**

Order No. 49/18

**THE CITY OF THOMPSON
WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER RATES**

April 12, 2018

**BEFORE: Irene A. Hamilton, Panel Chair
Michael Watson, Member**

Table of Contents

1.0	Executive Summary.....	3
2.0	Background	4
	Water Supply/Distribution	4
	Wastewater Collection/Treatment.....	5
	Unaccounted for Water.....	6
3.0	Application.....	6
	Working Capital Surplus/Deficit	10
	Cost Allocation Methodology	10
	Contingency Allowance and Utility Reserves.....	12
4.0	Public Hearing	13
5.0	Board Findings	14
6.0	IT IS THEREFORE ORDERED THAT:.....	17
	SCHEDULE "A"	19

1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) approves the 2018 revised water and wastewater rates until December 31, 2018, for the City of Thompson (City) water and wastewater utility (Utility). The Board will review the proposed rate for 2019 based on a new schedule of rates to be submitted by the City no later than November 30, 2018. The approved rates for 2018 are shown below, as provided in interim Board Order No. 9/18:

	Rate 2018
Quarterly Service Charge	\$84.23
Water \$/cubic metre	\$2.39
Wastewater \$/cubic metre	\$1.28
Minimum quarterly – Water and Wastewater*	\$135.61
Bulk water \$/cubic metre	\$4.90
Reconnection fee	\$320.00
Hydrant rental (annual)	\$125.00

*Based on 14 cubic meters

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

The reasons for the PUB’s decisions may be found under “Board Findings”.

2.0 Background

On October 6, 2016, Vale Canada Limited (Vale) applied to the Board, for approval to transfer ownership and operation of the Thompson Water Treatment Plant (WTP) from Vale to the City. The Board approved the Transfer of ownership on January 10, 2018 in Board Order No. 6/18, with Board Order No. 42/18 varying wording in the initial Order.

As per the agreement between Vale and the City, the transfer of ownership and operations of the WTP will occur as follows:

- 2017: 25% City, 75% Vale. Calculated based on 25% of the actual cost of operating the WTP and 25% of the pro rata portion of the actual cost of operating the Pump House, based on the volume of raw water supplied to the WTP.
- 2018: 50% City, 50% Vale. The City will charge Vale for 50% of overall costs of operation of the WTP and Vale will charge the City for its pro rata portion of the costs of operation of the Pump House, based on volume of water supplied to the WTP.
- 2019 & thereafter: 74.09% City, 25.91% Vale. Calculated based on actual operational costs and volume of water consumed.

Due to this transfer of ownership and increasing operating costs starting in 2018, the City applied for interim rates on December 4, 2017. Interim rates were approved on January 11, 2018 in Board Order 9/18.

Water Supply/Distribution

The water system is owned and operated by the City and is comprised of a treatment plant and water distribution system which consists of water mains of varying age, material and size, and hydrants and valves. The raw water source is from the Burntwood River, which is treated via gaseous chlorine at the WTP.

As per Board Order No. 6/18 and the Water Services Agreement with Vale, the City assumed ownership and operation of the WTP in 2018, with Vale remaining the owner and operator of the Pump House (raw water system). The WTP is operating under the agreed

upon 50:50 cost share arrangement between the City and Vale. The City will charge Vale for 50% of the overall costs of operation of the WTP. Vale will charge the City a Process Water Charge which is its pro rata portion of the costs of operation of the Pump House based on the volume of raw water supplied to the WTP.

The WTP is currently in full compliance with the requirements of the drinking water safety regulations.

Most of the City's infrastructure was built within a 10-year period in the 1950s and its components are all beginning to fail at the same time and all need replacement. Because of the uniform age, leaks are widely dispersed throughout the system.

To address the growing capital requirements of the aging infrastructure, the City implemented a Universal Water Metering Program on January 1, 2011. Since the metering, the City has been able to more accurately measure consumption and estimate the volume of non-revenue water.

Wastewater Collection/Treatment

The City owns and operates two wastewater treatment facilities and the collection system. The mechanical wastewater treatment plant, commissioned in 1958, provides primary treatment before discharge into the Burntwood River. The second facility is a single cell continuous flow aerated lagoon, in operation since 1970 that provides secondary treatment. They are in different parts of the city and function independently from each other.

Neither wastewater treatment facility meets the current Provincial regulatory discharge requirements. Therefore, the Province of Manitoba mandated an upgrade/replacement of these facilities to meet the current effluent discharge limits, including nutrient removal (nitrogen and phosphorus). The City is in the process of commissioning the new wastewater treatment plant (WWTP) with estimated completion by mid 2018.

The cost of the new WWTP and decommissioning of the existing facilities is estimated to be approximately \$36.5 million and has not been included in the cost of service for the wastewater rates. The City received approval of 2/3 grant funding (Provincial and Federal) with the remaining 1/3 to be funded by the City through a debenture. The City has received approval in principle in Board Order No. 148/16 to recover debt repayment by rate rider, once final costs are known.

The wastewater collection system consists of approximately 70 kilometres of gravity sewer mains, manholes and service laterals from each building to the City's collection system. There are eight sewage pumping stations at various locations that receive gravity discharge from gravity sewer mains and pump the wastewater via forcemains to the wastewater treatment facilities.

Unaccounted - for Water

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

The City's rate study estimated the unaccounted-for water to be 42%, likely due to a combination of known unmetered usage (such as system flushing, fire fighting, etc.), and water loss due to the aged infrastructure. The City has implemented an annual water main replacement program over a 45-year period to address the age of the system and reduce water loss over time.

3.0 Application

The City owns and operates the Thompson Water and Wastewater Utility (Utility), which consists of a water treatment plant, water distribution system, two wastewater treatment facilities and a wastewater collection system, serving 4,014 customers. The water and wastewater services do not extend beyond the municipal boundary, except to continue service to a business located on an Urban Reserve as per an agreement made in 2016.

The last water and wastewater rates were set, on an interim *ex parte* basis, in January 2018 in Board Order No. 9/18. Prior to Board Order No. 9/18, rates were also set on an interim basis in December 2014 (for years 2015, 2016 and 2017) in Board Order No. 146/14.

On November 4, 2016, the Board received the City's application for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the City's consultant and By-law No. 1945-2016 having received first reading on October 3, 2016.

A Notice of Application was issued July 11, 2017 affording customers the opportunity to comment to both the City and the Board with respect to the proposed increases. The Board received 30 stakeholder responses and a petition with 154 signatures.

Some of the common concerns voiced are summarised below:

- The rates are unaffordable for the public and an aging population;
- Ratepayers consider rates already high and a further increase is unaffordable;
- There will be a population decline because of Vale closing operations; and
- The Board should consider a smaller increase.

When reviewing an application, the Board has at its disposal two approaches, either a paper or a public hearing review. A public hearing process allows the Utility the opportunity to present its application and allows stakeholders the opportunity to present any concerns to the Board in person.

In this case, the Board determined a public hearing was appropriate, given the significant public response. A Notice of Hearing was issued on December 6, 2017 and a public hearing was held on January 23, 2018 at St. Joseph's Ukrainian Hall in Thompson.

The rate application was based on the following revenue projections, using a 2% rate of inflation for calculations.

	Actual	Actual	Projected	Rate year 1	Rate year 2	Rate year 3
	2014	2015	2016	2017	2018	2019
<i>Administration</i>	(1) (2)	(2)				
Administration (building, office, staff, etc.)	1,547,240	1,589,082	1,286,405	1,312,134	1,338,376	1,365,144
Billing and collection	2,029	4,246	13,525	13,796	14,072	14,353
Total gen. exp./Admin revenue requirement	1,549,269	1,593,328	1,299,931	1,325,929	1,352,448	1,379,497
<i>Revenue:</i>						
Service charges ⁽⁴⁾	851,129	1,224,591			-	-
Surcharges			-	-	-	-
Penalties	96,697	83,908	-	-	-	-
Total general revenue	947,826	1,308,499	-	-	-	-
Net rate revenue requirement general/Admin				1,325,929	1,352,448	1,379,497
Water						
<i>Expenses:</i>						
Staffing			462,015	634,755	647,451	660,400
Purification and treatment			-	40,000	950,039	974,176
Water purchases			-	265,136	50,843	78,981
Service of Supply			-	-	-	-
Transmission and Distribution	797,227	716,184	348,849	355,826	362,942	370,201
Other Water Supply Costs					-	-
Connections - Net Loss			-	-	-	-
Bleeder Rebates			45,000	45,900	46,818	47,754
Capital Requirements			2,071,000	4,053,054	1,857,146	1,912,860
Principal on Long term debt			80,760	84,135	87,652	91,315
Interest on Long term debt	91,398	53,607	39,685	36,310	32,794	29,130
Amortization	376,077	406,796	39,685	36,310	32,794	29,130
	-	-	-			
Reserves (Water Treatment Plant Equipment)				-	278,000	278,000
Minor capital upgrades ⁽⁵⁾					-	-
Contingency ⁽³⁾						
Sub-total- water expenses	1,264,702	1,176,587	3,086,994	5,551,427	4,346,478	4,471,948
<i>Revenue:</i>						
Water rate charges ⁽⁴⁾	1,360,212	1,903,827	3,145,164			
Connection Revenue			-	-	-	-
Hydrant rentals	82,000	82,000	82,000	83,640	85,313	87,019
Revenue from Industrial Customer			-	-	722,826	388,951
Operating Subsidies	447,540	855,032	379,299	379,299	379,299	379,299
Transfer from Surplus			-	-	-	-
Capital grants			800,000	2,250,000	-	-
Taxation revenues-water debt	-	-	-	-	-	-
Other revenue-bulk water fees	17,824	39,992	-	-	-	-
Total revenue - water	1,907,576	2,880,851	4,406,463	2,712,939	1,187,437	855,269

	Actual	Actual	Projected	Rate year 1	Rate year 2	Rate year 3
	2014	2015	2016	2017	2018	2019
Sewer						
<i>Expenses:</i>						
Staffing			339,061	345,842	481,368	490,746
Sewage Collection System	165,193	196,611	98,838	100,815	102,831	104,888
Sewage Lift Station	149,071	118,602	96,266	98,192	100,156	102,159
Sewage Treatment and Disposal	359,927	294,317	188,818	192,595	301,586	307,618
Other Sewage Collection & Disposal Costs					-	-
Connection - Net Loss			-	-	-	-
Capital Requirements			30,000	369,342	36,880,422	391,835
Principal on Existing Long term debt			22,860	23,774	24,725	25,714
Interest on Existing Long term debt			6,065	5,151	4,200	3,211
Interest on New Short term debt (WWTP)			-	48,611	275,139	7,604
Amortization	243,490	263,379	-	-	-	-
	-	-	-	-	-	-
Reserves				60,000		
Future Remediation						
Minor capital upgrades ⁽⁵⁾					-	-
Contingency ⁽³⁾						
Total sewer expenses	917,681	872,909	781,909	1,244,321	38,170,427	1,433,774
<i>Revenue</i>						
Sewer rate charge ⁽⁴⁾	1,319,297	956,621	-			
Connection Revenue						
Lagoon Tipping Fees						
Operating Subsidies						
Investment Income						
Capital grants					24,333,333	
Proceeds from New Debenture					12,166,667	
Taxation revenues	-	-	-	-	-	-
Other Revenue				-	-	-
Total revenue- sewer	1,319,297	956,621	-	-	36,500,000	-
Net rate revenue requirement - sewer				1,244,321	1,670,427	1,433,774
Net results	- 443,047	- 1,503,147	762,371			

On December 15, 2017, prior to the hearing, the Board sent a round of information requests to the City and Vale regarding clarification of the financial projections and the cost sharing agreement. The City responded January 17, 2018.

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 2015 and 2016 audited financial statements, the working capital deficit at December 31, 2015 and December 31, 2016 was:

	2015	2016
Fund Surplus/Deficit	\$12,886,690	\$14,467,187
Deduct Tangible Capital Assets	\$15,170,391	\$17,848,054
Add Long-Term Debt	\$1,094,318	\$990,698
Add Utility Reserves	-	\$1,288,342*
Equals Working Capital Deficit	(\$1,189,383)	(\$1,101,827)
Operating Expenses	\$3,642,823	\$3,810,845
20% of operating expenses (Target)	\$728,565	\$762,169

*transfer from operating fund.

Cost Allocation Methodology

The Board requires all municipal governments to review the costs shared between its general operations and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This allocation must be submitted to the Board for approval and cannot be changed without receiving approval from the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

The City's proposed Cost Allocation Methodology is as follows:

Shared Overhead: Includes all direct and indirect costs related to the administration of the Utility.			
Sub-Category	Activity/Expenses (Object)	% Expenses allocated to Utility (estimated)	Based on % allocation (Actual 2016)
Direct Overhead Costs	Meter Reading Salaries & Wages	100%	
	Billing Receipting & Collection	100%	\$145,370.42
	Other Admin (Legal, Bleeder rebate, Insurance, Rate Study, Building Services, Memberships & Training, Water & Sewer Manager & Engineering Tech)	100%	\$503,054.89
Indirect Overhead Costs- General Administrative Costs & Shared Office Costs	City Manger	10%	\$31,675.75
	Legal/Audit	10%	\$5,159.59
	Purchasing & Stores	10%	\$52,918.24
	Chief Financial Officer (department)	10%	\$94,097.89
	Community Development	10%	\$10,766.30
	Printing & Photocopying	10%	\$1,784.57
	Personnel	10%	\$43,658.37
	Safety	10%	\$13,474.47
	Communications	10%	\$4,908.27
	Public Works Admin	27%	\$117,155.33
	Memberships & Training	27%	\$883.21
	Lease Cost	27%	\$86.80
	Utilities	100%	\$8,765.09
Shared Direct Operating Costs: Includes all costs directly attributable to the maintenance and repair of the utility. Public work employees repair and maintain both transportation and utility infrastructure. A portion of the cost for the public works department should be allocated to the Utility.			
Direct Equipment & Materials Cost	Printing & Photocopying	27%	
	Communications	27%	
	Public Works Tools	27%	\$5,099.11
	Public Works Sanding, Paving & Grading	10%	\$25,303.64
	Public Works Sidewalk & Curb Maintenance	67%	\$41,756.20
	Public Works Custom Work Equipment & Materials	75%	\$196.84
	Public Works Grounds & Janitorial	27%	\$30,133.30
	Private Service Connection Repair	100%	\$41,236.99
Direct Labour	Professional Services	27%	
	Public Works Salaries & Benefits	10%	\$26,545.88
	Public Works Sidewalk & Curb Maintenance	67%	\$128,554.48
	Public Works Custom Work Mechanics Salaries & Benefits	75%	\$6,923.09
	Public Works Grounds & Janitorial	27%	\$16,305.00
	Private Service Connection Repair	100%	\$11,831.01

Shared Capital Costs: These shared costs should not be directly charged to utility operations. Capital costs should be capitalized as a tangible capital asset and amortized to utility operations over its useful life.

* Includes all costs directly attributable to the development and construction of a tangible capital asset 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 assets.

*The cost of a tangible capital asset can include interest costs on debt directly attributable to the development and construction of a tangible capital asset. 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.

Direct Overhead Costs	Salaries & Benefits	50%	\$123,681.54
	Memberships & Training	68%	\$1,654.61
	Printing & Photocopying	68%	\$907.58
	Communications	68%	\$9,818.80
Direct Equipment & Materials Cost	Infrastructure & Asset Management	68%	\$21,812.02

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.

As per the City's rate application and financial projections, there is no dedicated allotment for contingency. Annual contributions for 2018 and 2019 to a capital reserve fund for future replacement of the WTP have been established. This reserve fund would be established beginning in 2018 and dedicated for the future replacement of machinery and equipment at the WTP. This is estimated to be \$278,000 per year and included in the cost of water treatment to be cost shared with Vale.

In addition, there is a one-time contribution of \$60,000 in 2017 to a reserve fund for the WWTP to maintain rate stability and to offset borrowing for the new WWTP.

There are no other significant reserve contributions included in the rate requirements due to the cash basis approach to financing capital projects.

4.0 Public Hearing

The Public Hearing took place in accordance with the Notice. Approximately 45 members of the public attended, including City Council members and Vale representatives.

There were three presenters at the hearing and one submission received after the hearing on February 1, 2018, that the Board considered during its review. Summaries of the public presentations are provided:

- The first presenter, business owner Mr. Chong previously submitted a petition with 154 signatures and provided a 20-page document as an exhibit at the hearing. Mr. Chong stated that residents are very concerned that the city did not adequately spend the water and wastewater revenue collected from 2011 to present (sum totalling \$30 million), thus they have no confidence in the current rate proposal. He stated that Vale operations closing has an impact on the health of the community. He stated that the current rate increase would likely cause additional economic hardship to the city's taxpayers. Mr. Chong also pointed out that additional taxes and rate riders for the wastewater treatment plant amounts are not included in the rate application. Mr. Chong is opposed to different rates charged based on meter size.
- The second presenter, resident Mr. Hall provided a comparison of the customer service charge and the water and wastewater rates between other cities in Manitoba and the City of Thompson, based on current and proposed rates. The submission compared: Winnipeg, Brandon, Winkler, and Thompson. He stated these cities have much older systems than Thompson and he does not understand why the customer service charge is so much higher in Thompson (Customer Service Charge comparison; Winnipeg \$45.90, Brandon \$17.48, Winkler \$17.65, Thompson \$79.35).
- The third presenter, resident Mr. Perchalyk stated he and his wife are retirees and that they currently pay \$600-\$700 per year. He stated with the new rates, they will

be paying \$1,300-\$1,500 not including any rate riders/surcharges and by 2020, he speculated the prices will likely be \$2,000.

- The fourth presenter, resident Mr. Good was unable to present but was allowed by the Board to provide a submission, which was provided February 1, 2018. Included in the submission is an account of questions Mr. Good has asked the City Council regarding the water and wastewater revenues and the metering project. Also included in the submission are Utility financial statements and Thompson Citizen articles on these topics.

The City's mayor responded by stating that Thompson is unique and most of the infrastructure was put in place in the 1960s and need to be replaced at the same time, while cities like Winnipeg and Brandon have been replacing infrastructure over time. Thompson is just starting to replace the infrastructure and incur these costs. The City's consultant also added that comparing utilities is not an apples-to-apples comparison, and that costs that drive rates will be different.

On January 29, 2018, a second round of information requests was sent to the City regarding information presented at the hearing. Specifically, the Board requested clarification of inconsistencies between the presentation and the application for the Cost of Service projection and requested the City to provide a breakdown of costs for the Cost Allocation Methodology. The City responded on February 9, 2018. The City's response regarding the Cost Allocation Methodology required more detail and further clarification, causing the Board to send a request for further information on March 1, 2018. The City responded on March 13, 2018.

5.0 Board Findings

The Board acknowledges that the Utility is faced with many challenges because of the transfer of assets and the aging infrastructure. The Board accepts the Mayor's comments at the hearing that because all the assets are the same age and the City is replacing its major systems all at once, it is a unique situation.

The Board has reviewed the City's submission, and the submissions and presentations from the stakeholders. Based on this information the Board's decision is as follows:

The Board approves the 2018 water and wastewater rates until December 31, 2018.

The Board orders the City to submit a revised rate schedule and projections for 2019 no later than November 30, 2018 with detailed information, upon which the allocation of the customer service charge and the water and wastewater rates is based, for Board approval.

The Board orders the City to submit 2017 financial statements as soon as the audit is complete.

The Board is sensitive to the impact of rate increases on customers. It must also consider the sustainability of the Utility when approving rates.

The Customer Service Charge requested represents a significant increase to the ratepayers.

As per the Board's Water and Wastewater Rate Application Guidelines, the Board requires all municipalities to review 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 Cost Allocation Methodology.

Following the hearing, the Board requested additional detail on the cost allocation methodology in order to understand the methodology used by the City, on two separate occasions. The Board orders the City to submit a new cost allocation methodology no later than November 2018, with a clear rationale for the costs allocated to the customer service charge.

The City's application allocates costs including equipment and labour of its public works department. The Board believes these costs are more appropriately allocated to the water and wastewater rates as they relate to maintenance of those systems. Removing these

costs from the customer service charges allows the ratepayers a chance to adjust their usage to decrease their costs.

The Board will work with the City to expedite the 2019 rate submission once received.

The Board is concerned with the high percentage of water loss and the aging infrastructure. The Board notes that the City has a 45-year line replacement plan; however, the City has no contingency and only has reserves for the WTP and WWTP. The Board encourages the City to further address the unaccounted-for water and implement solutions to bring it closer to the acceptable percentage of 10%.

The Board also notes that the City is not following the recommended 10% of variable operating costs yearly contingency allowance for maintenance, as per the Board's guidelines. The Board recommends that the City review the guidelines and provide a yearly contingency for the next rate application.

The Board recommends that all future applications be prepared using the PUB's guidelines. The Board does encourage applicants to confer with Board staff where there is uncertainty about Board recommended methodology and, where variation is proposed, that the variation be clearly substantiated in the application.

6.0 IT IS THEREFORE ORDERED THAT:

- 1) Revised water and wastewater rates for the year 2018, for the City of Thompson, Thompson Water and Wastewater Utility, BE AND ARE HEREBY CONFIRMED AS FINAL and remain in effect until a new rate schedule is approved by the Board.
- 2) The City of Thompson prepare and file a revised rate schedule including the customer service charge and projections for 2019 as soon as possible and no later than November 30, 2018.
- 3) The proposed cost allocation methodology is HEREBY DENIED.
- 4) The City of Thompson file a revised cost allocation methodology for approval by the Board as soon as possible and no later than November 30, 2018.
- 5) The City of Thompson submit the 2017 audited financial statement to the Board as soon as available.
- 6) The City of Thompson submit a copy of its wastewater rate By-law to the Public Utilities Board once it has been amended to reflect the decisions in this Board Order and it has received third and final reading.

Fees payable upon this Order - \$1,500.00

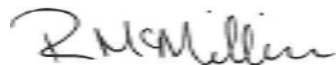
Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"IRENE A. HAMILTON"
Acting Chair

"RACHEL MCMILLIN, BSc."
Acting Secretary

Certified a true copy of Order No. 49/18
issued by The Public Utilities Board



Acting Secretary

SCHEDULE "A"**THE CITY OF THOMPSON
WATER AND WASTEWATER RATES
BY-LAW NO. 1945-2016****1. Water and Wastewater Rates**

1.1 SCHEDULE OF QUARTERLY RATES – 2017

<u>Service</u>	<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
a. Commodity Rate Per Cubic Meter	\$2.14	\$0.95	\$3.09
b. Quarterly Service Charge Per Meter			\$82.58
c. Minimum Quarterly Charges			

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

Meter Size	Group Capacity Ratio	Minimum Quarterly Consumption (cubic meters)	Quarterly Service Charge (\$)	Commodity Charge Water (\$)	Commodity Charge Wastewater (\$)	Minimum Quarterly Water & Wastewater Charge
15mm	1	14	\$82.58	\$29.96	\$13.30	\$125.84
20mm	2	27	\$82.58	\$57.78	\$25.65	\$166.01
25mm	4	55	\$82.58	\$117.70	\$52.25	\$252.53
37mm	10	140	\$82.58	\$299.60	\$133.00	\$515.18
50mm	25	341	\$82.58	\$729.74	\$323.95	\$1,136.27
75mm	45	614	\$82.58	\$1,313.96	\$583.30	\$1,979.84
100mm	90	1,227	\$82.58	\$2,625.78	\$1,165.65	\$3,874.01
150mm	170	2,319	\$82.58	\$4,962.66	\$2,203.05	\$7,248.29
200mm	320	4,364	\$82.58	\$9,338.96	\$4,145.80	\$13,567.34
250mm	610	8,319	\$82.58	\$17,802.66	\$7,903.05	\$25,788.29

1.2 SCHEDULE OF QUARTERLY RATES - 2018

<u>Service</u>	<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
a. Commodity Rate Per Cubic Meter	\$2.39	\$1.28	\$3.67
b. Quarterly Service Charge Per Meter			\$84.23
c. Minimum Quarterly Charges			

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

Meter Size	Group Capacity Ratio	Minimum Quarterly Consumption (cubic meters)	Quarterly Service Charge (\$)	Commodity Charge Water (\$)	Commodity Charge Wastewater (\$)	Minimum Quarterly Water & Wastewater Charge
15mm	1	14	\$84.23	\$33.46	\$17.92	\$135.61
20mm	2	27	\$84.23	\$64.53	\$34.56	\$183.32
25mm	4	55	\$84.23	\$131.45	\$70.40	\$286.08
37mm	10	140	\$84.23	\$334.60	\$179.20	\$598.03
50mm	25	341	\$84.23	\$814.99	\$436.48	\$1,335.70
75mm	45	614	\$84.23	\$1,467.46	\$785.92	\$2,337.61
100mm	90	1,227	\$84.23	\$2,932.53	\$1,570.56	\$4,587.32
150mm	170	2,319	\$84.23	\$5,542.41	\$2,968.32	\$8,594.96
200mm	320	4,364	\$84.23	\$10,429.96	\$5,585.92	\$16,100.11
250mm	610	8,319	\$84.23	\$19,882.41	\$10,648.32	\$30,614.96

2. Bulk Water Sales

Water sold in bulk shall be charged for at the rate of:

- In 2017 - \$4.65 per cubic meter
- In 2018 - \$4.90 per cubic meter

3. Unmetered Fire Lines

Unmetered Fire Lines shall be charged at a flat rate of \$75.00 per quarter.

4. Application Fee

An application fee of \$50.00 will be charged for new water utility customers.

5. Water Meter Installation

Water meters will be provided free of charge for new construction within the City of Thompson, with an installation fee of \$500.00 for a standard installation of a meter not greater than one inch (25mm), or an inspection fee at the rates for Service Calls if the installation is not performed by the City.

6. Service Calls and Additional Services

A fee for service of \$250.00 for the first hour and \$125.00 thereafter shall apply for testing of water meters at the request of the Customer, repair of damage to water meters attributable to the Customer, inspection of installations, or any other minor service requested by the Customer.

7. Service to Outside Customers

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

8. Billings and Penalties

A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen days after the mailing of the bills.

9. Disconnection and Shut-Off

A scheduled shut-off charge of \$320.00 shall apply.

An unscheduled shut-off charge of \$480.00 shall apply.

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

10. Reconnection

A reconnection fee of \$320.00 shall apply.

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

11. Calibration of Meter

All costs associated with the calibration of a meter, at a customer's request, will be the responsibility of the customer, this will include shipping, installing a replacement meter and calibration, unless it is identified during calibration that there is an issue with the meter in which all costs will be paid for by the City of Thompson.

12. Damaged Meter

The cost to replace a damaged meter shall be the actual cost of the meter and installation. Meters which malfunction will be replaced at the cost of the City of Thompson.

13. Outstanding Bills

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and wastewater service are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

14. Hydrant Rentals

The City of Thompson will pay to the utility an annual rental of \$125.00 for each hydrant connected to the system. In addition, the City of Thompson will pay for water used for fire-fighting at the current rates applied to a volume identified by the Water Utility.

15. Allowance For Prevention of Freezing

Where advanced approval has been granted by the Utility, a customer allows water to run continuously for any period of time to prevent water service lines from freezing, the charge to that customer for the current quarter shall be the average of the billings for the two previous quarters to the same customer, or to the same premises if the occupant has changed.

16. Thawing of Frozen Lines

A fee for service of \$250.00 for the first hour and \$125.00 thereafter shall apply for thawing of Private Water Service lines by the Water Utility.

17. Sewage Surcharges

There may be levied annually, in addition to rates set forth above:

- (a) 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 based on the actual costs of treatment required for the particular sewage or industrial wastes.

18. Hauled Sewage Dumping Fee (Septage)

The fee for all hauled sewage shall be charged for at the rate of \$4.00 per cubic meter.