

Order No. 107/20

**MUNICIPALITY OF RUSSELL BINSKARTH
AMALGAMATION OF THE RUSSELL WATER AND WASTEWATER UTILITY AND THE
BINSKARTH WATER AND WASTEWATER UTILITY
REVISED WATER AND WASTEWATER RATES
2018 ACTUAL OPERATING DEFICIT**

AUGUST 24, 2020

**BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Marilyn Kapitany, B.Sc. (Hon), M. Sc., Panel Member**

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the amalgamation of the Russell Water and Wastewater Utility and the Binscarth Water and Wastewater Utility, to be known as the Russell Binscarth Water and Wastewater Utility, effective January 1, 2021.

The Board approves the water and wastewater rates as applied for by the Municipality of Russell Binscarth (Municipality), for the amalgamated Russell Binscarth Water and Wastewater Utility (Utility) and varies the effective dates to October 1, 2020, January 1, 2021, and January 1, 2022.

The approved rates are as follows:

	October 1, 2020	January 1, 2021	January 1, 2022
Quarterly Service Charge	\$23.14	\$24.28	\$25.42
Water (per 1,000 gallons)	\$16.24	\$18.16	\$20.09
Wastewater (per 1,000 gallons)	\$2.73	\$2.57	\$2.42
Minimum Quarterly Charge*	\$80.05	\$86.47	\$92.95
Minimum Quarterly Charge – Wastewater Only Customers**	\$50.44	\$49.98	\$49.62
Bulk Water – Minimum Charge (up to 300 gallons)	\$6.00	\$6.00	\$6.00
Bulk Water (per 100 gallons)***	\$2.10	\$2.30	\$2.50
Debenture Surcharge – Supply Well Project (per 1,000 gallons)****	\$0.89	\$0.89	\$0.89
Debenture Surcharge – Regional Water Treatment Plan and Pipeline Project (per 1,000 gallons)*****	\$2.49	\$2.49	\$2.49
Hydrant Rentals	\$125.00	\$125.00	\$125.00

*Based on 3,000 gallons

**Based on 10,000 gallons

***pro-rated

****Effective March 1, 2016 for a period of 20 years

*****Effective October 1, 2020 for a period of 17 years and three months

The Board approves the revised debenture surcharge of \$0.89 (from \$1.05) per customer per 1,000 gallons for the Supply Well Project (as noted in the table above), effective October 1, 2020 for 15 years and five months.

The Board approves as final the partial funding through utility rates of debenture servicing costs for the Regional Water Treatment Plant and Pipeline Project at a surcharge of \$2.49 (as noted in the table above) for the Municipality and varies the effective date to October 1, 2020 for a period of 17 years and three months.

The Board varies the 2018, 2019, and 2020 (first three quarters) debenture payments for the Regional Water Treatment Plant and Pipeline Project to refund the Municipal general fund, in the amount of \$275,793 to be funded from the Utility Operating Fund Surplus.

The Board approves the 2015 actual operating deficit of \$9,565 for the Binscarth Water and Wastewater Utility, to be recovered from the Utility accumulated surplus fund. The Board also varies the 2018 actual operating deficit, which when calculated for regulatory purposes does not require Board approval.

The Board directs the Municipality to return to the Board with a review of the interim inter-municipal treated bulk water rate of \$12.17 per 1,000 gallons based on the actual revenues and expenditures for final approval of this rate.

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

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

2.0 Background

On January 1, 2015 the Rural Municipality of Russell, the Town of Russell, and the Village of Binscarth amalgamated to form the Municipality of Russell Binscarth (Municipality). Prior to amalgamation, the Town of Russell operated the Russell Water and Wastewater Utility (Russell Utility) and the Village of Binscarth operated the Binscarth Water and Wastewater Utility (Binscarth Utility).

Rates for the Russell Utility were last set in Board Order No. 69/14 and rates for the Binscarth Utility were last set in Board Order No. 129/15.

After the Municipality amalgamated, a new water treatment plant was constructed in 2017 that provides water service to the entire Municipality.

The proposed, amalgamated Utility will provide service to 1,017 customers, which includes 4 wastewater only customers. Prior to the proposed amalgamation, customers were served as follows: Russell Utility – 806; Binscarth Utility – 211.

On July 19, 2016, in Board Order No. 89/16, the Board approved a debenture surcharge of \$1.05 per 1,000 gallons effective March 1, 2016 for a period of 20 years for the Supply Well Project.

On October 5, 2016, the Board approved in principle the concept of adding a surcharge to the utility bill to recover half the debenture servicing costs for the Regional Water Treatment Plant and Pipeline Project. At that time, the debenture surcharge was forecasted to be \$3.25 per 1,000 gallons and the Board directed the Municipality to return with final debenture servicing costs and a final surcharge proposal.

On January 29, 2018, the Board also approved a treated bulk water rate of \$12.17 per 1,000 gallons on an interim *ex parte* basis for the Russell Utility for the inter-municipal sale of treated bulk water to the neighbouring communities of Rosscburn, Angusville, and Gambler First Nation. The interim rate was based on annual estimated water treatment expenses and a proportionate share of the annual payment for water treatment plant based on the percentage of water plant capacity allocated to Rosscburn, Angusville, and Gambler First Nation. Each of these customers have paid a capital contribution representing the municipal share of the capital cost of the waterlines to provide service to their communities.

Water Supply/Distribution

The new Russell water treatment plant was constructed in 2017 and began providing treated water to Russell, Binscarth, Angusville, Rosscburn, and Gambler First Nation in 2018/19. Water is retained from two groundwater wells. The raw water main was installed in 1984 and the ground water wells were upgraded in 2016.

The water lines for the Binscarth water system were installed in 1964 and have had various upgrades to date. The water distribution lines are primarily composed of cast iron pipe.

Wastewater Collection/Treatment

The Russell wastewater system was installed in 1955 and has had various upgrades to date. Effluent is discharged into a small lake north of Highway 1, immediately east of the lagoon cells. The lagoon was expanded and upgraded in 2008.

The Binscarth wastewater system lines were installed in 1964 and have had various upgrades to date. The gravity wastewater system discharges into a lagoon approximately 2 km west of Binscarth.

Unaccounted for Water

The acceptable percentage of unaccounted for water is 10%, based on industry standards. If the percentage is above this amount, the applicant is to explain why and provide a plan to remedy.

The unaccounted for water was 18.1% for 2018. The rate study notes the Municipality will review quarterly billing volumes and water production volumes going forward to track unaccounted for water on an ongoing basis to attempt to reduce the level.

3.0 Application

On September 17, 2019, the Municipality applied to amalgamate the Russell Utility and the Binscarth Utility and for revised water and wastewater rates, to be effective January 1, 2020, January 1, 2021, and January 1, 2022 as set out in By-Law No. 64/02/19 having had first reading August 13, 2019. The application was supported by a rate study prepared by the Municipality's consultant.

The Municipality is requesting to amalgamate the Utilities as the Municipality now operates both Utilities. The level of service is therefore the same throughout the Municipality and amalgamation will charge customers the same price for the same services. The Municipality believes combining administration and operations will better serve customers and offer improved timelines. An economy of scale is also anticipated to help offset future rising costs and set more affordable rates.

The Municipality is requesting to reduce the previously approved debenture surcharge of \$1.05 per customer per 1,000 gallons for the Supply Well Project to \$0.89 per customer per 1,000 gallons, resulting from increased water volume sales if the Board approves the requested Utility amalgamation. (Please see Board Order No. 49/16 and Board Order No. 89/16 for complete details.)

Board Order No. 127/16 approved in principle the concept of a 20-year, annual debenture surcharge of \$3.25 per customer per 1,000 gallons to recover 50% of the debenture servicing costs for the Regional Water Treatment Plant and Pipeline Project for the Russell and Binscarth Utilities, with the other 50% to be recovered through taxation. The approval in principle was pending finalization of debenture servicing costs, estimated consumption use to calculate the surcharge, and addition of any partners/customers. (Please see Board Order No. 127/16 for complete details.)

The Municipality advises it erroneously overlooked obtaining final approval of the \$3.25 debenture surcharge to fund the debenture that was issued in 2017. The 2018 and 2019 portions of 50% Utility portion of the debenture payments were paid by the Municipality's general operating fund (\$199,589 and \$201,141 respectively, or a two-year total of \$400,730, which equates to \$200,365 for the Utility 50% portion).

The Municipality is now requesting to fund the 2018 and 2019 total of \$200,365 Utility 50% portion of the payments from the Utility operating fund surplus. The Municipality is also requesting to reduce the debenture surcharge amount approved in principle to \$2.49 per 1,000 per customer due to a reduced interest rate (4.14% versus 4.50%), resulting in a lower total annual payment amount from what was approved in principle (\$201,141 total versus \$249,847 total) and to fund the remaining 18 years commencing January 1, 2020.

A Public Notice of Application was issued on September 27, 2019 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Municipality on or before October 27, 2020. No responses to the notice were received.

When reviewing an application the Board can either: hold a public hearing at which the applicant can present its case and customers can present their concerns; or where it is deemed to be in the best interests of a utility and its customers, the Board can review the application using a paper review process without holding a public hearing. The paper review process considers all written materials submitted by the Utility and the public, as well as any information requests and responses between the Board and the Utility. This process may reduce regulatory costs to the Utility.

A public hearing process allows the Utility and the public the opportunity to review the application and address any concerns with the Board present.

Whenever reasonable, the Board will 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 the Municipality's application.

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

Schedule of Utility Rate Requirements Municipality of Russell Binscarth Water and Wastewater Utility 2020 to 2022 Budget Forecasts (\$)			
	2020	2021	2022
	Forecast		
General Expenses			
Administration	110,670	112,883	115,141
Total General Expenses	110,670	112,883	115,141
Revenue			
Penalties	5,250	5,250	5,250
Other Income	6,500	6,500	6,500
Total General Revenues	11,750	11,750	11,750
Net Costs General	98,920	101,133	103,391
Water Expenses			
Purification and Treatment	515,100	525,402	535,910
Transmission and Distribution	136,170	138,893	141,671
Amortization	452,918	445,831	434,822
Interest on Long-Term Debt	120,784	115,840	110,690
Contingency	56,894	56,894	56,894
Total Water Expenses	1,281,866	1,282,860	1,279,987
Revenue			
Bulk Water Fees	95,565	95,565	95,565
Hydrant Rentals	13,075	13,075	13,075
Total Water Revenue	108,640	108,640	108,640
Net Water Costs	1,173,226	1,174,220	1,171,347
Wastewater Expenses			
Collection System	66,300	67,626	68,979
Lift Station	21,420	21,848	22,285
Amortization	78,847	78,847	78,847
Interest on Long-Term Debt	34,737	31,352	27,772
Contingency	8,326	8,326	8,326
Total Wastewater Expenses	209,630	207,999	206,209
Revenue			
Lagoon Tipping Fees	8,000	8,000	8,000
Total Wastewater Revenue	8,000	8,000	8,000
Net Wastewater Costs	201,630	199,999	198,209
Net Operating Costs	1,473,776	1,475,352	1,472,947

The proposed Utility rate increases are requested to provide for contingency costs that will allow for a modest annual surplus.

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 a contingency allowance.

The Municipality has included a contingency allowance of \$56,894 per year for water and \$8,326 for wastewater or a total contingency allowance of \$65,221 per year.

The Municipality has not included a reserve allowance due to a large Working Capital Surplus and net amortization costs of approximately \$245,000 per year included in the proposed utility rate calculations.

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 2018 Audited Financial Statements, the most recent information available, the working capital surplus/deficit for the Utilities at December 31, 2018 was:

2018	Russell	Binscarth	Total
Utility Fund Surplus/Deficit	\$14,066,050	\$524,650	\$14,590,700
Deduct: Tangible Capital Assets	(17,541,103)	(466,694)	(18,007,797)
Add: Long-Term Debt	3,752,010	-	3,752,010
Add: Utility Reserves	405,331	70,850	476,181
Equals Working Capital Surplus/(Deficit)	682,288	128,806	811,094
Operating Expenses	984,213	171,782	1,155,995
20% of Operating Expenses (Target)	196,843	34,356	231,199

The working capital meets the Board requirement.

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 Municipality's allocation plan for shared costs is as follows:

Municipality of Russell Binscarth Russell Binscarth Water and Wastewater Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at May, 2019			
Category	Sub-category	Options	
1.0	Administrative Staff		13.0% of general legislative expenses excluding assessment and grant expenses.
	1.1 Billing services – meter reading to receipting and collection.		Meter reading – N/A; receipting and collection part of admin. staff allocation
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		13.0% of audit costs
	1.3 Common office space		13.0% of office costs, utilities.
	1.4 Office overheads (telephone, photocopier, computer, etc.)		13.0% of printing, postage, and stationary.
2.0	Operating, construction and maintenance costs		
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		-
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)		Utility operator time is tracked and charted to the Utility.
	2.3 Public works building and property.		There is no charge to the Utility for the Public Works Building use.

	2.4 Road repairs and alike (see Note 3)	Based on actual costs		-
3.0 Major projects				
	Interest/ financing			N/A
	Labor	Based on actual costs		-
	External costs	Direct charge (dedicated consulting)		-

Note 1 – Allocation must be updated periodically to reflect impacts of inflation.

Note 2 – Including salaries and benefits.

Note 3 – If a project involves work benefitting both the Utility and general operations the costs may be shared (i.e. If reconstructing a road and replacing services at the same time, a portion of the roadwork costs may be allocated to the Utility.)

Deficits

By law, Manitoba utilities are not allowed to incur deficits. In the event a deficit does occur, the Utility is required by The Municipal Act to obtain Board approval for both the deficit and recovery methodology as soon as it is known.

The Municipality has submitted a Deficit Application for the Binscarth Utility requesting approval of actual operating deficits in the amounts of \$9,565 for 2015 and \$6,945 for 2018, resulting from increased costs and insufficient revenue. The Municipality is proposing the deficits be recovered from the Russell Binscarth Utility's Working Capital Surplus.

4.0 Board Findings

The Board has reviewed the Municipality's application to amalgamate and notes there were no stakeholder concerns. The Board approves the amalgamation of the Russell Water and Wastewater Utility and the Binscarth Water and Wastewater Utility effective January 1, 2021 (to coincide with the start of the fiscal year), to be known as the Russell Binscarth Water and Wastewater Utility. To facilitate the preparation of Audited Financial Statements, the Board notes the Municipality can therefore begin reporting amalgamated results as of January 1, 2021.

The Board has reviewed the Municipality's application for revised rates 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 as applied for and varies the effective dates to October 1, 2020, January 1, 2021, and January 1, 2022 for the Russell Utility and the Binscarth Utility. As of January 1, 2021, these rates will apply accordingly for the Russell Binscarth Water and Wastewater Utility.

The Board notes the amalgamation date of January 1, 2021 has been set to coincide with the beginning of the 2021 reporting/calendar year and does not coincide with the effective date for revised water and wastewater rates as of October 1, 2020 for ease of accounting purposes.

The Board approves the revised cost allocation methodology and reminds the Municipality this methodology must be used consistently; and changes to the new, revised cost allocation methodology require Board approval.

The Board requires the Municipality to review the new utility's water and wastewater rates for adequacy and file a report with the Board or submit an application for revised rates on or before December 31, 2022.

The Board has reviewed the Municipality's deficit applications for the 2015 actual operating deficit of \$9,565 and the 2018 actual operating deficit of \$6,944 (or a total two-year deficit of \$16,509 and notes an error in the capital grant amortization used to calculate the 2018 deficit. The Board notes that capital grant amortization used was \$34,152 and the correct figure is \$39,207 (or a difference of \$5,055).

The Board varies the Municipality's 2018 actual operating deficit and approves the 2015 actual operating deficit of \$9,565, to be recovered from the Russell Binscarth Water and Wastewater accumulated surplus fund. The Board notes the 2018 actual operating deficit of \$1,889, when calculated for regulatory purposes, is below \$10,000 and 5% of utility operating expenses and therefore does not require Board approval.

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

The Board has not received the Municipality's 2019 Audited Financial Statements and reminds the Municipality Audited Financial Statements are to be reported to the Board no later than June 30 the following year.

The Board notes the utilities to be amalgamated have forecasted 2019 deficits of \$1,065 for the Russell Utility and \$38,864 for the Binscarth Utility. The Board reminds the Utility if it incurs a deficit, it is required by law to file a deficit application and recovery plan with the Board as soon as it is known.

The Board approves the Municipality's request to reduce the previously approved debenture surcharge of \$1.05 per customer per 1,000 gallons, to \$0.89 per customer per 1,000 gallons for the Supply Well Project, effective October 1, 2020 for 15 years and five months.

The Board has reviewed the Municipality's request to reduce the debenture surcharge from \$3.25 per customer per 1,000 gallons to \$2.49 per customer per 1,000 gallons for the Regional Water Plant and Pipeline Project, effective January 1, 2020 for 18 years and to refund the Municipality's general operating fund from the Utility surplus account fund for the 2018 and 2019 total payment requirements of \$200,365. The Board finds the revised/reduced debenture surcharge reasonable, but varies the effective date to October 1, 2020 for a period of 17 years and three months.

Generally, the Board does not approve retroactive rate increases and does not find sufficient rationale in this case to retroactively charge customers from January 1, 2020. The Board directs the Municipality to fund the required debenture payments for the first three quarters of 2020 totaling \$75,428 from the Utility accumulated surplus fund.

The Board notes the rate study recommends the Municipality review the inter-municipal treated bulk water rate based on actual operating revenues and expenses. The Board therefore directs the Municipality to return to the Board with a review of the interim, inter-municipal treated bulk water rate of \$12.17 per 1,000 gallons based on the 2019 actual operating revenues and expenses once the 2019 Audited Financial Statements have been finalized so the Board may revise or confirm the rate as final accordingly.

5.0 IT IS HEREBY ORDERED THAT:

1. The amalgamation of the Russell Water and Wastewater Utility and the Binscarth Water and Wastewater Utility, now known as the Russell Binscarth Water and Wastewater Utility, is HEREBY APPROVED effective January 1, 2021.
2. The revised water and wastewater rates for the Municipality Russell Binscarth, Russell Water and Wastewater Utility and Binscarth Water and Wastewater Utility, BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective October 1, 2020, January 1, 2021, and January 1, 2022.
3. The revised debenture surcharge of \$0.89 per customer per 1,000 gallons for the Supply Well Project BE AND IS HEREBY APPROVED, effective October 1, 2020 for a period of 15 years and five months.
4. The revised debenture surcharge of \$2.49 per customer per 1,000 for the Regional Water Plant and Pipeline Project, previously approved in-principle in Board Order No. 127/16, BE AND IS HEREBY CONFIRMED AS FINAL, effective October 1, 2020 for a period of 17 years and three months.
5. The payment of \$275,793 from the Utility operating fund surplus to the Utility general fund to provide for the 2018, 2019, and first three quarters of 2020 debenture payments for the Regional Water Plant and Pipeline Project BE AND IS HEREBY VARIED.
6. The Shared Cost Allocation Methodology for the Municipality Russell Binscarth BE AND IS HEREBY APPROVED.

7. The Municipality of Russell Binscarth is to provide a notice of the decisions found in this Order to its customers as soon as possible, with a copy provided to the Public Utilities Board.
8. The Municipality of Russell Binscarth 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.
9. The Municipality of Russell Binscarth review its water and wastewater rates for the Russell Binscarth Water and Wastewater Utility 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, 2022.
10. The Municipality of Russell Binscarth return to the Board with a review of the interim inter-municipal treated bulk water rate of \$12.17 per 1,000 gallons based on the actual revenues and expenditures for final approval of this rate.
11. The Municipality of Russell Binscarth submit its 2019 Audited Financial Statements as soon as possible.

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.

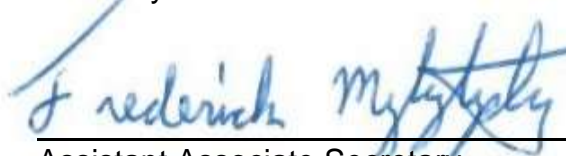
Fees payable upon this Order - \$650.00

THE PUBLIC UTILITIES BOARD

"Irene A. Hamilton, Q.C."
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 107/20
issued by The Public Utilities Board


Frederick Mykytyshyn
Assistant Associate Secretary

SCHEDULE A

**MUNICIPALITY OF RUSSELL BINSARTH
RUSSELL BINSARTH WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 64/02/19**

1. Schedule of Commodity Rates &
Quarterly Service Charge

October 1, 2020

Rates per 1,000 Gallons	<u>Water</u>	<u>Wastewater</u>	<u>Water and Wastewater</u>
	\$16.24	\$2.73	\$18.97
Quarterly Service Charge	\$23.14		

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	Water & Wastewater Total Quarterly Minimum
5/8 inch	3,000	\$23.14	\$48.72	\$8.19	\$80.05
3/4 inch	6,000	\$23.14	\$97.44	\$16.38	\$136.96
1 inch	12,000	\$23.14	\$194.88	\$32.76	\$250.78
1 1/2 inch	30,000	\$23.14	\$487.20	\$81.90	\$592.24
2 inch	75,000	\$23.14	\$1,218.00	\$204.75	\$1,445.89
3 inch	135,000	\$23.14	\$2,192.40	\$368.55	\$2,584.09
4 inch	270,000	\$23.14	\$4,384.80	\$737.10	\$5,145.04

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 10,000 gallons plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(10 * \$2.73) + \$23.14 = \$50.44$

d) Bulk Water Sales

All water sold in bulk by the Russell Binscarth Water and Wastewater Utility shall be charged for at the rate of \$2.10 per 100 gallons on a pro-rated basis for all quantities greater than 300 gallons.

For any quantity of 300 gallons or less the minimum charge will be \$6.00.

**1. Schedule of Commodity Rates &
Quarterly Service Charge**
January 1, 2021

Rates per 1,000 Gallons	<u>Water</u>	<u>Wastewater</u>	<u>Water and Wastewater</u>
	\$18.16	\$2.57	\$20.73

Quarterly Service Charge	\$24.28
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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	Water & Wastewater Total Quarterly Minimum
5/8 inch	3,000	\$24.28	\$54.48	\$7.71	\$86.47
3/4 inch	6,000	\$24.28	\$108.96	\$15.42	\$148.66
1 inch	12,000	\$24.28	\$217.92	\$30.84	\$273.04
1 1/2 inch	30,000	\$24.28	\$544.80	\$77.10	\$646.18
2 inch	75,000	\$24.28	\$1,362.00	\$192.75	\$1,579.03
3 inch	135,000	\$24.28	\$2,451.60	\$346.95	\$2,822.83
4 inch	270,000	\$24.28	\$4,903.20	\$693.90	\$5,621.38

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 10,000 gallons plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(10 * \$2.57) + \$24.28 = \$49.98$

d) Bulk Water Sales

All water sold in bulk by the Russell Binscarth Water and Wastewater Utility shall be charged for at the rate of \$2.30 per 100 gallons on a pro-rated basis for all quantities greater than 300 gallons.

For any quantity of 300 gallons or less the minimum charge will be \$6.00.

1. Schedule of Commodity Rates & Quarterly Service Charge
January 1, 2022

Rates per 1,000 Gallons	<u>Water</u>	<u>Wastewater</u>	<u>Water and Wastewater</u>
	\$20.09	\$2.42	\$22.51
Quarterly Service Charge	\$25.42		

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	Water & Wastewater Total Quarterly Minimum
5/8 inch	3,000	\$25.42	\$60.27	\$7.26	\$92.95
3/4 inch	6,000	\$25.42	\$120.54	\$14.52	\$160.48
1 inch	12,000	\$25.42	\$241.08	\$29.04	\$295.54
1 1/2 inch	30,000	\$25.42	\$602.70	\$72.60	\$700.72
2 inch	75,000	\$25.42	\$1,506.75	\$181.50	\$1,713.67
3 inch	135,000	\$25.42	\$2,712.15	\$326.70	\$3,064.27
4 inch	270,000	\$25.42	\$5,424.30	\$653.40	\$6,103.12

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 10,000 gallons plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(10 * \$2.42) + \$25.42 = \$49.62$

d) **Bulk Water Sales**

All water sold in bulk by the Russell Binscarth Water and Wastewater Utility shall be charged for at the rate of \$2.50 per 100 gallons on a pro-rated basis for all quantities greater than 300 gallons.

For any quantity of 300 gallons or less the minimum charge will be \$6.00.

The following clauses take effect October 1, 2020:

3. Hydrant Charges

The Municipality of Russell Binscarth, or any other hydrant owner, will pay to the Utility a fee of \$125.00 per hydrant for the purpose of maintaining and repairing all fire hydrants connected to the system which shall include the cost of water used for firefighting.

4. Lagoon Tipping Fees

Each Septic Hauler registered with the Municipality of Russell Binscarth shall be charged a fee of \$0.06 per gallon delivered to be paid quarterly. Each payment is due and payable at the end of each quarter, being March 31st, June 30th, September 30th, and December 31st. If the current bill is not paid within 30 days from the end of the quarter the Municipality may revoke all rights and privileges of such person(s) being in violation.

That each Septic Hauler must submit a quarterly report to the Municipality of Russell Binscarth indicating the number of loads and volume of each load. Failure to submit these reports may result in the Municipality revoking all rights and privileges of such person(s) being in violation.

5. Service to Customers Outside Utility's Limits

The Council of the Municipality of Russell Binscarth may sign Agreements with other Municipalities for the provision of water and wastewater services to properties located outside the boundaries of Russell Binscarth Water and Wastewater Utility.

Treated water sold to other municipalities will be sold at the rate of \$12.17 per 1,000 gallons of consumption in accordance with Public Utilities Board Order No. 18/18.

In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the other Municipality.

6. 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.

7. Billings And Penalties:

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1.25% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be twenty (20) days after the mailing of the bills.

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.

In the event that services are disconnected in accordance with the above noted Conditions Precedent, there shall be a termination fee of \$25.00 charged to the customer's account.

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$25.00 have been paid.

9. Other Charges and Fees

That the Utility, in response to a formal written application, shall provide and install, connect, disconnect and/or remove a water meter from a premises using water supplied by the Utility.

The following fees for such service shall be charged:

Meter installation or removal	\$25.00
Meter disconnection or reconnection	\$25.00

10. Seasonal Disconnection Charge

That the Utility, in response to a formal written application by the property owner or occupant, will shut off water services to the property described in the application for any length of time as specified in writing. These customers will be charged a \$25.00 disconnection fee, a \$25.00 reconnection fee as well as any rate rider, or additional charge as may be imposed by order of the Public Utilities Board.

11. 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.

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. Water Meters

Water meters are owned by the Municipality, but are the responsibility of the Utility customer to maintain. If the water meter is broken, frozen, etc., the Utility customer will be billed for a new meter at the current cost of replacement.

14. 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 \$100.00. The Municipality will then remove the subject meter and sent 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 and the customer's account will be adjusted for the preceding four (4) months. 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.

15. 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.

16. 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.

17. Authorization for Officer to Enter Upon Premises

The Public Works Supervisor, or other employee authorized by the Municipality in the absence of the Public Works Supervisor, 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.