

Order No. 41/20-revised

**RURAL MUNICIPALITY OF ROSSER
CENTREPORT WATER AND WASTEWATER UTILITY
FINAL WATER RATES**

March 25, 2020

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

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves as final the water and wastewater rates as applied for by the Rural Municipality of Rosser (RM), CentrePort Water and Wastewater (Utility). These rates were previously established on an interim *ex parte* basis by Board Order No. 140/19.

The approved rates are as follows:

	January 1, 2020	January 1, 2021	January 1, 2022
Quarterly Service Charge	\$39.00	\$39.00	\$39.00
Water (per cubic meter)	\$3.04	\$3.10	\$3.16
Wastewater (per cubic meter)	\$3.81	\$3.93	\$4.05
Total Quarterly Minimum Charge*	\$134.90	\$137.42	\$139.94
Minimum Quarterly – Water Only**	\$312.60	\$318.00	\$323.40
Minimum Quarterly – Wastewater Only**	\$381.90	\$392.70	\$403.50
Hydrant Rental Charge	\$150.00	\$150.00	\$150.00

*Based on 14 cubic meters

**Based on 90 cubic meters

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

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

2.0 Background

The RM purchases its water supply from the Cartier Regional Water Cooperative (CRWC). The water will come from the CRWC Headingly water treatment plant and be delivered to the CRWC Rosser Reservoir, where it will then be pumped into the RM's water distribution network. Once fully completed, the RM will own and operate the water distribution network/lines and the wastewater collection lines, but not any of the pump stations or plants.

At the time the rate study was completed, much of the infrastructure was not yet built or still under construction. There were three water only customers, but the RM anticipates a total of 140 customers to connect to the infrastructure by 2023. All customers will be commercial/industrial, there are no residential lots to be serviced, and customers will be billed quarterly.

Water Supply/Distribution

Water is supplied from CRWC, stored in the CRWC Rosser Reservoir, and pumped into the distribution network. The Utility is new and the water mains are made of polyvinyl chloride (PVC) and high-density polyethylene (HDPE) varying in size from 250mm to 500mm in diameter.

Wastewater Collection/Treatment

The RM owns and operates a collection system consisting of low-pressure sewers and gravity sewers with lift stations. The Utility system is new and collects wastewater from all customers to be discharged to the City of Winnipeg collections system. The low-pressure sewer and forcemain materials are mostly made of HDPE. The gravity sewers are made of PVC. Wastewater main sizes vary from 75mm to 350mm in diameter.

Unaccounted for Water

The Utility is new and the RM advises unaccounted for water is minimal at this time.

3.0 Application

On August 30, 2019, the RM applied for initial interim ex parte water and wastewater rates for the new Utility, with water rates retroactive to 2017. The RM also applied for authority to pass-through water rate increases from CRWC and wastewater rate increases from the City of Winnipeg. The application was accompanied by a rate study prepared by the RM's consultant and By-Law No. 05-19 having received first reading on June 25, 2019.

On September 24, 2019, the Board approved interim ex parte, initial water and wastewater rates as applied for by the RM, retroactive to 2017, in Board Order No. 140/19. At that time, the Board also denied the RM's request for approval to pass through water rates from CRWC and wastewater rates from the City of Winnipeg.

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 RM on or before October 27, 2019. The Board did not receive any responses.

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. 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 RM's application.

The rates were calculated based on the following projections using an annual inflation rate of 1.7%:

	Year 1	Year 2	Year 3
General Expenses			
Administration	\$8,500	\$17,749	\$21,299
Total General Expenses			
General Revenue			
Penalties	1,500	1,500	1,500
Total Revenue	1,500	1,500	1,500
Net Costs General	\$7,000	\$16,249	\$19,799
Water Expenses			
Staffing	\$49,000	\$49,833	\$50,680
Purification and Treatment	2,000	2,034	2,069
Water Purchases from CRWC	43,496	92,895	112,299
Transmission and Distribution	1,000	1,017	1,034
Other Water Supply Costs	6,500	6,611	6,723
City of Winnipeg Encroachment (50% water)	8,500	8,645	8,791
Amortization	231,827	231,827	231,827
Interest on Long-Term Debt	610,961	599,825	588,021
Reserves	18,000	47,000	65,000
Contingency	950	966	983
Total Water Expenses	\$972,234	\$1,040,653	\$1,067,427
Water Revenue			
Hydrant Rentals	\$25,350	\$25,350	\$25,350
Amortization of Capital Grants	92,000	92,000	92,000
Taxation Revenues – Water Debt	796,558	796,558	796,558
Total Water Revenue	\$913,908	\$913,908	\$913,908
Net Costs Water	\$58,326	\$126,745	\$153,519
Wastewater Expenses			
Staffing	\$21,000	\$21,357	\$21,720
Collection System	1,000	1,017	1,034
Lift Station	1,000	2,500	3,000
City of Winnipeg Charges (m ³ cost)	55,654	124,306	153,374
City of Winnipeg Encroachment (50% wastewater)	8,500	8,645	8,791
Amortization	185,200	185,200	185,200
Interest on Long-Term Debt	345,252	338,959	332,289
Reserves	13,000	37,000	49,000
Contingency	300	453	507
Total Wastewater Expenses	630,906	719,437	754,915
Wastewater Revenue			
Amortization of Capital Grants	108,133	108,133	108,133
Taxation Revenues	450,132	450,132	450,132
Total Wastewater Revenue	558,265	558,265	558,265
Net Costs Wastewater	72,641	161,172	196,650
Net Operating Costs	\$137,967	\$304,166	\$369,968

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 for the Utility as at December 31, 2018 was:

	2018
Fund Surplus/(Deficit)	\$(4,621,599)
Deduct: Tangible Capital Assets	(2,613,719)
Add: Long-Term Debt	4,565,854
Add: Utility Reserve	-
Working Capital Surplus/(Deficit)	\$(2,669,464)
Total Operating Expenses	\$286,598
20% of Operating Expenses	\$57,320

The Utility does not meet the Board minimum working capital surplus of 20%.

Contingency Allowance and Utility Reserves

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

The RM has included a contingency allowance of \$950 in 2020, \$966 in 2021, and \$983 in 2022 for water and \$300 in 2020, \$453 in 2021, and \$507 in 2022 for wastewater.

The RM advises there are no capital projects identified in the five-year capital plan.

The rate study notes a large amount of the infrastructure has been funded through grants or has been contributed to the RM by developers. The RM has included reserve expenses of \$18,000 in 2020, \$47,000 in 2021, and \$65,000 in 2022 for water and \$13,000 in 2020, \$37,000 in 2021, and \$49,000 in 2022 for wastewater to provide for future replacement costs of the Utility's assets.

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 the cost allocation methodologies can be found in Board Order No. 93/09.

The RM's allocation plan for shared costs is as follows:

Rural Municipality of Rosser – CentrePort Water and Wastewater Utility Allocation Plan for Shared Costs				
Shared Overhead: Includes all direct and indirect costs related to administration of the Utility.				
Sub-Category	Activity/Expenses	Expenses Allocated to Utility (Estimated)		Tracked Increments (Actual/hr)
		Percentage (%)	Dollar Value (\$)	
Direct Overhead Cost	Meter Reading – Salaries and Wages			X
	Billing – Receipting and Collection			X
Indirect overhead Costs – General Administrative Costs and Shared Office Costs	Finance Clerk salaries and benefits	20	11,200	
	Council costs			X
	Audit	10	825	
	Interest cost on office space			N/A
	Lease costs			N/A
	Utilities (telephone, heat, etc.)			X
	Photocopying (etc.) – Office Budget	10	11,640	
Shared Direct Operating Costs: Includes all costs directly attributable to the maintenance and repair of the Utility. Public works 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.				
Sub-Category	Activity/Expenses	Expenses Allocated to Utility (Estimated)		Tracked Increments (Actual/hr)
		Percentage (%)	Dollar Value (\$)	
Direct Equipment Costs	Public works buildings – Maintenance			X
	Vehicles/Fuel/Insurance			X
	Machinery and Equipment			X
	Road construction and maintenance equipment – Interest/Lease Costs/Amortization			X
Direct Labour	Labour costs directly attributable to the maintenance and repair of the utility Tangible Capital Assets			X
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 Tangible Capital				

Assets 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 costs must end when there is no construction or when the asset is put into use.

Sub-Category	Activity/Expenses	Expenses Allocated to Utility (Estimated)		Tracked Increments (Actual/hr)
		Percentage (%)	Dollar Value (\$)	
Direct Overhead Costs	Administrative			
	Legal fees/Survey Costs			X
	Design/Engineering Fees			X
	Interest on Debt			X
Direct Equipment Costs	Operating Costs			
	Vehicles/Fuel/Insurance			X
	Equipment/Amortization/Interest			X
Direct Labour	Labour costs directly attributable to the maintenance and repair of Utility Tangible Capital Assets			X

4.0 Board Findings

The Board has reviewed the rate application and the projections presented by the RM and finds them to be reasonable. The Board grants approval for the water and wastewater rates as applied for effective January 1, 2020, January 1, 2021, and January 1, 2022.

The Board notes the RM's consultant has included high amounts of amortization and interest expenses related to infrastructure costs for the related debenture in their forecast. The Board directs the RM to work closely with its auditor(s) to ensure these expenses are accurately reflected in the RM's audited financial statements and in future utility rate calculations/requirements.

The Board grants approval for the Cost Allocation Methodology and reminds the RM this methodology must be used consistently. Any changes to the cost allocation methodology require Board approval prior to its enforcement.

The Board requires the RM to review its water and wastewater rates for the Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates on or before December 31, 2022.

The Board directs the RM to monitor the new Utility's performance and if the RM becomes aware the rates approved in this Order are inadequate to cover the operating costs of the Utility, the Board encourages the RM to submit a revised Rate Application as soon as possible.

5.0 IT IS THEREFORE ORDERED THAT:

1. The water and wastewater rates for the Rural Municipality Rosser, CentrePort Water and Wastewater Utility, as approved on an interim *ex parte* basis in Board Order No. 140/19, BE AND ARE HEREBY CONFIRMED AS FINAL in accordance with the attached Schedule A, effective January 1, 2020, January 1, 2021, and January 1, 2022.
2. The Shared Cost Allocation Methodology for the Rural Municipality Rosser BE AND IS HEREBY APPROVED.
3. The Rural Municipality of Rosser amend its water and wastewater By-Law for the CentrePort Water and Wastewater Utility to reflect the decisions in this Order and file a copy with the Public Utilities Board, as soon as it has received third and final reading.
4. The Rural Municipality of Rosser provide a notice to its customers, including the decisions in this Order and submit a copy to the Public Utilities Board.
5. The Rural Municipality of Rosser review its water and wastewater rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than December 31, 2022.

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.

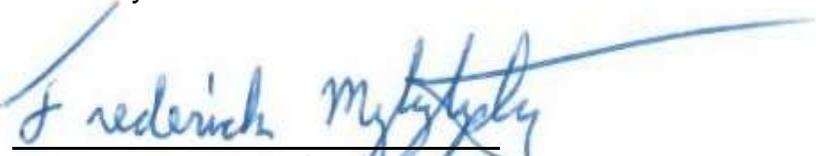
Fees payable upon this Order – \$500.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 41/20
issued by The Public Utilities Board


Assistant Associate Secretary

Schedule A

RURAL MUNICIPALITY OF ROSSER
BY-LAW NO. 5-19
ROSSER CENTREPORT WATER AND WASTEWATER UTILITY RATES

1. Commodity Rates per Cubic Metre

Effective January 2017 (retroactive):

Water

All Water Consumption \$2.90

Effective January 2018 (retroactive):

Water

All Water Consumption \$2.93

Effective January 2019 (retroactive):

Water Wastewater Water & Wastewater

All Water Consumption \$2.99 \$3.70 \$6.69

Effective January 2020:

Water Wastewater Water & Wastewater

All Water Consumption \$3.04 \$3.81 \$6.85

Effective January 2021:

Water Wastewater Water & Wastewater

All Water Consumption \$3.10 \$3.93 \$7.03

Effective January 2022:

Water Wastewater Water & Wastewater

All Water Consumption \$3.16 \$4.05 \$7.21

2. Minimum Charges Quarterly

Notwithstanding the rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below which will include the water allowances indicated.

a. Water and Wastewater Customers

Effective January 2017 (retroactive):

Meter Size	Group Capacity Ratio	Water Included (cubic meters)	Service Charge	Water Rate	Minimum Quarterly Charges
15mm (5/8")	1	14	\$39.00	\$40.60	\$79.60
19mm (3/4")	2	27	\$39.00	\$78.30	\$117.30
25mm (1")	4	55	\$39.00	\$159.50	\$198.50
38mm (1-1/2")	10	140	\$39.00	\$406.00	\$445.00
50mm (2")	25	341	\$39.00	\$988.90	\$1,027.90
75mm (3")	45	614	\$39.00	\$1,780.60	\$1,819.60
100mm (4")	90	1,227	\$39.00	\$3,558.30	\$3,597.30
150mm (6")	170	2,319	\$39.00	\$6,725.10	\$6,764.10

Effective January 2018 (retroactive):

Meter Size	Group Capacity Ratio	Water Included (cubic meters)	Service Charge	Water Rate	Minimum Quarterly Charges
15mm (5/8")	1	14	\$39.00	\$41.02	\$80.02
19mm (3/4")	2	27	\$39.00	\$79.11	\$118.11
25mm (1")	4	55	\$39.00	\$161.15	\$200.15
38mm (1-1/2")	10	140	\$39.00	\$410.20	\$449.20
50mm (2")	25	341	\$39.00	\$999.13	\$1,038.13
75mm (3")	45	614	\$39.00	\$1,799.02	\$1,838.02
100mm (4")	90	1,227	\$39.00	\$3,595.11	\$3,634.11
150mm (6")	170	2,319	\$39.00	\$6,794.67	\$6,833.67

Effective January 2019 (retroactive):

Meter Size	Group Capacity Ratio	Water Included (cubic meters)	Service Charge	Water Rate	Minimum Quarterly Charges
15mm (5/8")	1	14	\$39.00	\$41.86	\$80.86
19mm (3/4")	2	27	\$39.00	\$80.73	\$119.73
25mm (1")	4	55	\$39.00	\$164.45	\$203.45
38mm (1-1/2")	10	140	\$39.00	\$418.60	\$457.60
50mm (2")	25	341	\$39.00	\$1,019.59	\$1,058.59
75mm (3")	45	614	\$39.00	\$1,835.86	\$1,874.86
100mm (4")	90	1,227	\$39.00	\$3,668.73	\$3,707.73
150mm (6")	170	2,319	\$39.00	\$6,933.81	\$6,972.81

Effective January 2020:

Meter Size	Group Capacity Ratio	Water Included (cubic meters)	Service Charge	Water Rate	Wastewater Rate	Minimum Quarterly Charges
15mm (5/8")	1	14	\$39.00	\$42.56	\$53.34	\$134.90
19mm (3/4")	2	27	\$39.00	\$82.08	\$102.87	\$223.95
25mm (1")	4	55	\$39.00	\$167.20	\$209.55	\$415.75
38mm (1-1/2")	10	140	\$39.00	\$425.60	\$533.40	\$998.00
50mm (2")	25	341	\$39.00	\$1,036.64	\$1,299.21	\$2,374.85
75mm (3")	45	614	\$39.00	\$1,866.56	\$2,339.34	\$4,205.90
100mm (4")	90	1,227	\$39.00	\$3,730.08	\$4,674.87	\$8,443.95
150mm (6")	170	2,319	\$39.00	\$7,049.76	\$8,835.39	\$15,924.15

Effective January 2021:

Meter Size	Group Capacity Ratio	Water Included (cubic meters)	Service Charge	Water Rate	Wastewater Rate	Minimum Quarterly Charges
15mm (5/8")	1	14	\$39.00	\$43.40	\$55.02	\$137.42
19mm (3/4")	2	27	\$39.00	\$83.70	\$106.11	\$228.81
25mm (1")	4	55	\$39.00	\$170.50	\$216.15	\$425.65
38mm (1-1/2")	10	140	\$39.00	\$434.00	\$550.20	\$1,023.20
50mm (2")	25	341	\$39.00	\$1,057.10	\$1,340.13	\$2,436.23
75mm (3")	45	614	\$39.00	\$1,903.40	\$2,413.02	\$4,355.42
100mm (4")	90	1,227	\$39.00	\$3,803.70	\$4,822.11	\$8,664.81
150mm (6")	170	2,319	\$39.00	\$7,188.90	\$9,113.67	\$16,341.57

Effective January 2022:

Meter Size	Group Capacity Ratio	Water Included (cubic meters)	Service Charge	Water Rate	Wastewater Rate	Minimum Quarterly Charges
15mm (5/8")	1	14	\$39.00	\$44.24	\$56.70	\$139.94
19mm (3/4")	2	27	\$39.00	\$85.32	\$109.35	\$233.67
25mm (1")	4	55	\$39.00	\$173.80	\$222.75	\$435.55
38mm (1-1/2")	10	140	\$39.00	\$442.40	\$567.00	\$1,048.40
50mm (2")	25	341	\$39.00	\$1,077.56	\$1,381.05	\$2,497.61
75mm (3")	45	614	\$39.00	\$1,940.24	\$2,486.70	\$4,465.94
100mm (4")	90	1,227	\$39.00	\$3,877.32	\$4,969.35	\$8,885.67
150mm (6")	170	2,319	\$39.00	\$7,328.04	\$9,391.95	\$16,758.99

The following clauses take effect October 1, 2019:

3. Bulk Sales Rate

All water sold in bulk by the Utility shall be charged for at the rate of \$7.25 per cubic meter.

4. Billings And Penalties

Accounts shall be billed quarterly based on water used and the due date shall be at least 20 days after the mailing of the bills. A late payment charge of 1.25% per month may be charged on the dollar amount owing after the billing due date.

5. Disconnection

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. The Conditions precedent is set out in Schedule "B" attached hereto and forming part of this By-Law.

6. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$50.00 have been paid.

7. Request for Disconnection and Reconnection Fee

Any customer requesting a service disconnection shall pay a fee of \$50.00 and if the customer requests a reconnection that occurs at another date or time, a reconnection fee of \$50.00 will apply.

8. 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.

9. Hydrant Rentals

The Rural Municipality of Rosser shall pay to the Utility an annual hydrant rental of \$150.00 for each hydrant connected to the System.

10. Water Allowance Due to Line Freezing

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

11. Meter Testing

Any customer wishing to have a meter tested for accuracy will pay in advance a fee of \$125.00, plus any applicable meter testing costs. In the event that the meter tests proves that the meter is recording water flows in excess of actual flows, the meter testing fee and associated costs will be refunded to the customer, and the customer's account will be reviewed and adjusted accordingly.

12. Water Meters

- (a) The RM shall supply an appropriate size water meter and remote read touch pad at the customers cost.
- (b) The meter and touch pad shall be installed by a registered plumber and the costs shall be the responsibility of the property owner. The remote touch pad shall be located at a point easily accessible at all times and approved by the RM.
- (c) The meter shall be installed 75cm above the floor or as approved by the RM.
- (d) The meter shall be located as close as practical 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.
- (e) 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.
- (f) No distribution piping or ports shall be allowed before the meter.
- (g) The meter shall be protected from any type of damage including freezing.
- (h) Costs for any damage and labour for repairs to the water meter and associated equipment shall be the responsibility of the property owner.

13. Service Permit Fee

Any person wishing to install a new water service pipe, reuse or repurpose an existing water service pipe, or abandon a water service pipe must apply for and receive a water service pipe permit. The cost of the permit includes approval of the plan, inspection of the connection and record keeping.

14. Sewage Surcharges

- (a) There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having 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 wastes.

CONDITIONS PRECEDENT ALLOWING FOR COLLECTION
AND DISCONNECTION OF WATER AND/OR WASTEWATER SERVICES
FOR NON-PAYMENT OF ACCOUNTS

1.0 PURPOSE:

- 1.1 The purpose of this document is to outline and define the disconnection and reconnection policies and procedures for customers with water and/or wastewater services.
- 1.2 Disconnection, in accordance with the steps outlined in the following policy and procedures may occur if a customer is in arrears and full payment or payment arrangements suitable to the utility have not been made and if so, such disconnections must occur in conformance with these conditions precedent.
- 1.3 Reconnection, in accordance with the following policy and procedures will occur as soon as it is reasonably possible after the account returns to good standing. This Policy and Procedure does not apply to disconnection practices for routine maintenance of the utility including emergencies.

2.0 SCOPE:

- 2.1 The policy and procedures apply to customers receiving water and/or wastewater services. The procedures are detailed to reflect the variety of situations that may occur for each of the following customers.
 - 2.1.1 All property owners and/or tenants responsible for water and/or wastewater services.
 - 2.1.2 All landlords responsible for providing tenant water and/or wastewater services covered under The Residential Tenancies Act (C.C.S.M. c R119).
 - 2.1.3 Where water and/or wastewater services are added to taxes.
 - 2.1.4 Where water is sold in bulk.
 - 2.1.5 Where sewage is dumped into a treatment facility.
 - 2.1.6 Where water and/or wastewater service is provided beyond the boundaries of a municipality, if applicable.

3.0 DEFINITIONS:

- 3.1 **Account Holder/Customer** – shall refer to the person or persons who have applied for water and/or wastewater service at a particular residence, whether it be the property owner or renter

- 3.2 Property Owner** – shall refer to the person or persons who are listed on the title of a specific property.
- 3.3 Renter** – is not the property owner of the subject property and shall refer to the utility account holder/customer of the subject property.
- 3.4 Security Deposit** – shall be based on the risk to the utility and should not exceed an estimated bill for three months.

4.0 POLICY:

- 4.1** The Utility will normally confine collection activity to the person(s) identified on the account who requested the service(s) with an implied agreement to pay or the person or agency who has agreed to pay for the service(s), with the following exception: where a reasonable person would expect that a customer not named on the bill is implicitly responsible for the service(s), i.e. husband or wife (legal or common-law), that person will also be presumed to have liability for the outstanding balance.
- 4.2** In order to satisfy provisions of *The Freedom of Information and Protection of Privacy Act*, Utilities are encouraged to develop an agreement between the utility and the account holder/customer, with provisions that establish at minimum conditions for service, recourse for unpaid bills, deposits required, and for renter's acknowledgement that information relating to their account status and other information may be released to the property owner to assist with collections.
- 4.3** The Public Utilities Board (Board) may, on its own initiative, or at the request of a Customer review a Utility's action and make recommendations and/or orders with respect to same as the Board may determine.
- 4.4** Every effort is to be made by the Utility to resolve outstanding accounts, disconnection and reconnection issues directly with its customer(s). If a solution cannot be reached the customer may apply to the Board for dispute resolution.
- 4.5** The Utility should familiarize itself with legislated provisions and the duty to report when a child is in need of protection and/or where the life, health or emotional well-being of the child (or children) is endangered. These provisions are contained in Part III – Child Protection - of *The Child and Family Services Act*.

- 4.6** The Utility must make special application to the Board prior to disconnecting service to a community or multiple residences/properties. Such an application must be shared with the affected community(ies) and/or multiple residences/properties. The Board will consider the circumstances and particulars of the application and provide the Utility with direction, following such process as the Board may deem appropriate.
- 4.7** If a landlord is responsible for the provision of water and/or wastewater services to tenant occupied premises, arrears will be based on the outstanding account balance and will be subject to Residential Tenancy Branch (RTB) procedures at the tenant occupied premises. Landlords failing to bring their outstanding account balance to good standing will be subject to disconnection of services of the same utility at their personal residence and any vacant premises under the same name.
- 4.8** This policy does not affect the Utility's right to disconnect in times of emergency and/or for reasons of safety or for failure to comply with water rationing requirements.
- 4.9** The Utility will keep current data of all disconnected customers in accordance with the following procedures.
- 4.10** The Utility may seek Board exemption from full disconnection procedures when faced with customers who consistently and deliberately show patterns of payment avoidance and who clearly understand the consequences of their actions.

5.0 PROCEDURES

5.1 DISCONNECTION PROCEDURE

Steps 1, 2 and 3 must be followed on water and/or wastewater services in arrears.

Step 1

Customers shall receive a billing statement each billing cycle for services. In some cases the bill is for past consumption and/or minimum quarterly bill for the prior quarter and in other cases, for past consumption over the minimum quarterly bill in the prior quarter plus the next minimum quarterly bill in advance. The due date which appears on the bill shall be no less than 14 days after the billing date. Bulk water customers or customers dumping sewage may have special billing arrangements. However, failure to pay an outstanding bill may result in the removal of the right to use the service.

Step 2

If payment is not received within 31 days from the last billing date, a message similar to the following shall appear on a reminder statement:

“Our records indicate your account is past due. Please give this your prompt attention.

If payment or payment arrangements have been made, kindly disregard this notice.”

[The following is applicable to residential premises.]

“Information on service disconnection, payment arrangements and financial assistance is enclosed.”

Sample Insert:

<p>If your account is past due and you have not made payment arrangements, your water and/or wastewater service could be disconnected.</p> <p>The Public Utilities Board adopted Order No. 39/09 governing the disconnection of water and/or wastewater service for non-payment of account.</p>	<p>To make payment arrangements, please contact the utility at:</p> <p><i>204-467-5711</i></p> <p>If you have already made payment arrangements, please disregard this notice.</p>	<p>Financial assistance may be available through Employment and Income Assistance:</p> <ul style="list-style-type: none"> • 1-800-626-4862 <p>Additional financial counseling and support may be available through Community Financial Counseling Services:</p> <ul style="list-style-type: none"> • 1-888-573-2383
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Step 3

If payment is not received within 45 days of the last billing date, a message similar to the following shall appear on the second and final reminder notice. Reconnection fees will be charged as approved by the Board from time to time:

IMPORTANT PAST DUE NOTICE

Your **account** is past due. If suitable payment arrangements or full payment of the arrears are not made on or before (*enter Date {14 calendar days from date of issue}*) your account will be subject to disconnection. If payment of the arrears has already been made, please notify us immediately. If payment arrangements have already been made kindly disregard this notice.

If your service(s) is disconnected, full payment of the arrears balance plus a reconnection fee will be required before service is fully restored. A security deposit may also be required.

Customers may appeal the Utility's action by contacting the Public Utilities Board.

The Utility is not responsible for any damages or losses that may occur as a result of services which are disconnected for non-payment. Please ensure you protect people, animals and property that may be impacted by disconnection of service.

Reconnect Fees are \$ 50.00.

Your service will be disconnected on _____ in the a.m. or p.m.

- 5.2** Where the Utility bills the minimum quarterly bill in advance, and where service is not reconnected, the bill should be adjusted and prorated accordingly, for the period from the date of disconnection to the end of the next quarter.
- 5.3** The following are exceptions to the above notice requirements before disconnection:
- (a) Where the customer's account was past due and where a payment arrangement was made and subsequently broken, the Utility may disconnect the customer's service with 7 calendar days notice.
- (b) Where the customer's account was past due for services billed at a previous premise, the Utility may, with 10 days notice, disconnect the customer's service at the new premise if the customer fails to make a payment arrangement.

The Utility shall take all reasonable steps to collect the arrears from its account holder/customer before adding any arrears to taxes.

- 5.4** A message similar to the following shall appear on any future billing statements where services have been disconnected:

“Your account remains outstanding despite previous requests for payment. Failure to pay the outstanding account balance may make your account subject to legal action. Please call the phone number on the front of your billing statement or pay in person. If payment of the arrears has already been made please notify the Utility immediately. If payment arrangements have already been made kindly disregard this notice.”

6.0 RECONNECTION OR RESTORATION OF SERVICE PROCEDURE:

- 6.1** No reconnection of service(s) shall occur unless full payment of the arrears or payment arrangements is made suitable to the Utility including a reconnection fee. Reconnection terms may also include the payment of a security deposit.
- 6.2** All reasonable efforts shall be made to reconnect or restore the service as soon as possible.

7.0 GENERAL GUIDELINES FOR RENTAL PROPERTIES:

- 7.1** The renter and property owner are both responsible for providing notice and meter readings to the utility when vacating or renting a premise for the first time.
- 7.2** If the new renter has an unpaid amount, the utility may refuse service to the tenant.
- 7.3** The departing tenant will be responsible for services to the date of departure and the arriving tenant or the property owner will be responsible on the date the new tenant takes occupancy.
- 7.4** If there is a period of time between departing tenant and the arriving tenant the property owner will be responsible for the service charge.
- 7.5** The renter's deposit, if applicable, will be applied to the utility bill at this time. In the case where the amount of the deposit, if applicable, exceeds the amount of the final bills and a credit is shown on the utility account, the credit is then refunded to the renter in the form of a cheque.

8.0 REPORTING REQUIREMENTS:

8.1 The Utility shall record the following information which the Board may request at any time:

(a) the name of the account holder disconnected;

(b) efforts made by the Utility to contact the customer (bill messages, letters, telephone calls, personal visits) and the results of such efforts.