

Order No. 133/21

**CITY OF PORTAGE LA PRAIRIE
PORTAGE LA PRAIRIE WATER AND WASTEWATER UTILITY
REVISED WATER AND WASTEWATER RATES**

December 13, 2021

**BEFORE: Shawn McCutcheon, Panel Chair
Irene Hamilton, Q.C., Panel Member**

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1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) grants approval of the City of Portage la Prairie (City), Portage Water and Wastewater Utility's (Utility) application for revised water and wastewater rates. The Board grants approval to revise the City's three-step to a two-step declining block rate structure for its wastewater customers.

The Board grants approval for a revised Cost Allocation Methodology.

The revised rates are below:

	July 1, 2022	April 1, 2023	January 1, 2024	January 1, 2025
Water (per m ³) – Step 1 – up to 227 m ³	\$ 1.65	\$ 1.93	\$ 2.21	\$ 2.47
Water (per m ³) – Step 2 – 228 m ³ to 2,273 m ³	\$ 1.37	\$ 1.60	\$ 1.83	\$ 2.05
Water (per m ³) – Step 3 – 2,274 m ³ to 18,184 m ³	\$ 1.30	\$ 1.52	\$ 1.74	\$ 1.94
Water (per m ³) – Step 4 – over 18,184 m ³	\$ 0.55	\$ 0.64	\$ 0.73	\$ 0.83
Wastewater (per m ³) – Step 1 – up to 2,273 m ³	\$ 1.98	\$ 1.90	\$ 1.82	\$ 1.75
Wastewater (per m ³) – Step 2 – over 2,274 m ³	\$ 1.49	\$ 1.43	\$ 1.37	\$ 1.32
Quarterly Service Charge	\$ 22.15	\$ 22.33	\$ 22.51	\$ 22.69
Minimum Quarterly Charge *	\$ 72.97	\$ 75.95	\$ 78.93	\$ 81.77
Wastewater Only Customers **	\$ 111.25	\$ 107.83	\$ 104.41	\$ 101.44
Bulk Water (per gallon)	\$ 9.00	\$ 9.00	\$ 10.25	\$ 11.50
Septic Tipping fee (per load, up to 14,000 litres)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00

*current rates are based on 13.65 cubic meters, revised rates based on 14 cubic meters.

Details of other rates can be found in Schedule A.

The reasons for the Board's decisions are under Board Findings.

2.0 Background

The City owns and operates a public water and wastewater system. In 2019, the Utility served 4,759 connections: 4,672 water and wastewater customers; 82 water only customers; and five wastewater only customers.

The City's Utility provides services to three distinct customer groups: City residents; Regional water; and Industrial. Industrial users represent the largest portion of the Utility on a volume basis.

Regional water customers are Rural Municipality of Portage la Prairie residents and customers of the Yellowhead Regional Water Co-operative in the Municipalities of Glenella-Lansdowne, Westlake-Gladstone, and North Norfolk. The rate for sale of regional water is capped by agreement at the 3rd step, which is the wholesale rate. Regional water sales do not qualify for the 4th step, the variable rate, even for volumes over 18,184 m³ per quarter.

Approximately 20 years ago, the City applied to the Board to increase water and wastewater utility rates by a flat percentage. A flat percentage increase minimized the impact on the domestic rates and reduced the gap between stepped rates. All water and wastewater steps, as well as the customer service charge, had the same flat percentage increase applied. Rate increases subsequently over the last 20 or so years have been, with a few exceptions, on the basis of applying a percentage increase equally to all utility rates.

The Utility rates were most recently set in Board Order No. 173/19 using a four-step declining block rate structure for charging its water customers and a three-step declining block rate structure for charging its wastewater customers.

The steps, as set out in By-law 19-8699, were as follows:

Water

- Level 1 – up to 227.3 m³ per quarter
- Level 2 – 227.31 to 2,273.04 m³ per quarter
- Level 3 - 2,273.05 to 18,184.30 m³ per quarter
- Level 4 – over 18,184.31 m³ per quarter

Wastewater

- Level 1 – up to 227.3 m³ per quarter
- Level 2 – 227.31 to 2,273.04 m³ per quarter
- Level 3 – over 2,273.05 m³ per quarter

Water Supply/Distribution

The City's original water treatment plant was constructed in 1978, received substantial upgrade and expansion in 2001-2002 and upgrades in 2019-2020. The plant is in good condition with adequate capacity to meet current demand but the City advises it will need to be expanded to meet anticipated future growth. Treated water produced by the plant meets Canadian drinking water standards.

The water distribution system was constructed in the early 1900's and has had extensive upgrades and expansions. The condition of the system varies from poor to relatively new.

Wastewater Collection and Treatment

The existing water pollution control facility was constructed in 1996 with substantial upgrades in 2005 and 2019-2020. The City is in the process of establishing a Public Private Partnership (P3) for operation of the Wastewater Pollution Control Facility that includes funding of capital expenditures for that facility as part of the P3 operation.

3.0 Board Methodology

Review Process

When reviewing an application, the Board has at its disposal two approaches, a paper review process or a public hearing. After the publication of the Notice of Application, the Board considers the application and responses, if any, and determines which method of review is most appropriate. Whenever reasonable, the Board can review the application using a paper review process, which saves the cost of a public hearing.

Where there is an urgent need for initial or revised rates and the Board determines it to be in the best interest of all parties, the Board may establish interim *ex parte* rates.

Contingency Allowance and Utility Reserves

The Board's Water and Wastewater Rate Application Guidelines recommend an annual contingency allowance equal to 10% of the variable operating costs.

Working Capital

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

Operating Deficits

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

Cost Allocation Methodology

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

Unaccounted for Water

Water losses may be caused by such events as distribution line losses, service leaks, water used for fire fighting or line flushing, and under-registration of water meters. The Board Guidelines require utilities to compare the volume of water produced or purchased against the volume of water sold, to determine the percentage of unaccounted for water. Unaccounted for water volumes of approximately 10% are considered industry standard.

The Board expects any utility experiencing a greater volume of unaccounted for water to provide an explanation and plan to address the water losses.

4.0 Application

On February 11, 2021, the Board received the City's application to revise the water and wastewater rates for the Utility. The application was accompanied by a rate study completed by the City's consultant, and By-law No. 20-8710, read the first time on September 28, 2020 and having had second reading January 11, 2021.

The Board issued a Public Notice of Application on March 2, 2021 affording customers the opportunity to comment to both the Board and the City with respect to the proposed rate changes. The Board received two responses to the Notice.

The first response was from a ratepayer concerned with the magnitude of the rate increases from the current rate to the final rates after four years of increases.

The second response was from the Municipality of Westlake-Gladstone, which has three utility systems that purchase water from the Yellowhead Regional Water Cooperative, a customer of the City. The Municipality of Westlake-Gladstone expressed concern that it would not have the opportunity to revise its own rates and would incur deficits as a result.

In Board Order No. 02/13, the Board ordered the City to prepare a rate submission for 2016 that included the use of Board recommended methodology, if only for comparative purposes. The City did that in its October 2015 application, and submitted comparative methodology for consideration in this application as well.

The City submitted an application with information comparing four different rate-setting methodologies, including the Board guidelines. The City advised it used the following four objectives to evaluate the results of the rate setting approaches:

1. domestic water and wastewater rates that are competitive with other municipal utilities in Manitoba;
2. high volume water and wastewater rates for wet industry that are below average compared to other municipal utilities in the Prairie Provinces;
3. water and wastewater rates that fairly distribute costs between different types of Utility Customer; and

4. maintain and when possible, reduce, the gap between stepped rates.

Utility rates were calculated using the following rate setting methodologies:

1. Board guidelines calculating four steps water and two steps wastewater;
2. Percentage increase applied equally to all stepped rates and customer service charge;
3. Percentage increase calculated separately for water, wastewater & customer service charge; and
4. Percentage increase calculated separately for water, wastewater & customer service charge, with administration costs split 25% to water and wastewater each and 50% to customer service charge.

Utility rates were calculated with a proposal to implement rate increases equally over four time periods.

Using the Board guidelines to calculate four steps for water and two steps for wastewater rates resulted in the combined domestic (Step 1) water and wastewater rates increasing from \$3.43 to \$7.65 over four years. An increase of 123% or 22% per year compounded.

Variable (Step 4) water and wastewater rates would decrease from \$2.01 to \$1.32 over four years. A decrease of 34% or 10% per year compounded.

The variable (Step 4) water and wastewater rate is currently 59% of the domestic (Step 1) rate. Rates calculated under Board guidelines result in the variable (Step 4) water and wastewater rate dropping to 17% of the domestic (Step 1) rate.

The dramatic increase in domestic (Step 1) water and wastewater rates is a concern in complying with the City's objective of having competitive domestic rates. The significant widening of the gap between domestic (Step 1) and variable (Step 4) rates does not meet the City's objective to maintain or reduce the gap between steps. The City determined the use of Board rate setting guidelines, for purposes of this rate study, would not best align with its objectives.

For the last 20 or so years the City has increased water, wastewater and customer service charge rates by percentage increases applied equally. The City submits the Utility has changed dramatically over the last 20 years and the appropriateness of flat percentage increases needed review.

Volumes and costs for water and wastewater have changed significantly over the last 20 years and water and wastewater rates have to be set to ensure that there is no subsidization of either rate. The City's rate study provided evidence that this rate calculation method results in a significant subsidization of water rates by wastewater customers. This rate setting methodology does not meet the City objective of fairly distributing costs between different types of Utility customer.

The City also provided evidence showing the calculations of rates based on water rates paying for water costs, wastewater rates paying for wastewater costs and customer service charge paying for all administration costs.

Calculating rates under this scenario results in a more equitable funding model with water customers paying for water costs and wastewater customers paying for wastewater costs. There is a reduction in wastewater rates, with significant increases in the customer service charge and water rates.

This rate setting methodology appears to meet the City's objectives for rate setting, although the significant increase in Customer Service Charge may be onerous for low volume customers.

Finally, the City also provided evidence showing the calculations of rates based on water rates paying for water costs, wastewater rates paying for wastewater costs and administration costs split with 25% on water rates, 25% on wastewater rates and 50% on customer service charge.

The Utility treats and distributes water volumes that would be typical of a City five times its size and collects and treats wastewater volumes that would be typical of a City 3 times its size.

Residential, commercial and institutional customers represent 18% of water flow and 33% of wastewater flow. Wet industry and regional water co-op customers represent 82% of water volume and 67% of wastewater volume of the Utility.

The customer service charge is normally calculated as the administration costs divided by the number of customers. This results in customers with a minimum bill annual consumption of 56 cubic meters paying the same amount toward administration costs as a customer with annual consumption of 2 million cubic meters.

The City of Portage la Prairie is currently allocating 40% of general office administration staff, Council and related administration costs, plus 50% of Operations department administration staff, to the Utility. The City estimates that if the Utility were sized for a typical City of 13,000, that the administration cost allocations would be 20% of general office administration staff, Council and related administration costs and 25% of Operations department administration staff. The City's opinion is that half of the Administration expense allocation to the Utility is due to the increased size and complexity of the Utility.

The City proposed that 25% of Administration cost allocation be attributed to Water expenses and 25% to Wastewater expenses with 50% allocated to the Customer Service Charge.

The City has applied to the Board to use this final rate setting methodology, with water rates paying for water expenses, wastewater rates paying for wastewater expenses and half of administration costs attributed to water and wastewater costs. The City proposes it as the most equitable to all customers. With stepped water rates increasing at the same percentage and stepped wastewater rates increasing at the same percentage, the gap between steps is maintained at current levels. This rate setting methodology meets the City's rate setting objectives.

The City has submitted that significant increases in the water consumption forecast and wastewater treatment decreases from 2019 to 2021 have changed the Utility.

An increase in amortization expense associated with water is one factor driving utility revenue requirements, with net amortization expense projected to increase \$900,000 from 2019 to 2024. Industrial cost recovery charges have resulted in a reduction in wastewater revenue requirements.

The City's consultant calculated the indicated rates for the final rate year requested and requested rates be implemented in a stable and predictable rate change year over year.

Contingency Allowance and Utility Reserves

The City has included in its projections a contingency allowance of 10% of net rate requirements, less amortization expenses and interest. This equates to \$516,657 for water and \$303,356 for wastewater.

There is an annual transfer of \$3,500,000 to the Utility Reserve proposed.

Working Capital

As per the 2020 audited financial statements, the working capital surplus at December 31, 2020 was:

	2020
Accumulated Fund Surplus	\$57,819,625
Deduct tangible capital assets	\$54,469,338
Add long term debt	\$0
Add utility reserves	\$23,039,796
Equals Working Capital Surplus	\$26,390,083
Operating costs	\$8,317,220
20% of operating costs (target)	\$1,663,444

Operating Deficits

The City has advised the Utility has not experienced any operating deficits since its last full rate application.

Cost Allocation Methodology

The City has advised the Board that the Cost Allocation Methodology (CAM) approved in Board Order No. 02/13 was subsequently revised, and the City was unaware that changes to CAM required Board approval. The City is proposing the Board approve those changes, as follows:

	<u>PUB Order # 02/13</u>	<u>Current/Proposed</u>
Mayor and Council related costs	35%	40%
City Manager and related costs	35%	40%
Administration and related costs	35%	40%
Finance and related costs	35%	40%
Human Resources salaries and benefits	35%	40%
Operations Administration - salaries and benefit:	45%	50%
Operations Administration - other expenses	50%	50%
Engineering staff	50%	50%
Public Works administration	50%	50%

The City advised the Board its customers, excluding industrial and regional customers, represent only 17.9% of water production and 33% of wastewater treatment. Servicing the large industrial and regional customers results in more complex utility infrastructure, industrial service agreements and all the ancillary issues related to building, operating and maintaining utility infrastructure that is significantly larger than is typical for a City of 13,000 people. The City has considered these factors in determining the current/proposed CAM and the City advises the change more accurately reflects the size of the Utility in relation to the City's non-utility operation.

Unaccounted for Water

The Utility indicated the 2019 unaccounted for water was 16.8% of water produced, down from 18.6% in 2018.

5.0 Board Findings

Having considered the City's filing and reviewed the responses to the Notice of Application, the Board has chosen a paper review process.

The Board has reviewed the application and revenue projections presented by the City and finds the projections to be reasonable. The Board commends the City for its application. The inclusion of the City's objectives and evaluation of the four rate setting methodologies contemplated allowed the Board to reach its decision efficiently.

The methodology the applicant used to determine the water and wastewater rates is not consistent with Board recommended guidelines. The Board will consider alternative methodologies but requires applicants proposing a variation to provide compelling evidence to substantiate the use of the alternative methodology in the application. The Board finds the City has met this requirement, and accepts the alternative methodology proposed.

The Board is sensitive to the impact of rate increases to ratepayers; however, it must consider the sustainability of the Utility when approving rates. The Utility will be making considerable investments in capital projects, and the related amortization expense is the most significant impact on the Utility's revenue requirements. These investments are important to the long-term sustainability of the Utility. The increases in water rates are somewhat offset by the reduction in wastewater rates, which will apply to the majority of the City's residential customers.

The concerns brought forward by the Municipality of Westlake-Gladstone can be resolved by way of pass through rate approvals. The Board first used a pass through rate approval in Board Order No. 124/09 for the Pembina Valley Water Cooperative, and it has been used with many other utilities since 2009. The process allows for utilities purchasing water or wastewater services (Purchasing Utility) from other utilities (Selling Utility) to implement a rate increase that is equal to the cost increases on a per cubic meter/gallon basis, which mitigates the risk of deficits as a result of an increase in purchasing water or

wastewater services. The Selling Utility must be either Board-regulated or Manitoba Water Services Board (MWSB) operated.

The pass through increase applies only to the volume of water or wastewater services purchased from the Selling Utility.

The steps for pass through rate increases are as follows:

Step 1. The Purchasing Utility shall consider the implication of any increase in water or wastewater rates approved by the Board or MWSB for the Selling Utility, and determine whether or not the increase needs to be passed on to its ratepayers to maintain the adequacy of rates.

Step 2. If the cost increase is to be reflected in the rates of the Purchasing Utility, and with the one exception that changes in the rate of water losses in the system may also be included, the Purchasing Utility need only inform its ratepayers/customers and the Board of the pass through rate change, with a minimum of 90 days notice. This Notice must include information for ratepayers on their ability to respond to the Board regarding the increase.

Step 3. If the Purchasing Utility's rates are to change for any other reason or in any amount other than the exact Selling Utility rate increase, the Purchasing Utility must make a standard application to the Board, which may decide to proceed to hear the application by way of a paper-based process or by way of an oral public hearing.

Step 4. For such pass through rate changes, the Purchasing Utility shall file an amended rate By-law with Board, along with a copy of the Notice provided to ratepayers.

The Board notes that approval for use of pass through rate increases was granted to the Municipalities of Glenella-Lansdowne, Westlake-Gladstone, and North Norfolk in Board Order Nos. 115/21, 101/21 and 100/21, respectively. The Board also grants approval for the use of pass through rate increases to the RM of Portage Water and Wastewater Utility, following the steps outlined above.

The City is experiencing a level of unaccounted for water significantly higher than the 10% the Board considers to be industry standard. The Board directs the City to provide its plan to improve the volume of unaccounted for water on or before June 30, 2022.

The Board directs the City to review its water and wastewater rates for adequacy and file a report with the Board, as well as an application for revised rates if required, by no later than June 30, 2026. Should the City determine the rates applied for and approved in this Order are inappropriate, the City must file an application to revise its rates as soon as possible.

The Board reminds the City regular reviews are important for a financially sound utility and encourages the City to review Board Order No. 86/17 for future rate applications. The Order outlines the Simplified Rate Application Process for municipally owned public utilities. If, after its rate review, the City finds it meets the designated criteria for a simplified rate application, it should apply for future rates using the Simplified Rate Application Process.

6.0 IT IS THEREFORE ORDERED THAT:

1. The water and wastewater rates for the City of Portage la Prairie – Portage la Prairie water and wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2022, April 1, 2023 and January 1, 2024 and 2025.
2. The Cost Allocation Methodology for shared services as submitted by the City of Portage la Prairie BE AND IS HEREBY APPROVED.
3. The Rural Municipality of Portage BE AND IS HEREBY given authority to pass through water rate increases from the City of Portage la Prairie, must strictly adhere to the pass through process as outlined in this Board Order, and must apply to the Board for any other increases.
4. The City of Portage la Prairie prepare and submit a copy of a plan to address the excessive volume of unaccounted for water to the Board on or before June 30, 2022.
5. The City of Portage la Prairie amend its Utility rate By-law to reflect the decisions in this Order, and submit a copy to the Board once it has received third and final reading.
6. The City of Portage la Prairie review it's Utility rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if applicable), on or before June 30, 2026.

Fees payable upon this Order - \$500.00

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

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"

Panel Chair

"Jennifer Dubois, CPA, CMA"

Assistant Associate Secretary

Certified a true copy of Order No. 133/21
issued by The Public Utilities Board



Assistant Associate Secretary

**SCHEDULE "A"
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2022

Rates per Cubic Meter

<u>Cubic Meters per Quarter</u>	Water	Wastewater	Water & Wastewater
Step 1 – Domestic, up to 227 CM	\$1.65	\$1.98	\$3.63
Step 2 – Intermediate, 228 CM to 2,273 CM	\$1.37	\$1.98	\$3.35
Step 3 – Wholesale, 2,274 CM to 18,184 CM	\$1.30	\$1.49	\$2.79
Step 4 – Variable, over 18,184 CM	\$.55	\$1.49	\$2.04

Quarterly Service Charge \$22.15

2. Minimum Charges per Quarter

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

a. Water & Wastewater Customers

<u>Meter Size</u>	<u>Water Included Cubic Meters</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Water Only Total Quarterly Minimum</u>	<u>Wastewater Commodity Charge</u>	<u>Water & Wastewater Total Quarterly Minimum</u>
5/8 inch	14	\$22.15	\$23.10	\$45.25	\$27.72	\$72.97
3/4 inch	27	\$22.15	\$44.55	\$66.70	\$53.46	\$120.16
1 inch	55	\$22.15	\$90.75	\$112.90	\$108.90	\$221.80
1 1/2 inch	136	\$22.15	\$224.40	\$246.55	\$269.28	\$515.83
2 inch	341	\$22.15	\$530.73	\$552.88	\$675.18	\$1,228.06
3 inch	614	\$22.15	\$904.74	\$926.89	\$1,215.72	\$2,142.61
4 inch	1,227	\$22.15	\$1,744.55	\$1,766.70	\$2,429.46	\$4,196.16
6 inch	2,319	\$22.15	\$3,236.00	\$3,258.15	\$4,567.10	\$7,825.25

b. Wastewater Only for Residential Customers

The wastewater only charge is based on 45 CM plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.98) + \$22.15 = \$111.25$

1. Bulk Water

All water sold in bulk shall be charged for at a rate of \$9.00 per cubic meter.

2. Septic Truck Tipping Fee

The Septic Truck Tipping fee shall be \$30.00 per load up to 14,000 litres.

1. Schedule of Commodity Rates & Quarterly Service Charge

April 1, 2023

Rates per Cubic Meter

<u>Cubic Meters per Quarter</u>	Water &		
	Water	Wastewater	Wastewater
Step 1 – Domestic, up to 227 CM	\$1.93	\$1.90	\$3.83
Step 2 – Intermediate, 228 CM to 2,273 CM	\$1.60	\$1.90	\$3.50
Step 3 – Wholesale, 2,274 CM to 18,184 CM	\$1.52	\$1.43	\$2.95
Step 4 – Variable, over 18,184 CM	\$.64	\$1.43	\$2.07

Quarterly Service Charge \$22.33

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 Cubic Meters	Customer Service Charge	Water Commodity Charge	Water Only Total Quarterly Minimum	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8 inch	14	\$22.33	\$27.02	\$49.35	\$26.60	\$75.95
3/4 inch	27	\$22.33	\$52.11	\$74.44	\$51.30	\$125.74
1 inch	55	\$22.33	\$106.15	\$128.48	\$104.50	\$232.98
1 1/2 inch	136	\$22.33	\$262.48	\$284.81	\$258.40	\$543.21
2 inch	341	\$22.33	\$620.51	\$642.84	\$647.90	\$1,290.74
3 inch	614	\$22.33	\$1,057.31	\$1,079.64	\$1,166.60	\$2,246.24
4 inch	1,227	\$22.33	\$2,038.11	\$2,060.44	\$2,331.30	\$4,391.74
6 inch	2,319	\$22.33	\$3,780.03	\$3,802.36	\$4,382.58	\$8,184.94

b. **Wastewater Only for Residential Customers**

The wastewater only charge is based on 45 CM plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.90) + \$22.33 = \$107.83$.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$9.00 per cubic meter.

4. Septic Truck Tipping Fee

The Septic Truck Tipping fee shall be \$30.00 per load up to 14,000 litres.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2024

Rates per Cubic Meter

<u>Cubic Meters per Quarter</u>	Water &		
	Water	Wastewater	Wastewater
Step 1 – Domestic, up to 227 CM	\$2.21	\$1.82	\$4.03
Step 2 – Intermediate, 228 CM to 2,273 CM	\$1.83	\$1.82	\$3.65
Step 3 – Wholesale, 2,274 CM to 18,184 CM	\$1.74	\$1.37	\$3.11
Step 4 – Variable, over 18,184 CM	\$.73	\$1.37	\$2.10

Quarterly Service Charge \$22.51

2. Minimum Charges per Quarter

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

a. **Water & Wastewater Customers**

<u>Meter Size</u>	<u>Water Included Cubic Meters</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Water Only Total Quarterly Minimum</u>	<u>Wastewater Commodity Charge</u>	<u>Water & Wastewater Total Quarterly Minimum</u>
5/8 inch	14	\$22.51	\$30.94	\$53.45	\$25.48	\$78.93
3/4 inch	27	\$22.51	\$59.67	\$82.18	\$49.14	\$131.32
1 inch	55	\$22.51	\$121.55	\$144.06	\$100.10	\$244.16
1 1/2 inch	136	\$22.51	\$300.56	\$323.07	\$247.52	\$570.59
2 inch	341	\$22.51	\$710.29	\$732.80	\$620.62	\$1,353.42
3 inch	614	\$22.51	\$1,209.88	\$1,232.39	\$1,117.48	\$2,349.87
4 inch	1,227	\$22.51	\$2,331.67	\$2,354.18	\$2,233.14	\$4,587.32
6 inch	2,319	\$22.51	\$4,324.06	\$4,346.57	\$4,198.06	\$8,544.63

b. **Wastewater Only for Residential Customers**

The wastewater only charge is based on 45 CM plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.82) + \$22.51 = \$104.41$.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$10.25 per cubic meter.

4. Septic Truck Tipping Fee

The Septic Truck Tipping fee shall be \$30.00 per load up to 14,000 litres.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2025

Rates per Cubic Meter

<u>Cubic Meters per Quarter</u>	Water &		
	Water	Wastewater	Wastewater
Step 1 – Domestic, up to 227 CM	\$2.47	\$1.75	\$4.22
Step 2 – Intermediate, 228 CM to 2,273 CM	\$2.05	\$1.75	\$3.80
Step 3 – Wholesale, 2,274 CM to 18,184 CM	\$1.94	\$1.32	\$3.26
Step 4 – Variable, over 18,184 CM	\$.83	\$1.32	\$2.15

Quarterly Service Charge \$22.69

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 Cubic Meters	Customer Service Charge	Water Commodity Charge	Water Only Total Quarterly Minimum	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8 inch	14	\$22.69	\$34.58	\$57.27	\$24.50	\$81.77
3/4 inch	27	\$22.69	\$66.69	\$89.38	\$47.25	\$136.63
1 inch	55	\$22.69	\$135.85	\$158.54	\$96.25	\$254.79
1 1/2 inch	136	\$22.69	\$335.92	\$358.61	\$238.00	\$596.61
2 inch	341	\$22.69	\$794.39	\$817.08	\$596.75	\$1,413.83
3 inch	614	\$22.69	\$1,354.04	\$1,376.73	\$1,074.50	\$2,451.23

4 inch	1,227	\$22.69	\$2,610.69	\$2,633.38	\$2,147.25	\$4,780.63
6 inch	2,319	\$22.69	\$4,842.18	\$4,864.87	\$4,036.72	\$8,901.59

b. Wastewater Only for Residential Customers

The wastewater only charge is based on 45 CM plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.75) + \$22.69 = \$101.44$.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$11.50 per cubic meter.

4. Septic Truck Tipping Fee

The Septic Truck Tipping fee shall be \$30.00 per load up to 14,000 litres.

The following clauses take effect July 1, 2022:

5. Billings and Penalties

Accounts shall be billed quarterly based on water used and are payable within 21 days of the billing date. A late payment penalty charge of 1¼% shall be charged on the dollar amount owing after the billing due date.

In addition to quarterly billings, a monthly budget plan, pre-authorized debit and electronic bills are available on request. Should a duplicate copy of a quarterly bill be required, there is a \$10 cost for this service to cover administrative time and mailing costs beyond the regular billing. The same fee is levied to any customer requiring a duplicate utility account statement, per account. If a customer's utility payment is returned unpaid, the cost for administrative time to process this transaction will be \$50.

6. Disconnection and Reconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the City 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 City Hall.

The water may be shut off in compliance with the Conditions Precedent, and may be turned on only after all arrears and penalties have been paid together with the sum of \$110 for the turning on of the water during normal working hours, and \$220 outside of normal working hours.

7. Outstanding Charges Form a Lien on the Land

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.

The fee to add outstanding water and Wastewater charges to the property tax roll shall be \$20.00 per account.

8. Service To Customers Outside City Limits

The City may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the City. Such Agreements shall provide for payment of the appropriate rates set out in this Schedule, as well as a surcharge 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 the City's boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

9. Hydrant Charges

The City of Portage la Prairie shall pay to the Utility an annual hydrant charge of \$140 for each hydrant connected to the Utility. This will include the cost of water used for firefighting purposes.

Privately owned hydrants that are direct extensions of the City's internal water distribution system shall be subject to an annual connection fee as follows:

	Hydrants within City Limits	Hydrants outside City Limits
Metered	\$55.	\$140.
Unmetered	\$140.	\$220.

In addition, the fee for a temporary use application, fire hydrant usage is \$85 and the rental charge for unmetered fire hydrant is \$120 per day.

10. Water Service for Construction

Contractors shall pay a flat rate of \$50 per construction turn-on for a period up to the date of substantial completion of the project as defined by the Builder Liens Act. The Contractor will also be responsible to pay the City the cost of any water consumed during this period at the applicable water and wastewater rates. There will be a maximum of one construction turn-on per building allowed.

The rate for a construction turn-on performed outside of normal working hours shall be \$110 per construction turn-on.

11. Water Meters

- a. **Oversize Meters:** That an oversized water meter charge be levied on every water meter installed larger than the basic 5/8" water meter equal to the actual cost difference between the water meter being installed and a basic 5/8" water meter.
- b. **Meter Testing & Calibration:** That in any case where a utility customer requests that a meter be tested for accuracy, the City will provide the customer with an estimated cost to perform the meter testing and the

customer will provide the City with a deposit equal to the amount of the estimate. The City will then remove the subject meter, replace it with another meter and send the original meter 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 City and the deposit will be refunded to the customer and the customer's account will be adjusted for the preceding six (6) 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.

- c. Damaged Meter - customer initiated: The customer is responsible for replacing or repairing meter and to pay cost + 35% with cost which includes the cost of a new meter plus one hour of staff time.
- d. Meter Interface Unit (MIU): The fee for relocation or wiring repair – exterior move shall be \$70; the fee for relocation or wiring repair – from meter shall be \$95; and the fee for relocation or wiring repair in crawl spaces or under a mobile home will be \$200. A MIU is used to remotely communicate meter readings with the city through the meter's Bluetooth technology.
- e. Changing Water Meter: If the customer requests a change or upgrade to their water meter, a cost of \$200 will be levied which includes all staff installation time. The returned meter must be returned in good condition, otherwise the cost for the damaged meter will be charged. An exception is made for discontinued meters which will be assessed no cost to return in any condition.

12. Water & Wastewater Service

- a. That a charge for water and wastewater service shall be \$45 per meter per turn-on performed during normal working hours or \$105 per meter per turn-on, performed outside of normal working hours. This fee recovers the cost of completing the change of user or service and may result in city staff attending the service address to physically turn on the water and wastewater services.
- b. Water and wastewater service customers may make a special request for a turn off of their services. This is typically done when the property will not be occupied for an extended time period or requested by the property owner when the property tenant hasn't paid their utility billings for an extended time period. The same charges of \$45 per meter for turn-off during normal working hours or \$105 per meter per turn-off, performed outside of normal working hours applies.
- c. Should a curb stop locate be requested by a customer during regular hours, the cost is \$45. This cost will be \$105 if performed outside of normal working hours.

- d. Water meters remain the property of the City of Portage la Prairie and the City may change out or upgrade meters from time to time at its sole discretion.

Should a customer:

- i. refuse to allow the City access to change a water meter; or
- ii. remove the Bluetooth remote meter reading system; or
- iii. install their own water meter;

if that requires City staff to manually read the water meter, the fee for each reading will be \$100. Repeated refusal to allow the City access to read a water meter or to change the water meter may result in the customer's water services being disconnected.

13. Inspection Fees

- a. New Water Service: That the inspection fee for a new water and/or wastewater installation shall be \$50 per inspection per service installation between the street property line and the building. The inspection fee recovers the cost of the inspection and the completion of records.
- b. Existing Water Service Leak Inspection:
 - i. Owner initiated water leak inspection shall be \$65 per inspection;
 - ii. Water leak inspection, under mobile home, owner initiated – confined entry, 2 persons needed, shall be \$180 per inspection.

14. Missed Appointment

The fee for a customer missing a scheduled appointment shall be \$70.

15. Meter Tampering

Where there is evidence of meter tampering a minimum charge of \$500 will be applied to the customer's account in addition to an amount calculated to adjust for the tampering based on historical usage.

16. Flushing/Thawing

The cost for flushing or thawing water or sewer lines on private property or a private service or in cases where the requirement for flushing or thawing is a result of a customer's actions shall be:

- a. flushing water or sewer lines is \$250;
- b. thawing water or sewer lines with a hot water machine is \$200;

c. thawing water lines through electrical resistance is \$410.

17. Water testing

Private water testing is available from the City based on actual cost + 35%.

18. Lead Services Piping

The property owner is responsible for all costs applicable to replacement of water or sewer service lines on their property. When a lead water service line is being replaced, a \$500 subsidy is provided by the City to the owner to defray some of these costs and to encourage owners to replace lead service lines.