

**Gimli  
Sewer and Water Utility  
2009 Rate Study**

Prepared for:

**R.M. of Gimli**

Prepared by:

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## **1.0 INTRODUCTION**

The R.M. of Gimli is requesting approval from the Manitoba Public Utilities Board (PUB) to implement a revised rate structure for the community's sewer and water utilities. This rate study was performed during 2008 through 2009 and utilizes 2006 through 2008 actual expenses and revenues as a base line. The proposed sewer and water rate structures will replace various existing rate structures established over the past ten years.

The existing wastewater collection and treatment system consists of approximately 28.1 kilometres of gravity sewer mains, 18.7 kilometres of force mains, 8 lift stations and sewage treatment facilities situated within five sewer utility districts. Sewer Utility Reserve Funds have been established to ensure proceeds are available for an equipment replacement including major components of the sewage treatment facilities to meet environmental guidelines and sewer replacement. Any growth will be funded for the most part through reserves and local improvement and developer levies.

The existing water production and distribution system includes approximately 25.4 kilometres of water mains, with wells, reservoirs and pumping facilities within three water utility districts. Water Utility Reserve Funds have been established to ensure proceeds are available for increasing the reliability of the distribution system, fire hydrant installations and provision of an equipment replacement reserve including major components of the water pumping facilities and eventual watermain renewal. Proposed and future residential subdivisions as well as improved water treatment and increased water supply or reservoir capacity will be funded through developer levies.

The five Gimli area sewer utilities had 1,265 customers to December 31, 2009 including 294 non-metered customers including eleven customers with multiple residential equivalent units (REU) assessed. It should be noted that Manitoba Hydro has now installed a meter and will be taken off the REU listing in 2010.

The three water utilities had 1,120 customers attached to the distribution systems as of December 31, 2009. For the most part, all customers are connected to the system using 15 mm meters with a few commercial customers with larger and varied meter sizes and 144 customers with a flat rate.

The following discusses the outcomes a number of initiatives that the utilities and RM of Gimli have undertaken or expect to undertake to improve delivery of services.

### ***Water Distribution Master Plan Study***

The RM of Gimli has completed a Master Plan Study of the existing water treatment facilities and has concluded that a regional water treatment plant will be required in the near future. It is expected that at that time the three water distribution systems will be combined and a new system wide water rate structure will be designed. The RM of Gimli also expects to perform a study of the existing water distribution system in the near future as well.

### ***Wastewater Sewer Master Plan Study***

The new regional sewage treatment plant and related facilities were the result of a previous Master Plan developed for the sewage treatment and collection systems. The plant is currently in operation and as a result of the shared treatment facilities, this rate study has combined the five existing wastewater systems into one amalgamated system.

### ***Manitoba Water Services Board***

The Manitoba Water Services Board prioritizes project requests for assistance, and subject to the availability of funds and approvals may provide assistance to rural water and sewer utilities. The Board has assisted the RM of Gimli in this regard with funding for various projects in the past such as the new regional sewage treatment plant and new force mains.

### ***Canada Manitoba Infrastructure***

Similar to the Manitoba Water Services Board, Canada Manitoba Infrastructure program has assisted the RM of Gimli with the construction of the new regional sewage treatment plant and Pelican Beach force main.

### ***Federal Gas Tax allocation***

Federal Gas Tax funds received through the Federal Gas Tax Funding Agreement are set aside and applied to eligible costs of eligible projects as defined within the Agreement. Eligible projects include drinking water supply, treatment and distribution, and wastewater collection and treatment facilities. Accordingly, the RM of Gimli can utilize a portion of its share of the Federal Gas Tax refunds for purposes related to water and wastewater systems improvements.

### ***Other Funding***

The RM of Gimli has identified other sources of funding that include the Building Canada Fund which is designed to go towards infrastructure initiatives in Manitoba. Eligible categories for funding within the RM of Gimli include drinking water, wastewater, solid waste management and local roads.

### ***Water Production Variances***

Un-metered and unaccounted for water forms a significant portion of the water produced by the RM of Gimli water treatment plants. The most significant improvement towards reducing unaccounted for water would require that all water services become metered. The water utility will also be placing controls on tracking other unaccounted for water such as estimating water usage at each hydrant or sewer flushing event and water lost through watermain breaks. Similarly, the fire department will be estimating water usage during training and actual fire responses. Lastly, there may also be variances with water consumption versus production rates as the result of non-coinciding billing and water production recording cycles.

### ***Conservation***

The new water rates are calculated using a single step rate schedule as it provides for more conservation incentive than the declining block rate structure used in other jurisdictions. Further, flat rates do not promote conservation and as noted previously, the water utility intends to move towards installing metered services so that water and sewer rates, where the utilities provide both services, will be based on water meter readings rather than flat rates as previously charged. An effect of any consumption reduction through conservation following installation of the metered services may be a decrease in revenues to both sewer and water utilities which may require future rate adjustments.

### ***Administration Costs***

The R.M. of Gimli has completed a study to determine the actual costs incurred by the R.M. towards administering the sewer and water utilities. This resulted in an administration cost adjustment to the utilities. For example, the administration cost study found that the following districts were undercharged annually for their share of the administration costs; GIP sewer and water \$2,600, Pelican Beach sewer and water \$3,000, South Beach sewer \$5,400 and Loni Beach sewer \$600. Conversely, the LUD sewer and water was overcharged approximately \$13,800 annually. Further, the administration cost study determined that the RM of Gimli general administration would have under recovered approximately \$2,000 annually from the utilities. The result of not adequately recovering the administration costs from the utilities by the public work department meant that the general taxpayer was subsidizing the utility ratepayer.

### ***Public Sector Accounting Board***

The new R.M. of Gimli sewer and water rates have been calculated as required by Board Order 93/09 Regulatory Requirements – Rate Setting, Required Due to the Public Sector Accounting Board Accounting Standards for Local Governments.

The Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants regulates accounting principles and practices for all government levels across Canada. PSAB was created to provide accountability, transparency and to address inconsistent accounting and reporting practices in the public sector by using Generally Accepted Accounting Principles (GAAP). GAAP promises a transparent and full financial picture of the utilities by using one accepted set of accounting rules and reinforces the credibility of utilities, allows for better analysis for the future and more accurately reflects risk.

### ***Amalgamation of Existing Sewer Utilities***

As a result of the common connection between the five existing sewer utilities to the new regional sewage treatment plant, the RM of Gimli is moving towards combining them into one amalgamated system. It is anticipated that this will reduce administration, accounting and operational costs and thereby provide for more efficient delivery of service.

### ***Staff Additions***

Both the sewer and water utilities have had staff retirements and a move towards “on call” shift premiums. Also, due to the increasing complexity of the sewage treatment processes, additional personnel were required for operation of the wastewater utility. These developments resulted in increased wages and benefits costs as well as increased training costs charged to the sewer and water utilities starting in 2010.

The increased wages and benefits amount to approximately \$119,000 and the “on call” shift premium results in approximately \$35,000 of additional expenses. The RM of Gimli estimates that 65% of these costs are attributed to the sewer utility and the remainder to the water utility. These costs are then proportioned to the various utility districts based on the number of customers attached.

## **2.0 CAPITAL COST, CONTINGENCY ALLOWANCE, RESERVE TARGETS**

The capital cost of the sewer and water utilities includes all plant installed to date and is calculated using the original construction cost plus engineering. These costs are then projected to present value using a 3% average annual inflation rate.

The primary purpose of the contingency allowance is to provide operating funds to cover the replacement of major components, unusual maintenance or other unforeseen costs. Contingency allowances of 0.25% of the current capital cost for all wastewater collection and treatment systems and water treatment and distribution systems are to cover unforeseen budget costs. The exceptions are for the LUD and GIP water systems that are set at 0.50%. It is preferable to have these contingency rates to reflect the uncertainty and cost of water main breaks.

The 10% reserve target is also based on the current capital cost of the utilities. The PUB allows up to 10% of the capital cost of a utility to be placed in a reserve, or more, if a designated and required need is identified. Prudent operation of a utility also requires that reserves are established and properly funded. In the past, most utilities would allocate the annual surplus, if there was one, into a reserve account however this resulted in inadequate funding of the reserve account. A defined reserve allocation ensures funds are available to the utilities for infrastructure improvements such as trunk sewer replacement, treatment facility upgrades, reservoir capacity improvements, distribution system looping and other similar projects.

While it would be preferred that 1% of the capital cost of the utilities would be set aside for reserve allocation, due to the significant increase with the new rates, reserve allocation has been set to remain the same as previous years. It is expected that renewed efforts toward reserve accumulation will resume with the next rate adjustment process.

The Contingency Allowances and Reserve Targets are as follows. Please note that the contingency rates and allowances were calculated individually and then the sewer systems were combined to calculate the amalgamated sewer system rates.

### LUD System

	Capital Cost	Contingency Rate	Contingency Allowance	Reserve Target	
Water Treatment system	7,300,000	0.25%	18,250		
Water Distribution system	8,259,500	0.50%	41,298		
<i>Sub-total</i>	\$15,559,500		\$59,548	10%	\$1,555,950
Sewage Treatment system	13,423,215	0.25%	33,558		
Sewage Collection system	20,100,000	0.25%	50,250		
<i>Sub-total</i>	\$33,523,215		\$85,808	10%	\$3,352,321
<i>Total</i>	\$49,082,715		\$143,356		\$4,908,271

### GIP System

	Capital Cost	Contingency Rate	Contingency Allowance	Reserve Target	
Water Treatment system	1,274,000	0.25%	3,185		
Water Distribution system	2,676,200	0.50%	13,381		
<i>Sub-total</i>	\$3,950,200		\$16,566	10%	\$395,020
Sewage Treatment system	1,563,346	0.25%	3,908		
Sewage Collection system	5,500,000	0.25%	13,750		
<i>Sub-total</i>	\$7,063,346		\$17,658	10%	\$706,335
<i>Total</i>	\$11,013,546		\$34,224		\$1,101,355

### Pelican Beach System

	Capital Cost	Contingency Rate	Contingency Allowance	Reserve Target	
Water Treatment system	950,000	0.25%	2,375		
Water Distribution system	1,430,600	0.25%	3,577		
<i>Sub-total</i>	\$2,380,600		\$5,952	10%	\$238,060
Sewage Treatment system	851,754	0.25%	2,129		
Sewage Collection system	4,200,000	0.25%	10,500		
<i>Sub-total</i>	\$5,051,754		\$12,629	10%	\$505,175
<i>Total</i>	\$7,432,354		\$18,581		\$743,235

### South Beach System

	Capital Cost	Contingency Rate	Contingency Allowance	Reserve Target	
Water Treatment system	-	-	-		
Water Distribution system	-	-	-		
<i>Sub-total</i>	\$0		-	10%	\$0
Sewage Treatment system	1,719,681	0.25%	4,299		
Sewage Collection system	5,700,000	0.25%	14,250		
<i>Sub-total</i>	\$7,419,681		\$18,549	10%	\$741,968
<i>Total</i>	\$7,419,681		\$18,549		\$741,968

### Loni Beach System

	Capital Cost	Contingency Rate	Contingency Allowance	Reserve Target	
Water Treatment system	-	-	-		
Water Distribution system	-	-	-		
<i>Sub-total</i>	\$0		-	10%	\$0
Sewage Treatment system	411,501	0.25%	1,029		
Sewage Collection system	3,195,000	0.25%	7,988		
<i>Sub-total</i>	\$3,606,501		\$9,016	10%	\$360,650
<i>Total</i>	\$3,606,501		\$9,016		\$360,650

### 3.0 WATER PRODUCTION AND CONSUMPTION

Actual water production figures for the LUD water system in 2008 are as follows:

	2008
<b>Total Customers</b>	945
Metered Sales (cm)	205,504
Other non-metered Water (cm)	107,968
Total Volume (cm)	313,472
Average Consumption (cm)	217

The LUD water system is a wholly metered system. As indicated in the above table, approximately 1/3 of the water production is un-accounted for. It is expected that utility personnel will be developing more stringent control over un-metered and unaccounted for water. Formerly included with un-accounted for water, un-metered water is generally made up of flushing water used during distribution main construction, sewer cleaning, bacteriological testing and fire fighting and training purposes. All of the preceding uses are considered normal un-metered water consumption in the operation of a water utility. Water main breaks can also be estimated for water loss and accounted for.

Both the GIP and Pelican Beach water systems have predominantly non-metered services and as a result it is more difficult to track water usage and losses in those systems. However, by using average consumption quantities to calculate expected usage it is evident that there is little water loss in both systems. The expected move towards metered services will enable operations personnel to more accurately determine non-metered water usage for those systems in the future.

## **4.0 RATE CALCULATIONS**

Historical operating expenses and income for all utilities were used to initialize calculations. These costs, in 2008 dollars, were extrapolated to estimate 2009 through 2013 costs utilizing 3.0% inflation rates and adjusted for expected customer attachments. Additional costs required for the operation of the expanded sewage treatment plant, including hydro, chemicals, sludge removal, were estimated and added to the 2010 sewage treatment costs. PSAB requirements including TCA, debentures, amortization of grants and deficit recovery were also included. Of particular note, the Pelican Beach debenture costs were apportioned approximately 25:75 to the water and sewer utility respectively to reflect the original capital cost of the installation. Finally, the year 2011 costs were used to calculate the base rates. A tabulation of the operating expenses for all of the sewer and water utilities is found in Appendix 2 and 3.

### **4.1. Sewer Customer Service Charge**

The service charges are determined by administration costs divided by the number of customers. While the RM of Gimli administration calculation charges are based on connection numbers for the sewer utility, some variances do occur as the result of equity surcharges and other minor expenses. Although PUB supplied spreadsheets calculated deficit recovery to be with the administration expenses, the RM of Gimli requested that it be placed within the operating expenses. This would result in a fairer recovery from customers than a flat surcharge within the service charge.

### **4.2. Residential Equivalent Unit Rate**

In sewer districts with flat rate water or without water distribution, the sewer rates are calculated based on residential equivalent units (REU) where one

unit is the estimated volume of water used by the average single family residence or small business.

The REU's for non-residential customers were derived from a report produced by the PUB entitled "Report of guidelines used by the Public Utilities Board of Manitoba when checking the equity and adequacy of water and sewer rates submitted for approval", adopted by the Board on March 22, 1978. Units allocated to other large commercial customers are based on estimated water they will use, compared with a residence or small business. Therefore, sewer commodity rates are calculated dividing all costs by total REU's allocated to all sewer customers to derive the annual rate per sewer unit. Customers that are not connected to a water system and only connected to the sewer system, will continue to have their rates calculated based on REU's. Customers who are currently on flat rate water will have their rates calculated based on REU's until such time they are changed to a metered service.

The commodity charges are the collection and treatment costs, O & M costs, contingency and reserve allocation divided by the total number of residential equivalency units. The contingency cost allowance has been calculated based on 0.25% of the capital cost of the collection system and sewage treatments facility as noted in Section 2.0.

#### **4.3. Sewer Commodity Rate**

Volumetric sewer commodity rates are charged based on water meter readings. Currently, the volume of water used by an average single family residence in the RM of Gimli LUD is approximately 217 cubic metres per year.

The sewer commodity rate is based on 2011 forecasted water meter data and is calculated by dividing total forecasted water sales into the 2010 sewer collection and treatment costs. The rate is adjusted by factoring the

total year 2011 customers attached to both the sewer and water system, (assumed to be the total water customers) and divided by the total residential equivalent units.

As noted above, the deficit recovery was generally revised to be recovered from within the operations expenses. Further, the deficit recovery for the GIP system was deemed to be wholly as a result of the high costs of the Sewage Treatment Plant start up. Until this rate adjustment, the GIP utility had no recourse to collect the extra operational costs of the new regional sewage treatment plant from the other utilities and as a result bore the brunt of the extra costs. Therefore, all of the deficit recovery was assigned to the GIP sewer system.

Prior to the construction and commissioning of the new regional sewage treatment plant, commercial bulk sewage haulers often deposited collected sewage at adjacent facilities in nearby municipalities. In most instances, the fees charged were based on actual volume however in many cases the fees were charged on flat fee basis. As a result, it is difficult to accurately determine the actual volume of bulk sewage that can be expected to be deposited into the new Gimli sewage treatment plant. Further, with the sewer expansion in the Loni Beach area there will be less bulk hauling and less revenues from bulk haulers. Therefore, for the purposes of this rate design, and considering the magnitude of the rate increase and the likely reduction of haulage requirements, it has been assumed that the revenues from bulk sewage haulers will be slightly less at approximately \$84,000,

#### **4.4. Sewage Bulk Rate**

Totalling all operating, administration and debenture costs and dividing by the total operating and administration costs, develops the bulk rate

coefficient. The domestic commodity rate is then multiplied by the coefficient to give the bulk rate.

#### **4.5. Water Customer Service Charge**

Dividing the number of customers into the total administration costs develops the customer service charge. As with the sewer customer service charge, the RM of Gimli administration calculation charges are based on connection numbers for each utility, but some variances do occur as the result of equity surcharges and other minor expenses.

#### **4.6. Water Commodity Rate**

The domestic rate is calculated by dividing total water sales into the water production and distribution costs, plus contingency and reserve allocation, less fire hydrant rentals. Fire hydrant rentals are proposed at \$125 per hydrant and it is expected there will be 134 fire hydrants in the LUD, GIP and Pelican Beach systems by 2011. The contingency cost allowance has been calculated based on 0.50% and 0.25% of the capital cost of the water distribution system and treatment systems respectively.

#### **4.7. Water Bulk Rate**

Totalling all operating, administration and debenture costs and dividing by the total operating and administration costs, develops the bulk rate coefficient. The domestic commodity rate is then multiplied by the coefficient to give the bulk rate.

## 5.0 RATES SUMMARY

The proposed adjustments to the sewer and water utility rates have resulted in an approximate doubling of rates based on average sewer and water customer usage. While the service fee increases are fairly moderate, the utilities have had considerable increases to O&M costs, including those for the new sewage treatment plant resulting in significant increases to quarterly, volumetric and REU charges.

The summary of sewer and water rates are shown below.

### 5.1. LUD Water Rates

The proposed quarterly sewer rates developed based on volumetric charges are as follows:

Service Charge       \$9.37

Volumetric Charge (c.m.)   \$1.09

All LUD water system customers are metered.

#### Minimum Quarterly Charges - Water Connection Only

Meter size	Volume Included (cm)	Water	Commodity Charge	Quarterly Minimum
		Service Charge		
15 mm (5/8")	13.5	\$9.37	\$1.09	\$24.09
19 mm (3/4")	27	\$9.37	\$1.09	\$38.80
25 mm (1")	54	\$9.37	\$1.09	\$68.23
38 mm (1 1/2")	135	\$9.37	\$1.09	\$156.52
50 mm (2")	337.5	\$9.37	\$1.09	\$377.25
75 mm (3")	607.5	\$9.37	\$1.09	\$671.55
100 mm (4")	1215	\$9.37	\$1.09	\$1,333.72
150 mm (6")	2295	\$9.37	\$1.09	\$2,510.92
Bulk Rate			\$1.26	

## 5.2. Gimli Industrial Park Water Rates

The proposed quarterly water rates based on volumetric charges are as follows:

Service Charge      \$11.37

Volumetric Charge (c.m.)   \$1.41

### Minimum Quarterly Charges - Water Connection Only

Meter size	Volume Included (cm)	Water	Commodity Charge	Quarterly Minimum
		Service Charge		
15 mm (5/8")	13.5	\$11.37	\$1.41	\$30.41
19 mm (3/4")	27	\$11.37	\$1.41	\$49.44
25 mm (1")	54	\$11.37	\$1.41	\$87.51
38 mm (1 1/2")	135	\$11.37	\$1.41	\$201.72
50 mm (2")	337.5	\$11.37	\$1.41	\$487.25
75 mm (3")	607.5	\$11.37	\$1.41	\$867.95
100 mm (4")	1215	\$11.37	\$1.41	\$1,724.52
150 mm (6")	2295	\$11.37	\$1.41	\$3,247.32
Bulk Rate			\$1.54	

The GIP flat water rates are as follows:

Customer	Residential Equivalent Units	Service Charge	Commodity Charge	Quarterly Bill
Single family or small business	1	\$11.37	\$66.48	\$77.85
Building with more than 1 residence or business:				
2 residences or businesses	2	\$11.37	\$132.96	\$144.33
3 residences or businesses	3	\$11.37	\$199.44	\$210.81
Lake Agassiz Marine Hng #2	2	\$11.37	\$132.96	\$144.33
Lake Agassiz Marine Hng #4	2	\$11.37	\$132.96	\$144.33
Misty Lake Lodge	5	\$11.37	\$332.40	\$343.77
Lake Winnipeg Boat Works	3	\$11.37	\$199.44	\$210.81
Lake Agassiz Marine Hng #1	5	\$11.37	\$332.40	\$343.77
GIDC Dunlop	5	\$11.37	\$332.40	\$343.77
Natural Resources Water Bombers	5	\$11.37	\$332.40	\$343.77
Lake Winnipeg Boat Works	5	\$11.37	\$332.40	\$343.77
Skyline Hng #3	5	\$11.37	\$332.40	\$343.77
Faroex	15	\$11.37	\$997.20	\$1,008.57

### 5.3. Pelican Beach Water Rates

The proposed quarterly water rates based on volumetric charges are as follows:

Service Charge \$10.02

Volumetric Charge (c.m.) \$0.71

#### Minimum Quarterly Charges - Water Connection Only

Meter size	Volume Included (cm)	Water	Commodity Charge	Quarterly Minimum
		Service Charge		
15 mm (5/8")	13.5	\$10.02	\$0.71	\$19.61
19 mm (3/4")	27	\$10.02	\$0.71	\$29.19
25 mm (1")	54	\$10.02	\$0.71	\$48.36
38 mm (1 1/2")	135	\$10.02	\$0.71	\$105.87
50 mm (2")	337.5	\$10.02	\$0.71	\$249.65
75 mm (3")	607.5	\$10.02	\$0.71	\$441.35
100 mm (4")	1215	\$10.02	\$0.71	\$872.67
150 mm (6")	2295	\$10.02	\$0.71	\$1,639.47
Bulk Rate			\$2.43	

The Pelican Beach flat water rates are as follows:

Customer	Residential Equivalent Units	Service Charge	Commodity Charge	Quarterly Bill
Single family or small business	1	\$10.02	\$47.49	\$57.51
Building with more than 1 residence or business:				
2 residences or businesses	2	\$10.02	\$94.98	\$105.00
3 residences or businesses	3	\$10.02	\$142.47	\$152.49

#### 5.4. Amalgamated Sewer Utility Rates

The proposed quarterly sewer rates based on volumetric charges for the amalgamated Gimli sewer utility system are as follows:

Service Charge      \$11.86

Volumetric Charge (c.m.)   \$1.28

##### Minimum Quarterly Charges - Sewer Connection

Meter size	Volume Included (cm)	Sewer		Quarterly Minimum
		Service Charge	Commodity Charge	
15 mm (5/8")	13.5	\$11.86	\$1.28	\$29.14
19 mm (3/4")	27	\$11.86	\$1.28	\$46.42
25 mm (1")	54	\$11.86	\$1.28	\$80.98
38 mm (1 1/2")	135	\$11.86	\$1.28	\$184.66
50 mm (2")	337.5	\$11.86	\$1.28	\$443.86
75 mm (3")	607.5	\$11.86	\$1.28	\$789.46
100 mm (4")	1215	\$11.86	\$1.28	\$1,567.06
150 mm (6")	2295	\$11.86	\$1.28	\$2,949.46
Bulk Rate			\$4.70	

The amalgamated sewer utility flat sewer or REU rates are as follows:

**Minimum Quarterly Charges - Sewer Connection Only**

Customer	Residential Equivalent Units	Service Charge	Commodity Charge	Quarterly Bill
Single family or small business	1	\$11.86	\$69.59	\$81.45
Building with more than 1 residence or business:				
2 residences or businesses	2	\$11.86	\$139.18	\$151.04
3 residences or businesses	3	\$11.86	\$208.77	\$220.63
Lake Agassiz Marine Hng #2	2	\$11.86	\$139.18	\$151.04
Lake Agassiz Marine Hng #4	2	\$11.86	\$139.18	\$151.04
Misty Lake Lodge	5	\$11.86	\$347.95	\$359.81
Lake Winnipeg Boat Works	3	\$11.86	\$208.77	\$220.63
Lake Agassiz Marine Hng #1	5	\$11.86	\$347.95	\$359.81
GIDC Dunlop	5	\$11.86	\$347.95	\$359.81
Natural Resources Water Bombers	5	\$11.86	\$347.95	\$359.81
Lake Winnipeg Boat Works	5	\$11.86	\$347.95	\$359.81
Skyline Hng #3	5	\$11.86	\$347.95	\$359.81
Faroex	15	\$11.86	\$1,043.85	\$1,055.71

**5.5. Billing, Due Dates and Penalties**

All sewer and water utility accounts shall be billed quarterly and all bills shall be due and payable 30 days after the billing date. A penalty of 1 ¼ % per month will be charged if not paid by the due date.

**5.6. Disconnection and Reconnection of Service for Non-payment**

Services may be disconnected without further notice if that account has not been paid within 30 days of the due date. Prior to reconnection, payment shall be made of all arrears and penalties plus a reconnection charge of \$100.00.

### **5.7. Outstanding Utility Charges are a Lien on the Land**

Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding charges for water or sewer service are a lien upon that land and shall be collected in the same manner in which ordinary taxes upon the land are collectable and with like remedies. Where a tenant is in arrears the property owner should be notified in all cases.

### **5.8. Inspection Rates**

Currently there is a \$100.00 inspection fee levied on any sewer or water connections made to the wastewater collection and water distribution systems. The inspections ensure the connections are constructed in accordance with applicable codes and may require one or more site inspections, plus transportation and administration, to check conformance. The inspection fees will remain at \$100.00 per connection.

### **5.9. Hydrant Rentals**

The RM of Gimli shall pay to the utility an annual rental sufficient to cover cost of maintaining all hydrants connected to the system including any water used for fire-fighting or training. With the proposed increase to the water rates and therefore the cost of water for firefighting and training purposes, the RM of Gimli proposes to increase the hydrant rental fees levied to \$125.00 per year per hydrant.

## **6.0 RECOMMENDATIONS**

During the rate review, a number of improvements towards utility operation and future rate studies were noted and are listed as follows:

### **6.1. Metered Water Services**

There are a number of non-metered water customers within Gimli Industrial Park and Pelican Beach water utilities which result in flat rate sewer and water rate calculations for those customers. Although based on REU formulas and calculated using industry standards, flat rates do not promote conservation efforts nor do they promote a true user pay system. ECI therefore recommends that the water utility move towards installing water meters at all customers who do not currently have metered services.

As the large number of new meter installations may tax the resources of the communities' existing plumbing contractors, the water utilities might consider a phased approach to the installations. ECI recommends a three year phased implementation that targets commercial multiple REU customers changed out in year one, followed by commercial single REU customers in year two and, lastly, residential REU customers by year three.

### **6.2. Un-accounted for Water**

One of the difficulties that water utility operations personnel have when dealing with flat rate non-metered services includes inaccurate information regarding water consumption. Full customer metering, as noted in recommendation 6.1 above, will allow more accurate water consumption calculations by water system operators. ECI further recommends that operations personnel estimate water usage for water line flushing, water

main breaks, sewer flushing and fire department usage. The cost of water used by the sewer utility can then be allocated to the sewer utility and water used by the fire department, for both training and fire fighting, can be used to determine whether adequate hydrant rental charges are being collected.

### **6.3. Detailed Expenditures**

To prevent cross subsidization between the various utilities and also between the utilities and general public works expenditures, it is important that accurate time and expense tracking is maintained. Due to the comparative difference of sizes between the utilities, there is always the danger of the larger utilities or the public works department assuming more of the expenses to the benefit of the smaller utilities. This was apparent following the administration allocation review where it was noticeable that the LUD sewer and water utilities were assuming more of the administration costs than the smaller utilities.

### **6.4. Consolidation of Water Utilities**

The consolidation of the existing sewer utilities was driven largely by the common connection to the new sewage treatment plant. Consideration should be given towards consolidation of the water utilities as well. This would negate the danger of the larger utility assuming a disproportionate amount of the overall expenses and also reduce the amount of expense tracking as noted in recommendation 6.3 above.

### **6.5. Seasonal Property Rate Adjustments**

The existing rate design for seasonal properties within some of existing water rates includes a rate adjustment for seasonal properties. ECI recommends phasing out this rate adjustment along with the

implementation of metered services as noted in recommendation 6.1 above. Metered services have a minimum charge to be paid by all customers connected to the system, so all will make a fair contribution to the cost of operating the utility. For example, when a seasonal customer is not using water, the utility must still maintain the water treatment and distribution system. The minimum charge paid by customers with 5/8 inch meters (15 mm) include 3,000 gallons (13.5 c.m.) of water per quarter. The amount of water included for customers using larger meters is based on Group Capacity Ratios recognized by the American Water Works Association. The minimum charges are shown for all new commodity rates calculated for the three water utilities.

Seasonal flat rate customers should then be charged during off season periods based on the minimum charge to be paid by metered customers. For example, Pelican Beach water customers have an average annual consumption of 224 cubic meters per customer or 56 cubic metres per quarter. A two quarter seasonal customer would then have a charge based on two quarters consumption at 56 cubic metres plus two quarters at 13.5 cubic metres per quarter. The service charge would remain the same for each quarter whether on the seasonal rate or the full rate as it covers billing and other fixed administrative costs that remain constant regardless of the quantity of water consumed.

## **6.6. Stand Pipe Charges**

Similar to the seasonal rate adjustment noted in Section 6.5, ECI recommends phasing out stand pipe charges in favour of minimum service charges. Metered services have a minimum charge to be paid by all customers connected to the system so that all will make a fair contribution to the cost of operating the utility. As an example, a stand pipe customer rarely uses water however the utility must still size and maintain the water treatment, reservoir and distribution system to provide

water when required. The minimum charges for various service sizes are shown for the commodity rates calculated for the three water utilities. The service charge would remain the same as it covers billing and other fixed administrative costs.

#### **6.7. Reserve Allocations**

Currently, not all of the existing utilities set aside a reserve allocation. Only the LUD sewer and water and the South Beach sewer utility set aside a defined reserve allocation. Due to the significant rate increases proposed, ECI recommends that the reserve allocation be based on 0.10% of the current capital cost of the utilities and that revised reserve allocation values be determined, if required, during the next rate review expected to take place in a few years.

## **APPENDICES**

Appendix 1	LUD Base Data and Utility Cost Account Categories
Appendix 2	Gimli Industrial Park Base Data and Utility Cost Account Categories
Appendix 3	Pelican Beach Base Data and Utility Cost Account Categories
Appendix 4	South Beach Base Data and Utility Cost Account Categories
Appendix 5	Loni Beach Base Data and Utility Cost Account Categories
Appendix 6	Amalgamated Sewer Utility Base Data and Utility Cost Account Categories
Appendix 7	Schedules of Utility Rate Requirements

**Appendix 1                      LUD**

**Sewer Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing single family or small business customers (metered)	945							
New Customers	-	-	-	5	5	5	-	-
<b>Sub-total customers</b>	945	945	945	950	955	960	960	960
Residential Equivalent customers	-	-	-	-	-	-	-	-
<b>Total customers</b>	945	945	945	950	955	960	960	960

**Water Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing Customers	945							
New Customers	-	-	-	5	5	5	-	-
<b>Total Customers</b>	945	945	945	950	955	960	960	960
Metered Sales (cm)	381,858	195,602	205,504	206,591	207,679	208,766	208,766	208,766
Bulk sales (cm)	-	-	-	-	-	-	-	-
Other non-metered Water (cm)	- 56,064	99,504	107,968	105,000	110,250	115,763	121,551	127,628
Total Volume (cm)	325,794	295,106	313,472	311,591	317,929	324,528	330,317	336,394
Average Consumption (cm)	404	207	217	217	217	217	217	217
# of hydrants	65	65	65	65	65	65	65	65

**Sewer Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Training & Development	-	-	145.00	149.35	153.83	158.45	163.20	168.09
Transfers/Provisions	35,477.36	39,733.92	39,790.00	\$32,768.17	33,751.21	\$29,686.20	30,576.79	31,494.09
<i>Sub-total</i>	\$35,477.36	\$39,733.92	\$39,935.00	\$32,917.52	\$33,905.04	\$29,844.65	\$30,739.99	\$31,662.19
<b>Sewage District Maintenance</b>								
Wages and Salaries	43,552.07	45,089.80	41,130.00	41,130.00	45,976.69	47,355.99	48,776.67	50,239.97
Repairs/Maintenance	17,376.04	12,352.67	14,126.48	15,000.00	15,450.00	15,913.50	16,390.91	16,882.63
<i>Sub-total</i>	\$60,928.11	\$57,442.47	\$55,256.48	\$56,130.00	\$61,426.69	\$63,269.49	\$65,167.58	\$67,122.60
<b>Sewage Treatment and Disposal</b>								
Wages and Salaries		-	-	-	45,976.69	47,355.99	48,776.67	50,239.97
Custom service	22,904.37	4,239.28	34,148.52	6,500.00	6,695.00	6,895.85	7,102.73	7,315.81
Repairs/Maintenance	8,160.74	2,620.67	14,775.76	8,000.00	8,240.00	8,487.20	8,741.82	9,004.07
Telephone	827.25	875.15	681.45	1,000.00	1,030.00	1,060.90	1,092.73	1,125.51
Laboratory Services	2,484.66	1,988.00	2,982.52	-	-	-	-	-
Hydro	3,995.10	4,034.32	5,550.74	5,000.00	5,407.50	5,848.21	6,324.84	6,840.31
Chemicals	-	-	186.20	-	-	-	-	-
Materials	625.00	395.95	78.82	1,700.00	1,751.00	1,803.53	1,857.64	1,913.36
<i>Sub-total</i>	\$38,997.12	\$14,153.37	\$58,404.01	\$22,200.00	\$69,100.19	\$71,451.68	\$73,896.41	\$76,439.04
Total non- administration	\$99,925.23	\$71,595.84	\$113,660.49	\$78,330.00	\$130,526.88	\$134,721.17	\$145,548.04	\$150,045.68
Total all expenditures	\$135,402.59	\$111,329.76	\$153,595.49	\$111,247.52	\$164,431.92	\$164,565.82	\$176,288.02	\$181,707.87

**Water Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Training & Development	270.00	260.00	-	1,000.00	1,030.00	1,060.90	1,092.73	1,125.51
Membership Fees	115.00	-	305.00	120.00	123.60	127.31	131.13	135.06
Stationary Supplies	146.08	4.28	1,662.99	1,000.00	1,030.00	1,060.90	1,092.73	1,125.51
Transfers/Provisions	35,477.36	39,733.94	39,790.00	\$32,768.17	33,751.21	\$29,686.20	30,576.79	31,494.09
<i>Sub-total</i>	\$36,008.44	\$39,998.22	\$41,757.99	\$34,888.17	\$35,934.81	\$31,935.31	\$32,893.37	\$33,880.17
<b>Distribution System</b>								
Wages and Salaries	43,552.05	45,089.80	41,130.00	41,130.00	45,976.69	47,355.99	48,776.67	50,239.97
Contracts	22,027.82	5,087.50	21,433.35	15,000.00	15,450.00	15,913.50	16,390.91	16,882.63
Repairs/Maintenance	9,054.34	10,955.29	44,145.83	10,000.00	10,300.00	10,609.00	10,927.27	11,255.09
Materials	14,446.03	1,236.37	3,438.85	39,500.00	40,685.00	41,905.55	43,162.72	44,457.60
<i>Sub-total</i>	\$89,080.24	\$62,368.96	\$110,148.03	\$105,630.00	\$112,411.69	\$115,784.04	\$119,257.56	\$122,835.29
<b>Treatment Plant</b>								
Wages and Salaries	-	-	-	-	45,976.69	47,355.99	48,776.67	50,239.97
Repairs/Maintenance	8,929.11	1,493.74	19,270.95	10,000.00	10,300.00	10,609.00	10,927.27	11,255.09
Telephone	399.50	447.06	467.88	500.00	515.00	530.45	546.36	562.75
Laboratory Services	830.96	959.50	992.97	1,500.00	1,545.00	1,591.35	1,639.09	1,688.26
Hydro	8,221.24	9,589.71	11,716.71	10,000.00	11,330.00	12,836.89	14,544.20	16,478.57
Chemicals	3,797.50	3,360.00	3,902.37	3,500.00	3,965.50	4,492.91	5,090.47	5,767.50
Materials	532.84	311.58	2,467.34	1,800.00	2,039.40	2,310.64	2,617.96	2,966.14
<i>Sub-total</i>	\$22,711.15	\$16,161.59	\$38,818.22	\$27,300.00	\$75,671.59	\$79,727.23	\$84,142.01	88958.29
Total non- administration	\$111,791.39	\$78,530.55	\$148,966.25	\$132,930.00	\$188,083.28	\$195,511.27	\$203,399.58	\$211,793.58
Total all expenditures	\$147,799.83	\$118,528.77	\$190,724.24	\$167,818.17	\$224,018.09	\$227,446.58	\$236,292.95	\$245,673.75

**Appendix 2                      Gimli Industrial Park**

**Sewer Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing single family or small business customers (metered)	19							
New Customers	-	-	-	-	-	-	-	-
<b>Sub-total customers</b>	19	19	19	19	19	19	19	19
Residential Equivalent customers	91	91	91	91	91	91	91	91
<b>Total customers</b>	110	110	110	110	110	110	110	110
<b>Residential Equivalent Units</b>								
Single Residential Units	80	80	80	80	80	80	80	80
Lake Agassiz Marine Hng #2	2	2	2	2	2	2	2	2
Lake Agassiz Marine Hng #4	2	2	2	2	2	2	2	2
Misty Lake Lodge	5	5	5	5	5	5	3	3
Lake Winnipeg Boat Works	3	3	3	3	3	3	3	3
Lake Agassiz Marine Hng #1	5	5	5	5	5	5	5	5
GIDC Dunlop	5	5	5	5	5	5	5	5
Natural Resources Water Bombe	5	5	5	5	5	5	5	5
Lake Winnipeg Boat Works	5	5	5	5	5	5	5	5
Skyline Hng #3	5	5	5	5	5	5	5	5
Manitoba Hydro	10	10	10	10	-	-	-	-
Faroex	15	15	15	15	15	15	15	15
	-	-	-	-	-	-	-	-
<b>Total residential equivalent units</b>	142	142	142	142	132	132	146	146

**Water Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing Customers	110							
New Customers	-	-	-	-	-	-	-	-
<b>Total Customers</b>	110	110	110	110	110	110	110	110
Metered Sales (cm)	49,155	55,833	52,494	53,000	55,170	55,170	55,170	55,170
Bulk sales (cm)	-	-	-	-	-	-	-	-
Non-metered Water (cm)	31,927	25,499	16,529	27,000	24,830	24,830	24,830	24,830
Total Volume (cm)	81,082	81,332	69,022	80,000	80,000	80,000	80,000	80,000
Average Consumption (cm)	571	573	486	563	606	606	548	548
# of hydrants	65	65	65	65	65	65	65	65

**Sewer Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Training & Development	1,590.00	285.00	145.00	200.00	206.00	212.18	218.55	225.10
Transfers/Provisions	2,500.00	2,500.00	2,550.00	\$3,814.28	3,928.71	\$3,401.54	3,503.59	3,608.70
<i>Sub-total</i>	\$4,090.00	\$2,785.00	\$2,695.00	\$4,014.28	\$4,134.71	\$3,613.72	\$3,722.14	\$3,833.80
<b>Sewage District Maintenance</b>								
Wages and Salaries	-	-	-	-	5,351.78	5,512.34	5,677.71	5,848.04
Repairs/Maintenance	36.40	3,539.87	2,344.19	1,500.00	1,545.00	1,591.35	1,639.09	1,688.26
<i>Sub-total</i>	\$36.40	\$3,539.87	\$2,344.19	\$1,500.00	\$6,896.78	\$7,103.69	\$7,316.80	\$7,536.30
<b>Sewage Treatment and Disposal</b>								
Wages and Salaries	26,112.42	29,777.09	18,473.40	29,000.00	5,351.78	5,512.34	5,677.71	5,848.04
Wages seasonal	-	134.57	-	500.00	515.00	530.45	546.36	562.75
Engineering	4,689.25	2,709.00	4,792.00	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02
Repairs/Maintenance	12,531.90	7,825.15	28,368.82	15,000.00	15,450.00	15,913.50	16,390.91	16,882.63
Sludge Removal	14,801.88	11,517.50	16,465.50	15,000.00	15,759.00	16,556.41	17,394.16	18,274.30
Primary Disposal	33,376.08	20,855.78	1,314.00	1,500.00	1,575.90	1,655.64	1,739.42	1,827.43
Telephone	3,304.44	4,420.87	4,034.79	4,700.00	4,841.00	4,986.23	5,135.82	5,289.89
Laboratory Services	11,134.75	19,140.73	22,976.28	15,000.00	15,450.00	15,913.50	16,390.91	16,882.63
Hydro	37,447.42	39,509.98	39,227.09	40,000.00	42,024.00	44,150.41	46,384.43	48,731.48
Centra Gas	-	25,440.74	88,592.90	90,000.00	92,700.00	95,481.00	98,345.43	101,295.79
Chemicals	4,945.55	7,364.53	11,584.86	8,000.00	8,404.80	8,830.08	9,276.89	9,746.30
Miscellaneous	7,004.61	2,959.73	1,213.18	1,700.00	1,751.00	1,803.53	1,857.64	1,913.36
<i>Sub-total</i>	\$155,348.30	\$171,655.67	\$237,042.82	\$222,400.00	\$205,882.48	\$213,454.89	\$221,325.10	\$229,505.63
Total non- administration	\$155,384.70	\$175,195.54	\$239,387.01	\$223,900.00	\$212,779.27	\$220,558.58	\$228,641.90	\$237,041.93
Total all expenditures	\$159,474.70	\$177,980.54	\$242,082.01	\$227,914.28	\$216,913.98	\$224,172.30	\$232,364.04	\$240,875.73

**Water Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Training & Development	1,969.44	145.00	-	500.00	515.00	530.45	546.36	562.75
Membership Fees	387.60	115.00	152.50	400.00	412.00	424.36	437.09	450.20
Transfers/Provisions	2,500.00	2,500.00	2,550.00	\$3,814.28	3,928.71	\$3,401.54	3,503.59	3,608.70
<i>Sub-total</i>	\$4,857.04	\$2,760.00	\$2,702.50	\$4,714.28	\$4,855.71	\$4,356.35	\$4,487.04	\$4,621.66
<b>Distribution System</b>								
Repairs/Maintenance	1,278.86	927.26	4,810.55	1,000.00	5,351.78	5,512.34	5,677.71	5,848.04
<i>Sub-total</i>	\$1,278.86	\$927.26	\$4,810.55	\$1,000.00	\$5,351.78	\$5,512.34	\$5,677.71	\$5,848.04
<b>Treatment Plant</b>								
Wages and Salaries	25,964.04	29,777.14	18,473.40	29,000.00	5,351.78	5,512.34	5,677.71	5,848.04
Wages seasonal	148.45	134.58	-	500.00	515.00	530.45	546.36	562.75
Repairs/Maintenance	8,281.64	386.25	1,273.47	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02
Telephone	399.12	486.02	934.82	500.00	515.00	530.45	546.36	562.75
Water and sewer	542.80	271.40	544.50	500.00	515.00	530.45	546.36	562.75
Laboratory Services	853.76	906.30	2,292.19	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02
Hydro	11,532.72	12,180.43	5,784.37	13,000.00	13,657.80	14,348.88	15,074.94	15,837.73
Heat	5,152.29	6,950.80	15,122.49	15,000.00	15,450.00	15,913.50	16,390.91	16,882.63
Chemicals	21,847.57	17,980.67	20,757.94	20,000.00	21,012.00	22,075.21	23,192.21	24,365.74
Miscellaneous	35.29	660.88	1,612.64	1,400.00	1,470.84	1,545.26	1,623.45	1,705.60
<i>Sub-total</i>	\$74,757.68	\$69,734.47	\$66,795.82	\$83,900.00	\$62,607.42	\$65,230.14	\$67,969.22	70830.04
Total non- administration	\$76,036.54	\$70,661.73	\$71,606.37	\$84,900.00	\$67,959.21	\$70,742.48	\$73,646.92	\$76,678.08
Total all expenditures	\$80,893.58	\$73,421.73	\$74,308.87	\$89,614.28	\$72,814.92	\$75,098.84	\$78,133.97	\$81,299.73

**Appendix 3 Pelican Beach**

**Sewer Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing single family or small business customers (metered)	2							
New Customers	-	-	-	-	4	1	1	1
<b>Sub-total customers</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
Residential Equivalent customers	58	58	58	58	58	58	58	58
<b>Total customers</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>64</b>	<b>65</b>	<b>66</b>	<b>67</b>
<b>Residential Equivalent Units</b>								
Single Residential Units	53	53	53	53	53	53	53	53
	-	-	-	-	-	-	-	-
<b>Total residential equivalent units</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>

**Water Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing Customers	60							
New Customers	-	-	-	-	4	1	1	1
<b>Total Customers</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>64</b>	<b>65</b>	<b>66</b>	<b>67</b>
Metered Sales (cm)	932	267	600	600	600	600	630	662
Bulk sales (cm)	-	-	-	-	-	-	-	-
Other non-metered Water (cm)	15,436	13,715	9,439	12,863	13,506	14,182	14,891	15,635
Total Volume (cm)	16,368	13,982	10,038	13,463	14,106	14,782	15,521	16,297
Average Consumption (cm)	273	233	167	224	224	224	224	224
# of hydrants	-	-	-	-	-	-	-	-

**Sewer Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Transfers/Provisions	450.00	450.00	450.00	\$2,080.52	2,142.93	\$2,010.00	2,070.30	2,132.41
<i>Sub-total</i>	\$450.00	\$450.00	\$450.00	\$2,080.52	\$2,142.93	\$2,010.00	\$2,070.30	\$2,132.41
<b>Sewage District Maintenance</b>								
Wages and Salaries	-	-	907.50	934.73	2,919.15	3,006.73	3,096.93	3,189.84
Wages Benefits	-	-	118.79	122.35	126.02	129.81	133.70	137.71
Repairs/Maintenance	-	-	1,240.00	1,277.20	1,315.52	1,354.98	1,395.63	1,437.50
Overtime	-	-	-	-	-	-	-	-
<i>Sub-total</i>	\$0.00	\$0.00	\$2,266.29	\$2,334.28	\$4,360.70	\$4,491.52	\$4,626.26	\$4,765.05
<b>Sewage Treatment and Disposal</b>								
Wages and Salaries	-	-	-	-	2,919.15	3,006.73	3,096.93	3,189.84
Repairs/Maintenance	931.83	1,048.50	832.45	857.42	883.15	909.64	936.93	965.04
Telephone/Alarms	396.94	441.96	467.41	450.00	463.50	477.41	491.73	506.48
Hydro	531.08	495.95	658.46	600.00	624.18	649.33	675.50	702.73
Miscellaneous	7.48	-	9.48	9.76	10.06	10.36	10.67	10.99
<i>Sub-total</i>	\$1,867.33	\$1,986.41	\$1,967.80	\$1,917.19	\$4,900.04	\$5,053.47	\$5,211.76	\$5,375.07
Total non- administration	\$1,867.33	\$1,986.41	\$4,234.09	\$4,251.47	\$9,260.73	\$9,544.98	\$19,616.06	\$19,918.16
Total all expenditures	\$2,317.33	\$3,403.81	\$4,684.09	\$6,331.99	\$11,403.67	\$11,554.99	\$21,686.37	\$22,050.57

**Water Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Transfers/Provisions	450.00	450.00	550.00	\$2,080.52	2,142.93	\$2,010.00	2,070.30	2,132.41
<i>Sub-total</i>	\$450.00	\$450.00	\$550.00	\$2,080.52	\$2,142.93	\$2,010.00	\$2,070.30	\$2,132.41
<b>Distribution System</b>								
Wages and Salaries	-	-	907.50	934.73	2,919.15	3,006.73	3,096.93	3,189.84
Wages Benefits	-	-	118.81	122.37	126.05	129.83	133.72	137.73
<i>Sub-total</i>	\$0.00	\$0.00	\$1,026.31	\$1,057.10	\$3,045.20	\$3,136.56	\$3,230.65	\$3,327.57
<b>Treatment Plant</b>								
Wages and Salaries	6,123.05	7,711.61	-	2,000.00	2,919.15	3,006.73	3,096.93	3,189.84
Repairs/Maintenance	2,782.56	438.93	339.47	349.65	360.14	370.95	382.08	393.54
Telephone	431.95	485.93	508.45	523.70	539.41	555.60	572.26	589.43
Laboratory Services	454.85	444.49	440.74	453.96	467.58	481.61	496.06	510.94
Hydro	2,110.30	3,177.31	4,000.00	4,161.20	4,328.90	4,503.35	4,684.84	4,873.63
Chemicals	167.28	428.33	223.00	231.99	241.34	251.06	261.18	271.71
Miscellaneous	270.72	12.80	151.31	157.41	163.75	170.35	177.22	184.36
<i>Sub-total</i>	\$12,340.71	\$12,699.40	\$5,662.97	\$7,877.91	\$9,020.28	\$9,339.65	\$9,670.56	10013.45
Total non- administration	\$12,340.71	\$12,699.40	\$6,689.28	\$8,935.01	\$12,065.48	\$12,476.20	\$12,901.21	\$13,341.02
Total all expenditures	\$12,790.71	\$14,116.80	\$7,239.28	\$11,015.53	\$14,208.41	\$14,486.21	\$14,971.52	\$15,473.43

**Appendix 4 South Beach**

**Sewer Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing single family or small business customers (metered)	-							
New Customers		-	-	-	-	-	-	-
<b>Sub-total customers</b>	-	-	-	-	-	-	-	-
Residential Equivalent customers	121	121	121	121	121	121	121	121
<b>Total customers</b>	121	121	121	121	121	121	121	121
<b>Residential Equivalent Units</b>								
Single Residential Units	121	121	121	121	121	121	121	121
<b>Total residential equivalent units</b>	121	121	121	121	121	121	121	121

**Sewer Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Transfers/Provisions	1,500.00	1,500.00	1,500.00	\$4,195.71	4,321.58	\$3,741.70	3,853.95	3,969.57
<i>Sub-total</i>	\$1,500.00	\$1,500.00	\$1,500.00	\$4,195.71	\$4,321.58	\$3,741.70	\$3,853.95	\$3,969.57
<b>Sewage District Maintenance</b>								
Wages and Salaries	75.58	27.81	-	500.00	5,886.96	6,063.57	6,245.48	6,432.84
Repairs/Maintenance		-	175.00	590.00	607.70	625.93	644.71	664.05
<i>Sub-total</i>	\$75.58	\$27.81	\$175.00	\$1,090.00	\$6,494.66	\$6,689.50	\$6,890.19	\$7,096.89
<b>Sewage Treatment and Disposal</b>								
Wages and Salaries	-	-	907.51	-	5,886.96	6,063.57	6,245.48	6,432.84
Wages Benefits	-	-	118.79	-	-	-	-	-
Repairs/Maintenance	2,053.66	1,966.56	3,157.52	4,000.00	4,120.00	4,243.60	4,370.91	4,502.04
Telephone	399.12	447.06	467.41	500.00	515.00	530.45	546.36	562.75
Hydro	766.16	518.26	938.37	1,000.00	1,040.30	1,082.22	1,125.84	1,171.21
Miscellaneous	2,279.89	140.00	-	500.00	515.00	530.45	546.36	562.75
<i>Sub-total</i>	\$5,498.83	\$3,071.88	\$5,589.60	\$6,000.00	\$12,077.26	\$12,450.30	\$12,834.95	\$13,231.60
Total non- administration	\$5,574.41	\$3,099.69	\$5,764.60	\$7,090.00	\$18,571.92	\$19,139.80	\$19,725.14	\$20,328.49
Total all expenditures	\$9,574.41	\$7,099.69	\$9,764.60	\$11,285.71	\$22,893.51	\$22,881.50	\$23,579.09	\$24,298.06

## Appendix 5 Loney Beach

### Sewer Utility Base Data

	2006	2007	2008	2009	2010	2011	2012	2013
Existing single family or small business customers (metered)	-							
New Customers	-	-	-	-	-	-	-	-
<b>Sub-total customers</b>	-	-	-	-	-	-	-	-
Residential Equivalent customers	29	29	29	29	29	29	29	29
<b>Total customers</b>	29	29	29	29	29	29	29	29
<b>Residential Equivalent Units</b>								
Single Residential Units	29	29	29	29	29	29	29	29
	-	-	-	-	-	-	-	-
<b>Total residential equivalent units</b>	29	29	29	29	29	29	29	29

### Sewer Utility Cost Account Category

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Transfers/Provisions	700.00	700.00	700.00	\$1,005.58	1,035.75	\$8,936.78	9,204.89	9,481.03
<i>Sub-total</i>	\$700.00	\$700.00	\$700.00	\$1,005.58	\$1,035.75	\$8,936.78	\$9,204.89	\$9,481.03
<b>Sewage District Maintenance</b>								
Wages and Salaries	-	-	-	-	1,410.92	1,453.25	1,496.85	1,541.76
Service agreements	3,348.00	3,348.00	3,348.00	3,348.00	3,448.44	3,551.89	3,658.45	3,768.20
Repairs/Maintenance	1,265.00	-	175.00	742.00	764.26	787.19	810.80	835.13
<i>Sub-total</i>	\$4,613.00	\$3,348.00	\$3,523.00	\$4,090.00	\$5,623.62	\$5,792.33	\$5,966.10	\$6,145.09
<b>Sewage Treatment and Disposal</b>								
Wages and Salaries	60.07	273.62	907.51	750.00	1,410.92	1,453.25	1,496.85	1,541.76
Wages Benefits	-	-	118.79	-	-	-	-	-
Repairs/Maintenance	1,364.71	10,567.22	1,155.60	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02
Telephone	399.12	447.06	467.41	450.00	463.50	477.41	491.73	506.48
Hydro	819.74	631.06	511.36	500.00	520.15	541.11	562.92	585.60
Miscellaneous	-	4.28	-	45.00	46.35	47.74	49.17	50.65
<i>Sub-total</i>	\$2,643.64	\$11,923.24	\$3,160.67	\$3,745.00	\$4,500.92	\$4,641.31	\$4,786.12	\$4,935.50
Total non- administration	\$7,256.64	\$15,271.24	\$6,683.67	\$7,835.00	\$10,124.55	\$10,433.64	\$10,752.23	\$11,080.59
Total all expenditures	\$7,956.64	\$15,971.24	\$7,383.67	\$8,840.58	\$11,160.30	\$19,370.43	\$19,957.11	\$20,561.63

**Appendix 6**

**Sewer Utility Base Data                      Combined Sewer System**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing single family or small business customers (metered)	966							
New Customers	-	-	-	5	9	6	1	1
<b>Sub-total customers</b>	966	966	966	971	980	986	987	988
Residential Equivalent customers	299	299	299	299	299	299	299	299
<b>Total customers</b>	1,265	1,265	1,265	1,270	1,279	1,285	1,286	1,287
<b>Residential Equivalent Units</b>								
Single Residential Units	283	283	283	283	283	283	283	283
Lake Agassiz Marine Hng #2	2	2	2	2	2	2	2	2
Lake Agassiz Marine Hng #4	2	2	2	2	2	2	2	2
Misty Lake Lodge	5	5	5	5	5	5	3	3
Lake Winnipeg Boat Works	3	3	3	3	3	3	3	3
Lake Agassiz Marine Hng #1	5	5	5	5	5	5	5	5
GIDC Dunlop	5	5	5	5	5	5	5	5
Natural Resources Water Bombe	5	5	5	5	5	5	5	5
Lake Winnipeg Boat Works	5	5	5	5	5	5	5	5
Skyline Hng #3	5	5	5	5	5	5	5	5
Manitoba Hydro	10	10	10	10	-	-	-	-
Faroex	15	15	15	15	15	15	15	15
	-	-	-	-	-	-	-	-
<b>Total residential equivalent units</b>	345	345	345	345	335	335	349	349

**Water Utility Base Data**

	2006	2007	2008	2009	2010	2011	2012	2013
Existing Customers	1,115	-	-	-	-	-	-	-
New Customers	-	-	-	5	9	6	1	1
<b>Total Customers</b>	1,115	1,115	1,115	1,120	1,129	1,135	1,136	1,137
Metered Sales (cm)	431,945	251,702	258,597	260,191	263,449	264,536	264,566	264,597
Bulk sales (cm)	-	-	-	-	-	-	-	-
Non-metered Water (cm)	-	8,701	138,718	144,863	148,586	154,774	161,271	168,093
Total Volume (cm)	423,244	390,420	392,532	405,054	412,035	419,310	425,837	432,691
Average Consumption (cm)	380	350	232	232	232	232	232	232
# of hydrants	130	130	130	130	130	130	130	130

**Sewer Utility Cost Account Category**

	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>								
Training & Development	1,590.00	285.00	290.00	349.35	359.83	370.63	381.74	393.20
Transfers/Provisions	40,627.36	44,883.92	44,990.00	43,864.26	45,180.19	47,776.23	49,209.52	50,685.81
<i>Sub-total</i>	\$42,217.36	\$45,168.92	\$45,280.00	\$44,213.61	\$45,540.02	\$48,146.86	\$49,591.26	\$51,079.00
<b>Sewage District Maintenance</b>								
Wages and Salaries	43,627.65	45,117.61	42,037.50	42,564.73	61,545.52	63,391.88	65,293.64	67,252.45
Wages Benefits	3,348.00	3,348.00	3,466.79	3,470.35	3,574.46	3,681.70	3,792.15	3,905.91
Repairs/Maintenance	18,677.44	15,892.54	18,060.67	19,109.20	19,682.48	20,272.95	20,881.14	21,507.57
Overtime	-	-	-	-	-	-	-	-
<i>Sub-total</i>	\$65,653.09	\$64,358.15	\$63,564.96	\$65,144.28	\$84,802.46	\$87,346.53	\$89,966.93	\$92,665.93
<b>Sewage Lift Station</b>								
Wages and Salaries	60.07	273.62	1,815.02	750.00	7,297.89	7,516.82	7,742.33	7,974.60
Wages Benefits	-	-	237.58	-	-	-	-	-
Repairs/Maintenance	3,418.37	12,533.78	4,313.12	6,000.00	6,180.00	6,365.40	6,556.36	6,753.05
Telephone	798.24	894.12	934.82	950.00	978.50	1,007.86	1,038.09	1,069.23
Hydro	1,585.90	1,149.32	1,449.73	1,500.00	1,560.45	1,623.34	1,688.76	1,756.81
Miscellaneous	2,279.89	144.28	-	545.00	561.35	578.19	595.54	613.40
<i>Sub-total</i>	\$8,142.47	\$14,995.12	\$8,750.27	\$9,745.00	\$16,578.19	\$17,091.61	\$17,621.07	\$18,167.10
<b>Sewage Treatment and Disposal</b>								
Wages and Salaries	26,112.42	29,777.09	18,473.40	29,000.00	54,247.63	55,875.06	57,551.31	59,277.85
Wages seasonal	-	134.57	-	500.00	515.00	530.45	546.36	562.75
Engineering	4,689.25	2,709.00	4,792.00	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02
Custom service	22,904.37	4,239.28	34,148.52	6,500.00	6,695.00	6,895.85	7,102.73	7,315.81
Repairs/Maintenance	21,624.47	11,494.32	43,977.03	23,857.42	24,573.15	25,310.34	26,069.65	26,851.74
Sludge Removal	14,801.88	11,517.50	16,465.50	15,000.00	15,759.00	16,556.41	17,394.16	18,274.30
Primary Disposal	33,376.08	20,855.78	1,314.00	1,500.00	1,575.90	1,655.64	1,739.42	1,827.43
Telephone	4,528.63	5,737.98	5,183.65	6,150.00	6,334.50	6,524.54	6,720.27	6,921.88
Laboratory Services	13,619.41	21,128.73	25,958.80	15,000.00	15,450.00	15,913.50	16,390.91	16,882.63
Hydro	41,973.60	44,040.25	45,436.29	45,600.00	48,055.68	50,647.96	53,384.77	56,274.52
Centra Gas	-	25,440.74	88,592.90	90,000.00	92,700.00	95,481.00	98,345.43	101,295.79
Chemicals	4,945.55	7,364.53	11,771.06	8,000.00	8,404.80	8,830.08	9,276.89	9,746.30
Miscellaneous	7,637.09	3,355.68	1,301.48	3,409.76	3,512.06	3,617.42	3,725.94	3,837.72
<i>Sub-total</i>	\$196,212.75	\$187,795.45	\$297,414.63	\$246,517.19	\$279,882.71	\$289,960.04	\$300,433.28	\$311,319.74
Total non- administration	\$270,008.31	\$267,148.72	\$369,729.86	\$321,406.47	\$381,263.36	\$394,398.18	\$408,021.28	\$422,152.77
Total all expenditures	\$314,725.67	\$315,785.04	\$417,509.86	\$365,620.08	\$426,803.38	\$442,545.03	\$457,612.54	\$473,231.78

NAME OF MUNICIPALITY AND UTILITY: RM Gimli LUD Water

## SCHEDULE OF UTILITY RATE REQUIREMENTS

Appendix "B"

Projected for the rate year(s) 2010-2012 with comparative numbers for current and past year

	2010-2012		with comparative numbers for current and past year		
	Prior year	Current year	Inflation Rate: 3 %		
	Actual	Projected	Next year	Next year+1	Next year+2
	2008	2009	2010	2011	2012
<b>General</b>					
<i>Expenses:</i>					
Administration (building, office, staff, etc.)	41,757.99	32,917.52	33,905.04	34,922.19	35,969.86
Billing and collection				-	-
<b>Total general expenses</b>	<b>41,757.99</b>	<b>32,917.52</b>	<b>33,905.04</b>	<b>34,922.19</b>	<b>35,969.86</b>
Equity surcharge (1% of annual expenses) <sup>3</sup>			2,502.88	2,626.09	2,700.41
Deficit Recovery					-
<i>Revenue:</i>					
Surcharges	-	-	-	-	-
Service charges		500.00	500.00	515.00	530.45
Penalties	795.08	1,000.00	1,030.00	1,060.90	1,092.73
<b>Total general revenue</b>	<b>795.08</b>	<b>1,500.00</b>	<b>1,530.00</b>	<b>1,575.90</b>	<b>1,623.18</b>
<b>Net revenue general</b>	<b>40,962.91</b>	<b>31,417.52</b>	<b>34,877.92</b>	<b>35,972.38</b>	<b>37,047.09</b>
<b>Water</b>					
<i>Expenses:</i>					
Staffing				-	-
Purification and treatment	38,818.22	27,300.00	28,119.00	28,962.57	29,831.45
Water purchases				-	-
Service of Supply				-	-
Transmission and Distribution	110,148.03	105,630.00	108,798.90	112,062.87	115,424.75
Deficit Recovery BO 106/09		7,151.86	7,151.86	7,151.86	-
Connections - Net Loss				-	-
Amortization/ depreciation		7,741.02	7,741.02	7,741.02	7,741.02
Interest on long term debt	-	-	-	-	-
Reserves	10,000.00	10,000.00	15,559.50	16,026.29	16,507.07
Minor capital upgrades				-	-
Contingency		59,547.50	61,333.93	63,173.94	65,069.16
<b>Sub-total- water expenses</b>	<b>158,966.25</b>	<b>217,370.38</b>	<b>228,704.20</b>	<b>235,118.54</b>	<b>234,573.45</b>
<i>Revenue:</i>					
Connection Revenue	156,271.69			-	-
Hydrant rentals	4,050.00	8,125.00	8,125.00	8,368.75	8,619.81
Investment Income				-	-
Amortization of capital grants		-	-	-	-
Taxation revenues (1)	-	-	-	-	-
Other revenue				-	-
<b>Total non-rate revenue - water</b>	<b>160,321.69</b>	<b>8,125.00</b>	<b>8,125.00</b>	<b>8,368.75</b>	<b>8,619.81</b>
<b>Net rate revenue - water</b>	<b>(1,355.44)</b>	<b>209,245.38</b>	<b>220,579.20</b>	<b>226,749.79</b>	<b>225,953.64</b>

**Sewer**

*Expenses:*

Staffing				-	-
Sewage Collection System				-	-
Sewage Lift Station				-	-
Sewage Treatment and Disposal				-	-
Other Sewage Collection & Disposal Costs				-	-
Connection - Net Loss				-	-
Amortization/ depreciation				-	-
Interest on long term debt	-	-	-	-	-
Reserves				-	-
Future Remediation				-	-
Minor capital upgrades				-	-
Contingency				-	-
<b>Total sewer expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Revenue*

Connection Revenue				-	-
Lagoon Tipping Fees				-	-
Investment Income				-	-
Amortization of capital grants	-	-	-	-	-
Taxation revenues (2)	-	-	-	-	-
Other Revenue				-	-
<b>Total non-rate revenue- sewer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net rate revenue - sewer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(1) Water facility- debt servicing taxation revenues**

Principal					
Interest					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(2) Sewer facility- debt servicing taxation revenues**

Principal					
Interest					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(3) Accumulated Surplus (20% Expenses)**

General & Water & Sewer Expenses	<b>200,724.24</b>	<b>200,724.24</b>	<b>250,287.89</b>	<b>262,609.24</b>	<b>270,040.73</b>
Target Surplus	<b>40,144.85</b>	<b>40,144.85</b>	<b>50,057.58</b>	<b>52,521.85</b>	<b>54,008.15</b>
Actual Surplus					
Shortfall	<b>40,144.85</b>	<b>40,144.85</b>	<b>50,057.58</b>	<b>52,521.85</b>	<b>54,008.15</b>

NAME OF MUNICIPALITY AND UTILITY: RM Gimli GIP Water

SCHEDULE OF UTILITY RATE REQUIREMENTS

Appendix "B"

Projected for the rate year(s) 2010-2012 with comparative numbers for current and past year

\*\*\*Only insert information in blue areas

Inflation Rate: 3 %

	Prior year	Current year	Budget forecasts		
	Actual	Projected	Next year	Next year+1	Next year+2
	2008	2009	2010	2011	2012
<b>General</b>					
<i>Expenses:</i>					
Administration (building, office, staff, etc.)	2,702.50	4,714.28	4,855.71	5,001.38	5,151.43
Billing and collection				-	-
<b>Total general expenses</b>	<b>2,702.50</b>	<b>4,714.28</b>	<b>4,855.71</b>	<b>5,001.38</b>	<b>5,151.43</b>
Equity surcharge (1% of annual expenses) <sup>3</sup>	////	////	1,208.47	1,285.25	1,318.14
Deficit Recovery moved to expenses					-
<i>Revenue:</i>					
Surcharges				-	-
Service charges				-	-
Penalties	407.66	419.89	432.49	445.46	458.82
<b>Total general revenue</b>	<b>407.66</b>	<b>419.89</b>	<b>432.49</b>	<b>445.46</b>	<b>458.82</b>
<b>Net revenue general</b>	<b>2,294.84</b>	<b>4,294.39</b>	<b>5,631.70</b>	<b>5,841.17</b>	<b>6,010.74</b>

**Water**

<i>Expenses:</i>					
Staffing	-	-	-	-	-
Purification and treatment	66,795.82	83,900.00	86,417.00	89,009.51	91,679.80
Water purchases	-	-	-	-	-
Service of Supply	-	-	-	-	-
Transmission and Distribution	4,810.55	1,000.00	1,030.00	1,060.90	1,092.73
Deficit Recovery BO 105/09 (see sewer)					-
Connections - Net Loss	-	-	-	-	-
Amortization/ depreciation	-	11,379.17	11,379.17	11,379.17	11,379.17
Interest on long term debt	-	3,287.48	3,830.09	3,719.47	3,601.94
Reserves	-	-	3,950.20	4,068.71	4,190.77
Minor capital upgrades	-	-	-	-	-
Contingency	-	16,566.00	17,062.98	17,574.87	18,102.12
<b>Sub-total- water expenses</b>	<b>71,606.37</b>	<b>116,132.64</b>	<b>123,669.43</b>	<b>126,812.62</b>	<b>130,046.51</b>
<i>Revenue:</i>					
Connection Revenue	52,909.50			-	-
Hydrant rentals	4,200.00	8,125.00	8,125.00	8,368.75	8,619.81
Investment Income	-	-	-	-	-
Amortization of capital grants	-	-	-	-	-
Taxation revenues (1)	-	4,953.20	5,599.92	5,599.92	5,599.92
Other revenue				-	-
<b>Total non-rate revenue - water</b>	<b>57,109.50</b>	<b>13,078.20</b>	<b>13,724.92</b>	<b>13,968.67</b>	<b>14,219.73</b>
<b>Net rate revenue - water</b>	<b>14,496.87</b>	<b>103,054.44</b>	<b>109,944.52</b>	<b>112,843.96</b>	<b>115,826.78</b>

**Sewer***Expenses:*

Staffing				-	-
Sewage Collection System				-	-
Sewage Lift Station				-	-
Sewage Treatment and Disposal				-	-
Other Sewage Collection & Disposal Costs				-	-
Connection - Net Loss				-	-
Amortization/ depreciation				-	-
Interest on long term debt	-	-	-	-	-
Reserves				-	-
Future Remediation				-	-
Minor capital upgrades				-	-
Contingency				-	-
<b>Total sewer expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Revenue*

Connection Revenue				-	-
Lagoon Tipping Fees				-	-
Investment Income				-	-
Amortization of capital grants	-	-	-	-	-
Taxation revenues (2)	-	-	-	-	-
Other Revenue				-	-
<b>Total non-rate revenue- sewer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net rate revenue - sewer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(1) Water facility- debt servicing taxation revenues**

Principal	-	1,665.73	1,769.83	1,880.45	1,997.98
Interest	-	3,287.48	3,830.09	3,719.47	3,601.94
<b>Total</b>	<b>-</b>	<b>4,953.20</b>	<b>5,599.92</b>	<b>5,599.92</b>	<b>5,599.92</b>

**(2) Sewer facility- debt servicing taxation revenues**

Principal					
Interest					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(3) Accumulated Surplus (20% Expenses)**

General & Water & Sewer Expenses	<b>74,308.87</b>	<b>74,308.87</b>	<b>120,846.93</b>	<b>128,525.14</b>	<b>131,814.01</b>
Target Surplus	<b>14,861.77</b>	<b>14,861.77</b>	<b>24,169.39</b>	<b>25,705.03</b>	<b>26,362.80</b>
Actual Surplus					
Shortfall	<b>14,861.77</b>	<b>14,861.77</b>	<b>24,169.39</b>	<b>25,705.03</b>	<b>26,362.80</b>

NAME OF MUNICIPALITY AND UTILITY: RM Gimli PB Water

SCHEDULE OF UTILITY RATE REQUIREMENTS

Appendix "B"

Projected for the rate year(s) 2010-2012 with comparative numbers for current and past year

\*\*\*Only insert information in blue areas

	2010-2012		with comparative numbers for current and past year		
	Prior year	Current year	Inflation Rate: 3 %		
	Actual	Projected	Budget forecasts		
	2008	2009	Next year	Next year+1	Next year+2
	2008	2009	2010	2011	2012
<b>General</b>					
<i>Expenses:</i>					
Administration (building, office, staff, etc.)	550.00	2,080.52	2,142.93	2,207.22	2,273.44
Billing and collection				-	-
<b>Total general expenses</b>	<b>550.00</b>	<b>2,080.52</b>	<b>2,142.93</b>	<b>2,207.22</b>	<b>2,273.44</b>
Equity surcharge (1% of annual expenses) <sup>3</sup>			432.32	450.39	444.67
Deficit Recovery				-	-
<i>Revenue:</i>					
Surcharges				-	-
Service charges				-	-
Penalties	43.75	50.00	51.50	53.05	54.64
<b>Total general revenue</b>	<b>43.75</b>	<b>50.00</b>	<b>51.50</b>	<b>53.05</b>	<b>54.64</b>
<b>Net revenue general</b>	<b>506.25</b>	<b>2,030.52</b>	<b>2,523.76</b>	<b>2,604.57</b>	<b>2,663.48</b>
<b>Water</b>					
<i>Expenses:</i>					
Staffing				-	-
Purification and treatment	5,662.97	7,877.91	8,114.25	8,357.68	8,608.41
Water purchases				-	-
Service of Supply				-	-
Transmission and Distribution	1,026.31	1,057.10	1,088.81	1,121.48	1,155.12
Deficit Recovery				-	-
Connections - Net Loss				-	-
Amortization/ depreciation		8,474.30	8,474.30	8,474.30	8,474.30
Interest on long term debt	-	17,791.13	16,707.97	15,540.86	14,283.30
Reserves			2,380.60	2,452.02	2,525.58
Minor capital upgrades				-	-
Contingency		5,951.50	6,130.05	6,313.95	6,503.36
<b>Sub-total- water expenses</b>	<b>6,689.28</b>	<b>41,151.94</b>	<b>42,895.97</b>	<b>42,260.28</b>	<b>41,550.07</b>
<i>Revenue:</i>					
Connection Revenue	10,999.71			-	-
Hydrant rentals	-			-	-
Investment Income				-	-
Amortization of capital grants				-	-
Taxation revenues (1)	-	31,767.42	31,767.42	31,767.42	31,767.42
Other revenue				-	-
<b>Total non-rate revenue - water</b>	<b>10,999.71</b>	<b>31,767.42</b>	<b>31,767.42</b>	<b>31,767.42</b>	<b>31,767.42</b>
<b>Net rate revenue - water</b>	<b>(4,310.43)</b>	<b>9,384.52</b>	<b>11,128.56</b>	<b>10,492.86</b>	<b>9,782.66</b>

<b>Sewer</b>					
<i>Expenses:</i>					
Staffing				-	-
Sewage Collection System				-	-
Sewage Lift Station				-	-
Sewage Treatment and Disposal				-	-
Other Sewage Collection & Disposal Costs				-	-
Connection - Net Loss				-	-
Amortization/ depreciation				-	-
Interest on long term debt	-	-	-	-	-
Reserves				-	-
Future Remediation				-	-
Minor capital upgrades				-	-
Contingency				-	-
<b>Total sewer expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Revenue</i>					
Connection Revenue				-	-
Lagoon Tipping Fees				-	-
Investment Income				-	-
Amortization of capital grants	-	-	-	-	-
Taxation revenues (2)	-	-	-	-	-
Other Revenue				-	-
<b>Total non-rate revenue- sewer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net rate revenue - sewer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(1) Water facility- debt servicing taxation revenues</b>					
Principal		13,976.29	15,059.45	16,226.56	17,484.12
Interest		17,791.13	16,707.97	15,540.86	14,283.30
<b>Total</b>	<b>-</b>	<b>31,767.42</b>	<b>31,767.42</b>	<b>31,767.42</b>	<b>31,767.42</b>
<b>(2) Sewer facility- debt servicing taxation revenues</b>					
Principal					
Interest					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Accumulated Surplus (20% Expenses)</b>					
General & Water & Sewer Expenses	7,239.28	7,239.28	43,232.46	45,038.91	44,467.50
Target Surplus	1,447.86	1,447.86	8,646.49	9,007.78	8,893.50
Actual Surplus					
Shortfall	1,447.86	1,447.86	8,646.49	9,007.78	8,893.50

NAME OF MUNICIPALITY AND UTILITY:

RM Gimli Combined Sewer

## SCHEDULE OF UTILITY RATE REQUIREMENTS

Appendix "B"

Projected for the rate year(s)

2010-2012

with comparative numbers for current and past year

	2010-2012		with comparative numbers for current and past year		
	***Only insert information in blue areas		Inflation Rate: 3 %		
	Prior year Actual 2008	Current year Projected 2009	Next year 2010	Budget forecasts Next year+1 2011 Next year+2 2012	
<b>General</b>					
<i>Expenses:</i>					
Administration (building, office, staff, etc.)	45,280.00	44,213.61	45,540.02	46,906.22	48,313.41
Billing and collection	-	-	-	-	-
<b>Total general expenses</b>	<b>45,280.00</b>	<b>44,213.61</b>	<b>45,540.02</b>	<b>46,906.22</b>	<b>48,313.41</b>
Equity surcharge (1% of annual expenses) <sup>3</sup>			15,406.95	16,377.09	18,628.70
Deficit Recovery	-	-	-	-	-
<i>Revenue:</i>					
Surcharges	400.00	500.00	515.00	530.45	546.36
Service charges	-	-	-	-	-
Penalties	1,406.01	1,669.89	1,719.99	1,771.59	1,824.73
<b>Total general revenue</b>	<b>1,806.01</b>	<b>2,169.89</b>	<b>2,234.99</b>	<b>2,302.04</b>	<b>2,371.10</b>
<b>Net revenue general</b>	<b>43,474.00</b>	<b>42,043.72</b>	<b>58,711.99</b>	<b>60,981.28</b>	<b>64,571.01</b>
<b>Water</b>					
<i>Expenses:</i>					
Staffing	-	-	-	-	-
Purification and treatment	-	-	-	-	-
Water purchases	-	-	-	-	-
Service of Supply	-	-	-	-	-
Transmission and Distribution	-	-	-	-	-
Other Water Supply Costs	-	-	-	-	-
Connections - Net Loss	-	-	-	-	-
Amortization/ depreciation	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Reserves	-	-	-	-	-
Minor capital upgrades	-	-	-	-	-
Contingency	-	-	-	-	-
<b>Sub-total- water expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Revenue:</i>					
Connection Revenue	-	-	-	-	-
Hydrant rentals	-	-	-	-	-
Investment Income	-	-	-	-	-
Amortization of capital grants	-	-	-	-	-
Taxation revenues (1)	-	-	-	-	-
Other revenue	-	-	-	-	-
<b>Total non-rate revenue - water</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net rate revenue - water</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Sewer***Expenses:*

Staffing	-	-	-	-	-
Sewage Collection System	63,564.96	64,644.28	66,583.61	68,581.12	70,638.55
Sewage Lift Station	8,750.27	9,745.00	10,037.35	10,338.47	10,648.62
Sewage Treatment and Disposal	297,414.63	251,617.19	259,165.70	266,940.67	274,948.89
Deficit Recovery	-	73,850.53	73,850.53	73,850.53	-
Connection - Net Loss	-	-	-	-	-
Amortization/ depreciation	-	414,238.71	414,238.71	426,665.87	439,465.84
Interest on long term debt	-	528,224.71	565,717.98	760,934.49	739,670.10
Reserves	12,500.00	12,500.00	56,664.50	58,364.43	60,115.37
Future Remediation	-	-	-	-	-
Minor capital upgrades	-	-	-	-	-
Contingency	-	141,661.25	145,911.09	150,288.42	154,797.07
<b>Total sewer expenses</b>	<b>382,229.86</b>	<b>1,496,481.66</b>	<b>1,592,169.46</b>	<b>1,815,964.00</b>	<b>1,750,284.45</b>

*Revenue*

Connection Revenue	238,274.28	-	-	-	-
Lagoon Tipping Fees	96,346.25	56,000.00	84,000.00	86,520.00	89,115.60
Investment Income	-	-	-	-	-
Amortization of capital grants	-	205,851.88	205,851.88	205,851.88	205,851.88
Taxation revenues (2)	-	771,663.47	833,310.89	1,092,377.36	1,092,377.36
Other Revenue	2,511.00	-	-	-	-
<b>Total non-rate revenue- sewer</b>	<b>337,131.53</b>	<b>1,033,515.35</b>	<b>1,123,162.76</b>	<b>1,384,749.23</b>	<b>1,387,344.83</b>
<b>Net rate revenue - sewer</b>	<b>45,098.33</b>	<b>462,966.31</b>	<b>469,006.70</b>	<b>431,214.77</b>	<b>362,939.62</b>

**(1) Water facility- debt servicing taxation revenues**

Principal					
Interest					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(2) Sewer facility- debt servicing taxation revenues**

Principal	-	243,438.77	267,592.91	331,442.87	352,707.26
Interest	-	528,224.71	565,717.98	760,934.49	739,670.10
<b>Total</b>	<b>-</b>	<b>771,663.47</b>	<b>833,310.89</b>	<b>1,092,377.36</b>	<b>1,092,377.36</b>

**(3) Accumulated Surplus (20% Expenses)**

General & Water & Sewer Expenses	427,509.86	427,509.86	1,540,695.27	1,637,709.48	1,862,870.22
Target Surplus	85,501.97	85,501.97	308,139.05	327,541.90	372,574.04
Actual Surplus					
Shortfall	85,501.97	85,501.97	308,139.05	327,541.90	372,574.04