

BLUESTEM MULTI-UTILITY SERVICES ULC

Sewer System Tariff Terms and Conditions For Canadian Lakeview Estates

CONTAINING
DEFINITIONS, TERMS AND CONDITIONS AND RATES FOR SERVICE

This Terms and Conditions document will be available for public inspection during business hours at the Bluestem Multi-Utility Services ULC office, 420 Chilcotin Road, Kamloops, BC, V2H 1G3.

DEFINITIONS

In this tariff, the following definitions shall apply:

- (a) **“Account Charge”** means the single initial set-up charge required by a Customer for Services in the amount specified in the Standard Fees and Charges Schedule.
- (b) **“Applicant”** means any person applying for utility service from the Utility subject to the Terms and Conditions.
- (c) **“Basic Charge”** means the fixed monthly or other charge required to be paid by a Customer for Services during a prescribed period in the amount specified in the Rate Schedules.
- (d) **“Commercial Service”** means providing Service supplied to commercial, institutional, or small industrial operations.
- (e) **“Customer”** means anyone who owns or leases an authorized Premises.
- (f) **“Late Payment Charge”** means the charge referred to in section 6(a) and specified in the Standard Fees and Charges Schedule.
- (g) **“Law”** means any law, statute, regulation, code, permit, order or legal requirement of or issued by or under the direction or authority of any Governmental Authority having jurisdiction, now or hereafter in force, and includes the terms and conditions of any permit or approval issued by a Governmental Authority and the requirements of any contract with a Governmental Authority. Any reference to a law, statute, or regulation shall be deemed to include all amendments thereto and all regulations, orders, decrees, judgments, opinions, directives or notices issued thereunder.
- (h) **“Premises”** means a single lot or parcel of land, including improvements thereon, to which the Utility provides service.
- (i) **“Rate Schedules”** means the schedule(s) in the Sewer System Tariff and attached to and forming part of these terms and conditions, which sets out the charges for service and certain other related charges in connection with the provision of services.
- (j) **“Residential Premises”** means the Premises of a single Customer, whether single-family dwelling, separately metered and billed single-family townhouse, row house, apartment, or single-metered and apartment blocks with four or fewer apartments.
- (k) **“Residential Service”** means providing Service to a Residential Premises.
- (l) **“Returned Cheque Charge”** means the charge referred to in section 6(b) and specified in the Standard Fees and Charges Schedule.

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- (m) **“Services”** means the provision of sewer utility services supplied by the Utility to a Premises by the Sewer System and includes the operation and maintenance of the Sewer System.
 - (n) **“Services Agreement”** means a written application for Services of a Customer approved by the Utility and deemed to include the Terms and Conditions set out herein or an agreement for Services in a form determined by the Utility and signed by the Customer.
 - (o) **“Service Connection”** means the point at which the Sewer Lateral connects to the outside of the sewer main, and which represents the distinction between the Sewer System owned by the Utility and the facilities, infrastructure, and equipment (including the Sewer Lateral(s)) owned by the Customer or owner of the Premises.
 - (p) **“Sewer Lateral”** means the pipe or conduit that connects the Sewer System to the Premises it serves.
 - (q) **“Sewer System”** means the wastewater treatment plant and all pipes, pumps, valves, manholes, lift stations and appurtenances which constitute the sanitary sewer system, all of which are located downstream of the Service Connections and upstream of the Tile Field and operate to collect the sanitary sewer discharge and deliver it to the Tile Field, excluding, for greater certainty, Sewer Laterals.
 - (r) **“Single Family Residential Equivalent (SFRE)”** means and includes a single-family dwelling unit intended for the use or occupancy by one or more individuals as a non-profit household and includes a townhouse and side-by-side duplex.
 - (s) **“Standard Fees and Charges Schedule”** means a schedule or schedules attached to and forming part of these Terms and Conditions, which sets out specific standard fees and charges concerning the provision of Services.
 - (t) **“Terms and Conditions”** means the terms and conditions set out in this tariff, including all special rules and schedules hereto, all as amended from time to time by the provisions hereof.
 - (u) **“Tile Field”** means an area designated for the release and discharge of treated effluent.
 - (v) **“Utility”** means Bluestem Multi-Utility Services ULC. or any division or affiliate of Bluestem Multi-Utility Services ULC. carrying on the business of a sewer utility and their respective duly authorized officers, agents, and employees.

1. APPLICATION FOR SERVICE

For authorized Premises, charges for Services are intended to recover the Utility's costs. The following charges are applicable depending upon the circumstances:

- (a) Application for Services can be made online, by e-mail or by contacting Customer Care. The Utility will require applicants to complete and sign an application form or a Service Agreement. Applicants may be required to provide reference information and identification that is acceptable to the Utility.
- (b) Applicants must provide and update, as necessary, a valid email address that may be used occasionally to issue communications related to the Utility.
- (c) When an application is made for Services to Premises which had not previously been connected for service, the applicable charge shown in Schedule A of this tariff shall be paid by the Applicant.
- (d) When a new Customer applies for services, an administration charge of \$45.00 applies. This charge applies to a new connection and when a new Customer, either the owner or lessee of the Premises, commences receiving Services to an existing authorized Premises.
- (e) The application or agreement for Services will become a Services Agreement upon commencement of the provision of Services, and the Terms and Conditions will be part of said Services Agreement.
- (f) If an Applicant requests Services from the Utility at more than one Premises or for more than one separately operated business, the Applicant will be considered a separate Customer for each of the Premises and businesses. The Utility will determine whether any building contains one or more Premises or whether any business is separately operated.
- (g) As a condition to providing Services, the Utility may (in its sole discretion) require an Applicant to conduct a CCTV inspection of the Sewer Lateral that the Customer proposes to use to connect Premises to the Sewer System and through to such point in the Sewer System as the Utility designates. Where so required by the Utility,

such CCTV inspection shall be at the Applicant's sole cost, and the Applicant shall furnish the Utility with a report, digital media and such other evidence satisfactory to the Utility regarding the results of such inspection so that the Utility may satisfy itself regarding the proper installation of such pipeline.

2. RE-APPLICATION FOR SERVICE

- (a) If the Utility terminates a Customer's Services Agreement, and if that Customer or the spouse, servant or agent of that Customer applies for new Services within 12 months of the most recent termination date for the same Premises, then the Applicant shall pay:
 - i) all outstanding amounts on the Customer's account,
 - ii) the costs that the Utility estimates that it will incur in making the restoration or reconnection of the Services and
 - iii) the sum of the Basic Charges that the Customer would have paid between the time of termination and the time of application for new Services.

3. ASSIGNMENT

- (a) A Customer shall not transfer or assign a Services Agreement to another person without the written consent of the Utility.

4. DISCONTINUANCE OF SERVICE

- (a) Customers must give at least five business days' notice in writing or by telephone to the Utility's Customer care service when requesting discontinuance of Services. They shall be liable for payment for all Services until such service has been discontinued.
- (b) Terminating the Services Agreement does not release the Customer from any previously existing obligations to the Utility.
- (c) The Utility may discontinue Services to any Customer who contravenes the terms and conditions contained in this tariff. In the event of further contravention of the tariff, the Utility may detach the service connection from the Customer's Premises and, upon re-

application for service, the Customer shall be liable to pay the Utility's cost of performing the said detachment and re-connection in addition to other applicable rates and charges. The Utility will not be liable for any damages caused by the disconnection or interruption of the service.

5. RATES

- (a) The Account Charge, the Basic Charge, and any other fees or charges set out in the Rate Schedules attached hereto shall be the rates to be charged by the Utility and paid by Customers to the Utility for Services.
- (b) The Utility reserves its right to amend the rates set out in the Rate Schedules from time to time and to establish alternative rate structures for the provision of the Services.
- (c) The Utility may adjust rates:
 - i) On an annual basis by the average percentage change during the preceding twelve (12) months in Statistics Canada All Items in British Columbia Consumer Price Index for Canada; and
 - ii) at any time, to recover expenses incurred in respect of:
 - Any revenue shortage received versus revenue required as determined by the cost-of-service model described in Appendix 1 Rate Guidelines.
 - Services for the Sewer System outside the normal operation and maintenance Services.
 - Capital improvements, repairs outside of routine maintenance, renewals, upgrades or expansions required by any applicable Governmental Authority and the terms of any applicable Permit.
 - The need to satisfy the requirements of the Ministry of Environment and Protected Areas or any other Governmental Authority, including, but not limited to, recovering through the Basic Charge an amount, if any, provided by the Utility as security under the Provincial Wastewater Regulation.
 - Changes in the existing and anticipated Sewer System requirements of the Premises serviced by the Sewer System and/or

- Increases in rates charged by utility providers for energy to operate the Sewer System.

6. BILLING AND PAYMENT

- (a) All bills are issued quarterly and are due and payable within fifteen business days of the issue date. Flat rates are billed in advance of service. If the amount due on any bill has not been paid in full within thirty days from the issue date, a further bill will be rendered to include the overdue amount plus a Late Payment Charge of \$20.00.
- (b) If the Customer's financial institution returns a cheque, an administration fee of \$35.00 will be charged.
- (c) Customers requesting historical billing information may be charged the cost of processing and providing this information but shall be notified of such charge in advance.
- (d) The rates and charges in the Rate Schedules do not include Goods and Services Tax, Social Services Tax, or any other tax the Utility may be lawfully authorized or required to add to its rates and charges.

7. BACK BILLING

- (a) The Utility, in the circumstances specified herein, may charge, demand, collect or receive from its Customers regarding Services rendered a greater or lesser compensation than that specified in the subsisting Rate Schedules of the Utility applicable to those Services. In the case of a minor adjustment to a Customer's bill, such adjustments do not require back-billing treatment to be applied.
- (b) Back billing means the re-billing by the Utility for Services rendered to a Customer because the original billings were discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the Customer or the Utility and may result from the conduct of an inspection. The cause of the billing

error may include any of the following non-exhaustive reasons or a combination thereof:

- i) the application of an incorrect rate.
 - ii) fraud, theft, or any other criminal act.
- (c) If there are reasonable grounds to believe that a Customer has tampered with or otherwise used the Utility's Sewer System or the Services in an unauthorized way, or evidence of fraud, theft, or other criminal act exists, then the extent of back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law. The provisions of sections (h), (i), (j) and (k) below do not apply.
- (d) The Customer is also liable for the administrative costs incurred by the Utility in investigating any tampering incident, including the direct costs of repairing or replacing equipment.
- (e) Underbilling resulting from the circumstances described above will bear simple interest, computed at the short-term bank loan applicable to the Utility, monthly from the date of the original underbilling invoice until the amount underbilled is paid in full.
- (f) In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and the effect upon the Customer's ongoing bill.
- (g) In every case of over-billing, the Utility will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to the Utility monthly, will be paid to the Customer.
- (h) Subject to section (c) above, in every case of under-billing, the Utility will back-bill the Customer for the shorter duration of the error or;
 - i) six months for Customers receiving Residential Services or Commercial Services, or

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- ii) one year for all other Customers or as set out in a special or individually negotiated Services Agreement with the Utility.
 - (i) Subject to section (c) above, in every case of under-billing, the Utility will offer the Customer reasonable repayment terms. If the Customer requests, the repayment term will be equivalent to the back-billing period. The repayment will be interest-free and in equal installments corresponding to the normal billing cycle. However, delinquency in payment of such installments will be subject to the usual Late Payment Charges.
 - (j) Subject to section (c) above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, the Utility will not threaten or cause the discontinuance of Services for the Customer's failure to pay that portion of the back-billing unless there are no reasonable grounds for the Customer to dispute that portion of the back-billing. The Customer shall pay the undisputed portion of the bill, and the Utility may discontinue Services if the undisputed portion of the bill is not paid.
 - (k) Subject to section (c) above, in all instances of back billing where occupancy changes have occurred, the Utility will reasonably attempt to locate the former Customer. If, after one year, such Customer cannot be located, the over-billing or under-billing applicable to them will be cancelled.

8. ACCESS TO PREMISES

- (a) A condition of service shall be the customer's consent, upon reasonable notice, for representatives of the Utility to enter the customer's property to make connections/disconnections, take water quality samples, read meters, inspect pipes and appurtenances, check on the use or waste of water or determining compliance with these terms and conditions.

9. MULTIPLE DWELLINGS

- (a) In the case of apartment houses, duplexes or houses containing one or more suites, each such accommodation, whether self-contained, shall not be considered as a

separate Customer unless it is so specified in a schedule of this Tariff other than side-by-side duplexes.

10. CONDITION OF CUSTOMER'S PIPES AND FIXTURES

- (a) All Customers, at their own risk and expense, shall keep their pipes and other fixtures in good working order and protect them from frost and other damage. The Utility shall, within a reasonable time, notify the Customer of any leaky pipes and fixtures that are evident on the Premises. If the necessary repairs are not made within two (2) working days after such notice has been given, or when the condition of the pipes or fixtures is such as to cause property damage, then without further notice, the Utility may shut off the water supply. The water shall not be turned on again until such repairs have been made to the satisfaction of the Utility and the charges paid as provided by clauses 1 and 4(c) of this tariff. No person whose water supply is shut off under this section shall have any claim against the Utility for discontinuing the supply.

11. CHECK VALVE REQUIREMENTS

- (a) Every property owner or consumer with a Service Connection to the Utility's Sewer System shall be responsible for preventing water or sewage from backing up through the Utility's Sewer System and flooding the basement or any other portion of that property.
- (b) Without limiting the generality of subsection (a), every property owner or consumer shall:
- i) Install, on their property, a suitable check valve or other approved mechanical device:
 - by which the connection between such property and the Utility's Sewer System may be cut off or controlled.
 - capable of preventing water or sewage from backing up through the Utility's Sewer System and flooding the basement or any other portion of the property; and

- ii) Maintain and operate the check valve or mechanical device referred to in this section to prevent water or sewage from backing up through the Utility's Sewer System and flooding the basement or any other portion of that property.

12. UNAUTHORIZED SUPPLY OR USE

- (a) A Customer shall not make any connection or extension to the Sewer System without the prior written authorization of the Utility. If any person makes any unauthorized connection or extension to the Sewer System, the Utility may, in addition to any other remedies, immediately discontinue Services (including water supply) to such unauthorized connection or extension. In the case of any dispute concerning the authority for any such connection or extension, the burden of proof shall be upon the Customer to establish the validity of such authority.
- (b) The Customer shall use the Services to avoid endangering equipment or causing undue or abnormal fluctuations in the Sewer System.
- (c) Restrictions on Discharge. The Customer shall not discharge or cause to be discharged into the Sewer System:
 - i) chemicals, paints, other toxic or hazardous substances, insoluble substances, flammable or explosive substances.
 - ii) any quantity of matter capable of obstructing the flow of or interfering with the proper operation of any part of the Sewer System. (i.e. Fats, oils, grease, wet wipes, feminine hygiene products)
 - iii) sewage that may cause a nuisance or
 - iv) sewage containing fish and animal wastes.
- (d) Garburators are discouraged, and their use may lead to increased treatment costs.
- (e) No person or property shall discharge or cause to be discharged any stormwater, surface water, ground water, roof run-off or sub-surface drainage to any sanitary sewer.

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- (f) The Customer shall comply with all conditions regarding discharge into the Sewer System, including any special conditions attached to the Terms and Conditions, and shall comply with requirements established from time to time by the Utility regarding discharge into the Sewer System.
 - (g) Failure to comply with restrictions regarding discharge into the Sewer System will be subject to a fine of not more than \$2,000 per offence, as set out in Schedule G. In addition to the foregoing fine, a Customer shall also be responsible for the costs of any environmental remediation required by applicable Law which arises from or relates to a Customer's failure to comply with restrictions regarding discharge into the Sewer System.
 - (h) Where an offence is continuous, each day that the offence is continued shall constitute a separate offence.

13. APPLICATION FOR SERVICE UPGRADES AND EXTENSIONS

- (a) The Customer may apply to the Utility to upgrade or extend the Sewer System beyond the normal standard. If approved by the Utility, the Customer will pay for any costs incurred by the Utility for legal, engineering, Utility staff time, and other fees, including a reasonable markup in providing the upgrade or extension.
- (b) Charges for service extension are intended to recover the Utility's costs. For each application, an initial non-refundable deposit of \$200 must be paid at the time of application.
- (c) Additional applications shall be made for all service extensions to additional Premises and additional purposes.

14. CONSTRUCTION

- (a) The Utility reserves the right to refuse to make extensions and install sewer lateral to a Customer's property line under frost conditions in the winter months that would make the undertaking impractical or, in the Utility's opinion, excessively costly.

- (b) Unless otherwise directed by Utility, all construction must conform to the City of Vernon Regulations, Standards and Specifications for the Design and Construction of Sanitary Sewers.

15. INTERRUPTION OF SERVICE

- (a) The Utility intends always to maintain adequate and continuous sewer services but accepts no liability for interruptions due to circumstances beyond its control.

**SPECIAL RULES FOR BACKWASHING AND DISCHARGING WATER FROM HOT
TUBS AND POOLS INTO THE SEWER SYSTEM
AND
REQUIREMENTS FOR GREASE TRAPS**

Backwashing

This work is to be carried out during normal business hours. On a given day, no more than two cubic meters may be discharged into the Sewer System. If discharge volumes exceed 2 cubic meters, the Customer must contact the Utility. The Utility may require the Customer to provide a schedule of any routine discharges.

Recreational Vehicle, Pool and Hot Tub Drainage

Pool and hot tub drainage is prohibited.

Recreational vehicles cannot be emptied into the sewer system and must be taken to a legal RV Dump Station.

Requirements for Oil and Grease Traps or Interceptors

The Customer shall install oil and grease traps and interceptors at all restaurants and cooking and eating establishments in locations that are readily and easily accessible for inspection and servicing. All traps and interceptors shall be of a type and capacity approved by the Utility and as required by any applicable local, provincial, or federal building and plumbing codes. The Customer is responsible for ensuring all traps and interceptors are properly maintained and serviced. The Customer will permit the Utility access to the traps and interceptors upon request to allow the Utility to inspect the traps and interceptors and shall provide the Utility with copies of service records regarding the traps and interceptors. The Customer shall, at its expense, implement the recommendations made by the Utility to ensure the traps and interceptors function properly.

Schedule A

Sewer Service Connection

The charges below apply to the connection to a sewer main (see page 4, section c).

The connection charge (a) recovers the cost incurred by the Utility, not otherwise recovered, of installing a service connection from the sewer main to the property line of the Customer's premise in the building. Cost herein includes any administrative overhead incurred.

Where, at a time before a Customer applies for service, a service connection has been installed at no cost to the Utility or a cost otherwise recovered by the Utility, then upon connection of the service pipe, the rate shown in (b) below shall be paid upon service application.

(a) Connection Construction Charge:	At Cost
(b) Utility Connection Fee:	\$2000.00

Schedule B

Standard Fees and Charges Schedule

Account Charge **\$45.00**

The Account Charge is an initial set-up charge payable by each Applicant for each Service.

Administrative Charges

Late Payment Charge: **\$20.00**

Returned Cheque Charge: **\$35.00**

Schedule C

Residential Service Flat Rates

Applicability: To residential service Customers receiving service.

Rate: Effective January 1, 2026

Single Family Residence	\$440.04
Condos/Apartments	\$418.03

Notes:

Schedule D

Commercial Service Flat Rates

Applicability: To all commercial Customers receiving service.

Rate: Not applicable

Notes:

Schedule E

Meter Rates

Applicability: To all Customers with metered services.

Rate: Not applicable

Notes:

Schedule F

Availability of Service (Rent) Charges

Applicability: To owners of the legal subdivision with Rent Charge Agreements eligible to be registered on title. The Rent Charge becomes effective, due, and payable on the first day of the month following CPCN issuance for water.

Availability: All owners of the lots to which this Rent Charge is applicable shall pay the rate during the period they are not using sewer service.

Rate: Effective January 1, 2026 **\$308.02 per quarter**

Notes:

1. For other than residential services lots, the Rent Charge shall be calculated on an SFRE basis.
2. Once a Customer has received approval to connect to the Utility's sewer system, has passed inspection and has been accepted by the Utility as a Customer, this Rent Charge will no longer apply to the portion of the property connected to the Utility's sewer system while service is being received. If applicable, a pro-rated refund of the rent charge will be credited to the Customer's account. If a service is temporarily shut off (e.g., seasonal use), the Customer shall pay a minimum of the Rent Charge payable pro-rated while not receiving sewer service.
3. Any arrears of Rent Charges shall bear interest from the due date until payment at a rate of 18% per annum accruing daily and shall be a charge upon the Lands or Future Lot or Lots in question in the same manner as the Rent Charge charged on the Lands.

Schedule G

Fines and Penalties

Contravention Fine: **\$2,000 per offence**

Notes:

1. Where an offence is continuous, each day that the offence is continued shall constitute a separate offence.

APPENDIX 1

RATE GUIDELINES

Cost of Service (“COS”) Model

Rates for the wastewater utility will be based on a COS model using the principles of rate-based regulation. A Rate Stabilization Account (RSA) will be used to track revenue received versus revenue required under the COS model. The revenue requirement is equal to the sum of:

1. Prudently incurred direct operating costs.
2. Indirect operating costs, including allocations of shared services costs.
3. Depreciation.
4. Interest expense on the deemed debt component of the investment following an allowed imputed capital structure established by the related regulated water utility. In the absence of a related regulated water utility, Bluestem Multi-Utility Services ULC (“Bluestem”) will follow the Decision of the British Columbia Utilities Commission (BCUC) Generic Cost of Capital proceeding for small utilities. The interest rate is determined using the credit spread reflecting BBB debt relative to the Government of Canada (GOC) 10-year bond yield.
5. An allowed Return on Equity (ROE) on the deemed capital component of the investment following an allowed imputed capital structure established by the related regulated water utility. In the absence of a related regulated water utility, Bluestem will follow the Decision of the British Columbia Utilities Commission (BCUC) Generic Cost of Capital proceeding for small utilities.
6. At a minimum, an operating margin will be included at 9.5% on all operating costs in instances where the utility does not have a material level of invested capital. The operating margin will be reduced by the amount of the allowed ROE and eliminated once the ROE exceeds the allowed operating margin.
7. Deemed income tax payable, assuming the utility operates as a stand-alone corporation, also reflects any capital cost allowance tax shield resulting from capital investment.

Interest expense and ROE are derived by multiplying the applicable rate by the utility’s rate base (net assets and working capital) and any balance in the RSA.

The revenue requirement is determined annually, and any shortfall or surplus compared to the actual revenue received for the year is accumulated in a RSA. This account, in turn, forms part of the Rate Base upon which the Utilities’ ROE is determined. Any balance in the RSA is considered when establishing rates for subsequent periods.