



Bluestem Multi-Utility Services ULC
(Tobiano Water Utility)

**Revenue Requirements and Rates
Application for 2025 to 2027**

July 2025

July 10, 2025

Water Utilities Regulation Section
Ministry of Water, Land and Resource Stewardship
PO Box 9340 Stn Provincial Government
Victoria, BC V8W 9M1
Attention: Chris McMillan, Program Coordinator

Dear Mr. McMillan:

Subject: **Bluestem Multi-Utility Services ULC
Tobiano Water Utility
Revenue Requirements and Rates Application for the Test Years 2025 to 2027**

Bluestem Multi-Utility Services ULC (**BMUS**) owns and operates the water utility serving the Tobiano community in Kamloops, BC. The Tobiano Water Utility (**Utility**) is regulated by the BC Comptroller of Water Rights (**Comptroller**). In this Revenue Requirements and Rates Application (**Application**), BMUS requests to establish rates for the period from 2025 to 2027. The last rate application was approved by Order No. 2142 for the test years 2013-2015 with rates effective January 1, 2013.

This Application is the first application filed by BMUS for the Utility, and the first application to amend the rates of the Utility since 2013. The proposals herein will support the ongoing provision by the Utility of safe, reliable, and cost-effective service, while setting the Utility upon a new foundation to spur efficient water usage going forward and promote fair and practical cost recovery from all customers.

In this Application, BMUS proposes a three-year test period from 2025 to 2027, and new and amended rate structures as outlined in Section 3¹. BMUS's proposed rates are summarized in Section 3.5 of the Application. The Application proposes a new Replacement Reserve Fund (**RRF**) allocation and rate mechanism to share the cost responsibility for system buildout and renewal between customers and the Developer until the development is complete and revenue sufficiency of the Utility is attained. BMUS is also proposing a Water Consumption Deferral Account (**WCDA**) to mitigate the financial impact of variability in actual versus forecast water usage due to the uncertain impacts of weather, expected customer response to the implementation of new and amended rate structures, and changes in the Developer's build-out schedule for approved premises (see Section 3.7).

BMUS requests approval of a cost-of-service rate increase of 10% effective July 14, 2025, and further increases effective January 1, 2026 and January 1, 2027 (see Section 2.7.4). BMUS requests approval to implement new and amended rate structures effective January 1, 2026. Section 3 of this Application provides information on the projected average bill impacts to Residential and Commercial customers under the proposed rate increases and rate structure changes, inclusive of projected changes in customer count (Developer build-out) and forecast water usage. The one-time impact of the transition to new and amended rate structures may be significant for some Residential customers; for example, an 8% average annual bill impact to smaller Residential customers (Townhouses) and a 16% average annual bill impact to larger Residential customers (Equestrian). Average annual bill impacts to Commercial customers may largely be in the range of -12% to +16% depending on customer size, reflecting the proposed rebalancing of fixed cost recovery based on the size of their service. Projected average annual bill impacts are judged to be reasonable

¹ The rate structure will be effective January 1, 2026.

overall given the merits of the proposed rate structures (as reviewed in Section 3) and acknowledging that rates have remained unchanged for a period of 12 years while both Utility costs and RRF contribution requirements are escalating (as reviewed in Section 2).

BMUS is applying for rates to be set effective July 14, 2025 as interim rates. BMUS requests that the interim rates be subsequently adjusted if and as required based on the Comptroller's final decision when rendered on this Application, with any refund or additional charges to be accounted for with interest, retroactive to July 14, 2025.

The complete list of regulatory approvals sought is in Section 1.5 of the Application.

The main body of the Application consists of the following sections:

Section 1 introduces BMUS, provides relevant historical information, outlines current contact details, details the regulatory approvals being sought as part of this Application, and discusses stakeholder notification;

Section 2 provides details of the revenue requirements and relevant components, including operating and maintenance expenses, cost allocations, capital projects, reserve funds, income taxes, and fire protection costs;

Section 3 provides details of proposed new and amended rate structures, including related customer counts, consumption volumes, and estimated customer bill impacts; and

Section 4 includes proposed tariff housekeeping amendments.

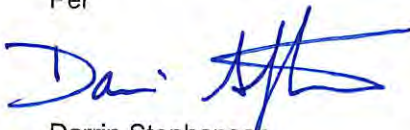
The relevant Financial Schedules are included in the Application following the sections outlined above. The proposed tariff pages are included in Appendix 2.

Please contact the undersigned at Reg.Affairs@nexuswg.com if you have any questions.

Respectfully submitted,

Bluestem Multi-Utility Services ULC

Per



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1 INTRODUCTION

1.1 APPLICATION OVERVIEW

Bluestem Multi-Utility Services ULC (**BMUS** or **Bluestem**) applies to the British Columbia (**BC**) Comptroller of Water Rights (**Comptroller**) for rate changes in fiscal years² F2025, F2026 and F2027 (the **test period** or **rate-setting period**) in the matter of the service provided by its Tobiano Water Utility (**Utility**)(**Application**).

This Application is the first application filed by BMUS for the Utility, and the first application to amend the rates of the Utility since 2013. The proposals herein will support the ongoing provision by the Utility of safe, reliable, and cost-effective service, while setting the Utility upon a new foundation to spur efficient water usage going forward and promote fair and practical cost recovery from all customers. The Application proposes a new Replacement Reserve Fund (**RRF**) allocation and rate mechanism to share the cost responsibility for system buildout and renewal between customers and the Developer until the development is complete and revenue sufficiency of the Utility is attained.

This Application is organized into four main sections as follows:

Section 1 – Introduction reviews the ownership and operation of the Utility, outlining the specific business priorities and cost drivers that inform the context under which this Application is filed. Section 1 provides a review of the historical context and key legislation that may inform the Comptroller's review of the Application. Section 1 concludes with a summary of the regulatory approvals being sought through this Application;

Section 2 – Revenue Requirements sets out the forecast revenue requirements for the F2025-F2027 test period. Section 2 is comprised of a review of: 1) forecast Operating and Maintenance (**O&M**) expenses in, 2) Capital projects and funding, 3) Depreciation Study results and forecast values, 4) the balance of and targeted contributions to the RRF, and 5) Fire Protection allocated costs. Section 2 concludes with a determination of proposed customer rate increases to recover forecast revenue requirements;

Section 3 – Rates reviews the legacy rate structure and the alternatives that BMUS considered to improve the efficiency, fairness, practicality and conservation response of rates overall. Section 3 sets out BMUS' preferred rate structures, their underlying billing determinants, and the proposed rates and average customer bill impacts that are projected on this basis. Section 3 concludes with review of a proposed Water Consumption Deferral Account (**WCDA**) to mitigate the impact of water consumption forecast uncertainty associated with i) the transition to new rate structures (the customer response to Meter Usage charges, specifically) and ii) any uncertainty in the Developer's build-out schedule for approved premises; and

Section 4 – Terms and Conditions sets out proposed new terms and housekeeping amendments to the Terms and Condition of service.

Summaries of the financial information, billing determinants, rate designs, and rate determinations that support the Application are provided in the accompanying Schedules and Appendices. Appendix 1 presents proposed

² For the period ending December 31st each year.

2025 rates for interim approval while the review of the Application proceeds. Appendix 2-A provides a clean copy of the proposed Water Tariff (**Tariff**) for acceptance by the Comptroller as per the proposals of this Application. Appendix 2-B is a blackline version to highlight the component changes to the rates, terms, and conditions. The most recent Depreciation Study on file with the Comptroller is attached in Appendix 3 for reference.

1.2 THE APPLICANT AND UTILITY

1.2.1 Bluestem Multi-Utility Services ULC

Bluestem Multi-Utility Services ULC owns and operates the water utility that provides service to the Tobiano community, about 30 kilometres west of Kamloops, British Columbia. In addition to the water utility, BMUS also owns and operates the wastewater utility at Tobiano.

The Comptroller regulates BMUS under the *Water Utility Act*, the *Utilities Commission Act*, and the *Water Sustainability Act*. The Comptroller also regulates all private water utilities in British Columbia to protect the public interest and ensure that these utilities provide safe and adequate water service at rates that are fair, reasonable, and sufficient to operate their water systems sustainably.

BMUS is a wholly owned subsidiary of a privately held corporation, Nexus Water Group (Canada) Inc., owned by Nexus Water Group Inc. (**NWG**).

Figure 1 – BMUS Ownership Structure



1.2.2 Nexus Water Group Inc.

Nexus Water Group Inc. is a fully integrated, leading provider of utility infrastructure solutions, including water, wastewater and energy utilities for small to medium-sized communities across North America. NWG serves over 1.3 million people across 20 U.S. states and two Canadian provinces through its 670+ water and 360+ wastewater systems. NWG has the financial capacity to fund utility systems and the experience required to operate them under various delivery, governance, and regulatory models.

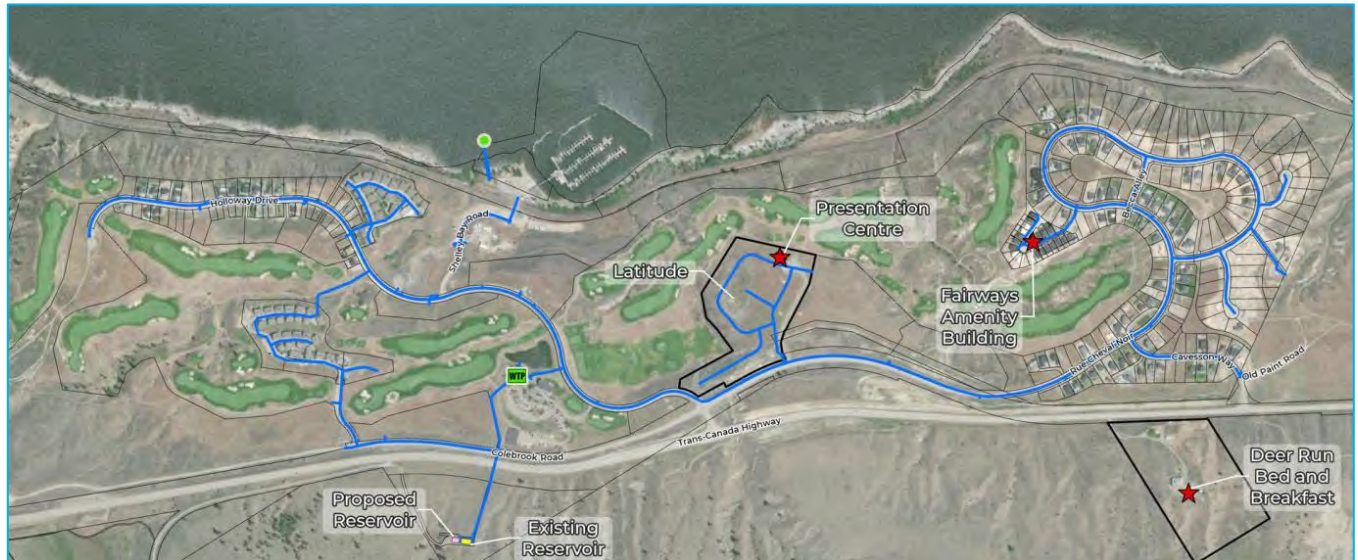
1.2.3 Tobiano Water Utility

Tobiano is a master-planned community developed by Diverse Tobiano Limited Partnership (**Diverse** or the **Developer**). This integrated development company provides comprehensive real estate services encompassing acquisition, development, construction, and sales. The Tobiano Development includes homesites, custom homes, and a golf course. It is not yet fully built, and further residential and commercial development is planned.

Today, the community comprises approximately 266 residential units, three strata amenity buildings, and the golf course, which includes a clubhouse/restaurant and a maintenance building. The projected buildout for the

community consists of approximately 1,200 residential units, 3 hotels (total 450 rooms), commercial buildings (total 2,000 m²), a marina, an equestrian centre, and a golf course.

Figure 2 – Current Utility Map (Per CPCN Amendment 1645)



The Tobiano Water Utility provides raw water to the Tobiano golf course for irrigation and treated water to the Tobiano community for domestic uses and fire protection. The Utility draws water from Kamloops Lake to a raw water tank (**RWT**) within the water treatment plant (**WTP**) building. Water for the golf course is pumped from the RWT into an irrigation pond, and then the golf course pumps the water into its irrigation system. Water for the community is pumped from the RWT through the WTP system into a clear water tank. Then, the treated water is pumped into the Utility's distribution system servicing the community. The Utility's distribution system comprises elevated storage tanks, one pressure-reducing station, distribution piping, fire hydrants, and service connections.

1.3 HISTORICAL RATE-SETTING CONTEXT

BMUS (f/k/a Corix Multi-Utility Services Inc.) acquired the Utility's assets from Tobiano Utilities Inc. in May 2021. In compliance with Section 53 of the *Utilities Commission Act*, BMUS applied to the Comptroller to approve its Utility acquisition in May 2021. Key documents included in that application were:

1. An Asset Purchase Agreement between BMUS and Tobiano Utilities Inc. that outlines the terms of the acquisition; and
2. A Developer Agreement between BMUS and Diverse Tobiano (GP) Ltd. (Diverse) that addressed, amongst other things, financial matters concerning ongoing development in Tobiano, liabilities related to using Agricultural Land Reserves, and guidance on providing services to customers.

The Comptroller approved the acquisition and issued BMUS a Certificate of Public Convenience and Necessity (**CPCN**) in May 2021.³ The CPCN transferred the Utility's assets, rights, and licenses to BMUS, along with other approvals.

1.3.1 Revenue Deficit Reserve Fund

The Comptroller, by Order No. 2143 dated March 5, 2008, required the establishment of a Revenue Deficit Reserve Fund (**RDRF**) [REDACTED]. Per the Order, the RDRF was established to ensure the financial viability of the Utility and provide the Comptroller with the means to facilitate financial support for the Utility if needed. In addition, the Order states that "the initial capital (investment) shall not be paid out of the Fund without the written approval of the Comptroller" and "Income earned as a result of investment of the Fund shall be allowed to be withdrawn by the Utility for operating or Capital purposes upon written approval of the Comptroller." This fund was transferred to BMUS under CPCN 1611.

Per the terms of the Developer Agreement, BMUS and Diverse may apply to the Comptroller for the release of the RDRF to Diverse or its designate when a "Revenue Surplus" has been achieved⁴.

1.3.2 Replacement Reserve Fund

The Comptroller, by Order No. 2144 dated March 5, 2008, required the establishment of an RRF, which would receive annual deposits of a pre-approved amount. The RRF represents funds (depreciation) collected from customers and interest earned from investing these funds. The RRF is used to pay for replacing water system components when required. Funds may only be released by authority of the Comptroller, after a review of the proposed replacement by the Comptroller staff.

The RRF monies are to be Utility property integral with the water system and, consequently, are to be included as such in the event of any change in ownership of the Utility property requiring approval of the Comptroller under Section 52 of the *Utilities Commission Act*. Utilities are expected to deposit monies into the RRF as rates are collected. Total annual deposits should equal standard depreciation rates for the water system components, as shown on approved depreciation schedules (generally around 2.5-3% of the total capital cost).

1.3.3 Revenue Requirement Top-Up

The Developer Agreement between BMUS and the Developer outlines various aspects of key future collaborations. Per the Developer Agreement, Diverse will be responsible for funding any revenue shortfall (i.e., when the annual Revenue Requirement surpasses actual revenue collected from customers) until the Utility attains a revenue surplus (i.e., the opposite of a revenue shortfall) for a period specified by the Comptroller. This funding is called a Revenue Requirement Top-Up (**RR Top-Up**).

From 2021 to date, BMUS and Diverse have reconciled the RR Top-Up on an 'Actuals' basis. This approach has supported keeping customer rates fixed at current levels for the past four years⁵. The RR Top-Up has functioned as a rate-smoothing account subject to the build-out of the Development.

³ CPCN No 1611.

⁴ "Revenue Surplus" as defined in the Developer Agreement.

⁵ Customer rates were last changed on January 1, 2013.

As reviewed in this Application, BMUS proposes to administer the RR Top-Up going forward on a forecast basis by directly allocating a proportionate share of annual targeted RRF recovery to Customers and Diverse based on the ratios, respectively, of the installed system capacity to serve Comptroller-approved development and the installed system capacity to serve future development, to total installed system capacity, as measured by the Maximum Day Demand (**MDD**). Please refer to Sections 2.5.3, 3.3.5 and 3.4, and to Schedules 5 and 10, for detailed review of the proposed approach, determinants and computations.

1.4 LEGISLATIVE CONTEXT

The Comptroller's review of this Application may be guided in part by Sections 59 and 60 of the *Utilities Commission Act*. Section 59 provides that a rate is "unjust" or "unreasonable" if the rate is:

- (a) more than a fair and reasonable charge for service of the nature and quality provided by the utility,
- (b) insufficient to yield a fair and reasonable compensation for the service provided by the utility, or a fair and reasonable return on the appraised value of its property ...

Section 60 of the *Utilities Commission Act* provides that the Commission must have due regard to the setting of a rate that is not unjust or unreasonable within the meaning of section 59, to in part provide the public utility for which the rate is set a fair and reasonable return on any expenditure made by it to reduce energy demands, and to encourage public utilities to increase efficiency, reduce costs and enhance performance.

This Application highlights the key drivers of the necessary rate changes that will support ongoing safe, reliable and cost-effective supply of water to the community. Further, proposed new and amended rate structures will support efforts to improve the fair allocation of costs between customers and the efficient use of water resources overall.

1.5 REQUESTS FOR APPROVAL

BMUS is seeking Orders of the Comptroller granting the approvals described below pursuant to the noted sections of the legislation:

1. Interim approval, effective July 14, 2025, and pursuant to sections 58 to 60 and 90 of the *Utilities Commission Act* and section 15 of the *Administrative Tribunals Act*, of the rates for F2025 set forth in Section 3.5 and Schedule 4 of the Application, and in Appendix 1;
2. Permanent approval, effective July 14, 2025, and pursuant to sections 58 to 60 of the *Utilities Commission Act*, of the rates for F2025 set forth in Section 3.5 and Schedule 4 of the Application, and in Appendix 2;
3. Permanent approval, effective January 1, 2026, and pursuant to sections 58 to 60 of the *Utilities Commission Act*, of the rates for F2026 and F2027 set out in Section 3.5 and Schedule 4 of the Application, and in Appendix 2, that result from the revenue requirements set out in Section 2 of the Application and the rate structure proposals set out in Section 3 of the Application;
4. Approval of a Water Consumption Deferral Account, effective January 1, 2026 through December 31, 2027, as reviewed in Section 3.7 of the Application;

5. Approval to offset the RRF contributions of the Developer by the amount of the RDRF that [REDACTED] as interest accrues, in any year and as applicable;
6. Permanent approval, effective July 14, 2025, and pursuant to sections 58 to 60 of the Utilities Commission Act, of the housekeeping changes to the Terms and Conditions of the Tariff as set out in Section 4 of the Application, and in Appendix 2.

Further to the request for the interim approval of rates under Item 1 above, BMUS emphasizes that this request is not impeded by the requested permanent approval of rates effective F2026 under the proposed changes in rates structure (per Item 3), as this requested approval is set out to apply effective January 1, 2026.

The approval of interim rates while review of the Application proceeds will therefore allow incremental rate increases to be applied effective July 14, 2025 and not be encumbered by integration of the proposed rate structure changes set out in the Application. Any difference between interim approved and permanent approved F2025 rates increases would be refunded or recovered from customers with interest, and permanent approval of rate structure changes could be applied on a go forward basis effective January 1, 2026.

If on a prospective basis, the Comptroller determines that the timing of its review of the Application cannot facilitate a decision permanently approving the rates that would apply effective January 1, 2026 (as based on the proposed new and amended rate structures), then BMUS would respectively request interim approval of the new and amended rate structures and rates by the end of November 2025, allowing it to implement the rates effective January 1, 2026. On balance, BMUS would consider it preferred to implement the proposed new and amended rate structures effective January 1, 2026, even if on an interim basis. BMUS considers that it would be administratively burdensome and challenging to customers to manage reconciliation of its annual revenue requirements and customer impact transition upon a new rate structure part way through F2026. Under the same circumstance, BMUS considers that a delay otherwise in the implementation of the proposed new and amended rate structures until F2027 may not serve the public interest given the merits of the proposals as reviewed in Section 3.

1.6 STAKEHOLDER NOTIFICATION

All non-confidential documents related to this proceeding will be made available to the public through the Regulatory Affairs webpage of the Utility's website⁶.

In order to inform stakeholders, BMUS made a presentation to the customers in Tobiano, Kamloops, BC, on June 26, 2025.⁷ A copy of the Town Hall Presentation, responses to Frequently Asked Questions, and a draft Customer Notification are being submitted to the Comptroller simultaneously with this Application.⁸ Once the Comptroller accepts this Application and has reviewed these additional documents, BMUS will:

- Send the Customer Notification Letter and responses to Frequently Asked Questions to all customers by mail;

⁶ [Bluestem Utilities | Tobiano | Regulatory Affairs](#)

⁷ Meeting held on June 26, 2025 at Tobiano Golf Clubhouse

⁸ The proposed rates and bill impacts reviewed in this Application differ slightly from the amounts set out in the customer presentation owing to a correction to the recorded meter size of one customer premise, which became apparent through discussions with customers at the Town Hall.

- Place the Customer Notification Letter on the Utility's website; and
- Place a notice regarding the regulatory review of the Application in the News and Service Notices section of the Utility's website.

BMUS believes this approach will adequately inform stakeholders of the Application, its potential impacts and other important information.

1.7 CONTACT INFORMATION

All communications with respect to this Application should be addressed to BMUS's Regulatory Affairs team at this email address: Reg.Affairs@nexuswg.com. For more urgent matters, the following individual may be contacted.

Nonye Ogun
Manager of Regulatory Affairs
(437) 350-6962
nonye.ogun@nexuswg.com

2 REVENUE REQUIREMENTS

This section presents the component build-up and summary of the total revenue requirements of the Tobiano Water Utility. The section is organized as follows:

- **Section 2.1** sets out historical actual, projected and forecast test-period O&M expenses. Please refer also to Schedule 2;
- **Section 2.2** explains BMUS's cost allocations for the pre-merger period of January 2022 to March 2024;
- **Section 2.3** explains BMUS's cost allocations for the post-merger period of April 2024 onwards;
- **Section 2.4** sets out BMUS's understanding of the Developer's planned expansion and its impact on capital expenses for the forecast period;
- **Section 2.5** explains BMUS's replacement reserve fund and highlights proposed changes thereto;
- **Section 2.6** highlights key terms of the existing Fire Protection Memorandum of Understanding held with the Thompson Nicola Regional District (**TNRD**); and
- **Section 2.7** presents a summary of the revenue requirements and proposed rate increases.

2.1 OPERATIONS AND MAINTENANCE

Operating and Maintenance expenses are a significant proportion of the Utility's revenue requirements, accounting for the typical costs incurred in operating and maintaining the Utility throughout the year. Table 1 presents a summary of the Actual, Projected and Forecast O&M for F2022-F2027. Actual O&M in F2022 and F2023 correspond to the amounts set out in the respective Annual Reports to the Comptroller and include minor cost reclassifications. The reported O&M amounts in F2025 are projections, as the year is partly spent.⁹

The following sections review the cost drivers of forecast O&M expenses for the F2025-F2027 test period. The key components of O&M are Wages and Salaries, Corporate Services allocation, Regional Services allocation, and Purchased Utilities. These cost components reflect the imperative to ensure continued delivery of vital, safe, and reliable service to all current and future customers of the Utility.

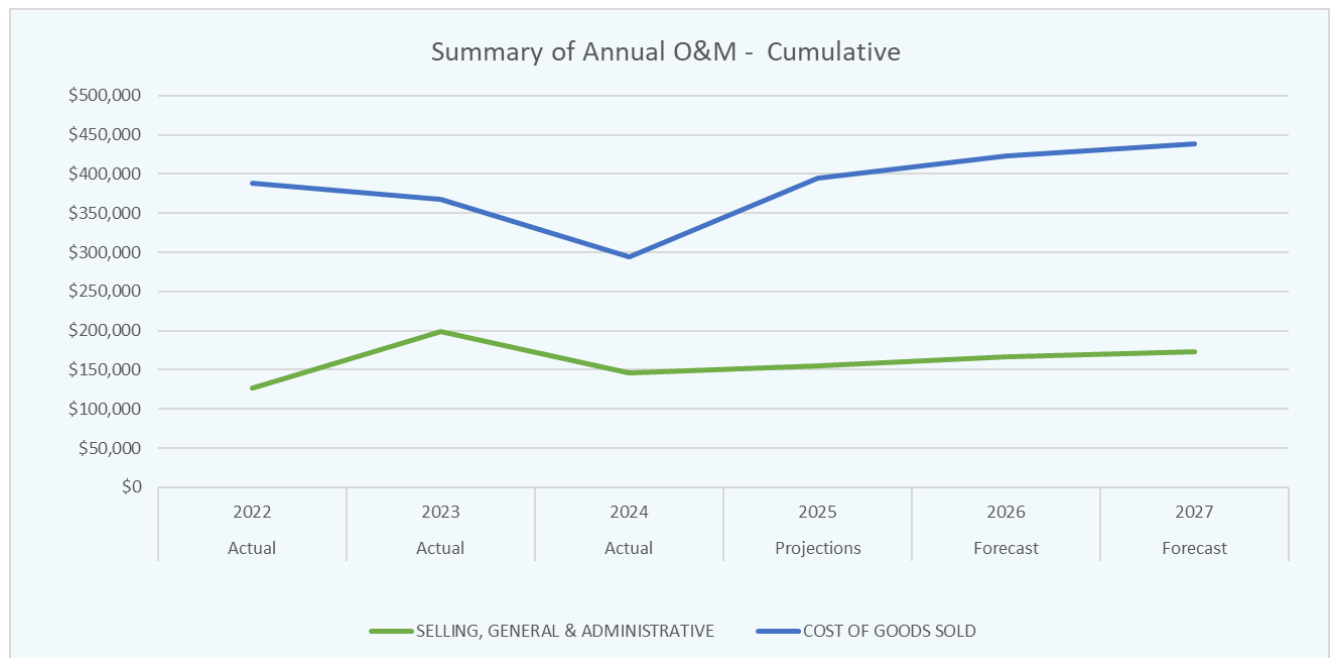
Table 1 and Figure 2 highlight an overall increase in O&M in the test period compared to the basis of the current rates, approved in F2013.

⁹ BMUS may file an evidentiary update at a later date if and as required, depending on the materiality of the difference in total actual F2025 O&M.

Table 1 – Summary of Operating and Maintenance Expenses

O&M	Actual F2022	Actual F2023	Actual F2024	Projected F2025	Forecast F2026	Forecast F2027
Cost of Goods Sold	261,614	168,555	147,525	239,850	256,695	266,148
Selling, General & Administrative	126,547	199,372	146,510	154,978	166,460	172,546
Total O&M	388,161	367,927	294,035	394,828	423,155	438,694

Figure 2 - Summary of Operating and Maintenance Expenses



2.1.1 Cost Presentation (2022 to 2024)

BMUS aims to elucidate the discrepancies in cost presentation between the Application and the annual reports for 2022 to 2024. The objective is to offer a more accurate categorization of the Utility's operating expenses.

Specifically, BMUS has:

- Expanded 'Salaries & Wages' to include workers' compensation insurance;
- Reclassed Information Technology expenses previously reported as Office expenses;
- Expanded insurance expenses to include property and other insurance costs;
- Reclassed license fees that were reported under Miscellaneous costs in 2023;
- Included travel costs in Office Expenses;
- Included bad debts in Miscellaneous costs; and
- Separated Corporate Service costs from Regional services costs.

The changes do not affect the total reported O&M for the relevant years.

2.1.2 Cost of Goods Sold

Table 2 presents a summary of Actual, Projected and Forecast Cost of Goods Sold for F2022-F2027. A review of the category cost drivers is presented in the following sections.

Table 2 – Cost of Goods Sold

Cost of Goods Sold	Actual F2022	Actual F2023	Actual F2024	Projected F2025	Forecast F2026	Forecast F2027
Purchased Utilities	34,756	36,189	40,555	39,227	42,734	44,016
Plant and System Maintenance	13,635	7,864	7,437	11,026	12,543	12,886
Materials and Supplies	39,771	(1,673)	-	-	-	-
Chemicals	24,684	8,073	18,755	17,170	18,029	18,930
Lab Testing	5,808	2,887	4,310	4,433	4,572	4,710
Wages and Salaries	96,697	92,250	62,856	137,283	143,068	148,647
Contracting / Outside Services	31,543	11,826	8,143	12,408	13,861	14,415
Fleet/Vehicles	14,720	11,139	5,470	18,303	21,888	22,545
Total	261,614	168,555	147,525	239,850	256,695	266,148

Purchased Utilities

Purchased utilities refer to the electricity expenses associated with the supply of water to the Utility customers. These costs include the operation of water pumps and water treatment facilities, encompassing instrumentation, heating and lighting, UV disinfection, and control systems. Such expenses are adjusted in accordance with the electricity cost escalator, which is linked to the planned rate increases by the British Columbia Hydro and Power Authority (BC Hydro), as detailed in the relevant Revenue Requirements Applications. In 2024, the British Columbia Utilities Commission (BCUC) approved BC Hydro's Rate Smoothing Regulatory Account, designed to limit the annual rate increases for customers to 2.3 percent from fiscal year 2026 through fiscal year 2029; note that the fiscal year commences on April 1 and concludes on March 31.

Plant and System Maintenance

Plant and system maintenance costs include routine inspections, cleaning of systems, maintenance of distribution mains, electrical contracting, monitoring and repairs, as well as other miscellaneous repairs. The projection is based on scheduled work in the upcoming years and anticipated inflation.

Chemicals

Chemicals, predominantly chlorine, are essential for water treatment in the Water Treatment Plant (WTP). They serve as disinfectants and eliminate biological hazards. The expense associated with chemicals decreased in F2023 due to BMUS's acquisition of a substantial quantity of chemicals in F2022, taking advantage of a one-time discount on bulk purchases. The projected cost of chemicals represents an average of recent cost trends and incorporates inflation considerations.

Lab Testing

Laboratory testing is required to verify that the Utility's potable water complies with pertinent water quality standards. Tests are conducted regularly to ensure the safety of the drinking water supply and to satisfy the requirements of the Interior Health Authority. Turbidity levels are measured weekly, while water samples are

submitted monthly to an independent environmental testing laboratory. Additionally, the water source undergoes annual testing to ascertain quality.

These costs constitute a relatively minor proportion of the overall Operations and Maintenance (O&M). The projected expense for Laboratory Testing accurately reflects the recent trend of actual expenditures and accounts for inflation as forecasted.

Salaries and Wages

Between 2022 and 2024, the Utility encountered persistent staffing difficulties attributable to delays in recruiting qualified water and wastewater operators. The Utility operated with staffing levels below optimal capacity, [REDACTED]. To assist in managing daily operations, the Area Manager and other personnel allocated their time to address staffing deficiencies; these efforts were documented within the shared administration cost pool. Additionally, a portion of the expenses related to non-managerial staff was reclassified as salaries in 2023, while the costs associated with the Area Manager were retained within the cost pool.

BMUS retains its commitment to employing an operator in 2025 to mitigate persistent labour shortages and enhance service reliability. [REDACTED]

[REDACTED] Salary projections consider BMUS's annual compensation review process, during which increases may surpass 3%, in response to competitive market conditions.

In response to the elevated staff turnover rate at the Utility and to enhance resource stability, BMUS has introduced a Supervisor role into upcoming budgets. Compensation for operators and supervisors is allocated based on their projected direct service time to the Utility, taking into account that their duties also include responsibilities for other utilities owned and operated by BMUS within the region.

Contracting / Outside Services

These are Utility-related services or functions that are executed by an external provider or contractor. BMUS outsources specific tasks or operations to third parties to enhance efficiency and utilize specialized expertise. The increase in subsequent years reflects BMUS's projected inflation in costs.

Fleet/Vehicles

All utility operators and management personnel incur vehicle-related expenses. Vehicles are associated with a predetermined hourly rate, which is applied to the labour hours billed to the Utility. The projected employee count influences the increase in each test year.

2.1.3 Selling, General and Administrative

Table 3 presents a summary of Selling, General and Administrative expenses for F2022 to F2027. A review of the category cost drivers is presented in the following sections.

Table 3 – Selling, General and Administrative

Selling, General and Administrative	Actual F2022	Actual F2023	Actual F2024	Projected F2025	Forecast F2026	Forecast F2027
Bank Charges	1,160	782	350	865	891	918
Information Technology (IT)	293	248	-	2,814	4,191	5,489
Insurance	9,889	15,617	15,062	13,755	20,357	22,904
Licenses and Fees	500	2,699	3,279	1,098	1,167	1,191
Office	2,126	96	497	826	1,337	1,353
Miscellaneous	-	2,670	131	20	21	22
Taxes Other Than Income Taxes	864	820	846	800	1,200	1,200
Common Administration Allocations	27,438	31,246	25,147	26,501	27,383	28,480
Regional Services	34,057	43,163	35,221	48,986	50,635	52,548
Corporate Services	50,220	102,031	66,090	45,978	45,944	45,108
Regulatory Costs	-	-	-	13,333	13,333	13,333
Total	126,547	199,372	146,510	154,978	166,460	172,546

Bank Charges

Bank charges encompass expenses related to the Utility's bank account and merchant fees associated with credit card payments received.

Information Technology (IT)

This delineates the yearly expenditure associated with operational support software, encompassing Supervisory Control and Data Acquisition (SCADA), Enterprise Resource Planning (ERP) systems, and Microsoft Office 365. The expenditure reflects an allocation of costs proportionate to headcount for the respective year.

Insurance

The insurance expenses include property insurance, general liability insurance, and umbrella/excess liability insurance. BMUS maintains a single insurance policy that covers all its utility assets and operations. The overall insurance expenditure is subsequently allocated to each utility based on relevant cost drivers, such as the replacement cost of assets for property insurance and revenue for liability insurance. BMUS insures only above-ground assets for water utilities, owing to the higher premiums associated with insuring underground assets, which are generally considered lower risk. It is anticipated that future insurance premiums will escalate during the forecast years.

Licenses and Fees

This expense encompasses yearly licensing and permit fees required for the operation of the water system, issued by the Interior Health Authority, the Ministry of Water, Land and Resources Stewardship, and the Ministry of Forests. Projected costs are calculated based on current expenditures, adjusted for inflation for each year of the testing period.

Office

This expenditure predominantly pertains to employees' mobile communication expenses. Office costs are determined based on recent financial trends and are increased annually by an inflation rate.

Taxes Other Than Income Taxes

These are Property taxes charged by the Minister of Finance for the Tobiano Water Treatment Plant.

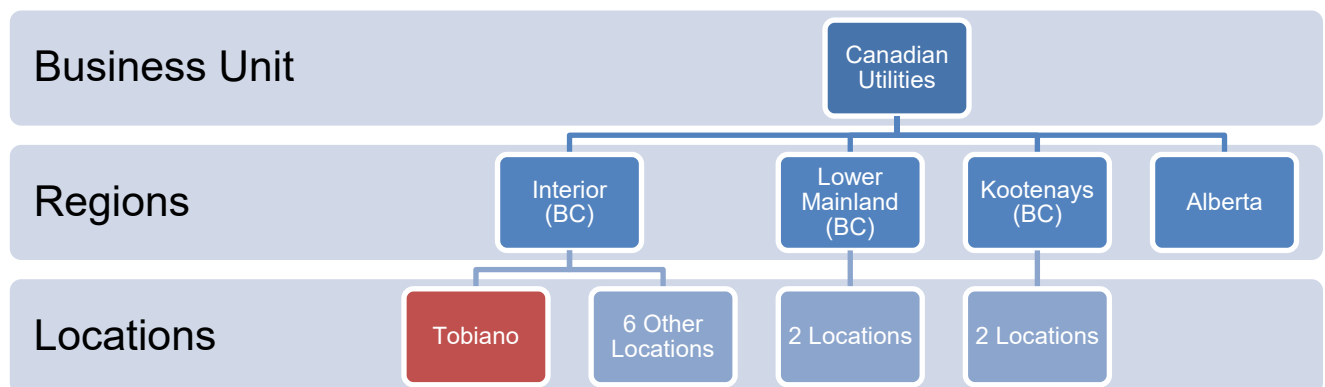
Regulatory Costs

Regulatory costs in F2025 include the forecasted budget allocations designated to support the preparation and review of this application. Additionally, they encompass the anticipated efforts to advance future capital projects, rate design initiatives, and revenue requirements for approval during the test period. For this application, BMUS has reported a projected allocation of these costs for each year within the test period. Under the proposed rate increases discussed in Section 2.7.4 below, the recovery of these costs is effectively smoothed over the three-year rate-setting period. Consequently, this methodology aligns the recovery of regulatory costs with the years encompassed by this application (2025 through 2027 inclusive).

2.2 HISTORICAL COST ALLOCATIONS (JANUARY 2022 TO MARCH 2024)

Prior to the merger of the parent company, which received approval from the Comptroller via Order No. 2638 and was finalized on April 1, 2024, NWG's operations were organized into Business Units, Regions, and Locations. The depicted structure was in use from January 2022 to March 2024.

Figure 3 – Canada's Corporate Structure (Pre-merger)¹⁰



¹⁰ Excludes District Energy Utilities.

2.2.1 Corporate Services

Corporate Services encompass the expenses associated with support functions at the corporate level, which are subsequently allocated to the relevant utilities. These costs are incurred to deliver various services to all business units. Such services include, but are not limited to: strategic management, corporate governance, management of accounting functions, treasury, information technology systems and governance, human resource management, health, safety and environment, legal, and public relations. Costs related to corporate growth and business development are excluded from those allocated to operating utilities such as the Utility.

Corporate Services Allocation Methodology

BMUS employed a Corporate Services Cost Allocation Methodology, wherein costs are organized into homogeneous categories or services and subsequently classified as either directly assignable costs or indirect costs. The procedures for allocating Corporate Services are outlined below.

1. Corporate Services are categorized into homogeneous categories/services;
2. Costs are identified as (i) Directly Assignable Costs or (ii) Indirect Costs;
3. All Directly Assignable Costs are charged to the appropriate business unit(s) because they can be identified with a specific service/product, where applicable. The allocators include:
 - i. **Employee headcount** – for costs directly correlated to the number of employees;
 - ii. **Number of Customers** – for costs directly correlated to the number of customers of a particular business unit;
 - iii. **Call volume by business unit** – for costs directly correlated to the number of calls for each business unit; and
4. Indirect Costs are costs incurred by the parent or shared services company to benefit several business units. They are allocated using the Massachusetts Formula with a Composite Allocator (with weightings of 33.33% each allocated to Gross Revenue, Headcount, and Gross Property, Plant & Equipment).

Table 4 - Corporate Services Costs

	Actual F2022	Actual F2023	Actual F2024
Costs charged to Tobiano Water Utility	50,220	102,031	66,090
██████████	██████	██████	██████

2.2.2 Regional Services

Regional Service Costs are incurred at the regional level to provide operational services specifically for utilities within that region and business unit. The costs include salaries and benefits for senior management and support staff responsible for that region (including executive and operations management, financial planning and analysis, regulatory support, and governance and compliance); the associated building and vehicle expenses; and office expenses, travel, training, and external consulting costs. Regional Services Costs are allocated to each utility from the regional cost centre based on the pro-rated allocations developed for the Corporate Services Costs.

Pooling these functions and providing these services across multiple business units resulted in various benefits, including increased efficiencies through economies of scale, functionality and cost-effectiveness.

Regional Services Costs were allocated to each utility from the regional cost centre based on the pro-rated allocations developed for the Corporate Services costs.

Table 5 - Regional Services Costs and Allocation to Tobiano Water Utility

	Actual F2022	Actual F2023	Actual F2024
Costs charged to Tobiano Water Utility	34,057	43,163	35,221

2.2.3 Common Operations

Common Operations are expenses incurred for BMUS's Interior Region within British Columbia, designated for the provision of operational services specifically related to utilities and operations in that area. These encompass BMUS's:

- Canadian Lakeview Estates Water and Wastewater utility;
- Okanagan Landing Water utility;
- Sage Meadows utilities
- Sonoma Pines Electric and Gas utility;
- Sun Rivers Multi-Utility (Water, Wastewater, Irrigation, Geothermal, Electric, Gas, and Municipal);
- The Rise Geothermal utility;
- Tobiano Water and Wastewater utility; and
- Interior Operations and Maintenance contract department.

In alignment with standard cost causation and cost recovery practices, BMUS allocates these costs according to the same allocation principles as the Regional and Corporate Allocations. An individual line item in operating expenses will be assigned a single allocation encompassing all shared costs for the Interior business unit. This methodology decreases the administrative burden by streamlining procedures within the accounting department.

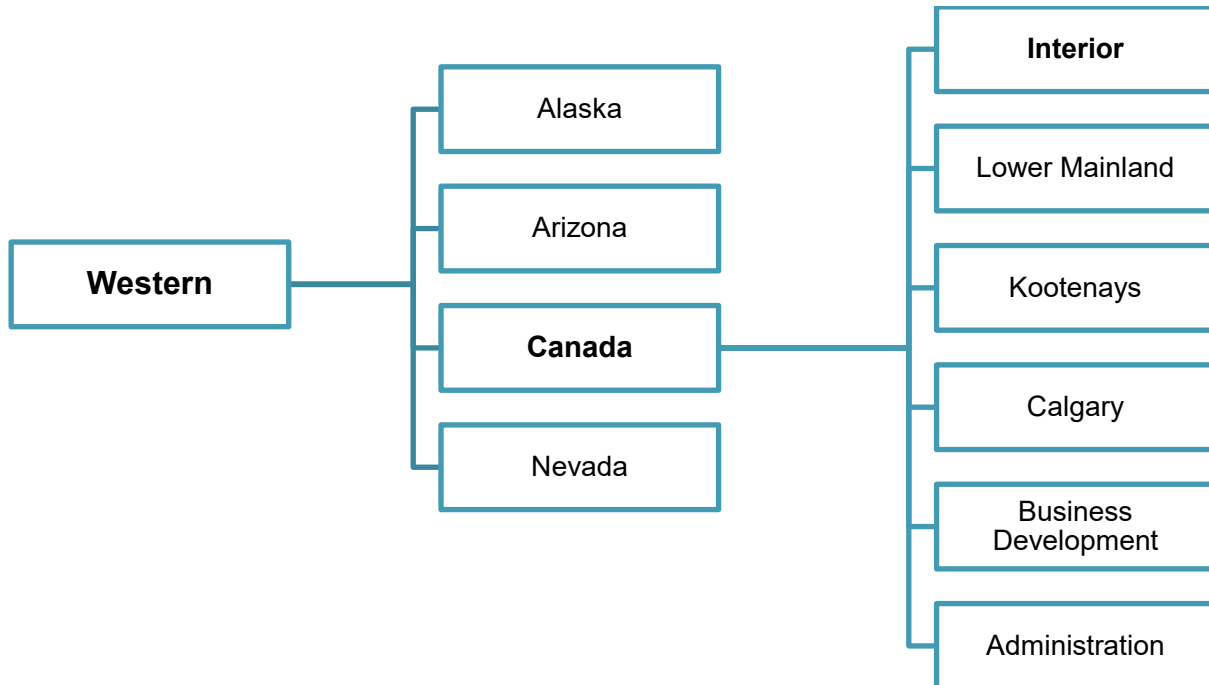
Table 6 – Common Operations Costs and Allocation to Tobiano Water Utility

	Actual F2022	Actual F2023	Actual F2024
Costs charged to Tobiano Water Utility	27,438	31,246	25,147

2.3 FORECAST COST ALLOCATIONS (APRIL 2024 TO DECEMBER 2027)

NWG's operations are organized into seven regions across the US and Canada: Atlantic Coast, Gulf Coast, Pacific Coast, Northeast, Southeast, South, and Western. Regions comprise local businesses primarily responsible for delivering water and wastewater services to customers. Figure 4 below depicts the current corporate structure.

Figure 4 - NWG's Corporate Structure (Post-merger)



2.3.1 Corporate Support

Under NWG, Corporate Support services include, but are not limited to, Board and Executive, Business Development, Engineering, Enterprise Support Services, Facilities, Finance and Accounting, Health, Safety and Environment, Human Resources, Information Technology, Legal, Risk, and Other Services (as required). These costs generally fall into two categories: Direct and Indirect.

- Direct costs are charged to the business units, while indirect costs are allocated using a slightly different three-factor composite allocation of the Massachusetts Formula or a representative cost driver. The three factors utilized are Gross Property, Plant & Equipment¹¹, Gross Revenues¹², and Gross Payroll¹³.
- Specific costs are directly assigned using the representative cost driver. For example, consolidated insurance programs are allocated using the cost driver that determines the policy's pricing. In contrast, employee medical insurance is assigned based on the unit's headcount as a proportion of NWG's total headcount.

NWG uses a point-in-time approach to calculate the allocation percentages for the following year. This provides stability for budgeting and actual allocations, as well as a reference point for year-over-year comparisons.

¹¹ Gross Property, Plant, and Equipment is defined as the total of all utility plant, property, and equipment fixed asset accounts, as well as Construction Work in Process, as recorded by the business units, regardless of how the assets were financed. It does not include Plant Held for Future Use.

¹² Gross Revenue is defined as total revenue recorded for all services provided and all revenue streams of the business units.

¹³ Payroll is defined as total salaries, wages, and incentive compensation, excluding capitalized labour and overhead.

Allocations are based on June results from last year. Thus, 2025 allocations are based on performance data from July 1, 2023, to June 30, 2024.¹⁴

Corporate Capital

Capital investments are made in assets such as corporate headquarters and IT systems that benefit the Company's business units. The costs of these investments are distributed monthly in the form of an intercompany operating expense charge, which captures the depreciation expense, or an alternative method of capital allocation tailored to the project's specific needs. Occasionally, the distribution of costs associated with a specific corporate capital investment may use an alternate method.¹⁵

Table 7 – Corporate Service Costs Allocated to Tobiano Water Utility

	Projected F2025	Forecast F2026	Forecast F2027
Costs charged to Tobiano Water Utility	47,274	45,944	45,108

2.3.2 Regional Services

Regional Services Costs are shared costs incurred by the Canadian business to provide operational services for its utilities. As mentioned above (see Figure 4), Canada is part of NWG's Western region; thus, this allocation includes some shared costs for the Western region.

Consistent with standard cost causation and cost recovery practices, Bluestem allocates these costs based on the same allocation principles as the Corporate Allocations. An individual line item in operating expenses will receive one allocation encompassing all shared costs for the relevant cost centre.

From 2025 onwards, the following items are allocated from this shared cost centre unless explicitly incurred for the Tobiano Water Utility:

- Salaries and benefits for support staff responsible for the Canadian Business, which includes:
 - Senior Vice President, West
 - President, Canadian Utilities,
 - Director Financial Planning & Analysis (FPA), West Manager FPA, 2, Senior Financial Analysts,
 - Manager of Regulatory and Regulatory Analyst,
 - Human Resources Business Partner, West
 - 2 Customer Experience Specialists,
 - Manager of Business Operations,

¹⁴ If an event is identified that would materially impact the current year's allocation setting, management may use its judgment to adjust the allocation inputs to account for the event. Such an adjustment would mitigate material over/under-allocation of costs across the business units for the current year.

¹⁵ While the Company does not allocate the cost of capital (i.e., a return on corporate assets) to business units, business units do make requests to include such a return on corporate assets in the business unit's revenue requirement.

- Environmental Compliance Manager, West [REDACTED]
 - Senior Manager of Health, Safety and Environmental and 1 HSE & Fleet Compliance Coordinator,
 - 2 Senior Accountants, 1 Staff Accountant, 1 Accounts Receivable processing specialist, 1 Senior Tax Manager,
 - Geographic Information Systems (GIS) analyst, West [REDACTED], and
 - Director of Business Development;
- Office supplies, printing and shipping, equipment, telephone, travel, training, and vehicle expenses not directly charged to a specific utility (i.e., mainly related to support staff mentioned above);
 - External consulting costs related to tasks provided by support staff mentioned above that are not directly related to one specific utility; and
 - Depreciation costs associated with common assets shared amongst the Canadian Utilities group and not directly charged to a specific utility. (For example, computers, operations/maintenance hardware and software, water information management system software).

As shown in Table 8, Regional Services Costs are allocated from the Canadian Utilities cost centre to each utility and operation within Canada based on the same allocations developed for the Corporate Support Services. BMUS considers this a reasonable approach to fairly allocate costs among its utilities while maintaining a consistent methodology for distributing shared costs among all profit centers. Costs related to the Canadian Utilities cost centre are escalated in future years using the labour escalator for all labour components, and an inflation escalator of 1-3% for most other costs. [REDACTED]

Table 8 – Regional Service Costs Allocated to Tobiano Water Utility

	Projected F2025	Forecast F2026	Forecast F2027
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Costs charged to Tobiano Water Utility	48,986	50,635	52,548
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

It should be noted that BMUS does not include new projects or acquisitions that have not yet been finalized in developing the Regional Services Costs allocations for future years. If BMUS acquires new projects or utilities before June 30th of a given year, the base upon which shared costs would be allocated for the following year would increase, thereby reducing the portion of those costs allocated to Tobiano Water. This applies to all allocations.

2.3.3 Common Operations

As shown in Table 9 below, the Common Operations and Admin Costs are allocated from the Interior Admin Cost Centre to each utility and operation within the Interior area based on the same allocations developed for the Corporate Services Costs. BMUS considers this a reasonable approach to fairly allocate the costs amongst its utilities while maintaining a consistent methodology for distributing the shared costs amongst all the profit centers. The Interior Admin Cost Centre costs are escalated in future years using the labour escalator for the labour component and an inflation escalator of 2-3% for most other costs.

From 2025 onwards, the following items are allocated from this shared cost centre, unless incurred specifically and solely for the Tobiano Water Utility:

- Salaries and benefits for [REDACTED] Area Manager¹⁶, [REDACTED] Area Administrator¹⁷, and 2 Project Managers;¹⁸
- Education and training, membership and dues, travel costs, and vehicle expenses associated with staff members listed above;
- Operator time related to on-call hours, which are provided for the benefit of the utilities in the surrounding area;¹⁹
- Office Expenses – shared costs including office supplies and equipment, computer expenses, rent, building expenses, communications, postage and others;
- Shop, safety supplies, and equipment commonly used for all operations within the Interior area; and
- Vehicle costs in excess of those charged to utilities based on hours worked.

Table 9 - Common Operations and Admin Costs and Allocation to Tobiano Water Utility

	Projected F2025	Forecast F2026	Forecast F2027
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Costs charged to Tobiano Water Utility	26,501	27,614	28,774
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

2.4 CAPITAL PROJECTS AND FUNDING

2.4.1 Developer-Funded Projects

Per the Developer Agreement, Diverse will provide the capital required to build out or expand the Development. Therefore, Diverse is responsible for funding all the costs of adding water infrastructure for the following projects, which are yet to be finalized through a CPCN Amendment. Relevant costs include engineering, legal, regulatory, and construction expenses. The Utility will supply new water meters as the units are built, and the costs of the meters will be recovered via connection fees charged to each customer.

The Bluff Cottages Development

The Bluff Cottages Development is a proposed mixed-use development with 30 single-family bare-land strata lots and two single-family lots. As shown in Figure 2, it is located approximately 1.2 kilometres (**km**) along Holloway Drive from the main road access off the Trans-Canada Highway, on the south side of Holloway Drive, and south of the existing Bluff lots. The development will combine five existing lots into a mixed-use development.

¹⁶ The Area Manager serves the Interior and Lower Mainland areas. Therefore, related salaries and benefits are allocated across two cost centers.

¹⁷ The Area Administrator serves the Interior and Lower Mainland areas. Therefore, related salaries and benefits are allocated across two cost centers.

¹⁸ BMUS has assumed 80% of Project Manager's time will be focused on capital projects while 20% will be used for regular operations.

¹⁹ On-call hours involve being available to respond to emergency situations or urgent maintenance needs outside of regular working hours.

The Parcel 18 Cottages Development

The Parcel 18 Cottages Development is part of a proposed mixed-use development with the first stage consisting of 40 single-family bare-land strata lots. The second stage will include an 80-room hotel. As shown in Figure 2, it is located west of the main road access off the Trans-Canada Highway and Holloway Drive, on the north side of Colebrook Road, approximately 0.6 km west of Holloway Drive.

The Pattison Latitude Development

The Pattison Latitude Development is a proposed strata development comprising 58 single-family bare-land strata lots and five duplex townhouse buildings (10 units). As shown in Figure 2, it is located northeast of the main road access off the Trans-Canada Highway at Holloway Drive, and on the north side of Rue Cheval Noir just east of the Latitude development.

2.4.2 Other Proposed Capital Projects (2025 to 2027)

Per the Developer Agreement, customers provide capital required for repairs and replacements through regular contributions to the RRF. BMUS intends to complete the following replacement projects within the forecast period:

1. Lake Sensors: BMUS plans to remove and replace the existing lake level sensors within the water intake structure in F2025. The project's estimated cost is \$30,000.
2. WTP Extension: The Utility currently has a small workstation close to the treatment infrastructure within the WTP building. Office storage is managed using a portable Sea-Can container adjacent to the WTP, while the nearest washroom is a Port-A-Potty located at BMUS's wastewater treatment plant, approximately 2.5 km east of the WTP. This is an inefficient use of the space, so BMUS plans to add a building extension to the existing WTP that will house an office, washroom, and storage space. The project's estimated cost is \$500,000. The cost of the office building will be split evenly between the Utility and BMUS's wastewater utility, as the building will serve both utilities. Thus, the Utility will only incur \$250,000 for the project.

2.5 REPLACEMENT RESERVE FUND

The RRF allocates funds for the replacement of water system components as necessary and authorized by the Comptroller. The RRF is maintained in trust by BMUS for the benefit of the Utility's customers. Disbursement of funds requires the explicit authorization of the Comptroller.

2.5.1 2023 Depreciation Study

The purpose of a depreciation study is to facilitate the assessment of the adequacy of the fund collection for the RRF. This purpose is articulated in the guidance outlined in the Comptroller's Financial Guidelines for CPCN applications, specifically in Section 6.3 - Replacement Reserve Fund.²⁰

²⁰ https://www2.gov.bc.ca/assets/gov/environment/air-land-water/water/water-licensing-and-rights/water-utilities/cpcn_appen1_cpcn_financial_guidelines.pdf

The most recent Depreciation Study of the Tobiano Water Utility is the updated study submitted by Diverse on November 16, 2023, in response to questions raised by the Comptroller in review of the CPCN Amendment Application for the Latitude Strata Development.²¹ Please refer to the November 2023 Depreciation Study in Appendix 3 to this Application. A summary of the Depreciation Study results and projected depreciation values over the test period are provided in Table 10.

Table 10 – Depreciation - Current and Projected Values²²

	2024 (Study)	F2025	F2026	F2027
CPI (Table: 18-10-0004-13)	158.8	161.2		
Ratio	1.02			
Plant Value	\$9,659,872	\$11,423,833	\$11,596,485	\$11,771,747
Depreciation	\$205,986	\$244,338	\$248,031	\$251,779
Composite Depreciation Rate	2.1%			
Engineering Cost (10%)	\$20,599	\$24,434	\$24,803	\$25,178
Contingency	\$33,988	n/a	n/a	n/a
Total Annual Cost Projection	\$260,572	\$268,772	\$272,834	\$276,957

The F2024 values in Table 10 report the results of the November 2023 Depreciation Study. Plant values are escalated to current period amounts by a factor of 1.02 based on the difference between the applicable consumer price index (**CPI**) in December 2024 compared to November 2023.²³ BMUS has used this ratio to escalate plant values over the test period. Contingency is not included in test period cost projections for recovery in rates.

2.5.2 RRF Contributions

Table 11 below summarizes the actual and forecast balance in the RRF.

The balance in the RRF increased from F2022 to F2024, reflecting the approved annual contributions of \$157,479 per year. As of the end of F2024, the RRF balance was approximately \$2.8 million.

Considering the estimated remaining service life of assets and the underlying principle governing the determination of total RRF contributions, BMUS does not regard the RRF as underfunded. BMUS recommends that future RRF contributions should continue to be appropriately aligned with annual cost projections. The forecast balance in the RRF, from F2025 to F2027, reflects a proposed contribution rate aligned with annual cost targets projections, as reviewed in Section 2.5.1 above.

Table 11 also reports the proposed allocation of RRF contributions between customers and the Developer effective F2025. The proposed allocation reflects a proportionate share of targeted RRF recovery between Customers and the Developer based on the ratios, respectively, of the installed system capacity to serve

²¹ The CPCN Application was submitted by Diverse on June 15, 2023, for approval by the Comptroller.

²² For rate-setting purposes, Schedule 8 of the Application presents a breakdown of Base Plant values net of the infrastructure allocated to the Non-potable Irrigation (Golf Course) Customer. Please refer to the discussion of this purpose at Section 3.3.1.

²³ Refer to CPI Table: 18-10-0004-13 Canada All Items [here](#).

Comptroller-approved development and the installed system capacity to serve future planned development, to total installed system capacity, as measured by MDD. Please refer to Sections 2.5.3, 3.3.5 and 3.4, and to Schedules 5 and 10, for detailed review of the proposed approach, determinants and computations.

Table 11 – Actual and Forecast RRF Balance at Target Contribution and Allocations²⁴

Replacement Reserve Fund	Actual F2022	Actual F2023	Actual F2024	Forecast F2025	Forecast F2026	Forecast F2027
Beginning Balance	2,170,750	2,359,232	2,622,293	2,847,762	3,236,506	3,645,691
Interest	31,004	82,012	110,474	119,973	136,350	153,589
RRF Contributions – Total	157,479	157,479	157,478	268,772	272,834	276,957
Customer Contributions (Service Rates F2022-F2025) (RRF Rates F2026 – F2027)	157,479	157,479	157,478	169,537	172,100	174,701
Developer Contributions (RR Top Up mechanism F2022-F2025) (RRF Rates F2026-F2027)				99,234	100,734	\$102,257
Ending Balance	2,359,232	2,622,293	2,847,761	3,236,506	3,645,691	4,076,237

2.5.3 RRF Contributions – RR Top-Up and RRF Rates

Under the terms of the Developer Agreement, Diverse and BMUS acknowledge that Diverse has funded RRF requirements and that the revenue of the Utility has been insufficient to meet revenue requirements, inclusive of the RRF. Under the provisions for a RR Top-Up in the Developer Agreement, Diverse is required to fund any revenue shortfall in the recovery of the total Revenue Requirement of the Utility as received from customers until such time that the actual recurring revenue received from customers exceeds the Revenue Requirement in the corresponding year (what may be regarded as “Revenue Sufficiency”).

As explained in Section 1.3.3 of this Application, the reconciliation of the RR Top-Up owed by Diverse has been administered on an ‘Actuals’ basis; i.e., after the fact. This approach has allowed customer rates to be maintained at current levels for several years.

BMUS considers that the function and administration of the RR Top-Up in this manner have been reasonable in serving its overall intent. Still, the mechanism is ultimately disconnected from determining appropriate rate increases that ought to apply on a test-period basis to customers currently served by the Utility in direct reference to the Utility’s cost of service. In this respect, the current administration of the RR Top-Up is not aligned with the inherent principles and legislative authority of the Comptroller under section 60 of the *Utilities Commission Act* to set rates that yield fair and reasonable compensation for the service provided by the utility. Thus, any targeted customer rate increase would ultimately be *ad hoc* under the current approach.

²⁴ For the purpose of presenting a projected and forecast Ending balance, BMUS has forecast interest charges on a pro rata percentage basis using actual interest charges in F2023. The Ending balance in F2023 and F2024 include net accounting adjustments of \$23,572 and \$(42,484), respectively.

Proposed Administration of the RR Top-Up and RRF Contributions going forward

BMUS proposes to administer the RR Top-Up from now on, effective 2025, on a forecast basis by directly allocating a proportionate share of annual targeted RRF contributions to Customers and Diverse based on the ratios, respectively, of the installed system capacity to serve Comptroller-approved development (or, the “utilized” capacity of Customers) and the installed system capacity to serve future planned development (or, the “unutilized” capacity that remains the responsibility of the Developer), to total installed system capacity, as measured by the MDD.

- The installed potable system capacity is 4,500 MDD, which is the capacity of the Water Treatment Plant.
- The approved infrastructure capacity for non-potable water used by the Golf Course is 2,750 MDD.²⁵
- The installed system capacity to serve Comptroller-approved development is the total amount of 2,717 MDD as reported in the CPCN application for the Latitude development, submitted by Diverse on June 15, 2023, for approval by the Comptroller. This amount is indicative of the current responsibility of both connected and standby customers to fund recovery of a proportionate share of system replacement; that is, the amount of total system capacity utilized by customers as measured by the MDD per premise of approved development.
- Unutilized system capacity is the amount of system capacity installed by the Developer to serve future planned development, which thereby aligns with the responsibility of the Developer to fund recovery of a proportionate share of system replacement. The amount is the difference between total installed system capacity and the utilized system capacity of customers.

Table 12 reports the key assumptions regarding system capacity, current utilization, and the RRF allocation factors determined based on the proposed approach. Schedule 10 reviews the allocation methodology and assumptions in detail with reference to the projected buildout of the Development from 2025 through 2032, and further discussion of the supporting rate design and billing determinants is reviewed also in Sections 3.3.5 and 3.4.

Table 12 – System Capacity

Utilized and Unutilized System Capacity	
	MDD
Approved (Utilized)	2,717
Planned (Unutilized)	1,783
Subtotal Potable	4,500
Non-potable	2,750
Total	7,250

²⁵ The total MDD of Approved and all Planned development equals 8,876 MDD, which is the amount reported in the CPCN application for the Latitude development, submitted by Diverse on June 15, 2023 for approval by the Comptroller.

Table 13 - RRF Allocations

Forecast RRF Allocation (Refer to Schedule 10)						
	F2025		F2026		F2027	
	MDD ²⁶	RRF % ²⁷	MDD	RRF %	MDD	RRF %
Residential	1,767	37%	1,831	39%	1,974	42%
Commercial	89	2%	98	2%	98	2%
Standby	898	19%	825	17%	682	14%
Developer	1,746	37%	1,746	37%	1,746	37%
	4,500		4,500		4,500	
Irrigation	2,750	5%	2,750	5%	2,750	5%
	7,250		7,250		7,250	

BMUS emphasizes that the proposed approach will continue to function as a rate-smoothing account by ensuring fair cost recovery between current connected customers and future customers while providing Diverse with the inherent incentive to continue building out the Development.

The setting of RRF contributions and rates in this manner aims ultimately to ensure customer revenues are sufficient to recover the cost of serving customers, including a customer RRF contribution to net revenue requirements. The allocation of RRF contributions to Diverse will reduce over time as the Development is completed; that is, as system capacity is fully built out and utilized by customers.

Alignment with the Developer Agreement

Per the terms of the Developer Agreement, the interest earned on the RDRF may be used to offset the RR Top-up, and BMUS and Diverse may apply to the Comptroller for the release of the RDRF to Diverse or its designate when a “Revenue Surplus” has been achieved, as defined in the Developer Agreement.

- **Revenue Surplus** is defined in the Developer Agreement as “[existing] when a Revenue Shortfall is negative, and is defined as the amount by which the actual recurring revenue received from customers exceeds the Revenue Requirement in the corresponding year.
- **Revenue Shortfall** is defined in the Developer Agreement as the amount by which the Revenue Requirement exceeds the actual revenue received from customers.

Under the proposed approach, the allocated amount of the Developer RRF contribution, so determined, is effectively equal to a forecast of the Revenue Shortfall after customer rates are determined in respect of net

²⁶ Residential, Commercial and Standby MDD are scaled up by a loss factor of 6% to reflect the underlying approval of the assignment of this amount of water losses under current CPCN approvals. Please refer also to Section 3.3.1.

²⁷ The reported percentages reflect the allocation of the RRF contribution reported in Schedule 10, not the percentage of total MDD between the categories listed. Targeted RRF contributions are separately determined as between plant infrastructure that serves potable versus non-potable customers. The Irrigation (Golf Course) customer takes non-potable service and its allocation of the RRF contribution is separately determined based on the depreciation value of irrigation infrastructure. Refer to Schedules 8 and 10 and to the discussion in Section 3.3.1.

revenue requirements; that is, the amount by which the total revenue requirements, inclusive of the RRF, is forecast to exceed the actual revenue received from customers.

Revenue Surplus will thus be achieved when there is no longer any required RRF contribution from the Developer; that is, at such time where any Developer RRF contribution would result in a Revenue Shortfall that is negative. Under the proposed approach and per the terms of the Developer Agreement, release of the RDRF would be properly tied to full build-out of the Development; that is, when there is no remaining responsibility of the Developer to fund the RRF.

2.6 FIRE PROTECTION

BMUS and the Thompson Nicola Regional District (TNRD) entered into a Memorandum of Understanding (MOU) in August 2022.²⁸ This MOU sets out the terms of service concerning water supply for firefighting training and fire suppression efforts within the district communities, including Tobiano. Specifically, the MOU stipulates that the TNRD will be invoiced annually for services provided. The invoice will indicate an Annual Payment calculated based on the Actual Total Gross Revenue from the preceding year.²⁹ The MOU also states that BMUS and TNRD will reevaluate the percentage calculation if and when Tobiano Resort has a population of more than 5,000 people or its peak flow rate exceeds 1,478 US Gallons per minute.

Per the most recent census, Tobiano had a population of 410 people³⁰. Based on the build-out plan described in Section 2.4.1, the peak flow (MDD) is projected at approximately 1,330 US Gallons per minute in F2027. On this basis, forecast Fire Protection revenues are equivalent to 27% of the prior year's Total Gross Revenue Requirements set out in Table 14.

²⁸ The MOU is attached for reference in Appendix 4.

²⁹ As presented in the annual report for the relevant year.

³⁰ Census Profile, 2021 Census of Population, [StatCan](https://www150.statcan.gc.ca/n1/pub/92-62-001-x/2021001/article/00001-eng.htm).

2.7 SUMMARY OF REVENUE REQUIREMENTS

Table 14 below presents the Actual, Projected and Forecast revenue requirements for F2022 through F2027. Forecast revenues in the F2025-F2027 test period are inclusive of the proposed rates set out in Section 3.5.

Table 14 – Summary of Revenue Requirements

Revenue Requirements	Actual F2022	Actual F2023	Actual F2024	Projected F2025	Forecast F2026	Forecast F2027
O&M	388,161	367,927	294,035	394,828	423,155	438,694
Income Tax provision	13,537	12,928	10,246	1,318	16,132	30,890
Revenue Requirements before Operating Margin	401,699	380,856	304,281	396,146	439,286	469,584
Allowed Operating Margin	36,875	34,953	27,933	3,562	81,508	45,624
	438,574	415,809	332,214	399,708	520,795	515,208
plus total RRF Contributions	157,478	157,478	157,478	268,772	272,834	276,957
Total Gross Revenue Requirements	596,052	573,287	489,692	668,480	793,628	792,165
Obtained from:						
<i>Customer Rates (incl. RRF contributions)</i>	<i>265,948</i>	<i>270,017</i>	<i>266,602</i>	<i>328,825</i>	<i>427,529</i>	<i>452,104</i>
<i>Fire Protection Revenue</i>	<i>111,308</i>	<i>160,961</i>	<i>154,788</i>	<i>174,010</i>	<i>227,472</i>	<i>275,697</i>
<i>Developer RR Top-Up & RRF Cont. F25-F27</i>	<i>218,522</i>	<i>142,310</i>	<i>68,585</i>	<i>165,644</i>	<i>100,734</i>	<i>102,257</i>
Annual Net Income (Loss) <i>[Less O&M, RRF and Taxes]</i>	36,601	34,954	28,216	3,562	43,615	83,517
<i>Cumulative Net Income - Customer Rate-Setting</i>				3,562	47,177	130,694
<u>Operating Margin</u>						
Operating Margin (%)	9.5%	9.5%	9.5%	10.4%	10.4%	10.4%
Operating Margin (\$)	36,875	34,953	27,933	41,062	44,008	45,624
Deferral (refer to Section 2.7.4)				(37,500)	37,500	-
Allowed Operating Margin	36,875	34,953	27,933	3,562	81,508	45,624
<i>Cumulative Allowed Operating Margin</i>				3,562	85,070	130,694
<u>Income Tax Provision</u>						
Income for Tax Purposes (\$)	50,139	47,883	38,461	4,880	59,747	114,407
Income Tax Rate	27%	27%	27%	27%	27%	27%
Income Tax Provision	13,537	12,928	10,246	1,318	16,132	30,890

2.7.1 Operating Margin

Operating margin (net cash flow income) is calculated as a percentage of total operating expenses. An operating margin of 9.5 percent is included in current rates. The level of 9.5 percent is indicative of a historical

allowed return on equity for small thermal energy system (**TES**) utilities regulated by the British Columbia Utilities Commission.

BMUS considers that reference to the determinations of the BCUC may offer an appropriate and cost-effective guide to setting an operating margin proportionate with the business and financial risk of small-regulated utilities, generally, and the allowed margins of comparably small utilities in BC, specifically.

The BCUC recently concluded Stage 2 of its periodic review of the Generic Cost of Capital (**GCOC**) for utilities under its jurisdiction. By Order G-321-24 and accompanying Decision, dated November 29, 2024³¹, the BCUC determined both: 1) the utility that will serve as the benchmark (**Benchmark Utility**) and 2) the deemed equity component and allowed ROE for all utilities that use the Benchmark Utility in British Columbia to set their capital structure and equity return.

BMUS considers that operating margin ought to be equitably and consistently applied to the Tobiano Water Utility commensurate with the most recent evidence into the margins and returns applicable to small thermal energy utilities per BCUC Order G-321-24. That is, BMUS believes that the Comptroller can and ought to consistently apply the decision to water utility margins going forward, based on the periodic review and approval of the BCUC, and its most recent treatment of all small utilities on an equivalent basis for the purpose setting an allowed ROE of 10.4% going forward.

Per the BCUC decision into GCOC, and consistent with the basis underpinning current approval of a 9.5% operating margin, BMUS considers it reasonable and preferred to apply a 10.4% operating margin going forward, commensurate with the recent comparative benchmark for small utilities.

2.7.2 Income Tax Provision

BMUS has included an Income Tax provision at a forecast rate of 27 percent.

2.7.3 Net Revenue Requirements and Revenue Deficiency at Current Rates

The calculation of Total Gross Revenue Requirements includes forecast costs for Operations and Maintenance, Income Tax provision, Operating Margin and total RRF Contributions. The recovery of customer connection and standard service charges reflect a pass-through of direct Utility costs and do not form part of the total revenue requirements for rate-setting purposes.

The calculation of net Revenue Requirements represents the cost of service from Utility service operations, including Customer RRF contributions, and thereby represents the amount required for recovery from customers in rates for service (excluding Fire protection revenues and the recovery of allocated Developer RRF Contributions in the test period).

A summary of projected utility service revenues at current rates is provided in Table 15. Table 15 incorporates the proposed allocation of RRF contributions to customers³² to highlight the revenue deficiency in cost of service recovery under the current rates.

³¹ https://docs.bcuc.com/documents/decisions/2024/doc_79418_g-321-24-gcoc-stage2-final.pdf

³² As reviewed in Section 2.5 and reported in Schedules 7 and 10.

Table 15 – Revenue Deficiency at Current Rates

Component		Reference	F2026	F2025	F2027
Utility Revenue – Current Rates	1 - Customer Rates	Schedule 6	313,785	318,213	325,961
	2 - Fire Protection	Schedule 4	174,010	241,342	268,338
	3 - Total		487,795	559,555	594,299
Net Revenue Requirement	4 - Net RR with Operating Margin	Schedule 6	451,078	479,668	504,965
	5 - Customer RRF Allocation	Schedule 7	169,537	172,100	174,701
	6 - Total		620,615	651,767	679,665
Revenue Deficiency (Surplus)	7 - Total	Schedule 6	132,820	92,213	85,366

To recover the annual revenue deficiencies reported in Table 15 entirely from customers under current rates and an annual rate-setting target, a significant one-time annual rate increase in F2025 of 42 percent would be required (equivalent to an 84 percent increase effective July 14, 2025), followed by a rate decrease of 8% in F2026 and no rate change in F2027, together reflecting the net impact of an F2025 rate increase, an increase in Fire Protection revenues, and a projected increase in connected customers in F2026 and F2027.³³ Refer to Table 16.

Table 16 – Indicative Annual Rate Changes F2025-F2027

	F2025	F2026	F2027
Annual Rate Increase (Decrease)	42% (or 84% effective July 14, 2025)	-8%	-

The rate increases in Table 16 are indicative, but they do not properly reflect the Developer's responsibility in F2025 under current rates to backstop recovery of the Utility's revenue requirement prior to full buildout. BMUS further acknowledges that a rate increase effective July 14, 2025 to recover the entire amount of the F2025 deficiency would raise a concern of retroactive ratemaking and would not be appropriate.

Table 17 reports the revenue deficiency in cost of service recovery under current rates inclusive of a projected RR-Top equal to 50 percent of the F2025 revenue deficiency; that is, reflecting status quo revenue recovery for the first 6 months of F2025. Adding this offset to the determination of cost of service rate increases is appropriate because the Developer remains responsible to backstop the revenue requirement, and the net revenue requirement reported in Table 15 includes full allocation to customers of their RRF contribution responsibility for recovery in rates. This approach underscores that the setting of rates going forward, effective July 2025, will be properly tied to the Utility cost of service net of full allocation of RRF contributions to customers and the Developer.

³³ Refer to Schedule 5B.

Table 17 – Revenue Deficiency at Current Rates Inclusive of Projected 2025 RR Top-Up

Component	Reference	F2025	F2026	F2027
Annual Revenue Deficiency (Surplus) Current Rates	Schedule 6	132,820	92,213	85,366
Projected Incremental RR Top-Up (Deficiency Offset)	50% (Jan-Jun F25)	66,410	-	-
Annual Revenue Deficiency (Surplus) Current Rates	Net	66,410	92,213	85,366

The rate modifications in F2026 and F2027 accurately represent the net effect of the rate increase outlined in F2025, offset by the additional RR Top-Up, along with a rise in forecasted Fire Protection revenues and a projected growth in connected customers in F2026 and F2027.

The rate increases in Table 16 would result in substantial customer bill impacts and rate instability, both in setting rates to recover forecast revenue requirements, as reviewed above, and in facilitating a transition to new and amended rate structures effective F2026, as detailed in Section 3 of the Application.

2.7.4 Proposed Cost of Service Rate Increases

BMUS is requesting approval of the annual service rate increases set out in Table 18.

Table 18 – Proposed Annual Rate Increases F2025-F2027

	F2025	F2026	F2027
Proposed Rate Increase for Approval	10%	0%	8%
	<ul style="list-style-type: none"> Effective July 14, 2025 Applicable to current Basic Charges, Meter Usage Charges, and Availability Charges 	<ul style="list-style-type: none"> Transition to new rate structure: <ul style="list-style-type: none"> Basic Charge by meter size, Variable Charge applicable to all customers, and RRF contribution by approved MDD per premise 	<ul style="list-style-type: none"> 12% increase to Basic and Availability Charges; and 5% escalation in the Variable Charge under direct assignment of variable costs and forecast water use in F2027 compared to F2026

The proposed rate increases embody BMUS's consideration to mitigate a potentially substantial one-time customer rate impact via rate levelization throughout the test period, which includes a projected 2025 RR-Top Up of \$66,410. This methodology guarantees the avoidance of any retroactive rate-making issues.

Specifically, the proposed rate increases are supported by the following:

1. An allocation to the Developer of a projected 2025 Incremental RR Top-Up of \$66,410, a direct offset to F2025 revenue requirements that reflects an allocation to the Developer of the projected revenue deficiency through mid-F2025 under current rates; and
2. Levelized recovery on a forecast basis of the Cumulative Allowed Operating Margin through F2027, factoring in a deferral of allowed operating margin in F2025 of \$37,500 (an amount that facilitates rate-smoothing of the required customer rate increases, net of the 2025 Incremental RR Top-Up).

The overall approach is commendable for its avoidance of a targeted rate increase related to the cost of service in F2026, which pertains to the effective year of the proposed transition to new and revised rate structures. Due to the implementation of the rate structure, there is no fundamental basis for applying a targeted rate adjustment. Instead, the proposed rate increases outlined in F2025 and F2027 aim to balance the impact on customers' bills by considering a forecasted increase in the Utility's cost of service, a projected rise in annual system depreciation costs, and the transition to the new and amended rate frameworks. Kindly refer to Section 3.6.

BMUS also notes the following:

- **F2025 Rate Increase 10%** - The amount of F2025 operating margin proposed to be deferred under rate levelization (\$37,500) gives regard to limiting projected F2025 average bill impacts within a 10% threshold, effective July 14, 2025, or an equivalent annualized impact of 5%.
- **F2027 Rate Increase 8%** - The F2027 rate increase is indicative of the following:
 - A 12% rate increase to Basic and Availability charges in F2027 supports levelization of the recovery of Cumulative Net Income, which costs are assigned to these charges under implementation of the proposed new and amended rate structures in F2026 (as discussed in section 3.3.1 and set out in Schedule 9).
 - A 5% rate increase to the Meter Usage Charge is also observed in F2027, driven by a 3.5% increase in F2027 of the variable O&M costs assigned for recovery through this charge (compared to F2026), and lower projected water usage in F2027 compared to F2026, reflecting the conservation impact of expanding the applicability of this rate to all customers (as discussed in Section 3 and reported in Schedule 9).

2.7.5 Net Developer RRF Contributions

Table 19 report the projection of net Developer RRF Contributions, factoring the allocations reported in Table 11 of section 2.5.2, the 2025 Incremental RR Top Up determined as per the discussion in Section 2.7.4 above, and net of an offset determined in reference to annual amounts in the RDRF that exceed [REDACTED], per the requested approval in Section 1.5 (and with reference to Schedule 7).³⁴

Table 19 – Net Developer RRF Contributions F2025-F2027

Net Developer RRF Contributions	Reference	F2025	F2026	F2027
RRF Allocation (MDD billing determinants)	Schedules 7 & 10	99,234	100,734	102,257
2025 Incremental RR Top-Up	Section 2.7.4; Sch 4	66,410	-	-
Subtotal	Sch.1; Table 14	165,644	100,734	102,257
Offset RDRF Forecast Interest	Schedule 7	-	(83,278)	(58,550)
Net RRF Contribution	Schedule 4	165,644	17,456	43,707

³⁴ Refer also to Order 2143, Appendix GG.

3 RATES

This section sets out proposed new and amended rate structures and rates for approval in the F2025-F2027 test period. The section is organized as follows:

- **Section 3.1** summarizes the rate-setting objectives and evaluative criteria that guided the rate design proposals in this Application;
- **Section 3.2** reviews the legacy rate structure and the rates that are currently in effect;
- **Section 3.3** evaluates alternatives to the current rate structure and rates, including an assessment of fixed and variable charges, availability charges, and projected recovery of RRF contributions. The section includes a review of the underlying cost allocation for recovery through the fixed Basic and Availability Charges and through the variable Meter Usage Charge, as well as the customer usage or conservation response that may be expected through consistent application of a Meter Usage Charge to all customers. A preferred rate structure alternative is set out in section 3.3.6;
- **Section 3.4** sets out the billing determinants for rate-setting and revenue forecasting in the F2025-F2027 test period;
- **Section 3.5** sets out the rates proposed to recover the projected revenue requirements for the F2025-F2027 test period, under the preferred rate structure and implementation timing;
- **Section 3.6** reviews the projected customer bill impacts of the rate proposals in relation to current rates, with noted sensitivity of the impacts to certain key inputs; and
- **Section 3.7** sets out the rationale and mechanism of a proposed Water Consumption Deferral Account to mitigate the impact of load forecast uncertainty under the transition to new rate structures.

3.1 RATE SETTING OBJECTIVES AND MEASURES

The review of rates and rate structure alternatives must consider multiple and sometimes competing objectives and stakeholder interests. Four rate design objectives have guided the structure and evaluation of the rate structure proposals in this Application.

1. **Efficiency and conservation:** Rates should encourage efficient use of water and discourage inefficient use. This may be targeted through consumption-based rates that are tied to embedded variable cost recovery, that provide marginal cost price signals, or that differentiate between peak and off-peak usage periods, and which may be measured by incremental changes in water consumption.
2. **Fairness:** Rates should support fair allocation of cost recovery among customers. This may be targeted and measured by the degree to which rates structures support the alignment of cost recovery with cost causation. For example, the fixed versus variable costs to serve customers may be verified and proportionally allocated to customer premises or types based on service size and usage and recovered through fixed and variable rates, respectively.
3. **Practicality:** Rate structures should support customer understanding and acceptance and be straightforward to administer. This may be targeted through rates that are relatively simple and free from

controversy as to implementation. This may be measured through an assessment of customer bill impacts, stakeholder engagement, and the administrative burden and cost to implement.

4. **Stability:** Rate structures should promote stable recovery of revenue requirements while avoiding, mitigating, or otherwise balancing customer rate impacts that may arise in consideration of other competing objectives.

These rate design objectives align closely with the rate design criteria set out by Dr. James Bonbright in Principles of Public Utility Rates³⁵, (the **Bonbright Rate Design Criteria**), which are generally accepted and consistent with the legislative direction set out in the *Utilities Commission Act* to guide the setting of rates that are “fair, just and not unduly discriminatory.” Please refer to Table 20. The British Columbia Utilities Commission (**BCUC**) has found that these eight Bonbright criteria form an appropriate foundation for the evaluation of rates.

Table 20 – Bonbright Rate Design Criteria

Bonbright Rate Design Criteria	
Criterion 1	Recovery of the revenue requirement (sustainable utility operations and resilience)
Criterion 2	Fair apportionment of costs among customers (cost recovery following cost causation)
Criterion 3	Price signals encourage efficient use and discourage inefficient use (economic or environmental objectives, e.g.)
Criterion 4	Customer understanding and acceptance
Criterion 5	Practical and cost-effective to implement (simplicity and serving long term objectives)
Criterion 6	Rate stability (customer rate impacts should be managed);
Criterion 7	Revenue stability
Criterion 8	Avoidance of undue discrimination (fairness between customer types must be enhanced and maintained)

3.2 REVIEW OF CURRENT RATE STRUCTURE AND RATES

3.2.1 Summary of Current Rate Structures and Rates

The current rate structure applicable to the customers of the Utility is comprised of a Basic Charge (a fixed rate) and a Meter Usage Charge (a variable rate), as set out in Schedule D of the Tariff. This rate structure and the corresponding rates for service have been in effect since January 1, 2013, with no applicable changes or increases since that time. Please refer to Table 21 and Table 22.

In addition to the customer rates set out in Schedule D of the Tariff, the recovery of the revenue requirements of the Utility includes recovery of the Availability Charges set out in Schedule H of the Tariff, applicable to standby customer connections. Please refer to Table 23.

The fixed, variable and availability charges comprise the service rate-related recovery of the Utility's revenue requirements. Per the terms of the Tariff, these rates are inclusive of customer contributions to the RRF. All

³⁵ Columbia University Press, 1961.

other customer connection and standard service charges in the Tariff reflect a pass-through of direct Utility costs, which do not form part of the total revenue requirements and are not considered here.

Table 21 – Current Fixed Rates

Utility Service - Basic Charge		\$/month
Residential	Townhouse	23.25
	Cottage	41.50
	Resort	59.25
	Equestrian	66.25
Commercial	Hotel ³⁶	302.08
	Other	102.08
Irrigation (Non-Potable)		2,642.75

Table 22 – Current Variable Rates

Utility Service – Meter Usage Charge		\$/m3
Residential	Townhouse	1.1300
	Cottage	n/a
	Resort	n/a
	Equestrian	n/a
Commercial	Hotel ³⁷	0.7410
	Other	0.8627
Irrigation (Non-Potable)		n/a

Table 23 – Current Availability Rates

Utility Service – Availability Charge		\$/month
Residential	Townhouse	186.00
	Cottage	249.00
	Resort	356.00
	Equestrian	398.00
Commercial	Hotel ³⁸	2,450.00
	Other	2,450.00
Irrigation (Non-Potable)		-

³⁶ No applicable Commercial - Hotel customer presently

³⁷ *Ibid.*

³⁸ *Ibid.*

3.2.2 Evaluation of the Current Rate Structure and Rates

The currently approved rates are a legacy construct that now generally underperform in relation to the rate design objectives and principles discussed above. Notable concerns with current rates are discussed directly below. A summary of the evaluation of current rates is presented in Table 24.

1. The variations in the fixed Basic Charge across different customer classes and premise types do not exhibit an apparent cost foundation, such as those associated with customer size or service level. The existing structure raises questions regarding fairness in the implicit distribution of cost recovery among customers. The Availability Charges engender comparable concerns in this respect.
2. The variable Meter Usage Charge has no apparent cost basis and applies only to a subset of customers, raising fairness and efficiency concerns. For example, there is no price signal for conservation of water use applicable to larger residential customers, notably Residential – Equestrian with the highest use of water among all Residential premise types.
3. Contributions to the RRF are recovered through the service charges, with a target contribution approved by the Comptroller based on the results of a Depreciation Study. The implicit recovery of target contributions is likely unfair given the distortions between cost causation and cost recovery in the service charges, as described above. The effective lack of transparency in the allocation and recovery of RRF contributions through service charges does not support a principled allocation of responsibility between service Customers and the Developer in relation to the installed and utilized plant and the Developer build-out schedule.
4. The concern with the current recovery of RRF Contributions ties closely with the mechanics under which shortfalls in customer recovery of the approved revenue requirements is reconciled, per the terms of the Developer Agreement. The RR Top-Up, as the mechanics are defined, is reconciled with the Developer on an 'Actuals' basis; that is, after the fact.

The RR Top-Up has allowed customer rates to remain at current levels for the past four years, functioning as a rate-smoothing account to some extent. However, a defined Revenue Sufficiency for the Utility, under which an RR Top-Up would no longer be required, cannot presently be determined on a principled basis in relation the approved versus planned build-out of the Tobiano development and with due regard to the legislative authority of the Comptroller. Under the current approach, customer rate increases would remain *ad hoc* until full buildout of the development; that is, without a defensible basis for Comptroller approval.

Table 24 – Criteria Evaluation of the Current Rate Structure

Criteria	Measure	Assessment	Comment
Efficiency	<ul style="list-style-type: none"> Price signal (embedded, avoided or incremental cost) Conservation of use in water consumption m3 	Poor	<ul style="list-style-type: none"> Fixed rates do not reflect directly assigned costs Current variable rates have no cost basis and apply only to a subset of customers No price signal for conservation of water use applicable to larger residential customers No incremental reduction in water use
Fairness	<ul style="list-style-type: none"> Fair cost allocation among customers Fixed versus variable charge structure Bill impacts between customers 	Poor	<ul style="list-style-type: none"> Recovery of fixed costs from customers of different sizes has no defensible or transparent basis Variable rates apply only to a subset of customers No allocated cost of service basis to customer class and premise type for current variable rate levels
Practicality	<ul style="list-style-type: none"> Customer understanding and acceptance Simplicity Cost effective implementation Bill impacts 	Fair ³⁹	<ul style="list-style-type: none"> Existing rates are in effect and there are no applicable implementation issues or incremental bill impacts
Stability	<ul style="list-style-type: none"> Forecast revenue neutrality Recovery of the revenue requirement Design, pricing and transition certainty 	Fair to Poor	<ul style="list-style-type: none"> Existing rates are in effect and currently independent of a forecast revenue requirement Rates are backstopped by after-the-fact accounting of a Revenue Requirement Top-Up to be paid by the Developer Future required rate changes would necessarily remain <i>ad hoc</i> and uncertain

3.3 REVIEW OF ALTERNATIVE RATE STRUCTURE AND RATES

3.3.1 Key Underlying Assumptions

The assessment of rate structure alternatives relies on the following key assumptions.

Revenue Neutrality

Revenue neutrality is a concept that arises when applicable rate structures change. BMUS has modelled alternative rate structures to be revenue neutral on a forecast basis at the Utility level, meaning that an alternative rate structure will yield the same overall revenue that would have resulted from the current rate structure. All rates are forecast to be revenue neutral at the Utility level, but as reviewed in the sections that follow, alternative rate structures will result in rebalancing of cost recovery and bill impacts among some customers.

³⁹ 'Fair' as referred to in the criteria assessment is an evaluation of relative performance between 'Good' and 'Poor'.

Fixed versus Variable Cost Allocation

BMUS has allocated costs for recovery through variable and fixed charges to align, respectively, with the categorization of Operations and Maintenance into: i) Cost of Goods Sold, and ii) Selling, General and Administrative. With the exception of Salaries and Wages, the Cost of Goods Sold are allocated for recovery through the Meter Usage Charge, reflecting directional alignment with costs that may vary with usage. The costs of Selling, General and Administrative, together with Salaries and Wages, Income Tax and Operating Margin, are allocated for recovery through the Basic Charge and Availability Charge, reflecting the generally fixed nature of these costs. The prospective allocation of service-related costs on this basis results in a proportional split between variable and fixed charge recovery of approximately 22% and 78%, respectively. BMUS considers this to be an appropriately conservative starting point to support implementation of new and amended rate structures going forward, notably where the impact of variable charges may be uncertain; that is, where recovery of variable costs is subject to changes in water usage.

Conservation Response and Price Elasticity

Studies have shown that Canadians who live in homes that are metered may use up to 40 percent less water than those who live in homes that are not metered.⁴⁰ For rate-modeling and revenue estimation purposes under a broadly applicable variable usage rate, BMUS has assumed a cumulative one-time impact of 20 percent reduction in water use over the years 2026 and 2027 (10 percent each year) in customer premises that currently do not face the Meter Usage Charge. This estimated reduction in water usage in the test-period is considered to be a conservative projection of the overall one-time impact for such customers in response to the application of a metered rate (as distinct from a price elasticity response).

BMUS initially incorporated an indicative estimate of price elasticity for water demand during peak consumption periods of -0.4 based on a high-level screen of recent studies⁴¹, which estimate was necessary to support a conceptual review of an inclining block variable rate to differentiate price by consumption level. BMUS assessed that the incremental impact of price elasticity was not a major driver of incremental water conservation given current usage patterns and given the significant expected one-time impact of implementing metered rates to customers that do not currently face a variable charge. BMUS therefore has not advanced its rate modelling to include a price elasticity estimate at that this time, noting also that a proposed Water Consumption Deferral Account will mitigate the impact of load forecast uncertainty in the transition to new rate and amended rate structures. BMUS considers that additional research and modeling into price elasticity inputs and impacts would introduce unnecessary complexity and false precision at this time under a move to broad application of a variable charge. As data is collected on Tobiano consumption specifically, BMUS could revisit in a future rates application the merit of modelling rates together with a price elasticity estimate if such would benefit additional precision into rate-setting.

Inclining Block (Tiered) Rate Parameters

As reviewed in section 3.3.3 below, BMUS undertook a conceptual review of a two-tier inclining block variable charge, which included modelling a Tier 1 rate, Tier 2 rate, and a threshold level of consumption (**Threshold**) that would define the applicable blocks of consumption to which the two rates would apply. The conceptual review assessed various Tier 2 rate and Threshold options that might drive conservation of water use, with residual calculation of a Tier 1 rate to maintain revenue neutrality. As reviewed in Section 3.3.3, the conceptual level review and indicative modelling results were sufficient to support a decision to not pursue a tiered variable

⁴⁰ Refer for example to the [Environment Canada 2011 Municipal Water Use Report](#).

⁴¹ Meaning a 10% increase in price is predicted to reduce water use by 4%.

rate structure at this time. BMUS therefore does not have relevant detailed rates and impacts that can be presented into a tiered rate structure option in parallel to proposed rates given the advanced maturity of the revenue requirements and rate modelling that now support the Application overall.

Water Loss Allowance Scaling Factor

A scaling factor of 6% is applied to all approved premise MDDs to reflect the underlying approval of the assignment of this amount of water losses under current CPCN approvals. The scaling factor is important to ensure a fair allocation of embedded water losses to potable and non-potable customers under an RRF rate with applicable MDD billing determinants.

Non-potable Irrigation (Golf Course) Customer

The Irrigation (Golf Course) Customer uses non-potable water. A \$/month Basic Charge is applicable to this customer but the \$/m³ Meter Usage Charge is not applicable. An alternative Basic Charge levied on a \$/meter basis would also not be applicable. BMUS has thus considered the unique characteristics and cost drivers of this Customer by: 1) incorporating a specific offset to the variable cost of service allocated to all other customers, 2) directly assigning an estimate of the Plant value to serve this Customer for recovery of an allocated RRF contribution, and 3) by maintaining the current \$/month Basic Charge under the overall forecast increase in rates, net of the impacts of 1) and 2). Please refer to Schedules 8 – 10 for the specific accounting of these considerations.

3.3.2 Basic Charge

BMUS evaluated two alternative fixed rate structures to the current Basic Charge:

1. A **Flat Basic Charge**; that is, a \$/month charge applicable to all customers on an equivalent basis; and
2. A **Meter Size Basic Charge**; that is, a \$/meter size charge that scales in proportion to actual meter size.

Flat Basic Charge

A Flat Basic Charge may be contemplated as a simple means by which the allocated fixed costs of service can be recovered from customers. While the alignment of cost allocation to cost causation is improved under the direct assignment of costs to a fixed charge generally, per the key assumption discussed above in Section 3.3.1, a Flat Basic Charge would foreclose further differentiation and improvement in fair cost recovery between customers of different service size, as may be associated with class or premise type.

BMUS considers that a proportional allocation of the Utility's fixed cost of service by customer class would be appropriate at a minimum. Under a Flat Basic Charge any allocation of costs between customer classes would necessarily be *ad hoc* absent a billing determinant by which to assign costs based on class. As reviewed below, the allocation of costs based on service size, as measure by meter size, offers *de facto* differentiation of cost responsibility between class and premise type.

Meter Size Basic Charge

It is an accepted water utility rate-setting practice to tie fixed cost recovery from customers to service connection size, allowing for a schedule of fixed charges that vary in proportion to meter size, specifically.

A Basic Charge based on meter size would thus vary between customer classes, and account also for any differences in service connection size among customers within a class based on the characteristics of the building served and the meter size required. Meter-size rates are specifically determined as the mathematical ratio between meter sizes – squared, subject to a revenue-neutral constraint of the costs allocated for recovery through these charges overall.

Summary

A Basic Charge that varies by meter size would be fair, practical and readily understood by customers, promoting stable rates and recovery of the revenue requirements in proportion to service connection size. In contrast, under a Flat Basic Charge, a significant subsidy of Commercial customers by Residential customers would arise, resulting in an approximate 30% lower average bill to Commercial customers. Efforts to mitigate this subsidy under a Flat Basic Charge would be *ad hoc*, lacking a defensible rate-setting determinant, and inherent rate stability concerns would persist.

A Meter Size Basic Charge would be superior to a Flat Basic Charge in terms of Efficiency, Fairness, Practicality and Stability, and is therefore preferred.

3.3.3 Meter Usage Charge

BMUS evaluated two alternative variable rate structures to the current Meter Usage Charge:

1. An **Inclining Block (Tiered) Meter Usage Charge** (\$/m³); and
2. A **Flat Meter Usage Charge** (\$/m³)

Each alternative would be applicable to all customers and thereby targeted to encouraging efficient use among all customers as opposed to only a subset of customers, as currently applied.

Inclining block (Tiered) Meter Usage Charge

A Tiered Meter Usage Charge could be targeted to encouraging conservation of water usage overall, particularly to usage during peak spring and summer months.

BMUS assessed a conceptual tiered rate alternative under which:

- A Tier 2 rate would be set at a fixed differential two-times the level of a Tier 1 rate. Maintaining a fixed differential would support revenue stability coincident with an expected stable and predictable customer response to the price signal over time⁴²; and
- A Tier 1/Tier 2 Threshold would be set equal to 90 percent of average annual water use, by customer and premise type. A 90 percent threshold may be seen as appropriately balancing a 10% initial exposure to a higher rate without being burdensome or punitive upon first implementation. All customers would face a price signal for water use above the threshold, and the opportunity and incentive to

⁴² A preferred basis to set a Tier 2 rate may be in reference to an incremental or marginal water supply cost, subject to utility characteristics. There is no specific or relevant marginal cost or cost of service basis to have considered such a price signal for the Tobiano Utility.

conserve water and lower water bills would be broadly applicable, notably for customers with greater discretionary water use during peak Spring and Summer periods.

Flat Meter Usage Charge

A Flat Meter Usage Charge would be applicable to all customers on an equivalent \$/m³ basis, targeted to encouraging efficient use among all customers as opposed to only a subset of customers as currently applies.

A Flat Meter Usage Charge would be determined for a given year as the allocation of variable costs for recovery through the charge divided by the total forecast water usage across all customers⁴³, factoring in the projected conservation impact of the rate on usage.

Summary

Rate Stability - Both a Tiered and Flat Meter Usage Charge are generally equivalent in terms of expected rate stability impacts; that is, both alternatives would be forecast revenue-neutral, with rates set to recover allocated revenue requirements on a forecast basis. The proposed Water Consumption Deferral Account would mitigate forecast uncertainty in variable charge billing determinants independent of the rate structure.

Fairness - Both alternatives would similarly address fairness concerns to a comparable degree, particularly emphasizing that the primary characteristic of these rates is their broad application to all customers, with the recovery of variable costs appropriately linked to usage. Both options would result in bill impacts for customers who currently do not bear variable charges. The rebalancing of cost allocation may induce a one-time transitional bill impact for some customers, approximately 20-30 percent; however, there is no fundamental justification for excluding any particular customers from variable charges.

Efficiency - A Tiered Meter Usage Charge would effectively promote the efficient utilization of water resources. A Tier 2 rate, albeit arbitrarily established, would introduce a higher price signal aimed at incentivizing reductions in peak consumption beyond a basic threshold of usage. According to conceptual modeling of this rate structure, an estimated cumulative water savings of approximately 36,000m³ is projected, representing roughly a 13% decrease in total estimated consumption for the years 2026 and 2027.

While a Flat Meter Usage Charge by definition does not incorporate a rate differential to target incremental water conservation at higher levels of usage, the charge is an efficient price signal that applies consistently to all customers (i.e., higher use is higher cost, and lower use is lower cost). It would also avoid any concern that the charge may be punitive to some customers that have limited control over their water consumption. Under a Flat Meter Usage Charge, projected cumulative water saving of ~30,000 m³ may be expected, an approximate 11% reduction in total estimated consumption for 2026 and 2027.

Practicality - The alternatives of Tiered and Flat Meter Usage Charges vary significantly concerning the anticipated practicality of their implementation at present.

- A Tiered Meter Usage Charge would require more complex modelling, billing administration and data management requirements, as well as ongoing customer engagement to build understanding and acceptance upon adoption. Differences in bill impacts between customers may not be intuitive based on unique customer characteristics and may thus raise concerns of customer acceptance of the rate.

⁴³ With the exception of the Golf Course – Irrigation Customer.

- A Flat Meter Usage Charge applicable to all customers would be an extension of a rate structure that is currently in effect. There would be no expected implementation concerns with billing administration and data management requirements already in place to support the rate. Bill impacts would be intuitive to the scope of the rate as applied more broadly going forward.

A Flat Meter Usage Charge is preferred to a Tiered Meter Usage Charge at this time. A Flat Meter Usage Charge can be readily implemented and is likely to be accepted by all customers as promoting fairness and efficiency in both cost recovery and water usage.

With customer adoption and Utility experience into a broadly applicable Flat Meter Usage Charge, and with additional data to be made available into customer response and conservation potential, BMUS will be better positioned to properly evaluate the merits and potential of a Tiered Meter Usage Charge as a component of any future rate design proposal.

3.3.4 Availability Charges

BMUS considers there to be only one practical alternative to current Availability charges: to set the charges such that they are equivalent to the preferred Meter Size Basic Charge, as reviewed above.

The purpose of an Availability charge is to appropriately recover a portion of the Utility's fixed cost of service from standby customers, reflecting the Utility's obligation to have its system and service requirements available to serve all approved customers, whether water usage is occurring or not. As reviewed in Section 3.3.1, the applicable costs are the amounts as determined for allocation for recovery through fixed service charges (both Basic Charges and Availability Charges). Thus, the effective determination of the level of the Availability Charge (and of the Meter Size Basic Charge) is based on the total billing determinants for Standby and Connected customers, together.

BMUS considers there to be no alternative preferred means to assign cost responsibility to standby customers than to set the charges equivalent to the preferred Meter Size Basic Charge.

3.3.5 RRF Contributions and Rates

BMUS proposes to implement an RRF rate on a \$/Maximum Daily Demand (**MDD**) basis, effective January 1, 2026, corresponding to the proposal reviewed in Section 2.5 to allocate the annual approved RRF contribution to customers and Diverse based on the ratios, respectively, of utilized system capacity and unutilized system capacity, to total installed system capacity.

The RRF rate would be equal to the total annual RRF contribution divided by total installed system capacity in MDD, as defined in Section 2.5.3. Application of the RRF rate to customers will promote fair recovery of cost responsibility among customers based on their individual amount of total utilized capacity as measured by the approved MDD per premise. Refer to Schedules 5 and 10. The RRF Rate will thus align system-related cost recovery with system design to meet maximum daily demands (which vary by customer size). The \$/MDD rate will promote fair recovery of the RRF between current Connected and Standby Customers (Approved) and Planned future customers (Developer responsibility), thereby allowing service rates and any necessary rate changes to be properly tied to forecast service costs and customer growth.

As discussed in Section 2.5, the Revenue Sufficiency of the Utility may then be directly defined in relation to Developer RRF contributions, which will reduce over time as the Development proceeds; that is, as system capacity is built out and utilized by customers.

The RRF Rate supports fair risk sharing between the Developer and the Utility given that all rates, including a targeted level of Developer contributions, are set and approved on a forecast basis. This structure embodies a compatible incentive for continuing Developer buildout and efficient cost-effective Utility operations.

3.3.6 Summary of Preferred Rate Structure

Based on the foregoing assessment, BMUS advocates for the adoption of the following alternative rate structure in lieu of the current rate structure in effect. Furthermore, BMUS proposes rates for approval by the Comptroller, to be implemented commencing January 1, 2026.

1. Maintain the Utility Service - Basic Charge applicable to all customers, but set the rate for potable water service based on service meter size (not including non-potable Golf Course Irrigation service)(\$/meter size/month);
2. Expand the Utility Service – Meter Usage Charge (\$/m³) to apply to all connected Residential and Commercial customers that are taking service, with the exception of non-potable Golf Course Irrigation service, which will remain exempt;
3. Maintain the Utility Service – Availability Charge applicable to all standby customers as defined in Schedule H of the Tariff, but set the rate equal to the Utility Service - Basic Charge under applicable meter size billing determinants (\$/meter size); and
4. Implement an RRF rate (expressed as \$/MDD/premise type/month) applicable to all customers, with the rate calculated based on the annual RRF Contribution, as approved by the Comptroller, which is set in relation to the projected annual depreciation of the Utility Plant. This amount is then divided by the total installed system capacity measured in MDD.⁴⁴

⁴⁴ Please refer to Section 2.5.3, noting the caveat and exclusion of Non-potable Irrigation (Golf Course) Customer for rate-setting, as reviewed in Section 3.3.1.

Table 25 – Criteria Evaluation of the Preferred Rate Structure

Criteria	Measure	Assessment	Comment
Efficiency	<ul style="list-style-type: none"> Price Signal (embedded, avoided or incremental costs) Conservation of use in water consumption m3 	Fair	<ul style="list-style-type: none"> A fixed rate structure based on meter size supports proportional allocation of the Utility's fixed cost of service in relation to customer service size, promoting efficient recovery of embedded costs A variable rate structure will apply broadly, expanding the conservation price signal to all customers as directed by the Comptroller and entailing a significant conservation potential from larger residential customers with likely greater levels of discretionary use
Fairness	<ul style="list-style-type: none"> Fair cost allocation among customers Fixed versus variable charge structure Bill impacts 	Good	<ul style="list-style-type: none"> A fixed rate structure based on meter size supports proportional allocation of the Utility's fixed cost of service in relation to customer size, which promotes fair cost recovery A variable rate structure that ties cost recovery to water usage and applies broadly to all customers promotes fairness, and expands the conservation price signal to all customers as directed by the Comptroller Bill impacts reflect rebalancing in cost recovery between customers under consistent and verifiable rates
Practicality	<ul style="list-style-type: none"> Customer understanding and acceptance Simplicity Cost effective implementation Bill impacts 	Good	<ul style="list-style-type: none"> Straightforward and commonly understood rate structures No expected implementation concerns and billing administration and data management requirements already in place Bill impacts may arise concerns in customer acceptance but are not considered limiting given that cost recovery better reflects cost causation
Stability	<ul style="list-style-type: none"> Forecast revenue neutrality Recovery of the revenue requirement Design, pricing and transition certainty 	Good	<ul style="list-style-type: none"> Rates are revenue-neutral and set to recover the revenue requirements on a forecast basis (coincident also with the proposed recovery of a forecast Revenue Requirement Top-Up from the Developer) A proposed Water Consumption Deferral Account will mitigate forecast uncertainty in variable charge billing determinants

3.4 BILLING DETERMINANTS

This section reviews actual and forecast test-period billing determinants for revenue forecasting and rate-setting:

- The number of connected Utility service customers by premise type serves as the billing determinant for the recovery of the 2025 Basic Charges. Please refer below to Section 3.4.1 and to Schedules 5A and 5B;
- The quantity of Utility service customers connected, categorized by meter size, serves as the billing determinant for the recovery of the Basic Charges for the years 2026 and 2027. Please also refer to Section 3.4.1 and Schedules 5A and 5B;
- The water consumption of connected customers by premise type, measured in cubic meters of water used (m^3), serves as the billing determinant for recovery of the Metered Usage Charge. Refer to Section 3.4.2 and to Schedule 5B;
- The quantity of standby customer connections categorized by premise type serves as the billing determinant for the recovery of the 2025 Availability Charges, whereas the number of standby customer connections categorized by meter size functions as the billing determinant for the recovery of the 2026 and 2027 Availability Charges.
 - This billing determinant is the residual difference over time between connected service customers and the total buildout of any approved customer category or premise. No further discussion of these billing determinants are reviewed below. Please refer to Schedules 5A and 5B for an accounting of total standby customers over the test period.
- The total installed system capacity in Maximum Day Demand (**MDD**) as set out in Section 2.5.3 is the billing determinant of the rate for recovery of projected RRF contributions in 2026 and 2027.
 - The billing determinants for the effective allocation and recovery of projected RRF contributions from individual customers in 2026 and 2027 are specifically the approved MDD per premise type. Please refer to Schedule 5C. The billing determinants for the effective allocation and recovery of projected RRF contributions from the Developer are the total MDD of the unutilized system capacity currently in place to serve planned development at Tobiano. Please refer to Schedule 10.

3.4.1 Service Customers and Meter Size

Historical, current, and forecast utility service connections classified by premise type are documented in Table 26. The concordance of forecast utility service connections by meter size in 2026 and 2027 (the years of the test period under which the proposed Basic Charge (\$/meter) would begin to apply) is reported in

Table 27. Please refer also to Schedules 5A and 5B.

The forecast of service connections is based on BMUS's understanding of the Developer's anticipated build-out of approved connections, per CPCN Certificate No. 1645 dated April 26, 2024. Please refer to Schedule 5A for further details on the Developer Build-Out Schedule – Approved and Planned, including specific customers by premise type as forecast through 2032.

Table 26 – Connected Service Customers

Service Customers		Actual	Actual	Projected	Forecast	Forecast	Forecast
Class	Premise Type	F2022	F2023	F2024	F2025	F2026	F2027
Residential	Townhouse	124	124	129	129	137	141
Residential	Cottage	0	0	0	0	0	0
Residential	Resort	51	53	56	56	62	75
Residential	Equestrian	118	125	127	131	133	139
Commercial	Other	11	11	11	13	13	13
Irrigation (Non-Potable)	Golf Course	1	1	1	1	1	1

Table 27 – Meter Size of Service Customers by Premise Type

Premise Type	Meter Size Inches	Connected Service		Standby Service	
		2026	2027	2026	2027
Residential - Townhouse	0.75	137	141	24	20
Residential - Cottage	0.75	0	0	0	0
Residential - Resort	0.75	62	75	89	76
Residential - Equestrian	0.75	133	139	27	21
Commercial - Other	0.75	5	5	0	0
Commercial - Other	1	0	0	0	0
Commercial - Other	1.5	3	3	1	1
Commercial - Other	2	4	4	0	0
Commercial - Other	3	1	1	0	0
Commercial - Other	4	0	0	0	0
Commercial - Other	6	0	0	0	0
Commercial - Irrigation	n/a	n/a	n/a	n/a	n/a

3.4.2 Customer Water Usage

Customer water usage by premise type is reported in Table 28. The only customers for which Metered Usage Charges are currently applicable under the Tariff are Residential – Townhouse customers and Commercial – Other customers.⁴⁵

BMUS has estimated current customer water usage (i.e. assuming no change in rate structure) based on the indicative average annual usage rate by premise type using average monthly usage by premise in 2021-2023

⁴⁵ A Metered Usage Rate is set out in the Tariff for a Commercial – Hotel customer, but such premise is not yet approved nor built.

and the total customer count reported in Table 26. Forecast residential water usage is based on the indicative average of metered actual usage for each customer and premise type projected over the test-period based on the Developer's build-out schedule.

The amounts reported in the table below reflect expected customer usage by class and premise type absent any change in the underlying rate structures. The impact of the application of a variable charge to all customers is factored into revenue forecasting, under the assumptions reviewed in Section 3.3.1.

Table 28 – Indicative Average Water Usage per Customer – Actual and Projected

Water Usage		Annual	Winter Jan- Mar	Spring Apr - Jun	Summer Jul-Sep	Fall Oct-Nov
Class	Premise	m ³ / year / customer	m ³ / month / customer			
Residential	Townhouse	84	6.5	8.5	6.5	6.5
Residential	Cottage ⁴⁶	150	12	15	12	12
Residential	Resort	360	15	60	30	15
Residential	Equestrian	585	25	85	60	25
Commercial	Hotel	0	0	0	0	0
Commercial	Other	1800	150	150	150	150

For the purpose of revenue forecasting, rate-setting, and rate-structure modelling, BMUS has employed a simple average of monthly usage per quarter for the years 2021-2023 as the forecast of average monthly usage per quarter by premise type. This methodology is supported by the current availability of data under historical billing by quarter, enabling some differentiation between customer and premise types with varying load profiles. The approach aims to ensure that a reasonable degree of variability among customers is captured when assessing the impact of alternative rate structures.

The water usage of Residential – Townhouse customers is relatively flat on an annual basis, reflecting a relatively smaller premise size and a predominant use of water for essential needs. By contrast, the usage of Residential – Resort and Residential – Equestrian customers is greater overall and reflects differences between seasonal peak versus off-peak periods, which may be explained by a relatively larger premise size and a likely increased diversity of water usage for more discretionary purposes.

BMUS explored further refinement of forecast water usage based on normalizing actual data for variable precipitation amounts per quarter over the last 10-15 years. Based on regional data, precipitation rates have been declining steadily in peak demand periods each year and may not be indicative of a degree of variability under which a simple weather normalization may be appropriate.

As reviewed in Section 3.7, BMUS requests approval of a Water Consumption Deferral Account to account for the variability in actual versus forecast water usage due to the uncertain impacts of both weather and the expected customer response to the implementation of metered usage rates applicable to all customers; that is, notably for customers not currently served under such rates. The Water Consumption Deferral Account will support the transition to a proposed new rate structure for which there will be uncertainty in customer response.

⁴⁶ The reported consumption of the Cottage premise is an indicative pro-rata estimate based on customer size to support rate modelling, even though there are no Cottage customers as of yet.

The account will also serve as a backstop to the modelling and rate-setting basis for usage rates and may thus support a greater level of customer understanding and acceptance than may otherwise be the case.

3.5 PROPOSED RATES AND TIMING

This section presents a summary of the Utility's proposed rate structures and rates based on the preferred rate structures and relevant billing determinants.

The tables below set out the proposed rates for each rate structure, with the concordance noted of the rates to premise type as billed under the current rate structures in effect. Effective January 1, 2026, the Customer class and premise type may be noted for reference in relation to the build-out of the development, but rates are set in relation to the objective measures of service meter size, water usage and MDD, per the proposals.

Table 29 – Proposed Utility Service Basic Charges

Utility Service - Basic Charge					
Current Customers		2025 (effective July 14, 2025)		2026	2027
Potable		\$/month	\$/meter/month	\$/meter/month	\$/meter/month
Residential – Townhouse	3/4"	25.48	n/a	21	23
Residential – Cottage	3/4"	45.48			
Residential – Resort	3/4"	64.93			
Residential – Equestrian	3/4"	72.60			
Commercial – Other	3/4"	111.87	n/a	37	41
Commercial – Other	1"		n/a		
Commercial – Other	1.5"		n/a		
Commercial – Other	2"		n/a		
Commercial – Other	3"		n/a		
Commercial – Other	4"		n/a		
Commercial – Other	6"		n/a		
Non-Potable		\$/month		\$/month	\$/month
Commercial – Irrigation		2,896.09		1,665	1,865

Table 30 – Proposed Utility Service Meter Usage Charges

Utility Service – Meter Usage Charge				
Current Customers		2025	2026	2027
Potable		\$/m3	\$/m3	\$/m3
Residential – Townhouse	3/4"	1.2383	0.82	0.86
Residential – Cottage	3/4"	n/a		
Residential – Resort	3/4"	n/a		
Residential – Equestrian	3/4"	n/a		
Commercial – Other	3/4"	0.9454		
Commercial – Other	1"			
Commercial – Other	1.5"			
Commercial – Other	2"			
Commercial – Other	3"			
Commercial – Other	4"			
Commercial – Other	6"			
Non-Potable		\$/month	\$/month	\$/month
Commercial – Irrigation		n/a	n/a	n/a

Table 31 – Proposed Utility Service Availability Charges

Utility Service – Availability Charge					
Current Customers		2025		2026	2027
Potable		\$/month	\$/meter/month	\$/meter/month	\$/meter/month
Residential – Townhouse	3/4"	16.99	n/a	21	23
Residential – Cottage	3/4"	22.74			
Residential – Resort	3/4"	32.51			
Residential – Equestrian	3/4"	36.35			
Commercial – Other	3/4"	223.74	n/a	37	41
Commercial – Other	1"		n/a		
Commercial – Other	1.5"		n/a	83	93
Commercial – Other	2"		n/a	148	166
Commercial – Other	3"		n/a	333	372
Commercial – Other	4"		n/a	591	662
Commercial – Other	6"		n/a	1,330	1,490
Non-Potable		\$/month		\$/month	\$/month
Commercial – Irrigation		n/a		n/a	n/a

Table 32 – Proposed Utility Service RRF Contributions and Rates

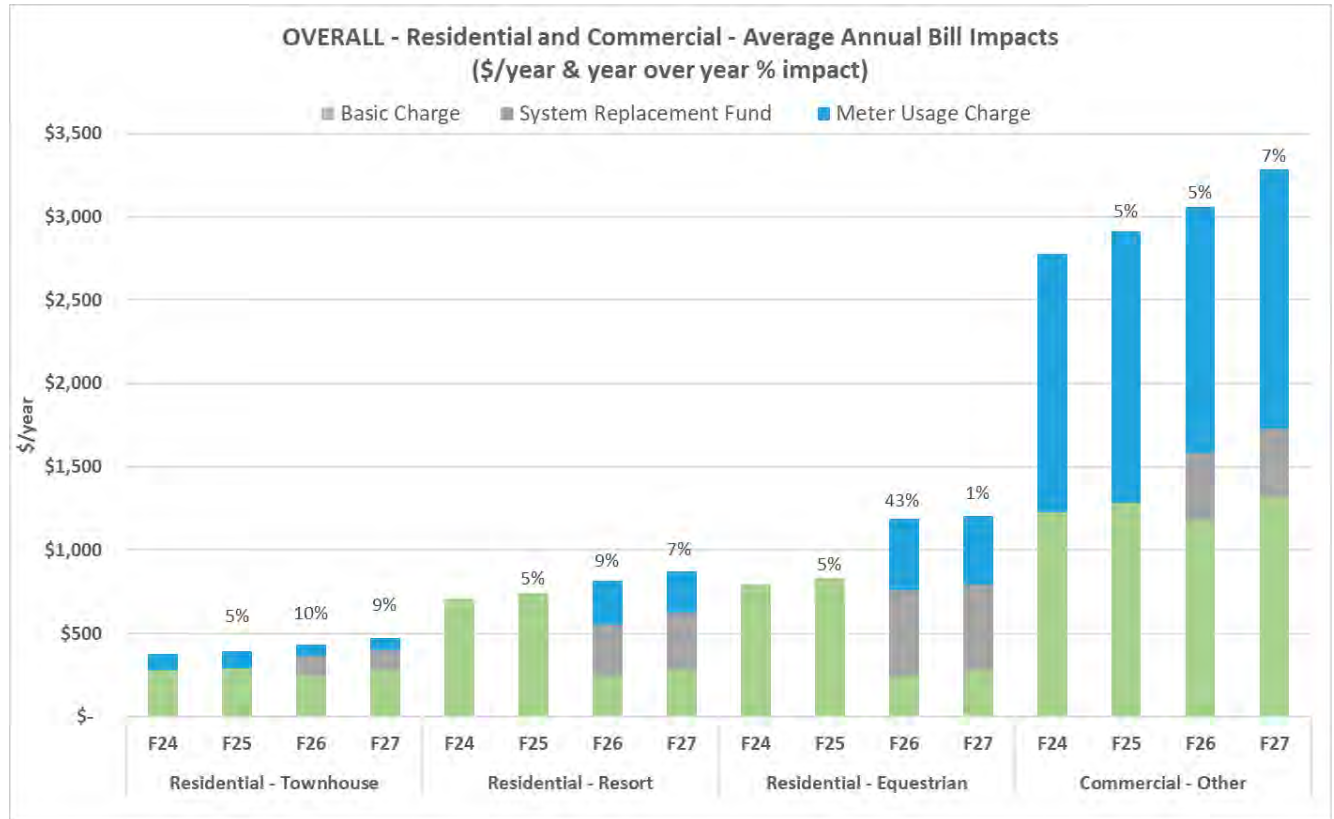
RRF Contributions and Rates				
Current Customers		2025	2026	2027
Potable		Embedded in Service Rates or Develop RR Top Up	\$/MDD/month	\$/MDD/month
Residential – Townhouse	3/4"	169,537	4.81	4.88
Residential – Cottage	3/4"			
Residential – Resort	3/4"			
Residential – Equestrian	3/4"			
Commercial – Other	3/4"			
Commercial – Other	1"			
Commercial – Other	1.5"			
Commercial – Other	2"			
Commercial – Other	3"			
Commercial – Other	4"			
Commercial – Other	6"			
Commercial – Irrigation	n/a		0.40	0.41
Developer	n/a	99,234	4.81	4.88
Projected RRF Contributions				
Customers		169,537	172,100	174,701
Developer		99,234	100,734	102,257
Total		268,772	272,834	276,958

3.6 BILL IMPACTS AND SENSITIVITY

The subsequent section offers an examination of the effects on customer bills resulting from the proposed modifications to revenue requirements and rate structures, including anticipated changes in customer numbers (Developer build-out) and projected water consumption.

Figure 5 sets out projected Residential and Commercial average bill impacts together to provide relative context. A review and discussion of the projected bill impacts within each customer class is presented separately in the sections that follow below.

Figure 5 – Average Bill Impacts – Residential and Commercial



Notable observations in Figure 5 include the following:

- The annualized 5% impact in F2025 corresponds to the proposed 10% increase in F2025 service rates, effective July 14, 2025, under current rate structures (refer to Section 2.7.4);
- The impact of the proposed implementation of a Meter Size Basic Charge in F2026 is evident in the overall rebalancing in fixed cost recovery from Residential customers (lower Basic Charge bill impact) to Commercial customers (higher Basic Charge bill impact), as associated with the larger service size of Commercial customers;
- The impact of the of the proposed implementation of a broadly applicable Meter Usage Charge in F2026 is evident in the one-time impact to Residential – Equestrian customers, as associated with higher levels of water consumption as compared to Residential – Townhouse customers, for example;
- The impact of the direct allocation and rate recovery of RRF contributions from customers based on their size and unique demand or utilization of the system, as measured by MDD, is evident in the variance in overall average “System Replacement Fund” contributions. Under the proposed rate structure, all Residential and Commercial customers will pay the same RRF Rate, but total RRF contributions will vary by customer size as measured by MDD, aligning system-related cost recovery with system design to meet maximum daily demands (which vary by customer size); and
- The annualized impact in F2027 of approximately 8% is the overall average increase targeted to recovery of overall revenue requirements over the test-period on a forecast basis (refer to Section

2.7.4). The net impact is lower for Residential - Equestrian customers due to forecast reduction in water consumption under application of the Meter Usage Charge to these customers going forward.

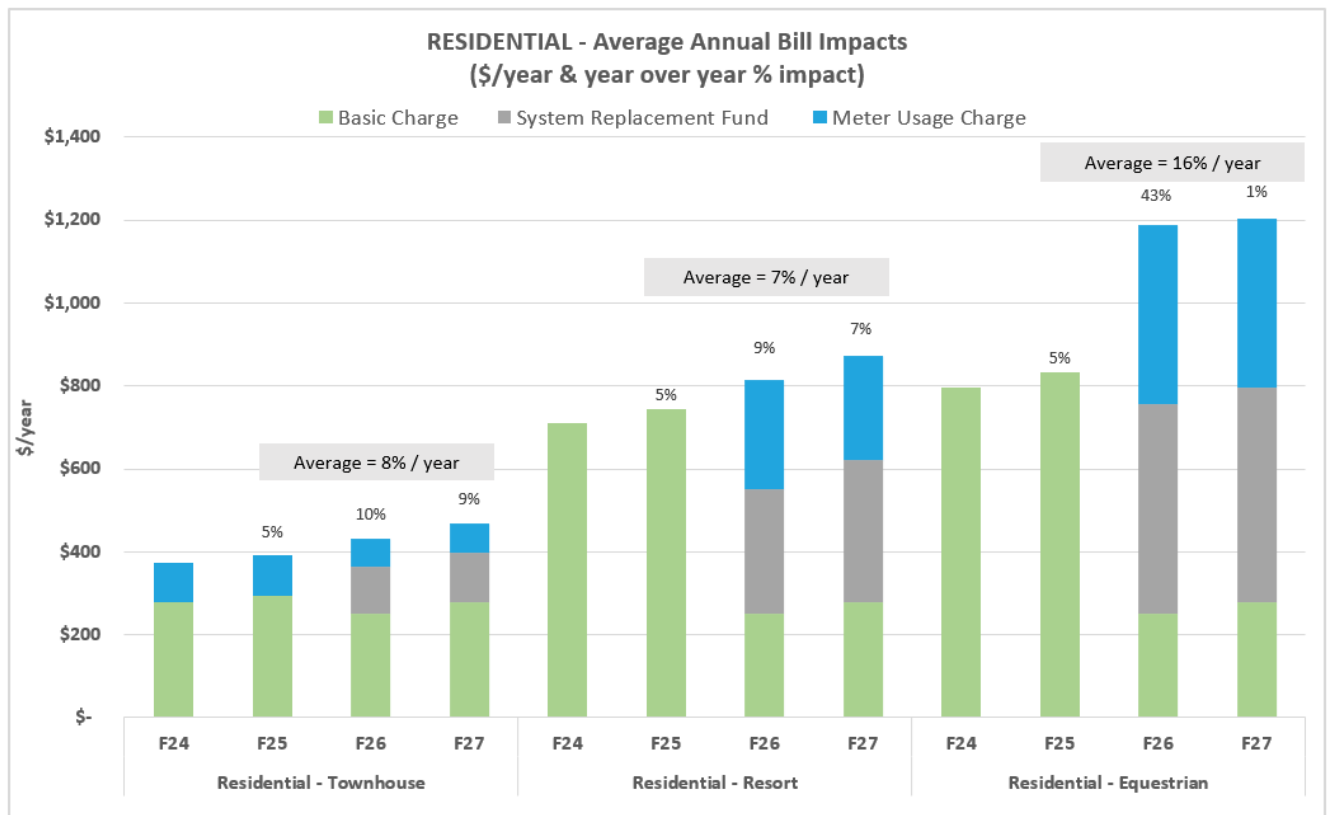
3.6.1 Residential Bill Impacts

Residential customer bill impacts are set out in Table 33 and Figure 6.

Table 33 – Average Bill Impacts - Residential

Customer	Year	Basic Charge	Meter Usage Charge	System Replacement Fund	Total	Annual % Impact	Average Annual % Impact
Residential - Townhouse	F24	\$279	\$95	\$-	\$374		8%
	F25	\$292	\$99	\$-	\$392	5%	
	F26	\$249	\$69	\$115	\$433	10%	
	F27	\$279	\$72	\$118	\$470	9%	
Residential - Resort	F24	\$711	\$-	\$-	\$711		7%
	F25	\$745	\$-	\$-	\$745	5%	
	F26	\$249	\$265	\$300	\$815	9%	
	F27	\$279	\$251	\$343	\$873	7%	
Residential - Equestrian	F24	\$795	\$-	\$-	\$795		16%
	F25	\$833	\$-	\$-	\$833	5%	
	F26	\$249	\$431	\$508	\$1,189	43%	
	F27	\$279	\$408	\$516	\$1,204	1%	

Figure 6 – Average Bill Impacts - Residential



In addition to the impact of proposed cost of service rate increases in F2025 and F2027 of 10% and 8%, respectively, as reviewed above, the following notable impacts arise under the implementation of new and amended rate structures in F2026:

- A one-time impact in F2026 of the rebalancing in cost allocation between customers based on the size of service; that is, lower Basic Charges based on a 0.75" meter size and thereby equivalent for all Residential customers;
- A one-time impact in F2026 of the proposed implementation of a broadly applicable Meter Usage Charge to all Residential customers, not only to Townhouse premises as currently applied; that is, an evident marked one-time impact to larger Equestrian customers, as associated with higher levels of water consumption as compared to relatively smaller Townhouse customers, for example; and
- A one-time impact of the direct allocation and rate recovery of RRF contributions from customers based on their size and unique demand or utilization of the system, as measured by MDD; that is, a relatively greater bill impact to Equestrian customers as compared to Resort and Townhouse customers based on proportionally greater system utilization on average.

BMUS recognizes that a one-time average bill increase of 43% for Equestrian customers may be substantial. However, it emphasizes that this increase highlights an ongoing cross-subsidy wherein larger customers are subsidized by smaller customers, a practice that may continue under current rate structures. As illustrated in Figure 6, this impact primarily results from the fact that Equestrian customers currently do not pay the Meter Usage Charge, despite having higher total water consumption and likely proportionally greater use of water for non-essential purposes compared to Townhouse customers.

The average annual financial impact on Equestrian customers over the three-year test-period is estimated to be approximately 16%. BMUS regards this as an overall reasonable outcome, acknowledging the enhanced fairness in cost recovery among customers in accordance with the proposal. BMUS further observes that the effects of the Meter Usage Charge incorporate conservative assumptions regarding the anticipated water conservation incentivized through the implementation of the Meter Usage Charge.⁴⁷ This emphasizes the authority to be granted to Equestrian customers under the proposal to mitigate bill impacts through conservation efforts use.

3.6.2 Commercial Bill Impacts

Commercial customer bill impacts are set out in Table 34 and Figure 7. It is important to note that the average bill impacts by meter size are illustrative at this time, reflecting specifically a pro rata extrapolation of projected Meter Usage Charges based on the relative system utilization of individual commercial premises, as measured by MDD.⁴⁸ This scaling of average bill impacts across commercial customers of different sizes was necessary to support an internally consistent presentation of expected year-over-year bill impacts by customer size.⁴⁹

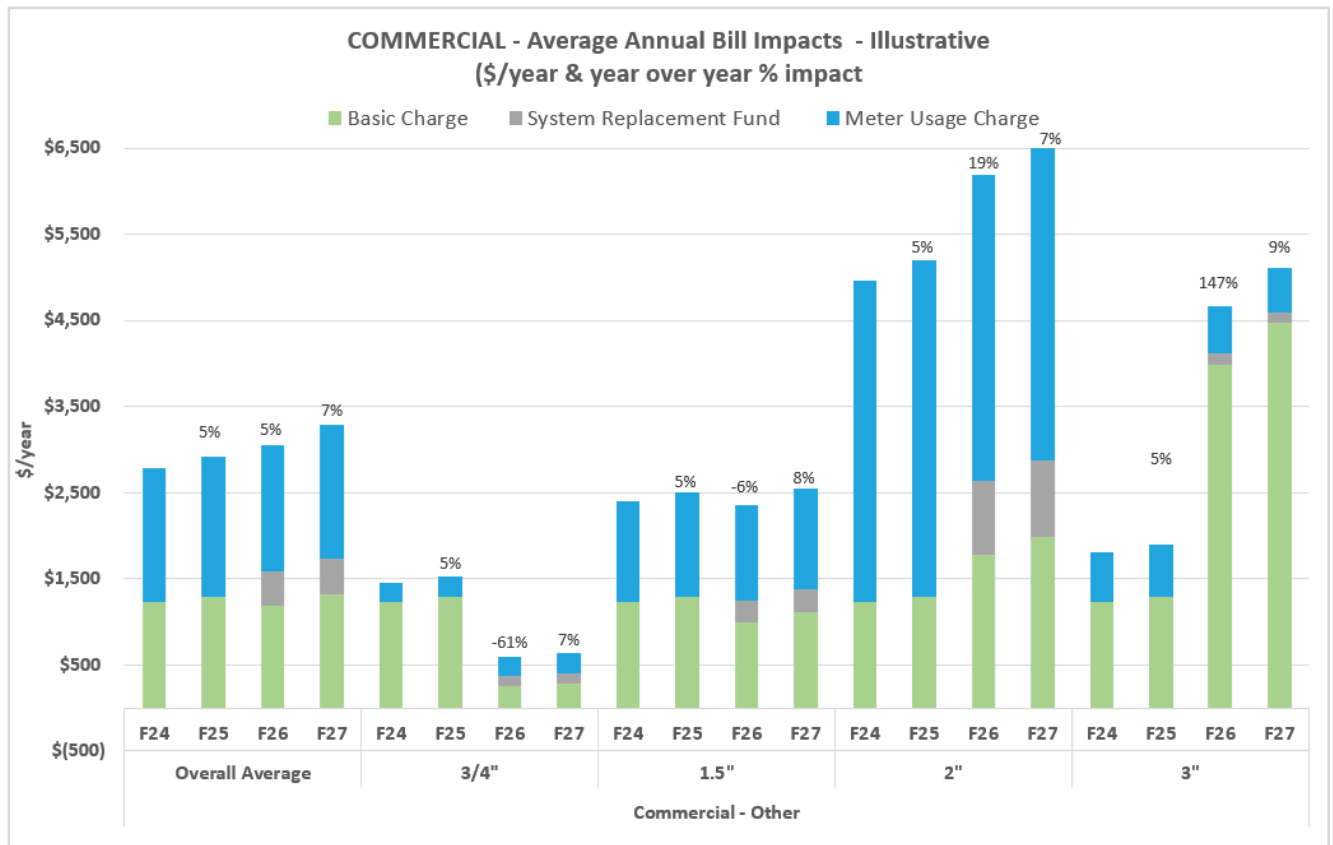
⁴⁷ Refer to Section 3.3.1.

⁴⁸ The consumption data of individual commercial customers cannot be reliably disaggregated at this time for rate modelling purposes, which will be rectified going forward for the billing administration, annual reporting and reconciliation of the proposed WCDA, as applicable

⁴⁹ If in the alternative the overall average of Commercial Meter Usage Charges were applied equally to all customers, the relative bill impacts between customers would be heavily compressed, as small premise bills would be overstated and large premise bills would be understated.

Table 34 – Illustrative Average Bill Impacts – Commercial

Customer	Year	Basic Charge	Meter Usage Charge	System Replacement Fund	Total	Annual % Impact	Average Annual % Impact
Overall Average	F24	\$1,225	\$1,553	\$-	\$2,778		
	F25	\$1,284	\$1,627	\$-	\$2,911	5%	
	F26	\$1,179	\$1,474	\$405	\$3,058	5%	6%
	F27	\$1,320	\$1,552	\$411	\$3,283	7%	
0.75" Meter Size	F24	\$1,225	\$232	\$-	\$1,457		
	F25	\$1,284	\$243	\$-	\$1,527	5%	
	F26	\$249	\$220	\$125	\$595	-61%	-16%
	F27	\$279	\$232	\$127	\$638	7%	
1.5" Meter Size	F24	\$1,225	\$1,169	\$-	\$2,394		
	F25	\$1,284	\$1,225	\$-	\$2,509	5%	
	F26	\$998	\$1,110	\$253	\$2,360	-6%	2%
	F27	\$1,117	\$1,168	\$257	\$2,542	8%	
2" Meter Size	F24	\$1,225	\$3,735	\$-	\$4,960		
	F25	\$1,284	\$3,914	\$-	\$5,198	5%	
	F26	\$1,774	\$3,546	\$869	\$6,188	19%	10%
	F27	\$1,986	\$3,732	\$882	\$6,600	7%	
3" Meter Size	F24	\$1,225	\$580	\$-	\$1,805		
	F25	\$1,284	\$608	\$-	\$1,891	5%	
	F26	\$3,991	\$550	\$125	\$4,666	147%	54%
	F27	\$4,470	\$507	\$127	\$5,104	9%	

Figure 7 – Illustrative Average Bill Impacts – Commercial


As shown in Figure 7, a notable distinction exists between the average impacts on commercial customer bills and the impact of a Basic Charge determined by service size, as indicated by meter size. The average Basic Charges for commercial customers with a 0.75" meter size are substantially lower than those under current rates, whereas the average Basic Charges for commercial customers with a 3" meter size are expected to increase significantly.

As reviewed in Section 3.3.2, the Meter Size Basic Charge is calculated as the ratio between meter sizes – squared; an accepted rate setting mechanism for water rates based on meter size. The underlying driver of the impacts is the rebalancing of fixed cost recovery between smaller and larger Commercial customers based on service size, for the reasons reviewed in Section 3.3.

3.6.3 Sensitivity Analysis

The following key bill impact sensitivities are reviewed below:

1. The impact of uncertainty in the change in water consumption from the broad application of the Meter Usage Charge to all customers; and
2. The respective impact of an acceleration or delay in the Developer's approved buildout schedule, as reported in Schedule 5A.

Sensitivity - Forecast Water Consumption

As set out in Section 3.3.1, BMUS has assumed a cumulative impact of 20 percent reduction in water use over the years 2026 and 2027 (10 percent each year) in customer premises that currently do not face the Meter Usage Charge.

Table 35 reports the sensitivity of Residential bill impacts if rates were set on the basis of a forecast reduction in water consumption in F2026-F2027 of 10% and 40%, respectively. Resort and Equestrian customers average bill impacts may be moderated through increased conservation in use. A corresponding increase in the rates to other customers reflects the forecast revenue neutral constraint for modelling rate projections.

Sensitivity - Approved Developer Build-out Schedule

As shown in Schedule 5A, an increase in the connections of Approved Residential premises is projected in F2026 and F2027 under the Approved Developer Build-out Schedule. A change in the scheduled build-out of Approved premises will impact Meter Usage Charges, as these charges are forecast in respect of the water consumption of connected customers. A change in the scheduled build-out of Approved premises will have no impact on Basic and Availability charges, as these rates are equivalent for Approved connected and Approved standby customers, respectively.

Table 36 reports the sensitivity of Residential bill impacts to a one-year acceleration and a one-year delay in the build-out of Approved premises in F2026 to F2027, respectively. The results are similar to forecast changes in water consumption as the delay (acceleration) in the connection of customers will decrease (increase) the projected forecast of water consumption, all else equal, leading to a projected increase (decrease) in the Meter Usage Charge, with corresponding impacts to customer bills.

Table 35 – Sensitivity of Average Bill Impacts to Forecast Water Consumption

Customer	Year	Base Assumption 20% Lower Water Use F2026-F2027			Sensitivity 10% Lower Water Use F2026-F2027			Sensitivity 40% Lower Water Use F2026-F2027		
		Total	Annual %	Avg. %	Total	Annual %	Avg. %	Total	Annual %	Avg. %
Residential - Townhouse	F25	\$392	5%	8%	\$392	5%	7%	\$392	5%	
	F26	\$433	10%		\$430	10%		\$439	12%	9%
	F27	\$470	9%		\$464	8%		\$482	10%	
Residential - Resort	F25	\$745	5%	7%	\$745	5%	7%	\$745	5%	
	F26	\$815	9%		\$819	10%		\$806	8%	6%
	F27	\$873	7%		\$881	8%		\$855	6%	
Residential - Equestrian	F25	\$833	5%	16%	\$833	5%	17%	\$833	5%	15%
	F26	\$1,189	43%		\$1,195	43%		\$1,174	41%	
	F27	\$1,204	1%		\$1,216	2%		\$1,175	0%	
Commercial – Other (Average)	F25	\$2,911	5%	6%	\$2,911	5%	4%	\$2,911	5%	9%
	F26	\$3,058	5%		\$3,001	3%		\$3,186	9%	
	F27	\$3,283	7%		\$3,166	5%		\$3,556	12%	

Table 36 – Sensitivity of Average Bill Impacts to Approved Developer Build-Out Schedule

Customer	Year	Base Assumption Schedule 5A Build-out			Sensitivity One-year Build-out delay			Sensitivity One-year Build-out acceleration		
		Total	Annual %	Avg. %	Total	Annual %	Avg. %	Total	Annual %	Avg. %
Residential - Townhouse	F25	\$392	5%	8%	\$392	5%	8%	\$392	5%	7%
	F26	\$433	10%		\$433	11%		\$429	9%	
	F27	\$470	9%		\$472	9%		\$463	8%	
Residential - Resort	F25	\$745	5%	7%	\$745	5%	6%	\$745	5%	7%
	F26	\$815	9%		\$789	6%		\$872	17%	
	F27	\$873	7%		\$851	8%		\$863	-1%	
Residential - Equestrian	F25	\$833	5%	16%	\$833	5%	17%	\$833	5%	15%
	F26	\$1,189	43%		\$1,202	44%		\$1,162	39%	
	F27	\$1,204	1%		\$1,228	2%		\$1,169	1%	
Commercial – Other (Average)	F25	\$2,911	5%	6%	\$2,911	5%	7%	\$2,911	5%	5%
	F26	\$3,058	5%		\$3,103	7%		\$2,965	2%	
	F27	\$3,283	7%		\$3,376	9%		\$3,183	7%	

3.7 PROPOSED WATER CONSUMPTION DEFERRAL ACCOUNT

BMUS requests approval for the establishment of a Water Consumption Deferral Account (WCDA) effective from January 1, 2026, through December 31, 2027. This period corresponds to the second and third years of the test phase during which the proposed rate structure described above will be implemented. BMUS anticipates that prior to submitting its subsequent rate application, it will evaluate the performance and impact of the newly approved rate structure on water consumption. Additionally, BMUS will assess the advisability of continuing the WCDA in this context to determine whether to propose its ongoing approval basis.

The purpose of the proposed WCDA is to address the variability between actual and forecasted water usage, which may be influenced by the uncertain effects of weather conditions, anticipated customer responses to the adoption of metered usage rates—particularly for customers not presently subject to such rates—and modifications to the Developer Build-Out Schedule. This schedule underpins the forecasted billing determinants used for rate-setting during the test period.

- The uncertain impact of weather may arise to the extent that a lower amount of rainfall in spring and summer may impact actual discretionary (non-essential) water use greater or less than forecast.
- The uncertain impact of customer response to the implementation of metered usage rates may arise to the extent that actual customer response differs from the predicted response to metered usage inherent in the forecast lower usage; for example, based on customer size and a difference in an expected increase in the efficient use to serve essential needs or an expected moderation in discretionary non-essential use during peak periods in spring and summer. Refer also to the sensitivity of bill impacts to this factor, as reviewed in Section 3.6.3.
- The potential effect of the Developer Build-Out Schedule remains uncertain, as it may lead to either a delay or acceleration in the construction of approved customer connections. These connections constitute the fundamental basis for forecast billing determinants during the test period rate-setting, as detailed in Schedule 5A. Additionally, please refer to the sensitivity of billing impacts to this factor, as examined in Section 3.6.3.

The proposed WCDA is designed to mitigate the financial impacts associated with water use forecast uncertainty and variance during the test period, whether these are related to weather, customer response, Developer build-out, or any other external factors that cannot be reasonably anticipated in advance.

The proposed account will therefore ensure a continuous benefit to BMUS customers by reducing the risk associated with water consumption forecasts, while also alleviating administrative and regulatory burdens involved in developing and defending a specific yet inherently uncertain water usage forecast for year-to-year rate-setting during the test period. This benefit could be especially important during the transition to the new rate structure as proposed, when the uncertainty in customer response will be more pronounced.

BMUS would propose to administer the WCDA and any resultant deferral of year-to-year revenue impacts through revenue requirements and rates filings for the Tobiano Water Utility in the normal course:

- The total difference between test-period actual water usage and test-year forecast usage would be the basis of the determination of the change in revenue for the purpose of deferred credit to or recovery from customers in a subsequent rate-setting test period;

- The difference in revenue that arises from the difference in water usage would be calculated as the difference between actual and forecast usage for the test-period multiplied through by the applicable approved rates for service during that test-period;
- Revenue deferrals, whether an increase or decrease overall, would be applied to the subsequent year revenue requirements in the normal course of administration of such deferral accounts, subject to evaluating on a case-by-case basis the overall balance and the proposed timing for recovery in relation to whether any smoothening of the rate impact of the recovery of the deferral is warranted; and
- Balances in the WCDA will attract interest at the BMUS short-term cost of debt.

4 TERMS AND CONDITIONS

BMUS proposes the following changes to the standard charges and conditions of service set out in its Water Tariff. Appendix 2-A and 2-B, respectively, include a clean and blackline version of the Tariff reflecting the proposed changes.

4.1 AVAILABILITY CHARGES

BMUS seeks approval to amend the rule governing availability charges for CPCN-approved lots within the Utility's service area. Currently, charges commence only after legal subdivisions and rent charge agreements are registered, with billing beginning on January 1 of the following year. This results in a prolonged period where vacant lots consume value from the water utility system without contributing to its financial sustainability. BMUS proposes that availability charges begin on the first day of the month following CPCN issuance.

To ensure fairness, cost recovery, and regulatory consistency, BMUS proposes that availability charges commence on the **first day of the month following CPCN issuance** rather than being tied to the completion of subdivision and legal agreements. The legal, financial and operational justifications of this request are outlined below:

1. Uncompensated Burden on the Utility: Once CPCN approval is granted, the Utility is legally obligated to provide service capacity for the approved lots. This entails infrastructure maintenance, regulatory compliance, and system oversight costs. However, under the current arrangement, the Utility receives no compensation for this obligation until developers complete an often lengthy legal process. BMUS understands that the principle of cost recovery for allocated capacity is well-established in the law governing regulated utilities. The current process undermines cost recovery.

Furthermore, the Water Utility Act and its regulatory framework emphasize the financial sustainability of private utilities and timely compensation (via availability charges) supports long-term infrastructure investment, reliability, and service quality for all users.

2. Encouraging Efficient Development Timelines: Developers often delay subdivision registration and rent charge agreements, prolonging the period before availability charges apply. This creates an unintended incentive for slow processing, shifting financial risk to the Utility. If charges commence the month following CPCN issuance, developers will have a stronger incentive to plan the CPCN application and legal submissions efficiently.
3. Regulatory Fairness: Availability charges are designed to ensure that all beneficiaries of a utility system contribute a fair share to its ongoing costs. Other regulated utilities, including municipal systems, often impose service charges when infrastructure availability is secured rather than contingent on administrative formalities. Aligning our rule with this standard promotes regulatory consistency and fairness.
4. Reasonableness and Transparency: Our proposed change is precise and predictable. Developers will have a defined starting point for availability charges based on a transparent regulatory milestone (CPCN issuance) rather than variable and developer-controlled legal processes. This removes ambiguity and ensures fair cost distribution.

4.2 BILLING AND PAYMENT

Currently, customers are billed quarterly for water usage and related charges. BMUS proposes transitioning to a monthly billing cycle for all customers effective January 1, 2026.

4.2.1 Rationale for Monthly Billing

1. Improved Cash Flow Management: A monthly billing schedule will enhance the utility's cash flow by providing a steady and predictable revenue stream. This financial stability will enable us to manage operational costs more effectively and reduce reliance on external financing during periods of low cash flow between quarterly payments.
2. Enhanced Customer Service and Transparency: Monthly billing offers customers a clearer, more immediate understanding of their water usage and charges, making it easier to manage household budgets. Shorter intervals between bills can help identify and resolve potential issues such as leaks, leading to faster corrections and lower water wastage.
3. Alignment with Industry Best Practices: Monthly billing is increasingly the industry standard among water utilities. It aligns with modern expectations for frequent and transparent billing, similar to electricity, gas, and telecommunications services. Adopting this practice demonstrates Tobiano's commitment to continuous improvement and customer satisfaction.
4. Reduced Bill Shock: Quarterly bills can result in larger amounts due at once, creating financial strain for some customers. Monthly billing spreads costs over shorter intervals, making payments more manageable and reducing the likelihood of arrears.

Implementation Considerations

1. Customer Communication: All customers will be notified well in advance of the change through multiple channels (e.g., email, website updates, a dedicated mobile app). Clear explanations of the new schedule, its benefits, and any potential adjustments to payment methods will be provided.
2. Operational Readiness: Our billing systems and customer service processes are prepared to accommodate the increased frequency of bill generation and payment processing. No significant capital investment is required for this transition, as our existing systems can handle the change efficiently.
3. Regulatory Compliance: BMUS will ensure compliance with all regulatory requirements related to billing practices, including clear disclosure of rates, charges, and usage information on each monthly bill. BMUS will also adjust our tariff documentation to reflect the updated billing cycle.

The shift from quarterly to monthly billing will provide tangible benefits to both BMUS and our customers. It promotes financial stability for the Utility, supports customer-friendly billing practices, and aligns with industry trends.

SCHEDULES

Revenue Requirements	Schedule 1
Operations & Maintenance Costs	Schedule 2
Revenues	Schedule 3
Rates	Schedule 4
Billing Determinants	Schedule 5
Revenue at Current Rates	Schedule 6
Trust Funds	Schedule 7
Depreciation	Schedule 8
Variable and Basic Charge Calculations	Schedule 9
RRF Contribution Allocation and Rate Methodology	Schedule 10

SCHEDULE 1 – REVENUE REQUIREMENTS

SCHEDULE 1 - SUMMARY OF REVENUE REQUIREMENTS	Actual	Actual	Projected	Proposed	Proposed	Proposed
	F2022	F2023	F2024	F2025	F2026	F2027
O&M	\$ 388,161	\$ 367,927	\$ 294,035	\$ 394,828	\$ 423,155	\$ 438,694
Income Tax provision	\$ 13,537	\$ 12,928	\$ 10,246	\$ 1,318	\$ 16,132	\$ 30,890
Revenue Requirements before Operating Margin	\$ 401,699	\$ 380,856	\$ 304,281	\$ 396,146	\$ 439,286	\$ 469,584
Allowed Operating Margin	\$ 36,875	\$ 34,953	\$ 27,933	\$ 3,562	\$ 81,508	\$ 45,624
Net Revenue Requirements with Operating Margin	\$ 438,574	\$ 415,809	\$ 332,214	\$ 399,708	\$ 520,795	\$ 515,208
plus total RRF Contributions	\$ 157,478	\$ 157,478	\$ 157,478	\$ 268,772	\$ 272,834	\$ 276,957
Total Gross Revenue Requirements	\$ 596,052	\$ 573,287	\$ 489,692	\$ 668,480	\$ 793,628	\$ 792,165
Customer Rate Revenue (including Customer RRF contributions)	\$ 265,948	\$ 270,017	\$ 266,602	\$ 328,825	\$ 427,529	\$ 452,104
plus Fire Protection Revenue	\$ 111,308	\$ 160,961	\$ 154,788	\$ 174,010	\$ 227,472	\$ 275,697
plus Developer RR Top-Up & RRF Contributions effective 2025	\$ 218,522	\$ 142,310	\$ 68,585	\$ 165,644	\$ 100,734	\$ 102,257
Total Revenue	\$ 595,778	\$ 573,288	\$ 489,975	\$ 668,480	\$ 755,736	\$ 830,058
less Total Operating and Maintenance Expenses	\$ (388,161)	\$ (367,927)	\$ (294,035)	\$ (394,828)	\$ (423,155)	\$ (438,694)
less total RRF Contributions	\$ (157,478)	\$ (157,478)	\$ (157,478)	\$ (268,772)	\$ (272,834)	\$ (276,957)
less Provision for Income Taxes	\$ (13,537)	\$ (12,928)	\$ (10,246)	\$ (1,318)	\$ (16,132)	\$ (30,890)
Annual Net Income (Loss)(including RR Top Up	\$ 36,601	\$ 34,954	\$ 28,216	\$ 3,562	\$ 43,615	\$ 83,517
Cumulative Net Income - Customer Rate-Setting				\$ 3,562	\$ 47,177	\$ 130,694
Operating Margin						
Operating and Maintenance Expenses	\$ 388,161	\$ 367,927	\$ 294,035	\$ 394,828	\$ 423,155	\$ 438,694
Operating Margin	9.5%	9.5%	9.5%	10.4%	10.4%	10.4%
Allowed Operating Margin (2025 allowance partially deferred to 2026)	\$ 36,875	\$ 34,953	\$ 27,933	\$ 3,562	\$ 81,508	\$ 45,624
Cumulative Allowed Operating Margin over the Proposed Test-Period				\$ 3,562	\$ 85,070	\$ 130,694
Income Tax Provision						
Income for Tax Purposes	\$ 50,139	\$ 47,883	\$ 38,461	\$ 4,880	\$ 59,747	\$ 114,407
Income Tax Rate	27%	27%	27%	27%	27%	27%
Income Tax Provision	\$ 13,537	\$ 12,928	\$ 10,246	\$ 1,318	\$ 16,132	\$ 30,890

SCHEDULE 2 – OPERATIONS AND MAINTENANCE COSTS

SCHEDULE 2 - OPERATIONS & MAINTENANCE		Actual	Actual	Actual	Projections	Forecast	Forecast
		2022	2023	2024	2025	2026	2027
COST OF GOODS SOLD		\$ 261,614	\$ 168,555	\$ 147,525	\$ 239,850	\$ 256,695	\$ 266,148
	Purchased Utilities	\$ 34,756	\$ 36,189	\$ 40,555	\$ 39,227	\$ 42,734	\$ 44,016
	Plant and System Maintenance	\$ 13,635	\$ 7,864	\$ 7,437	\$ 11,026	\$ 12,543	\$ 12,886
	Materials and Supplies	\$ 39,771	\$ (1,673)	\$ -	\$ -	\$ -	\$ -
	Chemicals	\$ 24,684	\$ 8,073	\$ 18,755	\$ 17,170	\$ 18,029	\$ 18,930
	Lab Testing	\$ 5,808	\$ 2,887	\$ 4,310	\$ 4,433	\$ 4,572	\$ 4,710
	Salaries and Wages	\$ 96,697	\$ 92,250	\$ 62,856	\$ 137,283	\$ 143,068	\$ 148,647
	Contracting / Outside Services	\$ 31,543	\$ 11,826	\$ 8,143	\$ 12,408	\$ 13,861	\$ 14,415
	Fleet/Vehicles	\$ 14,720	\$ 11,139	\$ 5,470	\$ 18,303	\$ 21,888	\$ 22,545
SELLING, GENERAL & ADMINISTRATIVE		\$ 126,547	\$ 199,372	\$ 146,510	\$ 154,978	\$ 166,460	\$ 172,546
	Bad Debt	\$ -	\$ -	\$ (112)	\$ -	\$ -	\$ -
	Bank Charges	\$ 1,160	\$ 782	\$ 350	\$ 865	\$ 891	\$ 918
	Information Technology (IT)	\$ 293	\$ 248	\$ -	\$ 2,814	\$ 4,191	\$ 5,489
	Insurance	\$ 9,889	\$ 15,617	\$ 15,062	\$ 13,755	\$ 20,357	\$ 22,904
	Licenses and Fees	\$ 500	\$ 2,699	\$ 3,279	\$ 1,098	\$ 1,167	\$ 1,191
	Office	\$ 2,126	\$ 96	\$ 497	\$ 826	\$ 1,337	\$ 1,353
	Miscellaneous	\$ -	\$ 2,670	\$ 131	\$ 20	\$ 21	\$ 22
	Taxes Other Than Income Taxes	\$ 864	\$ 820	\$ 846	\$ 800	\$ 1,200	\$ 1,200
	Common Admin Allocations	\$ 27,438	\$ 31,246	\$ 25,147	\$ 26,501	\$ 27,383	\$ 28,480
	Regional Services	\$ 34,057	\$ 43,163	\$ 35,221	\$ 48,986	\$ 50,635	\$ 52,548
	Corporate Services	\$ 50,220	\$ 102,031	\$ 66,090	\$ 45,978	\$ 45,944	\$ 45,108
	Regulatory Costs	\$ -	\$ -	\$ -	\$ 13,333	\$ 13,333	\$ 13,333
Total O&M		\$ 388,161	\$ 367,927	\$ 294,035	\$ 394,828	\$ 423,155	\$ 438,694



SCHEDULE 3 – REVENUES

SCHEDULE 3 - REVENUES	Actual 2022	Actual 2023	Projected 2024	Forecast 2025	Forecast 2026	Forecast 2027
Utility Service Revenue - Basic Charge						
					<i>Equivalent revenues based on Meter Size Allocation and Billing</i>	
Residential - Townhouse	\$ 34,596	\$ 34,596	\$ 35,991	\$ 37,716	\$ 34,171	\$ 39,388
Residential - Cottage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential - Resort	\$ 36,261	\$ 37,683	\$ 39,816	\$ 41,724	\$ 15,464	\$ 20,951
Residential - Equestrian	\$ 93,810	\$ 99,375	\$ 100,965	\$ 109,137	\$ 33,173	\$ 38,830
Commercial - Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Other	\$ 13,475	\$ 13,475	\$ 13,475	\$ 16,688	\$ 15,325	\$ 17,165
Irrigation (Non-Potable) Water Customer	\$ 31,713	\$ 31,713	\$ 31,713	\$ 33,233	\$ 19,986	\$ 22,384
End of Year Reporting Adjustment	\$ (33,558)	\$ (38,019)	\$ (6,907)	\$ -	\$ -	\$ -
Total	\$ 176,297	\$ 178,823	\$ 215,053	\$ 238,498	\$ 118,119	\$ 138,718
Utility Service Revenue - Variable Charge						
Residential - Townhouse	\$ 11,770	\$ 11,770	\$ 12,245	\$ 12,832	\$ 9,425	\$ 10,209
Residential - Cottage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential - Resort	\$ -	\$ -	\$ -	\$ -	\$ 16,452	\$ 18,851
Residential - Equestrian	\$ -	\$ -	\$ -	\$ -	\$ 57,350	\$ 56,772
Commercial - Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Other	\$ 17,081	\$ 17,081	\$ 17,081	\$ 21,155	\$ 19,165	\$ 20,170
Irrigation (Non-Potable) Water Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
End of Year Reporting Adjustment	\$ 28,889	\$ 36,313	\$ -	\$ -	\$ -	\$ -
Total	\$ 57,740	\$ 65,165	\$ 29,326	\$ 33,986	\$ 102,392	\$ 106,002
Utility Service Revenue - Availability Charge						
Residential - Townhouse	\$ 4,092	\$ 4,092	\$ 3,348	\$ 6,237	\$ 5,986	\$ 5,587
Residential - Cottage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential - Resort	\$ 7,476	\$ 6,408	\$ 5,340	\$ 35,441	\$ 22,198	\$ 21,231
Residential - Equestrian	\$ 15,124	\$ 13,532	\$ 12,736	\$ 12,095	\$ 6,734	\$ 5,866
Commercial - Hotel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Other	\$ -	\$ -	\$ -	\$ 2,567	\$ -	\$ -
Irrigation (Non-Potable) Water Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
End of Year Reporting Adjustment	\$ 5,219	\$ 1,997	\$ 798	\$ -	\$ -	\$ -
Total	\$ 31,911	\$ 26,029	\$ 22,222	\$ 56,341	\$ 34,919	\$ 32,684
Service Charges	\$ 265,948	\$ 270,017	\$ 266,602	\$ 328,825	\$ 255,430	\$ 277,404
RRF Residential					\$ 106,141	\$ 116,121
RRF Commercial					\$ 5,145	\$ 5,223
RRF Irrigation					\$ 13,247	\$ 13,447
RRF Availability					\$ 47,566	\$ 39,910
RRF Developer	\$ 218,522	\$ 142,310	\$ 68,585	\$ 99,234	\$ 100,734	\$ 102,257
Fire Protection	\$ 111,308	\$ 160,961	\$ 154,788	\$ 174,010	\$ 227,472	\$ 275,697
Total Gross Revenue	\$ 595,778	\$ 573,288	\$ 489,975	\$ 602,070	\$ 755,736	\$ 830,058
less RRF Contributions	\$- 157,478	\$- 157,478	\$- 157,478	\$- 268,772	\$- 272,834	\$- 276,957
Total Net Revenue	\$ 438,300	\$ 415,810	\$ 332,497	\$ 333,298	\$ 482,902	\$ 553,101

SCHEDULE 4 – RATES

SCHEDULE 4 - RATES		Actual	Proposed		Proposed	Proposed
		2024	2025	2026	2027	
Effective July 1, 2025						
Utility Service - Basic Charge	Legacy Customer Class	2024	2025	Meter Size & Irrigation		2026 2027
	Residential - Townhouse	\$/month	\$ 23.25 \$ 25.48	3/4"	\$/month	\$ 21 \$ 23
	Residential - Cottage	\$/month	\$ 41.50 \$ 45.48	1"	\$/month	\$ 37 \$ 41
	Residential - Resort	\$/month	\$ 59.25 \$ 64.93	1.5"	\$/month	\$ 83 \$ 93
	Residential - Equestrian	\$/month	\$ 66.25 \$ 72.60	2"	\$/month	\$ 148 \$ 166
	Commercial - Hotel	\$/month	\$ 302.08 \$ 331.04	3"	\$/month	\$ 333 \$ 372
	Commercial - Other	\$/month	\$ 102.08 \$ 111.87	4"	\$/month	\$ 591 \$ 662
				6"	\$/month	\$ 1,330 \$ 1,490
	Irrigation (Non-Potable) Water Customer	\$/month	\$ 2,642.75 \$ 2,896.09	Irrigation (Non-Potable) Water Customer	\$/month	\$ 1,665 \$ 1,865
Utility Service - Variable Charge	Legacy Customer Class	2024	2025	Meter Size & Irrigation		2026 2027
	Residential - Townhouse	\$/m3	\$ 1.1300 \$ 1.2383	3/4"	\$/m3	\$ 0.82 \$ 0.86
	Residential - Cottage	\$/m3	\$ - \$ -	1"	\$/m3	\$ 0.82 \$ 0.86
	Residential - Resort	\$/m3	\$ - \$ -	1.5"	\$/m3	\$ 0.82 \$ 0.86
	Residential - Equestrian	\$/m3	\$ - \$ -	2"	\$/m3	\$ 0.82 \$ 0.86
	Commercial - Hotel	\$/m3	n/a n/a	3"	\$/m3	\$ 0.82 \$ 0.86
	Commercial - Other	\$/m3	\$ 0.8627 \$ 0.9454	4"	\$/m3	\$ 0.82 \$ 0.86
				6"	\$/m3	\$ 0.82 \$ 0.86
	Irrigation (Non-Potable) Water Customer	\$/m3	\$ - \$ -	Irrigation (Non-Potable) Water Customer	\$/m3	\$ - \$ -
Availability Charge	Legacy Customer Class	2024	2025	Meter Size		2026 2027
	Residential - Townhouse	Equivalent \$/month	\$ 15.50 \$ 16.99	3/4"	\$/month	\$ 21 \$ 23
	Residential - Cottage	Equivalent \$/month	\$ 20.75 \$ 22.74	1"	\$/month	\$ 37 \$ 41
	Residential - Resort	Equivalent \$/month	\$ 29.67 \$ 32.51	1.5"	\$/month	\$ 83 \$ 93
	Residential - Equestrian	Equivalent \$/month	\$ 33.17 \$ 36.35	2"	\$/month	\$ 148 \$ 166
	Commercial - Hotel	Equivalent \$/month	\$ 204.17 \$ 223.74	3"	\$/month	\$ 333 \$ 372
	Commercial - Other	Equivalent \$/month	\$ 204.17 \$ 223.74	4"	\$/month	\$ 591 \$ 662
				6"	\$/month	\$ 1,330 \$ 1,490
RRF Contributions and Rates	Legacy Contribution	2024	2025	RRF Rate		2026 2027
	Total Approved Contribution (in rates)	\$/year	\$ 157,479 \$ 169,537	Service (Potable) Customer	\$/MDD/Approved unit/month	\$ 4.81 \$ 4.88
				Irrigation (Non-Potable) Customer	\$/MDD/Approved unit/month	\$ 0.40 \$ 0.41
				Availability	\$/MDD/Approved unit/month	\$ 4.81 \$ 4.88
				Effective Total Customer Contribution	\$/year (refer to Schedule 7)	\$ 172,100 \$ 174,701
				Developer	\$/MDD/Planned unit/month	\$ 4.81 \$ 4.88
				Effective Developer Contribution (RR Top-up)	\$/year (refer to Schedule 7)	\$ 100,734 \$ 102,257
Fire Protection	Legacy Rate	27%	2024 2025	No change		2026 2027
	27% of Prior Year Approved Gross RR	\$/year	\$ 154,788 \$ 174,010		\$/year	\$ 227,472 \$ 275,697
Revenue Requirement Top Up	Legacy Developer Contribution	2024	2025	RRF Rate Developer Contribution - Projected Recovery		2026 2027
	Determination at Financial Year End	\$/year	\$ 68,585 \$ 99,234	Contribution based on RRF Rate	\$/year (refer to Schedule 7)	\$ 100,734 \$ 102,257
	Projected incremental 2025 RR Top Up		\$ 66,410			
	Projected RDRF Interest Offset		\$ -			\$ (83,278) \$ (58,550)
	Projected Developer Contribution net of RDRF Interest Offset		\$ 165,644			\$ 17,456 \$ 43,707

SCHEDULE 5 – BILLING DETERMINANTS

SCHEDULE 5A - BILLING DETERMINANTS - CUSTOMER CONNECTIONS AND PLANNED BUILDOUT 2022-2032

				Actual	Actual	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Full Buildout	Meter Size	MDD
				2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032				Inches	per premise
Customer	Category	Name	CPCN Status	Count															
Residential	Townhouse	Lake Star	Approved	52	52	52	52	52	52	52	52	52	52	52	52	52	52	0.75	2.1
Residential	Townhouse	Summer's Landing	Approved	72	72	77	77	81	81	81	85	89	93	95	95	95	95	0.75	1.8
Residential	Townhouse	Latitude	Approved	0	0	0	0	4	8	12	14	14	14	14	14	14	14	0.75	2.9
Residential	Resort	Latitude	Approved	0	0	0	0	4	13	26	39	51	63	75	80	80	80	0.75	5.4
Residential	Resort	Bluff Single Family	Approved	30	32	34	34	36	40	44	48	49	49	49	49	49	49	0.75	5.4
Residential	Resort	Fairways Multi-Family	Approved	21	21	21	21	21	21	21	21	21	21	21	21	21	21	0.75	3.3
Residential	Equestrian	Ranchlands 1 & 2	Approved	73	76	78	80	81	84	88	92	96	96	96	96	96	96	0.75	8.6
Residential	Equestrian	Ranchlands 3 & 4	Approved	45	49	49	51	52	55	59	63	63	63	63	63	63	63	0.75	9.1
Residential	Equestrian	Latitude	Approved	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.75	5.4
Residential	Cottage	Latitude	Approved	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.75	5.4
Residential	Resort	Deer Run	Approved	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0.75	8.6
Residential	Townhouse	West Hills Strata (53)	Planned	0	0	0	0	0	0	0	0	4	8	16	256	256	256	TBD	3.0
Residential	Townhouse	Pattison	Planned	0	0	0	0	0	0	0	0	0	0	0	11	11	11	TBD	2.9
Residential	Townhouse	Colebrook Rd	Planned	0	0	0	0	0	0	0	0	0	0	0	80	80	80	TBD	2.9
Residential	Resort	West Hills Single Family (36)	Planned	0	0	0	0	0	0	0	0	10	20	30	239	239	239	TBD	5.0
Residential	Resort	Pattison	Planned	0	0	0	0	0	0	0	0	0	0	0	57	57	57	TBD	5.4
Residential	Resort	Vale	Planned	0	0	0	0	0	0	0	5	10	15	20	30	30	30	TBD	5.4
Residential	Cottage	Cottages (Club Cottage Dev Ltd)	Planned	0	0	0	0	0	0	4	8	12	18	24	24	24	24	TBD	2.9
Commercial	Other	Lake Star Amenity Building	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	43.6
Commercial	Other	Summer's Landing Clubhouse	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1.5	8.8
Commercial	Other	Latitude Irrigation	Approved	0	0	0	2	2	2	3	3	3	3	3	3	3	3	2	4.2
Commercial	Other	Fairways Amenity	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	8.1
Commercial	Other	Golf Course Clubhouse	Approved	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0.75	2.2
Commercial	Other	Golf Course Maintenance	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0.75	2.2
Commercial	Irrigation	Golf Course	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	n/a	n/a
Commercial	Other	Tobiano Office	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0.75	0.0
Commercial	Other	Resort Association	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1.5	2.2
Commercial	Other	Resort Association	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	3	2.2
Commercial	Other	Resort Association	Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1.5	2.2
Commercial	Hotel	Marina Bay Hotel	Planned	0	0	0	0	0	0	0	0	0	0	0	2	2	2	TBD	17.5
Commercial	Other	Village Centre	Planned	0	0	0	0	0	0	0	0	0	0	0	1	1	1	TBD	21.9
Commercial	Hotel	Village Centre Hotel	Planned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	TBD	17.5
Commercial	Hotel	Golf Lodge Hotel	Planned	0	0	0	0	0	0	0	0	0	0	2	2	2	2	TBD	88.6
Commercial	Hotel	Equestrian Hotel	Planned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	TBD	31.8
Commercial	Other	Gas Station Commercial	Planned	0	0	0	0	0	0	0	1	1	1	1	1	1	1	4.0	2.1
Commercial	Other	Short Term Rentals	Planned	0	0	0	0	0	0	0	0	0	4	8	8	8	8	4.0	2.9
Commercial	Other	Brucker Marina	Planned	0	0	0	0	0	0	0	0	2	4	4	4	4	4	4.0	8.6

SCHEDULE 5B - BILLING DETERMINANTS - CUSTOMER COUNT AND CONSUMPTION

					Actual	Projected	Projected	Projected						Actual	Projected	Projected	Projected
					2024	2025	2026	2027						2024	2025	2026	2027
Customer Count - Legacy Customer Classes					Connected Service				Availability - Standby								
					2024	2025	2026	2027						2024	2025	2026	2027
Residential - Townhouse	Townhouse	129	129	137	141	Residential - Townhouse		18	32	24	20						
Residential - Cottage	Cottage	0	0	0	0	Residential - Cottage		0	0	0	0						
Residential - Resort	Resort	56	56	62	75	Residential - Resort		15	95	89	76						
Residential - Equestrian	Equestrian	127	131	133	139	Residential - Equestrian		32	29	27	21						
Commercial - Hotel	Hotel	0	0	0	0	Commercial - Hotel		0	0	0	0						
Commercial - Other	Other	11	13	13	13	Commercial - Other		0	1	1	1						
Irrigation	Irrigation	1	1	1	1	Irrigation		0	0	0	0						

Customer Count - Meter Size		Connected Service						Availability - Standby			
	Size (inches)	2024	2025	2026	2027		Size (inches)	2024	2025	2026	2027
Residential - Townhouse	0.75	129	129	137	141	Residential - Townhouse	0.75	18	32	24	20
Residential - Cottage	0.75	0	0	0	0	Residential - Cottage	0.75	0	0	0	0
Residential - Resort	0.75	56	56	62	75	Residential - Resort	0.75	15	95	89	76
Residential - Equestrian	0.75	127	131	133	139	Residential - Equestrian	0.75	32	29	27	21
Commercial - Hotel	TBD	0	0	0	0	Commercial - Hotel	n/a	0	0	0	0
Commercial - Other	0.75	5	5	5	5	Commercial - Other	0.75	0	0	0	0
	1	0	0	0	0		1	0	0	0	0
	1.5	3	3	3	3		1.5	0	1	1	1
	2	2	4	4	4		2	0	0	0	0
	3	1	1	1	1		3	0	0	0	0
	4	0	0	0	0		4	0	0	0	0
	6	0	0	0	0		6	0	0	0	0
Irrigation	n/a	n/a	n/a	n/a	n/a	Irrigation	n/a	0	0	0	0

Customer Water Usage		Average m3/year/customer				Indicative m3/month for Rate Modelling						
		2024	2025	2026	2027		Residential - Townhouse	Residential - Cottage	Residential - Resort	Residential - Equestrian	Commercial - Hotel	Commercial - Other
	Residential - Townhouse	84	84	84	84	January	6.5	11.6	15.0	25.0	n/a	150.0
	Residential - Cottage	150	150	135	121	February	6.5	11.6	15.0	25.0	n/a	150.0
	Residential - Resort	360	360	324	292	March	6.5	11.6	15.0	25.0	n/a	150.0
	Residential - Equestrian	585	585	527	474	April	8.5	15.2	60.0	85.0	n/a	150.0
	Commercial - Hotel	-	-	-	0	May	8.5	15.2	60.0	85.0	n/a	150.0
	Commercial - Other (Average)	1,800	1,800	1800	1800	June	8.5	15.2	60.0	85.0	n/a	150.0
	Irrigation (n/a)	-	-	-	-	July	6.5	11.6	30.0	60.0	n/a	150.0
						August	6.5	11.6	30.0	60.0	n/a	150.0
						September	6.5	11.6	30.0	60.0	n/a	150.0
						October	6.5	11.6	15.0	25.0	n/a	150.0
						November	6.5	11.6	15.0	25.0	n/a	150.0
						December	6.5	11.6	15.0	25.0	n/a	150.0

SCHEDULE 5C - BILLING DETERMINANTS - RRF RATE - MAXIMUM DAILY DEMAND (MDD) (POTABLE)

Customer	Category	Name	CPCN Status	MDD / premise	Total MDD		
					2025	2026	2027
Residential	Townhouse	Lake Star	Approved	2.1	111.8	111.8	111.8
Residential	Townhouse	Summer's Landing	Approved	1.8	141.2	148.5	148.5
Residential	Townhouse	Latitude	Approved	2.9	0.0	11.7	23.4
Residential	Resort	Latitude	Approved	5.4	0.0	21.6	70.3
Residential	Resort	Bluff Single Family	Approved	5.4	183.9	194.7	216.3
Residential	Resort	Fairways Multi-Family	Approved	3.3	70.2	70.2	70.2
Residential	Equestrian	Ranchlands 1 & 2	Approved	8.6	691.0	699.7	725.6
Residential	Equestrian	Ranchlands 3 & 4	Approved	9.1	462.3	471.4	498.6
Residential	Equestrian	Latitude	Approved	5.4	0.0	0.0	0.0
Residential	Cottage	Latitude	Approved	5.4	0.0	0.0	0.0
Residential	Resort	Deer Run	Approved	8.6	8.6	8.6	8.6
Residential	Townhouse	West Hills Strata	Planned	3.0	0.0	0.0	0.0
Residential	Townhouse	Pattison	Planned	2.9	0.0	0.0	0.0
Residential	Townhouse	Colebrook Rd	Planned	2.9	0.0	0.0	0.0
Residential	Resort	West Hills Single Family	Planned	5.0	0.0	0.0	0.0
Residential	Resort	Pattison	Planned	5.4	0.0	0.0	0.0
Residential	Resort	Vale	Planned	5.4	0.0	0.0	0.0
Residential	Cottage	Cottages (Club Cottage Dev Ltd)	Planned	2.9	0.0	0.0	0.0
Commercial	Other	Lake Star Amenity Building	Approved	43.6	43.6	43.6	43.6
Commercial	Other	Summer's Landing Clubhouse	Approved	8.8	8.8	8.8	8.8
Commercial	Other	Latitude Irrigation	Approved	4.2	8.5	8.5	8.5
Commercial	Other	Fairways Amenity	Approved	8.1	8.1	8.1	8.1
Commercial	Other	Golf Course Clubhouse	Approved	2.2	6.5	6.5	6.5
Commercial	Other	Golf Course Maintenance	Approved	2.2	2.2	2.2	2.2
Commercial	Irrigation	Golf Course	Approved	n/a	n/a	n/a	n/a
Commercial	Other	Tobiano Office	Approved	0.0	0.0	0.0	0.0
Commercial	Other	Resort Association (Blvd Maint West End)	Approved	2.2	2.2	2.2	2.2
Commercial	Other	Resort Association (Blvd Maint East End)	Approved	2.2	2.2	2.2	2.2
Commercial	Other	Resort Association (Blvd Maint Main Lift)	Approved	2.2	2.2	2.2	2.2
Commercial	Hotel	Marina Bay Hotel	Planned	17.5	0.0	0.0	0.0
Commercial	Other	Village Centre	Planned	21.9	0.0	0.0	0.0
Commercial	Hotel	Village Centre Hotel	Planned	17.5	0.0	0.0	0.0
Commercial	Hotel	Golf Lodge Hotel	Planned	88.6	0.0	0.0	0.0
Commercial	Hotel	Equestrian Hotel	Planned	31.8	0.0	0.0	0.0
Commercial	Other	Gas Station Commercial	Planned	2.1	0.0	0.0	0.0
Commercial	Other	Short Term Rentals	Planned	2.9	0.0	0.0	0.0
Commercial	Other	Brucker Marina	Planned	8.6	0.0	0.0	0.0

Standby MDD					
2025		2026		2027	
Premises	Total MDD	Premises	Total MDD	Premises	Total MDD
n/a	0	n/a	0	n/a	0
18	33	14	26	14	26
14	41	10	29	6	18
80	433	76	411	67	362
15	81	13	70	9	49
n/a	0	n/a	0	n/a	0
16	138	15	130	12	104
13	118	12	109	9	82
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0
n/a	0	n/a	0	n/a	0

2025		2026		2027	
Premises	Total MDD	Premises	Total MDD	Premises	Total MDD
1	4	1	4	1	4

SCHEDULE 6 – REVENUE AT CURRENT RATES

SCHEDULE 6 - REVENUE DEFICIENCY (SURPLUS) AT CURRENT RATES

	Forecast 2025	Forecast 2026	Forecast 2027
Utility Service Revenue - Current Rates			
Residential - Townhouse	\$ 35,991	\$ 38,223	\$ 39,339
Residential - Cottage	\$ -	\$ -	\$ -
Residential - Resort	\$ 39,816	\$ 44,082	\$ 53,325
Residential - Equestrian	\$ 104,145	\$ 105,735	\$ 110,505
Commercial - Hotel	\$ -	\$ -	\$ -
Commercial - Other	\$ 15,924	\$ 15,924	\$ 15,924
Irrigation (Non-Potable) Water Customer	\$ 31,713	\$ 31,713	\$ 31,713
Total	\$ 227,589	\$ 235,677	\$ 250,806
Utility Service Variable Charge - Status Quo			
Residential - Townhouse	\$ 12,245	\$ 13,004	\$ 13,384
Residential - Cottage	\$ -	\$ -	\$ -
Residential - Resort	\$ -	\$ -	\$ -
Residential - Equestrian	\$ -	\$ -	\$ -
Commercial - Hotel	\$ -	\$ -	\$ -
Commercial - Other	\$ 20,187	\$ 20,187	\$ 20,187
Irrigation (Non-Potable) Water Customer	\$ -	\$ -	\$ -
Total	\$ 32,432	\$ 33,191	\$ 33,571
Utility Availability Revenues - Current Rates			
Residential - Townhouse	\$ 5,952	\$ 4,464	\$ 3,720
Residential - Cottage	\$ -	\$ -	\$ -
Residential - Resort	\$ 33,820	\$ 31,684	\$ 27,056
Residential - Equestrian	\$ 11,542	\$ 10,746	\$ 8,358
Commercial - Hotel	\$ -	\$ -	\$ -
Commercial - Other	\$ 2,450	\$ 2,450	\$ 2,450
Irrigation (Non-Potable) Water Customer	\$ -	\$ -	\$ -
Total	\$ 53,764	\$ 49,344	\$ 41,584
Fire Protection	\$ 174,010	\$ 241,342	\$ 268,338
Developer Top Up	\$ 99,234	\$ 100,734	\$ 102,257
Total Gross Revenue	\$ 587,030	\$ 660,289	\$ 696,556
less Total RRF Contributions	\$ (268,772)	\$ (272,834)	\$ (276,957)
Total Net Revenue	\$ 318,258	\$ 387,455	\$ 419,599
Net Revenue Requirement	\$ 451,078	\$ 479,668	\$ 504,965
Annual Revenue Deficiency (Surplus)	\$ 132,820	\$ 92,213	\$ 85,366



SCHEDULE 7 - TRUST FUNDS

Revenue Deficit Reserve Fund (RDRF)

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SCHEDULE 8 – DEPRECIATION

SCHEDULE 8 - DEPRECIATION STUDY AND ANNUAL COST PROJECTIONS

	Nov-23	Dec-24
CPI (Table: 18-10-0004-13)	158.8	161.2
Ratio		1.02

	F2024	F2025	F2026	F2027
BASE PLANT VALUE (net of Irrigation)	\$ 9,659,872	\$ 10,902,065	\$ 11,066,831	\$ 11,234,088
Depreciation	\$ 205,986	\$ 232,474	\$ 235,988	\$ 239,554
Composite Depreciation Rate	2.1%			
Engineering Cost per year (10%)	\$ 20,599	\$ 23,247	\$ 23,599	\$ 23,955
Total Contingency	\$ 1,593,879			
Contingency per year (15% of depreciation in subsequent years)	\$ 33,988			
Annual Cost Projection	\$ 260,572	\$ 255,722	\$ 259,587	\$ 263,510

Starting values from updated D Study in Nov 2023 CPCN filing (~F2024 starting value)	Contingency Capitalized
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	F2025	F2026	F2027
INFRASTRUCTURE ALLOCATED TO IRRIGATION	\$ 514,000	\$ 521,768	\$ 529,654
Third Intake Pump and 40m of 150 CS Sch 40 pipe 1	\$ 95,000		
Addition of third intake casing pipe, 45m of 450 CS (for pump) 2	\$ 90,000		
Expansion of Intake Building for addition of Third Intake Pump 3	\$ 100,000		
Upsize of Raw Water Supply Main from Intake to WTP 4	\$ 154,000		
Irrigation Pump in WTP 5	\$ 75,000		

Depreciation	\$ 11,687	\$ 11,864	\$ 12,043	\$ 12,225
Composite Depreciation Rate	2.3%			
Engineering		\$ 1,186	\$ 1,204	\$ 1,222
Annual Cost Projection		\$ 13,050	\$ 13,247	\$ 13,447

Total Annual Cost Projection	\$ 268,772	\$ 272,834	\$ 276,957
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SCHEDULE 9 – VARIABLE AND BASIC CHARGE CALCULATIONS

SCHEDULE 9 - VARIABLE AND BASIC CHARGE COST ALLOCATION AND RATE DETERMINATION

Cost Allocation



Base Cost Allocation

	2026		2027	
	\$	%	\$	%
Variable Rate Cost Allocation	\$ 113,627	22%	\$ 117,502	23%
Basis Charge Cost Allocation	\$ 407,168	78%	\$ 397,706	77%
Total	\$ 520,795		\$ 515,208	

Variable Rate Offset (Irrigation COS) (Irrigation does not pay a Variable rate - so direct assigned costs moved to Basic Charge)

	2026		2027	
Purchased Utilities	\$ 10,204		\$ 10,439	
Plant and System Maintenance	\$ 1,030		\$ 1,061	
Total Offset	\$ 11,234		\$ 11,500	

Basic Charge Offset

	2026		2027	
Fire Protection	\$ 227,472		\$ 275,697	
Irrigation charges (separately set)	\$ 19,986		\$ 22,384	

Net Cost Allocation

	2026		2027	
	\$		\$	
Variable Rate Cost Allocation	\$ 102,392		\$ 106,002	
Basis Charge Cost Allocation	\$ 170,944		\$ 111,125	

Variable Flat Rate Calculation

One-time transitional impact of implementing variable rate to current non-participants

2026 change in water usage m3	-10%
2027 change in water usage m3	-10%

	2026		2027	
Variable Rate Cost Allocation Allocation	\$ 102,392		\$ 106,002	
Total Billing Determinants (m3)	125,021		122,979	
\$/m3	\$ 0.82		\$ 0.86	

Basic Charge Calculation

				2026		2027	
Total Customer Service Net Fixed Cost (Basic Charge) Allocation				\$ 170,944		\$ 111,125	
Meter Size	Rate Allocation Ratio			2026		2027	
Inches	(Size/0.75)^2	Customer Count	\$/month	Revenue		Customer Count	\$/month
0.75	1	477	\$ 21	\$ 118,973		477	\$ 23
1	2	0	\$ 37	\$ -		0	\$ 41
1.5	4	4	\$ 83	\$ 3,991		4	\$ 93
2	7	4	\$ 148	\$ 7,095		4	\$ 166
3	16	1	\$ 333	\$ 3,991		1	\$ 372
4	28	0	\$ 591	\$ -		0	\$ 662
6	64	0	\$ 1,330	\$ -		0	\$ 1,490
Total Customer Service Basic Charge Revenue				\$ 134,049		\$ 150,135	
				\$ 36,895		\$ (39,010)	

SCHEDULE 10 – RRF CONTRIBUTION ALLOCATION AND RATE METHODOLOGY

SCHEDULE 10 - RRF RATE BILLING DETERMINANTS AND CALCULATION

Total MDD		MDD Allocation	2025	2026	2027	
Pre-Latitude approvals	2,214	MDD of completed units within approved build-out	1,753	1,822	1,957	Refer to Schedule 5C
Deer Run + 1	17	Total MDD not including Irrigation	4,500	4,500	4,500	
Latitude	486	RRF Allocation to Current Connected Customers	39%	40%	43%	
Total Approved Development	2,717					
Subtotal Planned Development	1,783					
Total Potable	4,500					
Total Non-potable	2,750					
Total MDD	7,250					
		RRF Rate \$/MDD/unit				
		All Premises	\$ 56.83	\$ 57.69	\$ 58.56	= RRF Base Plant Annual Cost Projection / Total MDD (n/i Irrigation)
		Irrigation	\$ 4.75	\$ 4.82	\$ 4.89	= RRF Irrigation Plant Annual Cost Projection / Irrigation MDD
		Water Loss Allowance Scaling Factor - Applied to all Approved premise MDD billing determinants	5.9%			Reflects allowed loss per CPCN approval
		RRF Summary Billing Determinants - MDD				
		Residential	1,767	1,840	1,983	Refer to Schedule 5C and scaled up for loss allowance
		Commercial	89	89	89	Refer to Schedule 5C and scaled up for loss allowance
		Irrigation	2,750	2,750	2,750	Includes loss allowance
		Standby	898	825	682	Refer to Schedule 5C and scaled up for loss allowance
		Developer	1,746	1,746	1,746	
		RRF Allocation				
		Residential	100,400	106,141	116,121	= MDD * RRF Rate
		Commercial	5,068	5,145	5,223	
		Irrigation	13,050	13,247	13,447	
		Standby	51,019	47,566	39,910	
		Developer	99,234	100,734	102,257	
		Total	268,772	272,834	276,957	= Total RRF Annual Cost Projection
		Average Annual RRF Bill Component				
		Residential - Townhouse	\$ 115	\$ 118		= Total MDD * RRF Rate / Customers
		Residential - Cottage	\$ -	\$ -		
		Residential - Resort	\$ 300	\$ 343		
		Residential - Equestrian	\$ 508	\$ 516		
		Commercial - Hotel	\$ -	\$ -		
		Commercial - Other	\$ 405	\$ 411		
		Irrigation (Non-Potable) Water Customer	\$ 13,247	\$ 13,447		

APPENDIX 1 F2025 INTERIM RATES – PROPOSED – WATER TARIFF SCHEDULES D, E AND H

Schedule “D” – Rates for Water Service

Applicability: Within the Service Area of the Utility.

Availability: To all Customers of the Utility.

Rates Effective July 14, 2025

Customer Group	Basic Charge	Variable Charge
Residential – Townhouse	\$25.48 per month	\$1.2383 per m ³
Residential – Cottage	\$45.48 per month	-
Residential – Resort	\$64.93 per month	-
Residential – Equestrian	\$72.60 per month	-
Commercial –Hotel	\$331.04 per month	-
Commercial – Other	\$111.87 per month	\$0.9454 per m ³
Irrigation (Non-Potable) Water Customers	\$2,896.09 per month	-

Rates Effective January 1, 2026

Meter Size	Basic Charge	Variable Charge
5/8" or 3/4"	\$20.78 per month	\$0.82 per m ³
1"	\$36.95 per month	\$0.82 per m ³
1.5"	\$83.14 per month	\$0.82 per m ³
2"	\$147.80 per month	\$0.82 per m ³
3"	\$332.56 per month	\$0.82 per m ³
4"	\$591.22 per month	\$0.82 per m ³
6"	\$1,330.24 per month	\$0.82 per m ³
Irrigation (Non-Potable) Customers	\$1,665.49 per month	

Rates Effective January 1, 2027

Meter Size	Basic Charge	Variable Charge
5/8" or 3/4"	\$23.28 per month	\$0.86 per m ³
1"	\$41.39 per month	\$0.86 per m ³
1.5"	\$93.12 per month	\$0.86 per m ³
2"	\$165.54 per month	\$0.86 per m ³
3"	\$372.47 per month	\$0.86 per m ³
4"	\$662.16 per month	\$0.86 per m ³

Meter Size	Basic Charge	Variable Charge
6"	\$1,489.87 per month	\$0.86 per m ³
Irrigation (Non-Potable) Customers	\$1,865.34 per month	

Note:

1. The 2025 rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights

Schedule “E” – Replacement Reserve Fund Contributions

Applicability: Within the Service Area of the Utility.
Availability: To all Approved Lots within the Service Area.

Rates Effective January 1, 2026, and January 1, 2027

RRF Rate		2026	2027
Residential Customers using Potable water	Per MDD of each approved unit per month	\$4.81	\$4.88
Commercial Customers using Potable water		\$4.81	\$4.88
“Availability” Customers		\$4.81	\$4.88
Irrigation (Non-Potable) Customers		\$0.40	\$0.41

Note:

1. The Utility is to deposit monies collected under this schedule into a Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.
2. MDD = Maximum Daily Demand
3. Each Unit has a specific MDD. Please refer to the Unit’s purchase documents for details of your MDD.
4. An *illustrative* calculation using is below
 - a) 2026 Monthly Bill = Rate x Unit MDD
= \$4.81 x 5.4 m³
= \$25.97 per month

Schedule “H” – Availability of Service Charge as per Rent Charge Agreement(s)

Applicability: To owners of Premises with Rent Charge Agreements registered on title. The Service Charge becomes effective, due and payable on the first day of the month following the date of CPCN issuance.

Availability: All owners of the Premises to which this rate is applicable shall pay the rate during the period they are not Customers of Water Service.

Rates Effective July 14, 2025

Customer Group	Basic Charge
Residential – Townhouse	\$16.99 per month
Residential – Cottage	\$22.74 per month
Residential – Resort	\$32.51 per month
Residential – Equestrian	\$36.35 per month
Commercial –Hotel	\$223.74 per month
Commercial – Other	\$223.74 per month

Rates Effective January 1, 2026

Meter Size	2026
5/8" and 3/4"	\$20.78 per month
1"	\$36.95 per month
1.5"	\$83.14 per month
2"	\$147.80 per month
3"	\$332.56 per month
4"	\$591.22 per month
6"	\$1,330.24 per month
Irrigation (Non-Potable) Water Customers	\$1,665.49 per month

Rates Effective January 1, 2027

Meter Size	2027
5/8" and 3/4"	\$23.28 per month
1"	\$41.39 per month
1.5"	\$93.12 per month
2"	\$165.54 per month

Meter Size	2027
3"	\$372.47 per month
4"	\$662.16 per month
6"	\$1,489.87 per month
Irrigation (Non-Potable) Water Customers	\$1,865.34 per month

Note:

1. The 2025 rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights
2. Once a Customer has received approval to connect to the Utility's Waterworks, has passed inspection and has been accepted by the Utility as a Customer, this rate will no longer apply to the portion of the property connected to the Utility's Waterworks. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.
3. Should a Customer choose to develop a Premise, other than a Residential Lot, in a phased manner over one or more years, then each Dwelling Unit in each phase must be inspected and accepted by the Utility prior to the Utility removing this charge. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.

APPENDIX 2-A WATER TARIFF – PROPOSED – CLEAN VERSION

Bluestem Multi-Utility Services ULC

(Tobiano Water Utility)

Water Tariff No. 3

**Rates, Terms and Conditions for Water
Service at Tobiano Resort, British Columbia**

Contact Person: Bob Shields, Area Operations Manager

Email: customercare@bluestemutilities.com

Customer Care Phone: 1.877.788.7277

Emergency Contact: 1.855.244.7808 (24 hours)

Revisions accepted for filing by the Comptroller of Water Rights on _____, 2025

Effective Date: July 14, 2025

Secretary to the Comptroller of Water Rights

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Definitions

Unless the context indicates otherwise, the following words have the following meanings in this Tariff:

- a) “Authorized Backflow Prevention Device Tester” means a tester currently registered with the Certification Committee of the American Water Works Association, B.C. Section, whose testing device has a current validation certification by BCWWA.
- b) “Authorized Water Meter” means a Meter Set, approved, owned and operated by the Utility pursuant to this Tariff, for the purposes of measuring a Customer's water consumption.
- c) “AWWA” means American Water Works Association
- d) “Backflow Prevention Device” means a backflow preventor designed to be in-line tested and repaired and meet the head loss and flow requirements of the recognized approval authority. The device consists of the backflow prevention unit, two resilient seated shutoff valves and test cock(s) means a mechanical device that prevents backflow of undesirable substances into the potable water system.
- e) “BCWWA” means British Columbia Water and Waste Association
- f) “Business Day” means a day during which normal business is conducted and usually includes Monday through Friday. A statutory holiday is not considered a Business Day.
- g) “Complex” means a structure containing one or more Units which receives service from a connection to the Utility's Waterworks, and without restricting the generality of the foregoing, includes single family dwellings, multi-family dwellings, apartments, condominiums, lodging, commercial properties, mobile home parks, marinas, equestrian centres, campgrounds, recreation centres, golf courses, amenities, cemeteries, hospitals and farms.
- h) “Comptroller” means the Comptroller of Water Rights as empowered pursuant to the Water Utility Act, R.S.B.C. 1996, Chapter 485 for the Province of British Columbia and includes a Deputy Comptroller and any successor established by law.
- i) “Conversion Factor” means a factor, or combination of factors, which converts water meter data to cubic meters for billing purposes.
- j) “Cost(s)” means the total of all direct costs incurred by the Utility for a Service provided to a Customer, including but not limited to labour, materials and equipment, as well as any other costs that may reasonably arise in preparation for or during completion of the work.
- k) “CPCN” means a Certificate of Public Convenience and Necessity (CPCN) is issued by the Comptroller of Water Rights for the Province of British Columbia to Bluestem Multi-Utility Services ULC to authorize the Utility to construct and operate a water works system and to provide water service to Customers within a specified area within

the Tobiano Resort. The CPCN describes the conditions under which the Utility is established and under which it will operate.

- l) "Cross Connection" means an actual or potential connection between the drinking water supply and any source of pollution or contaminant. Improper plumbing and/or cross connections on private property can contaminate the public drinking water supply.
- m) "Cubic Meter (M³)" means the volume of water which occupies one cubic meter and is the equivalent of 1,000 litres.
- n) "Customer" means a Person who is being provided Service by the Utility, or an applicant who has requested Service at Unit and such request has been approved by the Utility.
- o) "Dwelling Unit" means two or more rooms used or intended to be used for residential accommodations, containing cooking, sleeping and sanitary facilities, and which have no more than one set of cooking facilities.
- p) "Hydrant Inspection" means the full maintenance inspection of a hydrant that may or may not include the replacement of any or all working parts of the hydrant.
- q) "Lot" includes any lot or parcel including an airspace parcel into which lands comprising the Tobiano Resort are subdivided, whether by subdivision plan, strata plan, bare land strata plan, airspace plan or otherwise and includes the common property and limited common property of any strata plan or bare land strata plan and the airspace in any airspace plan.
- r) "Main" means pipe used to carry water for general or collective use for the purposes of distribution.
- s) "Main Extension" means an extension of one of the Utility's distribution mains, whether installed by the Utility or approved for connection to the Utility's Waterworks, and includes the installation of any required pumping stations, reservoirs or pressure regulating facilities and upgrading of existing mains, pumping stations, reservoirs or pressure regulating facilities, but does not include the installation of Service Lines or Meter Sets.
- t) "Maximum Daily Demand" means the single highest total 24-hour daily water consumption occurring over one year as approved by the Comptroller through a CPCN.
- u) "Meter Set" means the equipment owned by the Utility and used for metering or measuring water consumption, including but not limited to remote meter reading and/or backflow prevention devices.
- v) "Month" means a period, as used by the Utility for billing purposes, generally ranging from 27 to 37 consecutive days, but may be a lesser or greater period when Water Service is activated, discontinued, or disconnected.
- w) "Non-Potable Water" means water that is not suitable for human consumption in accordance with applicable Regulations

- x) "Notice" means that the Utility may cause notices to be published in a newspaper of general circulation, on its dedicated website, via a mass community notification system and by other additional means. These notices may declare restrictions on the use of water to conserve and save water or for other reasons that could affect its Customers or the general public.
- y) "Other Service" means the provision of Service other than Water Service, including, but not limited to, alterations and repairs, initial connection of Service, reconnection of Service, removal of materials (such as ice, snow or construction materials, etc.) and Main Extension(s).
- z) "Other Service Charges" means charges for, but not limited to, Other Service and financing, returned cheque charges, late payment charges, Social Service Tax, Goods and Services Tax or other taxes related to these charges.
- aa) "Person" means a natural person, partnership, corporation, society, un-incorporated entity or body politic.
- bb) "Potable Water" means water suitable for human consumption in accordance with applicable Regulations.
- cc) "Premise(s)" means any land, building or improvements which are entitled to, and authorized for, Water Service in accordance with the Certificate of Public Convenience and Necessity (CPCN) of the Utility which may include a Project, Unit, Lot or Complex.
- dd) "Project" means a single family, strata titled or other development for residential, commercial, recreational or amenity purposes within the Tobiano Resort.
- ee) "Rent Charge" means a yearly rent charge, charged against the land to secure the annual water "Availability of Service Charge".
- ff) "Resort Accommodation Unit" means one or more habitable rooms or accommodation units used for accommodation and may contain units with cooking, eating, living, sleeping and sanitary facilities.
- gg) "Service" means the provision of Water Service or Other Service by the Utility, including:
 - a. The supply of water delivered in any manner to a Customer, and
 - b. The provision of any equipment, facilities, or manual service used by or in connection with the Utility in supplying water to the Customer's Premises.
- hh) "Service Agreement" means an agreement between the Utility and a Customer for the provision of Service referred to in Section 2.1 of these Terms and Conditions.
- ii) "Service Area" means the areas within the Tobiano Resort, which the Utility is authorized and entitled to provide Water Service in accordance with the Certificate of Public Convenience and Necessity of the Utility.
- jj) "Service Line" means that portion of the water distribution system extending from a water Main or Service Main to the inlet of the Meter Set whether installed by the Utility or approved for connection to the Utility's Waterworks.

- kk) "Service Main" means pipe(s) used to carry water for general or collective use within a Project for purposes of distribution.
- ll) "Service Related Charges" include, but are not limited to, application fees, connection fees, Service Line installation fees, Meter Set fees, late payment charges, plus Social Services Tax, Goods and Service Tax, or other taxes related to these charges.
- mm) "Single Family Residential Equivalent (SFRE)" means a Resort Lot and its approved CPCN MDD
- nn) "Standard Fees & Charges Schedules" means the schedules forming part of the Terms and Conditions which lists the various fees and charges relating to Service provided by the Utility as approved from time to time by the Comptroller.
- oo) "Temporary Service" means the provision of Service for what the Utility determines will be a limited period.
- pp) "Tenant" means a Person under lease, license or tenancy agreement or who has the temporary use and occupation of real property owned by another Person.
- qq) "Terms & Conditions" means these terms and conditions of the Utility's Water Tariff as amended from time to time and approved by the Comptroller.
- rr) "Tobiano Resort" means the integrated resort community known as Tobiano Resort located adjacent to Kamloops Lake in the Thompson Nicola Regional District, British Columbia
- ss) "Unit" means land or premises in respect of which a separate title has been issued at the Land Title Office or other applicable office of public record from time to time (a "Registered Parcel") and includes, without limitation:
 - a. a house, townhouse, apartment, suite, hotel room or other premises intended for use as a place of residence; and
 - b. a retail store, office or other place of business,provided, however, that where the Developer determines:
 - i. that a Registered Parcel comprises more than one house, townhouse, apartment, suite, hotel room, store, office, place of business or other premises which are separately used or intended to be separately used for residential, commercial, recreational or amenity purposes (a "Separate Usable Area"), each Separate Usable Area shall be deemed to be a Unit; and
 - ii. that a building, suite, room or other premises forming part of the common property of a strata-titled development is used or intended to be used for recreational or amenity purposes (a "Strata Amenity Area"), each Strata Amenity Area shall be deemed to be a Unit.
- tt) "Unit of Water" means a unit of measurement, usually the equivalent of one (1.0) cubic meter or one thousand (1,000) liters of water.
- uu) "Utility" means Bluestem Multi-Utility Services ULC's Tobiano Water Utility.

- vv) “Water Service” means the delivery of water to a Customer.
- ww) “Waterworks” means the physical plant owned and operated by the Utility, including the equipment, pipes, reservoirs, pumping stations, meters, and appurtenances employed by or used in connection with the Utility in providing Water Service or any Other Service.
- xx) “Year” means a period of twelve (12) consecutive calendar months

Tobiano Utility - House Types	
Residential - Townhouse	Zoning Bylaw Definition: an attached resort accommodation unit built within a multi-unit development
Residential - Cottage	Zoning Bylaw Definition: a detached resort accommodation unit built on a compact lot (i.e. min. parcel size 350 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A - this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano)
Residential Resort Home	Zoning Bylaw Definition: a detached resort accommodation unit built on a medium-sized lot (i.e. min. parcel size 560 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A - this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano)
Residential - Equestrian	Zoning Bylaw Definition: a detached resort accommodation unit situated in close proximity and linked by design and purpose to an integral equestrian facility. (min. Parcel size 930 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A - this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano)
Commercial - Hotel	Resort Hotel – any building used for accommodation which may include resort accommodation units and areas used for the public: lobby, restaurant, assembly, entertainment, retail purposes, indoor recreation and personal services. Type of zoning – Comprehensive Development – Sub Zone B - this zone permits this type of accommodation as well as zone C-8
Commercial - Other	Commercial uses permit a range of accommodation, recreational, entertainment, retail and office-oriented uses. Type of zoning – Comprehensive Development – Sub Zone B - this zone permits commercial and multi-family residential as well as zone C-7 and C-8
Marina	Means a development containing docking or mooring facilities where boats and other water vessels and their accessories are berthed, stored, serviced, repaired, or kept for sale or rent.
Irrigation (Untreated)	Means a development containing facilities and or land where the Utility has agreed to provide non-potable water for the purposes of irrigation

Application for Service

1. Application Requirements

1.1. **Requesting Services** - A Customer or applicant requesting the Utility

- (a) to provide Service,
- (b) to provide a new Service Line,
- (c) to re-activate an existing Service Line,
- (d) to transfer an existing account,
- (e) to change the Service provided, or
- (f) to make alterations to an existing Service Line or Meter Set,
- (g) to update or change information on an existing account,

shall apply to the Utility at its office location in person, by mail, by telephone, by facsimile or by other electronic means acceptable to the Utility.

The Utility may request payment in advance of all Water Service application and connection charges, as described in Section 3 (Application, Installation and Reconnection Fees) before a Water Service connection will be installed.

1.2. **Information Required for Service** - All applications for Service must truthfully disclose:

- (a) The purpose(s) for which the Service is to be used (i.e. domestic, commercial, irrigation, etc.);
- (b) Detailed information on the expected maximum demand for service in order for the Utility to determine the size of service connection;
- (c) The size (diameter) of the pipe planned by the Customer and subject to approval by the Utility through which water will be supplied from the Utility's service to the Premises;
- (d) The legal description of the Premises and municipal address, if available;
- (e) Billing address and contact phone number(s) including emergency contact information;
- (f) The number of Units within the Premises; and
- (g) The location of the Unit or Units to be serviced.

Additional applications for Service shall be made for Service to additional Units within the same property and for additional purposes as required in this Tariff.

1.3. **Forecast Information** – The Utility may require the Customer or their agent at the property to provide forecasts of water usage for the Premises for a specific period. The method of forecasting usage must be prepared and calculated in a manner

acceptable to the Utility. The Customer or agent shall promptly provide such forecasts.

- 1.4. **Required References** - The Utility may require an applicant for Service to provide reference information and identification acceptable to the Utility. The Utility may, at any time, request information required to determine a prospective Customer's or existing Customer's credit history and to assess the credit risk of the Customer, including, without limitation, identification, contact, and credit information. If a prospective or existing Customer refuses to provide the requested information, the Utility may refuse or discontinue service to the customer, as applicable.
- 1.5. **Security Deposit** - The Utility may require an applicant for Service to provide a monetary or other security as set out in Section 5 (Security for Payment of Bills).
- 1.6. **Customer Name or Information Change** – If a customer has a change of name or contact information, including mailing address and telephone number, the Customer must immediately notify the Utility of such change. The Utility reserves the right to require that such notification be made in writing.

2. Agreement to Provide Service

- 2.1. **Approval of Service** - The Utility will determine the terms and conditions under which a Service connection will be provided. The Utility shall maintain the right to refuse to approve an application for Service if any of the Terms and Conditions listed in this Tariff are not met, pursuant to Section 14.1 (Refusal of Service).
- 2.2. **Service Agreement** - The Service Agreement between a Customer and the Utility will be the oral or written application of the Customer, as approved by the Utility, and these Terms and Conditions. All Customers shall be subject to the Terms and Conditions set out herein, each of which shall be deemed to form part of the Service Agreement between the Customer and Utility.
- 2.3. **Customer Status** - A Person becomes a Customer of the Utility when the Utility
- (a) approves the Person's application for Service, or
 - (b) the Utility provides Service to the Person.

A Person who is being provided Service by the Utility but who has not applied for Service shall be served in accordance with and shall be subject to these Terms and Conditions.

- 2.4. **Separate Premise/Businesses** - If an applicant is requesting Service from the Utility at more than one Premise, or for more than one separately operated business, the applicant will be considered a separate Customer for each of the Premises and businesses (subject to Section 14.3 (b)) For the purposes of this provision, the Utility will determine whether or not any building contains one or more Premises or any business is separately operated.
- 2.5. **Access to Premises** – The Utility's obligation to provide Service to an applicant or Customer is conditional upon the Utility being given an ongoing right of access to its equipment as set out in Section 6.8 (Access to Premises and Equipment).
- 2.6. **Change in Ownership or Tenancy of Property** - When there is a change in ownership or tenancy of property, the property seller should ensure that the Utility bill is paid before the transfer of the title to the purchaser. Where there is a change in ownership or tenancy of property, it is the responsibility of the new owner and/or new Tenant to ensure any outstanding obligations are included in the statement of adjustments of the property purchase, or are fully paid by the previous owner or Tenant.

If a new owner leases or rents a Premises and wants the Utility bill to be sent to a Tenant, the new owner must complete an agreement with the Utility, which authorizes the Utility to send the Utility bill to the Tenant. However, this arrangement does not release the Owner from its obligation to pay the Utility's bills.

In the event that a previous owner or Tenant vacates the Premises, leaving an outstanding Utility bill, then the Utility's agreement to provide Water Service is subject to the new property owner paying the outstanding balance owing on the water bill.

3. Application, Installation and Reconnection Fees

- 3.1. **Application and Service Installation Fees** - An applicant for Service shall pay the applicable application, connection, Service Line installation and Meter Set fees as set out in this Tariff. Where the Service Line is required to serve more than one Customer, then the Costs of the Service Line and Meter Set shall be equitably shared by each applicant.
- 3.2. **Waiver of Application or Reconnection Fee** - The application or reconnection fee will be waived by the Utility if Service to a Customer is reactivated after it was discontinued for any of the reasons described in Section 6.3 (a) (Right to Restrict).
- 3.3. **Reconnection Charges** - If
- (a) Service is terminated
 - (i) at the request of a Customer, or
 - (ii) for any of the reasons described in Section 14 (Refusal of Service and Discontinuance of Service) other than as necessitated by repairs to the Utility's system or failure of water supply, or
 - (iii) to permit Customers to make alterations to their Premises, and
 - (b) reactivation of Service to the Premises is requested,
- the applicant for resumption of Water Service and/or reconnection shall pay the appropriate service charges listed in the applicable Schedules attached to this Tariff for turning on Water Service, removal of any locking device, and/or the reconnection of Water Service, together with any other indebtedness, any and all additional charges incurred in the collection of a delinquent account, and any other reactivation Costs which may be incurred by the Utility in reactivating Service.
- 3.4. **Compliance Costs** - Where the Utility undertakes a lawful action deemed necessary to enforce compliance of a Customer with this Tariff, any Costs incurred by such action, including legal fees on a solicitor and own client basis, shall be recovered from the Customer as a service charge under this Tariff, regardless of whether or not it is specifically included in these Terms and Conditions.

4. Additional Services and Fees

- 4.1. **Customer Responsibility for Additional Costs and Expenditures** - Any applicant or Customer who applies to the Utility for work, which is not covered by the Schedules attached to this Tariff, shall pay all additional Costs as determined by the Utility, including:
- (a) expenditures by the Utility for gross wages and salaries, employee benefits, materials and a reasonable allowance for administrative Costs.
 - (b) any expenditure for equipment, at rates paid or set by the Utility, as well as any other Costs that may reasonably arise in preparation for or during the completion of the work.
- 4.2. **Advance Payment for Additional Costs and Expenditures** - When reasonable under the circumstances, the Utility will provide the applicant or Customer with a written estimate of the Costs of the Service requested. Prior to the commencement of any work, and at the sole discretion of the Utility, the Utility may request that the applicant or Customer make an advance payment to the Utility of the full estimated amount, inclusive of any application charges or other applicable fees.
- 4.3. **Reconciliation to Actual Costs** - Upon completion of the respective Service, the Utility will provide the Customer with a calculation of the actual Costs.
- (a) Where the total Costs of the Service provided are less than the advance payment deposited with the Utility, excluding application charges or other fees, the difference will be refunded without interest by the Utility to the Customer.
 - (b) Where the total Costs of the Service provided are more than the amount deposited for that purpose or an advance is not collected by the Utility, the Utility will provide an invoice to the Customer, and the outstanding balance is due and payable within fifteen (15) days of the date of issue.

5. Security for Payment of Bills

- 5.1. **Security for Payment of Bills** – If a Customer or applicant cannot establish or maintain credit to the satisfaction of the Utility, at any time, the Customer or applicant may be required to make a security deposit in the form of cash or an equivalent form of security acceptable to the Utility. The amount of the security may not
- (a) be less than \$100.00, nor
 - (b) exceed an amount equal to the estimate of the total bill for the three (3) highest consecutive months' water consumption by the Customer or applicant, provided such estimate is not less than \$100.00.
- 5.2. **Interest** - The Utility will pay interest to a Customer on a security deposit at the rate and at the times specified in this Tariff. Such interest shall be credited annually to the Customer's billing account in the month of January. If a security deposit is returned to the Customer for any reason, the Utility will credit any accrued interest to the Customer's account at that time, less any outstanding indebtedness to the Utility then owing by the Customer.
- No interest is payable:
- (a) on any unclaimed deposit left with the Utility after the account for which it is security is closed, nor
 - (b) on a deposit held by the Utility in a form other than cash.
- 5.3. **Refund of Deposit** - When the Customer pays the final bill, the Utility will refund any security deposit plus any accrued interest or cancel the equivalent form of security.
- 5.4. **Unclaimed Refund** - If the Utility is unable to locate the Customer to whom a security deposit is payable, the Utility will take reasonable steps to trace the Customer; but if the security deposit remains unclaimed one (1) year after the date on which it first became refundable, the deposit and interest thereon becomes the absolute property of the Utility.
- 5.5. **Application of Deposit** - If a Customer's bill is not paid when due, the Utility may apply all or any part of the Customer's security deposit or equivalent form of security, along with any accrued interest, toward payment of the bill. Even if the Utility applies the security deposit or calls on the equivalent form of security, the Utility may, under Section 14 (Refusal of Service and Discontinuance of Service), discontinue Service to the Customer for failure to pay for Service. Upon application of all or any portion of the security of a bill, the Customer shall, upon demand by the Utility, replenish the Security to the original amount or such other amounts as the Utility may then require, subject only to the limits set out in Section 5.1 (Security for Payment of Bills).
- 5.6. **Failure to Pay Security Deposit** - Failure to pay or replenish a security deposit or to provide an equivalent form of security acceptable to the Utility may, at the Utility's

discretion, result in discontinuance or refusal of Service as set out in Section 14 (Refusal of Service and Discontinuance of Service).

6. Service Agreement

- 6.1. **Term of Service Agreement** – Unless a Service Agreement specifies otherwise, the initial term of Service will be 3 months, and thereafter will be automatically renewed from Month to Month unless otherwise terminated in accordance with these Terms and Conditions.
- 6.2. **Regular Supply of Water** - The Utility intends to maintain an adequate and continuous supply of water at suitable pressures at all times. However, it accepts no liability for interruptions due to circumstances beyond its control. For interruptions exceeding five (5) days, a proportionate reduction or rebate of fixed Monthly charges may be allowed to Customers where applicable.
- 6.3. **Interruption of Service** - The Utility shall have the right at all times to restrict or suspend the supply of water to any Premises without advance Notice, to effect such emergency repairs, replacements, alterations, or extensions to the Utility's Waterworks as shall, in the opinion of the Utility, be deemed necessary.
- (a) **Right to Restrict** - The Utility may require any of its Customers, at all times or between specified hours, to discontinue, interrupt or reduce to a specified use or quantity, the delivery of water for any of the following purposes or reasons:
- (i) in the event of a temporary or permanent shortage of Water, whether actual or perceived by the Utility,
 - (ii) in the event of a breakdown or failure of the supply of water to the Utility or of the Utility's water storage or distribution systems,
 - (iii) to conserve water supply, including, but not limited to, restricting or prohibiting the use of water for gardening, irrigation, sprinkling, air conditioning or filling of hot tubs,
 - (iv) to comply with any legal requirements,
 - (v) to make repairs or improvements to any part of the Utility's Waterworks, including but not limited to the water distribution or storage systems,
 - (vi) in the event of fire, flood, or other emergency to safeguard Persons or property against the possibility of contamination or damage.
- (b) **Notice** - The Utility will, to the extent practicable, give notice of its requirements and removal of its requirements under Section 6.3 (a) (Right to Restrict) to its Customers by
- (i) newspaper, radio or television announcement, or
 - (ii) mass community notification software, or
 - (iii) notice in writing that is sent through the mail to the Customer's billing address, left at the Premises where water is delivered, served personally on a Customer, or sent by facsimile or other electronic means to the Customer, or

- (iv) oral communication.

Whenever possible, the Utility will give advance notice of the restriction or shut-off in Water Service. In cases where the Utility expects Water Service to be interrupted for twenty-four (24) hours or more, the Utility will attempt to provide forty-eight (48) hours' notice to its Customers.

- (c) **Failure to Comply with Restriction** - If, in the opinion of the Utility, a Customer failed to comply with any requirement under Section 6.3 (a) (Right to Restrict), the Utility may, after providing notice to the Customer in the manner specified in Section 6.3 (b) (Notice), either levy a charge as listed in Standard Fees and Charges Schedules or discontinue Service to the Customer. A Person who contravenes water use restrictions for water conservation purposes is subject to one warning notice per Year. Each subsequent contravention during that Year is subject to the appropriate charge.

6.4. **Authorized Consumption** - Approval Required to Increase Load - A Customer shall not increase the maximum rate of water consumption delivered to it by the Utility beyond that requested in its original application to the Utility without the Utility's written approval, which approval will not be unreasonably withheld.

6.5. **Waste of Water** - The Customer shall use due care to prevent any waste of water and will immediately notify the Utility in the event of equipment failure or water leakage. Should there be evidence of leaking or waste of water on the Customer's property, the Utility shall notify the Customer and may order the repair of any leaky pipes and fixtures that are evident on the Premises. If repairs are not made within five (5) Business Days after any such notice, or if the condition of the Customer's pipes or fixtures is such as to cause serious waste of water or damage to property, then without further notice the Utility may shut off the water supply to the Premises pursuant to Section 14.4 (Discontinuance without Notice).

6.6. **Water Conservation Fixtures**

- (a) All Customers connecting to the Waterworks must install and at all times maintain water-conserving plumbing fixtures throughout any Dwelling Unit, including ultra-low flush toilets (maximum 4 litres or lower per flush) or dual-flush toilets (3 / 6 litre per flush), ultra-low flow shower fixtures (1.5 USGPM or 6 litres per minute) and ultra-low flow taps (1.5 USGPM or 6 litres per minute). All toilets must meet a minimum MAP testing of 600 grams.
- (b) All Customers must maintain these standards by not modifying or allowing maintenance work to be performed on the low flow fixtures to allow larger flows than originally specified by the manufacturer.
- (c) All replacement fixtures must meet the current standards for water conserving fixtures as stated in the current approved Water Tariff as modified and approved from time to time by the Comptroller of Water Rights.

6.7. **Unauthorized Resale / Use** - Unless authorized in writing by the Utility, a Customer shall not resell water supplied to it by the Utility to other Persons, permit water to be

carried away other than for personal use, or use or allow water to be used in the Premises for purposes other than those stated in the Customer's application for Service.

- 6.8. **Access to Premises and Equipment** - As a condition of Water Service, the Customer must grant the Utility a right of entry to the Customer's Premises. The Customer will provide free access to its Premises at all reasonable times, upon reasonable notice, except in the case of an emergency, to the Utility's authorized employees, contractors, and agents for the purposes of reading, testing, repairing or removing meters and ancillary equipment, inspecting stopcocks and backflow prevention devices, turning water on or off, completing system leakage surveys, stopping leaks, examining pipes, connections, fittings and appliances and reviewing the use made of water delivered to the Customer, or for any other related purpose which the Utility requires.

The Customer on behalf of the owner of the Premises grants the Utility full power, right and liberty to enter the Premises, whether or not the owner or occupant is at the Premises, to break the surface and make necessary excavations for the purposes of locating, installing, repairing, replacing, maintaining, and inspecting all facilities on the Premises.

In situations of perceived emergency, the Utility may use reasonable force to secure access to its equipment for inspection, disconnection, and repair. The Utility will do as little damage and cause as little inconvenience as reasonably possible in doing such work.

When a Customer who has requested a service call, or who has been given advance notice of a required service, does not permit the Utility to provide service during normal business hours of the Utility, the Customer will be required to pay overtime costs in addition to all applicable service charges.

- 6.9. **Employee Identification** - Upon request, the Utility's employee or authorized agent wishing access to a Customer's Premises must show valid Utility identification prior to entering the Premises.
- 6.10. **Easements & Right-of-Way** - If the Customer is not the owner of the Premises or intervening property between the Premises and the Utility's Mains, the Customer shall obtain for the Utility from the owner the necessary consent or easement in writing and if requested by the Utility in form registrable in the Land Title Office for the installation and maintenance at the Premises and in or about the intervening property, of all necessary facilities for supplying water. The Utility reserves the right to proceed with rights-of-way acquisition if deemed desirable.
- 6.11. **Authority of Work** - No Person who is not an agent or employee of the Utility shall make any connections with, or alterations to, or tamper with, any of the Utility's Waterworks, including any distribution water Mains or water meters belonging to the Utility, nor turn on or off any valve or curb stop of the Utility, without authorization in writing by the Utility. Should a Customer, their agent or employee, or any related third party contravene this prohibition, then the Customer will be subject to any Costs

incurred by the Utility to repair damages caused by the Customer or third party. Should such incidents be the responsibility of an unrelated third party, the Utility shall have a right to claim all relevant Costs from the unrelated third party. A Person who contravenes the Authority of Work section will be subject to one warning notice per Year. Each subsequent contravention during that Year is subject to the appropriate Charge.

- 6.12. **Failure to Comply with the Tariff** - Where any Customer fails to comply with these Terms and Conditions, the Utility, in addition to its right to discontinue Water Service pursuant to Section 14 (Refusal of Service and Discontinuance of Service), may undertake any lawful action deemed necessary to enforce compliance.
- 6.13. **Assignment** - The Service Agreement shall be binding upon, and ensure to the benefit of the parties thereto and their respective successors and assigns but shall not be assigned or be assignable by the Customer without the written consent of the Utility first being obtained.
- 6.14. **Termination of Service Agreement** - The following terms apply to the termination of any Service Agreement:
- (a) Unless the Service Agreement specifies otherwise, the Customer may terminate the Service Agreement after the end of the initial term by giving the Utility at least five (5) Business Days notice.
 - (b) The Customer is responsible for, and shall pay for, all water delivered to the Premises and is responsible for all damages to and loss of the Meter Set or other Utility property on the Premises until the Service Agreement is terminated.
 - (c) The Customer is not released from any previously existing obligations to the Utility under the Service Agreement whether the Service Agreement is terminated by the Customer or Utility..
 - (d) After receiving a termination notice for a Premise and after a reasonable period of time during which the current or a new Customer has not applied for Water Service at the Premises, the Utility may seal off the Service Line to the Premises.
 - (e) The Utility may terminate the Service Agreement for any breach or infringement by the Customer of these Terms and Conditions or as otherwise specified herein by giving the Customer fifteen (15) days written notice.

Service Facilities

7. Service Lines

- 7.1. **Installation** - The Utility will designate the location and conditions of installation of the Service Line on the Customer's Premises and determine the amount of space that must be left unobstructed around it. The Customer, at its own expense, will install the Service Line from the curb stop to the Meter Set on the Customer's Premises. Any request by the Customer to extend the Service Line beyond the designated location or to enter the Premise at a different point or follow a different route than designated by the Utility will be subject to approval of the Utility, and the Customer will be responsible for all additional Costs.
- 7.2. **Temporary Service** – Any Person who requires Temporary Service must apply to the Utility and must first obtain permission from the Utility to acquire water pursuant to the following conditions:
- (a) In the event that a Temporary Service requires a Service Line and/or temporary meter, as determined by the Utility, the Utility will estimate the Costs of the Temporary Service connection and the Person applying for Temporary Service will pay the estimated Costs prior to installation, if required to do so by the Utility.
 - (b) The Customer acquiring Temporary Service shall keep a record of the amount of water consumed, and shall report to the Utility the amount of water consumed on a regular basis, as specified by the Utility, or upon completion of the construction or expansion for which the Temporary Service is required. Temporary connections to a fire hydrant or standpipe must be fitted with a backflow prevention device, and an independent shut off valve to regulate the flow. The backflow prevention device must be approved by the Utility and shall either be provided by the Customer requiring the Service, or rented from the Utility at the daily rate as indicated in the Standard Fees and Charges Schedules. If the Customer is providing the backflow prevention device then it must have successfully passed a backflow test by a Certified Backflow Prevention Tester within the last year. If a water meter is rented from the Utility, the Customer requiring the device shall be responsible for proper maintenance and any damages occurring to such equipment while under their control.
 - (c) Tanker trucks, street sweepers, water sprinkler trucks, etc. must be fitted with a backflow prevention device approved by the Utility. and the device must have successfully passed a backflow test by a Certified Backflow Prevention Tester as well as they must have permission from the Utility before hooking up to a fire hydrant or a stand pipe for the purpose of taking on water. If the Customer is providing the backflow prevention device then it must have successfully passed a backflow test by a Certified Backflow Prevention Tester within the last year. The Utility will specify the specific fire hydrant or stand pipe the Customer is to use through the issuance of a permit.

- (d) The Utility will issue an invoice for water consumed by the Customer acquiring Temporary Service, which shall be payable immediately upon receipt. The rate for water will be that listed in this Tariff for comparable permanent Service.
- (e) If a fire hydrant or stand pipe is being used for Temporary Service and is required by the Fire Department for an emergency situation, the Customer agrees to remove any connection to the hydrant or standpipe without delay.

7.3. **Water for Construction** – Where a Person or Customer requests the Utility to provide water for any construction purpose and testing of fixtures, the Person or Customer shall pay for water supplied at the unmetered rates listed in this Tariff. The Utility may require that water for any construction purpose be metered and charged in accordance with this Tariff.

7.4. **Specification of Service Line** – Service Lines are subject to the following specifications:

- (a) The minimum size of pipe permissible to serve any one Premise shall be 19mm (3/4") nominal diameter or such larger size as may be determined by the Utility from time to time. The diameter of the pipe used on the Customer's Premises should be selected to allow for pressure losses due to friction.
- (b) Service connection materials installed on the property to be served must comply with the BC Plumbing Code. All Service Line connections must either meet or exceed BCWWA or AWWA standards for potable waterworks systems. Materials may be specified by the Utility.
- (c) The Service Line on the Customer's Premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of 1.8 meters (6 feet) below the surface ground.
- (d) Subject to any exceptions agreed to by the Utility under Section 2.5 (Connection Policy for Individual Units in Complexes), each separately metered service connection must have its own curb stop between the water Main and the Meter Set for each such Unit served.

7.5. **Site Preparation Standards** – The Customer will be responsible for all necessary site preparation to the standards established by the Utility. The Utility reserves the right not to install a Service Line or permit connection to the Utility's System if in the Utility's opinion, the finished soil grade has not been achieved or other site installation standards specified by the Utility or this Tariff are not met.

If, in the Utility's opinion, an installed Service Line has less than minimum ground cover, acceptable backfill material, or other unsafe conditions exist, the Customer may be directed by the Utility to re-install sufficient ground cover and remedy any other conditions to meet the Utility's standards. This work will be performed by the Customer at its cost or may, at the Utility's discretion, be performed by the Utility at the Customer's cost.

Where a curb stop is buried more than 1.5 meters, the Customer will cause to have an extension installed so that the length of valve key required to operate the curb stop is less than 1.5 meters.

- 7.6. **Timing of Installation** - The timing of installation of facilities will be determined by the Utility.
- 7.7. **Winter Construction** - If an applicant or Customer applies for Service which requires construction when, in the Utility's opinion, frost conditions may exist, the Utility may postpone the required construction until the frost conditions no longer exist. If the Utility carries out the construction, the applicant or Customer will be required to pay all Costs incurred due to the frost conditions.
- 7.8. **Unusual Site Conditions** - If an applicant or Customer applies for Service that requires construction which, in the Utility's opinion, involves site conditions that may affect its ability to complete the installation in a safe and cost effective manner, the Utility may postpone the required construction until these conditions are remedied to the Utility's satisfaction. If the Utility carries out the construction, the applicant or Customer will be required to pay all Costs incurred due to the unusual site conditions.
- 7.9. **Utility to Approve Installation of Service** - No service pipe or fittings shall be covered until they have been inspected and approved by the Utility, as well as the municipal or regional plumbing or building inspector or other appropriate authority. Builders and developers shall provide seventy-two (72) hours notice in writing prior to connecting into the Utility's Waterworks, as well as seventy-two (72) hours verbal notice (to service technician) prior to requiring inspection by the Utility.
- 7.10. **Customer Requested Change in Location** - Any change in the location of an existing Service Line shall be subject to the Utility's approval in writing, and will be at the Customer's expense if the change is requested by the Customer or necessitated by the actions of the Customer.
- 7.11. **Installation of Separate Curb Stops** - Where a Complex has been permitted to connect to the Utility's Waterworks without separate curb stops for each individual Unit, all owners in the Complex are jointly and severally liable to the Utility for payment of all Service charges related to the Complex, pursuant to Section 11.11 (Responsibility for Properties with Multiple Owners). In the event a Customer, at its cost, subsequently requests the Utility install a separate water connection for an individual Unit, upon payment made to the Utility in full for the work performed and the disconnection of such Unit from the original service of the Complex, the Unit will no longer be subject to joint and several liability for further Service to the portion of the Complex remaining on the original service connection.
- 7.12. **Ownership of Service Line** - Title to and ownership of the Service Line, from the water Main to the property boundary of any Premise, shall be vested in the Utility. The Customer shall own the Service Line to the extent it is within the property boundaries of the Premises.

- 7.13. **Maintenance** - The Customer will maintain the portion of the Service Line owned by the Customer. The Utility will charge the Customer with the Cost of repairing the Service Line in the event the damage is caused other than by negligence of the Utility.
- 7.14. **Excavation Notice** - The Customer shall provide seventy-two (72) hours notice in writing prior to connecting into the Utility's Waterworks, or seventy-two (72) hours verbal notice (to service technician) in advance of any excavation work to be conducted on the Premises and shall immediately advise of any damage occurring to the service installation. The Customer must also arrange for an inspection prior to back filling being performed. Twenty-four (24) hours notice must be given for the back filling being performed unless weather conditions could cause damage to the Utility's works.
- 7.15. **Prohibition** - A Customer shall not construct any permanent structure over a Service Line or otherwise contravene government regulations, codes or the Utility's policies.
- 7.16. **Compliance with Laws** – Customers shall comply with all applicable laws, statutes, regulations, policies and guidelines relating to the installation of Service Lines and any other related works including but not limited to the BCWWA and AWWA standards and the BC Building Code.

8. Water Meter Sets & Metering

- 8.1. **The Meter Set** - The Customer, at its expense, shall install a water meter in the Service Line at the location specified by the Utility. Upon inspection by the Utility to confirm compliance and acceptance of the installation, the water meter and its associated remote readout equipment shall become the property of the Utility and be considered the Utility's Meter Set. The Utility will be responsible for all ordinary maintenance, repair and replacement of the Meter Set subject to Section 15.5 (Responsibility for Meter Set).

The Utility reserves the right to supply and/or install the water meter and the associated remote readout equipment; in this event, the Customer shall pay all Costs according to this Tariff. The installation of each water meter is subject to the following requirements:

- (a) unless otherwise specified in writing by the Utility, the water meter must be installed in the Service Line immediately downstream of the point where the Service Line enters the structure of the Premises,
 - (b) a separate water meter for each Premise, unless otherwise specified by the Utility,
 - (c) the make and model of the water meter must be approved by the Utility,
 - (d) the water meter is to register in Cubic Meters and be supplied with a remote reading device approved by the Utility
 - (e) the water meter shall be installed with adequate support and anchoring on each side of the meter capable of keeping the pipe alignment and supporting the weight of the meter, pipe and all other components. A customer shall ensure that:
 - (i) every private service line entering a building has a horizontal meter setting, and that the piping extends not less than 450 mm (18 inches) beyond the wall or floor of the building immediately before the meter position;
 - (ii) The Meter Set is positioned as close as possible to the point where the private service Line enters the building and has a safe and convenient access,
 - (f) the remote reading device must be accessible by the Utility for reading purposes and installed in a safe location approved by the Utility, and
 - (g) By-Pass Valve(s) – The Utility shall seal all by-pass valves closed. No one shall break a by-pass valve seal except under the direction of Utility staff. In the event that a by-pass valve seal is broken, the Utility shall be contacted within 48 hours. At the Utility's discretion, the Utility may permit a subsidiary meter on the by-pass at the Customer's expense.
- 8.2. **Measurement** - The quantity of water delivered to the Premises will be metered using utility industry approved apparatus, unless superseded by an approved process for

certification implemented by Consumer and Corporate Affairs Canada or any other subsequent or successor government agency. The amount of water registered by the Meter Set during each billing period will be converted to cubic meters in accordance with industry and manufacturer's recommended practises and rounded to the nearest cubic meter.

8.3. Estimating a Water Reading - If for any reason the Utility is required to estimate the water consumption of a Customer for any given period, the following procedure will be followed:

- (a) The estimate will be based on the Customer's historical use on the property for which a water consumption estimate is required.
- (b) In the event that insufficient history exists to produce a reasonable estimate, the estimate will be calculated on the basis of an average of the water consumption for similar properties in the same area, and at the least would be the Utility's minimum Monthly charge for the Premises.
- (c) In the event that the meter is working but the remote is broken or inaccessible the Utility may bill using one of the above methods, and include any necessary adjustments on the first invoice after a proper reading is taken.
- (d) If Utility is unable to read the meter due to meter failure and the Customer does not allow the Utility to resolve the issue within a 30 day period after written notice is given, the Utility will bill the Customer at the unmetered rate listed in this Tariff.

8.4. Testing Water Meters - When any Customer whose Water Service is metered makes a complaint that their account is, in their opinion, excessive, the Utility will conduct an inspection for leaks at the Meter Set. Should no leaks be found up to and including the Authorized Water Meter, and the Customer continues to believe that the Authorized Water Meter is indicating excessive consumption, the Customer may request that the Authorized Water Meter be tested for accuracy. This will be carried out only after a written request to the Utility has been received.

The Customer's Authorized Water Meter will be removed, replaced with a different Authorized Water Meter and the Authorized Water Meter in question sent to the manufacturer or its agent for testing. The Customer will be sent a copy of the report. If the test shows an error in registering the quantity of water passing through the meter of over five percent (5%) in favor of the Utility, the Customer's account will be adjusted accordingly.

If the test of the Authorized Water Meter shows an accurate measurement of water or shows an error in favor of the Customer, the Customer will be billed for all Costs pertaining to the test, removal of the Authorized Water Meter, and the installation of a replacement or a temporary Authorized Water Meter.

The Utility may at any time test any meter at its discretion.

8.5. Water Meter Bypass for Fire Suppression Systems - A Customer installing a fire suppression system must apply in writing to the Utility for permission to install an

automated water meter bypass system to ensure that fire suppression water flows can be supplied.

- 8.6. **Interruption of Service** – Any Person that has applied for Service must, at the Utility's discretion, pay the Utility in advance for the Costs which the Utility estimates it will incur in the installation and subsequent removal of metering facilities necessary to supply water to the Customer pursuant to Section 7.2 (Temporary Service). Interruption of water service may be granted upon written application and at the sole discretion of the Utility. The appropriate Monthly Basic Rate will be applicable.
- 8.7. **Customer Requested Meter Relocation or Modifications** - Any change in the location of a Meter Set or related equipment, or any modifications to the Meter Set, including automatic and/or remote meter reading capability shall be subject to the Utility's approval in writing, and will be made at the expense of the Customer if the change or modification is requested by the Customer or necessitated by the actions of the Customer. If any of the changes to the Meter Set or related equipment require the Utility to incur ongoing incremental operating and maintenance costs, the Utility may recover these Costs from the Customer through a Monthly charge.
- 8.8. **Protection of Meter Set Equipment** - The Customer shall take reasonable care of and protect all Meter Sets and related equipment on the Customer's Premises. This includes, but is not limited to protection from: water run off from roof or deck surfaces; accumulation or unloading of snow and ice; and accidental damage from vehicles. The Customer's responsibility for expense, risk and liability with respect to all Meter Sets and related equipment is set out in Section 15.5 (Responsibility for Meter Set).
- Where in the opinion of Utility, safety devices need to be installed to protect a Meter Set from damage, the Customer shall install such safety devices within 30 days of the Utility's written notice to do so. If the Customer does not perform the required work within this period, then the Utility will make arrangements and invoice the Customer for the Utility's Costs.
- 8.9. **Required Access to Water Meter** - If the Meter Set is located on private property, the Customer shall provide access for installing and maintaining the meter and appurtenances for meter reading, as provided in Section 6.8 (Access to Premises and Equipment). Should the Utility require removal of snow, ice or other material in order to maintain access to the Meter Set, the Utility may arrange to have the work performed and will invoice the Customer for the Utility's Costs, subject to a minimum charge for removal of materials as set out in the Standard Fees and Charges Schedules. If in the opinion of the Utility, a customer installed water meter or a Meter Set is situated in an unsafe area, or in a location which may create a dangerous situation to a meter reader, the meter shall be deemed to be "inaccessible" and will be subject to disconnection as provided in Section 14 (Refusal of Service and Discontinuance of Service).
- 8.10. **Removal of Meter Set** - At the termination of a Service Agreement, the Utility may disconnect or remove a Meter Set from the Premises if a new Customer is not expected to apply for Service at the Premises within a reasonable time.

9. Customer Obligations for Service Maintenance

9.1. **Pressure Regulating Devices** - Pressure-reducing valves may be required to control internal water pressure depending on the Premise's location within a specific Pressure Zone. Any device installed to control the internal pressure shall be the responsibility of the Customer, who must ensure that the device remains in proper working order. The Utility accepts no responsibility for damages that may result from water pressures supplied by the Utility.

9.2. **Condition of Customer's Pipes and Fixtures** - The Customer at its own risk and expense shall keep its pipes, stop cocks and other fixtures in good working order and protect them from frost and other damage. Should there be evidence of leaking or waste of water on the Customer's property, the Utility will notify the Customer of its obligation to repair such leaks or waste, in which case the Customer will make the necessary repairs within five (5) Business Days after notice has been given or, subject to the provisions described in this Tariff, the Utility may shut off the water supply.

9.3. **The Curb Stop** – It shall be the responsibility of the Customer to maintain the curb stop and to ensure that the curb stop remains undamaged and operational. The curb stop must remain accessible to Utility personnel at all times.

Should an extension of the curb stop be necessary due to grade changes, the Customer shall apply to extend the curb stop and receive written permission from the Utility prior to performing any work. Once approval is given, the Customer may proceed to extend the curb stop with an approved metal extension to bring it level with the finished grade.

Should the Utility find the curb stop be inaccessible or inoperable, then the Utility will notify the Customer of problems with the curb stop and request necessary repairs be made. If repairs have not been made within fifteen (15) days after notice is given, the Utility may complete the necessary repairs. Any work performed on the curb stop will be at the Customer's expense.

9.4. **Stop Cock** - The Customer shall provide a shut-off valve (stop cock) inside each of the Customer's buildings in which water is used, for the use of the Customer in case of leaky or defective pipes or fixtures, or in case the Premises are vacated.

9.5. **British Columbia Plumbing Code** – All water service pipe and materials installed on the Customer's Premises shall be installed to meet or exceed the manufacturer's standards as well as the British Columbia Plumbing Code or equivalent regulations.

9.6. **Frozen Pipes** - Customers are wholly responsible for clearing any frozen pipelines or fixtures located on or within the boundary of the Premises receiving Water Service.

If the Utility is requested to clear a frozen Service Line connection, and it is found that the affected pipeline or fixture is not located within the portion of the waterworks owned and maintained solely by the Utility, the Customer who requested assistance

shall pay an hourly service charge to cover Costs associated with examining and/or clearing any pipes or fixtures. If the Meter Set becomes frozen and is located within the Customer's Premises, the Utility will repair or replace the Meter Set at the Customer's expense.

The bill for clearing and repairing frozen pipelines or fixtures is due and payable upon receipt. Should the Utility choose not to issue a separate bill, or payment is not received before the Customer's next regular water bill is processed, the charges shall be added to the Customer's water bill.

If the frozen connection or fixture is located within the portion of the waterworks owned and maintained solely by the Utility, then no charge for thawing that portion of works belonging to the Utility will be levied against the Customer, subject to Section 9.7 (Prevention of Frozen Pipes).

- 9.7. **Prevention of Frozen Pipes** - The Utility may, as it deems necessary during very cold spells in winter, request that the Customer leave a faucet running very slowly to prevent the Service Line from freezing. The Utility will adjust the water bill of the Customer to reflect the requirement by the Utility to leave the faucet running. If the Customer fails to comply with the Utility's request, the Customer will be responsible for Costs to the Utility of any repairs or replacement of Service to the Customer as a result of the frozen Service Line.

- 9.8. **Prevention of Contamination** – No person shall connect, cause to be connected or allow to remain connected, any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater, or any harmful liquid, gas, or other harmful substances to enter the Utility's water system.

Service to a Customer shall be provided only on the provision that the Customer has installed on the private service an approved Backflow Prevention Device, or devices, such that the Utility's waterworks system is effectively isolated from the private system by the device(s). The mechanism to prevent backflow is necessary to inhibit the entry of contaminants into the Utility's Waterworks. It shall be installed at the Customer's expense and must be of a design approved by the Utility.

Without limiting the generality of the foregoing, the Utility may allow approved Backflow Prevention Devices to be installed on the customer's water piping at the sources of potential contamination (in-plant isolation) and/or on the water services (premise isolation) either on private property or public property. If the device is installed on public property, the device shall be installed "at Cost" by the property owner/government agency in accordance with Section 9.8 hereof.

- 9.9. **Customer's Responsibility for Prohibition of Dangerous Cross-Connections** – No Customer or Agent shall permit the plumbing of the Premises to be connected to any source of water supply other than the Utility's, or to any potential source of contamination, without first obtaining the Utility's permission in writing.

The owner of any property on which an approved Backflow Prevention Device is installed shall:

- (a) maintain the approved Backflow Prevention Device in proper working order at all times.
- (b) have the approved Backflow Prevention Device tested upon installation and thereafter annually, or more often if required by the Utility, by an Authorized Backflow Prevention Device Tester or by personnel approved by the Utility to demonstrate that the device is in good working condition,
- (c) submit a report on a form approved by the Utility from an Authorized Backflow Device Tester upon installation of the device and thereafter annually within 30-days of such test on any or all tests performed,

Should a test show that an approved Backflow Prevention Device is not in good working condition, the Utility shall give notice to the customer to make the necessary repairs or replace the device within 96 hours, or other specified period, and if the customer fails to comply with the notice the Utility shall shut off the service or services.

The water shall not be turned on at the curb stop for occupancy use until the private plumbing system has been inspected for cross-connections by the Utility; this shall not prohibit the use of a water service for construction purposes for a limited time, provided the Utility is satisfied that adequate provision is made to prevent backflow into the Utility's water mains.

Where, in the opinion of the Utility, a severe hazard exists, water service to a Customer shall be provided only on the provision that the Customer installs on the Customer's water service an approved Backflow Prevention Device. This device will be in addition to any approved backflow prevention device(s) installed on the Customer's water piping at the source of potential contamination.

If a backflow incident should occur, resulting in the contamination of the public water supply, the responsible owner or occupant of the property can be held liable for damages. Customers shall comply with all regulations and guidelines for cross-connection control in British Columbia in accordance with BC Building Code, CSA Standards and other guidelines for Cross Connection control developed by AWWA and/or Canadian organizations including any Cross Connection Control Policy established by the Utility from time to time. A Person who contravenes the Utility's Cross-Connection Control Policy or other cross connection regulations and guidelines referenced above will be responsible for any Costs or damages that arise from such contravention and may in addition be subject to such charges as may be established by the Utility to ensure there is no subsequent contravention of such policies.

Where an approved Backflow Prevention Device is required to be installed, it shall be installed in accordance with the standards prescribed in the current edition of the British Columbia Building Code Part 7, Plumbing Services, and in conjunction with the Utility's Cross-Connection Control Policy supplement.

- 9.10. **Utility Actions to Prevent Contamination** - Where in the opinion of the Utility, any condition is found to exist which is or may be contaminating the Utility's Waterworks,

the Utility at the discretion of the Manager of the Utility, may take one or more of the following actions:

- (a) Give notice to the Customer requiring correction of the fault within a specified time period;
- (b) Require installation of a Backflow Prevention Device on any pipe, at the Customer's expense; or
- (c) Immediately discontinue any Water Service until such time that the condition is corrected.

The Utility may in addition to the remediation contained in Section 9.9, have a reduced pressure backflow assembly installed on the service, on Utility property or right of way. The device shall be installed "at Cost" by the Utility, except that all customer charges will be twice those obtained under normal application of this Section. All Costs incurred may be recovered from the customer as a charge under this Tariff.

- 9.11. **Systems Requiring Backflow Prevention** – Where a premise is supplied by two or more services, and these services are interconnected within the premise, and the required on site Backflow Prevention Devices do not prevent flow through the property and resulting backflow from the private service to the Utility's water system, the customer shall install and maintain a Backflow Prevention Device on each service in such locations (i.e. prior to connection of any Non-Potable Water system) as necessary to prevent backflow from any private service into the Utility's water system. An accepted Backflow Prevention Device is required on all private domestic and fire line services suitable to the degree of on-site hazard and shall be installed downstream of the interconnected services.

- 9.12. **Backflow Prevention on Existing Or Future Fire Services** - A fire service intended to be used for fire purposes only shall have either an approved double check detector assembly or a reduced pressure detector assembly installed on it, depending on the degree of health hazard of the water contained in the service.

All double check detector assemblies and reduced pressure detector assemblies used on fire services shall have UL or ULC approval and shall be of such make and pattern as may be accepted by the Engineer.

The cost of all fire service gate valves, double check detector assemblies, reduced pressure detector assemblies and installation of same shall be borne by the customer.

- 9.13. **Responsibility for Maintenance and Testing of Backflow Prevention Devices** - Any device installed for the purpose of controlling backflow shall be the responsibility of the Customer, who must ensure that the Backflow Prevention Device is tested and in working order at the time of installation, and must ensure that it is tested at least once per annum (each twelve months) by a certified tester of such mechanisms, pursuant to the BC Plumbing Code and as recommended by the manufacturer. If the Backflow Prevention Device does not pass inspection, it must immediately be reported to the Utility, and then repaired or replaced within five (5) Business Days and

re-inspected at the Customer's expense. All test results, including descriptions of any repairs, are to be reported on the proper test report form obtained from the Utility. The completed test report forms shall be returned to the Utility within thirty (30) days after the inspection is completed. The test reports will be registered and maintained by the Utility.

- 9.14. **Administration Of Backflow Prevention Devices** - All customers whose premises contain one or more Backflow Prevention Devices shall pay an annual Cross-Connection Control Program administration fee as specified in Schedule C – Service Charges.
- 9.15. **Hydrant and Standpipe Use** – Every person who receives authority to use water from a hydrant shall install and use an approved back flow prevention device suitable to the degree of health hazard within the premise or commensurate with the use for which a vehicle is intended. The Backflow Prevention Device shall be of the type accepted by the Utility. The Backflow Prevention Device must have been tested by an Authorized Backflow Prevention Device Tester within one year's time prior to the expected end date of usage of the hydrant or standpipe, and a correctly completed copy of the Utilities' Test Report form submitted to the Utility's Office prior to using the hydrant.
- 9.16. **Privately Owned Hydrants and Standpipes** - Hydrants or Standpipes installed on private property without an agreement for operation between the Utility and private property owner, remain the responsibility of the owner. The owner is required to, and liable for, inspecting, testing, maintaining and operating each hydrant/standpipe on the owner's property in a safe manner and to industry specifications. This includes the use of "food grade, safe anti-freeze", as approved by the Ministry of Health or other authorized agencies, for winterizing Hydrants or Standpipes to meet the British Columbia's Fire Code.
- 9.17. **Use of a Hydrant or Standpipe by the Tobiano Fire Department** - The Utility will provide annual training on the proper use of hydrants and standpipes to the Tobiano Fire Department. The Fire Department shall advise the Utility's field technician verbally within twelve (12) hours, as well as in writing to the Utility's offices within forty-eight (48) hours, after each use of the Utility's fire hydrants for practice or for fire suppression, so that the Utility can ensure the hydrant or standpipe used by the Fire Department has been inspected, serviced and is in good working order. Repairs to any damage caused by the Fire Department's personnel to hydrants or standpipes over and above normal wear and tear as recognized by the manufacturer will be billed to the Tobiano Fire Department.
- 9.18. **Call Out Charge Liability** - Customers are solely responsible for the satisfactory operation of Service Lines, Curb Stops, valves and appurtenances, within the boundaries of the Premises being served. The Utility shall not be required to perform any work on pipes or fittings that are not the property of the Utility unless there is a concern for the safety or performance of the Utility's Waterworks. Should the Utility be called upon for assistance, the Customer who requested assistance shall pay an

hourly service charge to cover Costs associated with the call out and/or subsequent repair of faulty pipes or fittings belonging to the Customer. The bill is due and payable upon receipt. Should the Utility choose not to issue a separate bill, or payment is not received before the Customer's next regular water bill is processed, the charges shall be added to the Customer's water bill

9.19. Vegetation Management and Interference with the Utility's Facilities

- (a) The Customer shall be responsible for managing vegetation on the property owned or controlled by the Customer so as to allow and permit easy access to the Utility's facilities. No Person shall obstruct or impede free and direct access to any service, water main valve, cross connect control, fire hydrant, meter, remote reader, or other appurtenances of the Water Works.
- (b) Where a Customer fails to adhere to Section 9.13 and fails to cure the cause of such default within fifteen (15) days after being notified in writing by the Utility, the Utility is authorized to remedy the cause of such default at the Customer's Cost.
- (c) Customer's shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe maintenance and operations of the Utility's facilities or result in non-compliance with applicable statutes, regulations, standards and codes.

10. Water Main Extensions

10.1. **General Provisions** - Applications for extensions of water Mains shall be made in writing and shall be subject to the following rules:

- (a) These Main Extension rules apply only to eligible premises within the Utility Service Area, the owners or Tenants of which may become Customers.
- (b) Any waterworks installed hereunder will be the sole property of the Utility.
- (c) The size, type, quality of materials, and their location will be specified by the Utility and the actual construction will be done by the Utility or by a construction agency acceptable to it.
- (d) The length of the Main Extension necessary to render service to a Premises shall be measured from the nearest distribution main to the center of the property to be served, along lines of proper construction and common practice in the location of public waterworks, with due consideration for the general layout of the Utility's system. The estimated Cost of the extension will be based upon the waterworks required to comply with all ordinances, regulations and specifications of public authority.
- (e) Payment in advance of the estimated Costs of the Main Extension.
- (f) Adjustment of any difference between the estimated Costs and the actual Costs of the Main Extension will be made within sixty (60) days after the actual Costs of the installation have been ascertained by the Utility.

10.2. **Extension of Service for Developers** - The developer of a Premise within the Tobiano Resort requiring Water Service shall provide the Utility with adequate notice (as established by the Utility) and the following information in respect of any proposed development:

- (a) The location and legal address of the proposed development and all information required by the Utility for a Service application pursuant to Section 1.2 (Information Required for Service),
- (b) One set of drawings indicating the footprint and height of the proposed structure(s), as well as the square footage and number of Lots or Dwelling Units proposed in each structure.
- (c) Anticipated fire flow and water use requirements,
- (d) Contact name, telephone number and fax number for any additional information required,
- (e) Billing address and accounts payable contact, and
- (f) Advance notice advising the schedule for construction, and minimum seventy-two (72) hours notice for any Temporary Service and inspections required by the Utility

The Utility may require the developer to construct and contribute the facilities at no cost to the Utility. Where a developer requests the Utility install a Main Extension or other facilities to serve the development, or the Utility determines that such an extension or facilities are required, the Utility may require the developer to advance to the Utility before construction is commenced the estimated Costs of installation of all such facilities in addition to any other fees applicable to the development as identified in the Standard Fees and Charges Schedules.

10.3. Allocation of Payments and Refunds:

- (a) **Payment by original applicants:** When multiple applications are involved and an advance payment is required for a Main Extension, the advance amount will be allocated based on the calculated number of Units in the combined applications for Service, or as otherwise agreed among the applicants.
- (b) **Advances by subsequent applicants on same extension:** Charges equal to a pro-rata share of the original Costs of the Main Extension will be collected by the Utility from each additional Customer who connects to the same Main Extension within five years. The Utility will hold advances from applicants in payment for Main Extensions without interest.

The advances collected from subsequent applicants will be refunded equally (on a pro-rata basis) to the Customers who already have advances deposited with the Utility as a result of the original funding of the Main Extension, so that all subscribers connecting to the Main Extension will have paid an equal amount (per Unit). Refunds will be paid to the current registered owners of the properties for which the deposits were received.

After the end of five years from the date the advance was received by the Utility from the original applicants, additional Customers will be connected without being required to pay an extension charge.

- (c) **Disagreements:** In case of disagreement regarding the application of these rules, or in circumstances where the interpretation of any term appears impracticable or unjust to either the Utility or an applicant for Water Service, either party may refer the matter to the Comptroller for determination.

10.4. Ownership of Main Extensions within road or statutory right-of-way - The Utility will assume ownership and all responsibility for the operation and maintenance of Main Extensions where such Waterworks are located along a gazetted road, in easements or rights of way held in the name of the Utility, or on property solely owned by the Utility.

10.5. Utility to Approve Installation of Water Mains - No mains, service pipe, fittings, hydrants, standpipe or other components of the Main Extension shall be covered until they have been inspected and approved by the Utility, as well as the municipal or regional plumbing or building inspector or other appropriate authority. Developers and contractors are required to provide two (2) Business Days notice in writing prior to

connecting into the Utility's Waterworks and a further two (2) Business Days verbal notice (to the Utility's field technicians) prior to inspection by the Utility.

- 10.6. **Looping of water mains** - Where a water Main Extension to service a project would result in a dead end, which may result in possible water quality problems as a result of a dead ended Main, the developer shall be charged the full Costs associated with the looping of the water Main in addition to the Main Extension.

The plans for looping a Main are required to be approved by a Board of Health Engineer and a written permit issued in accordance with the Safe Drinking Water Regulation, Province of British Columbia, and Ministry of Health before any work on the project is undertaken by the Utility.

- 10.7. **Hydrants and Standpipes** - Once a Main Extension has been inspected and formally accepted by the Utility, hydrants and standpipes connected to the Utility's Mains become the property of the Utility. It shall be the responsibility of the Utility to inspect, test, maintain and operate each hydrant/standpipe attached to the Utility's Waterworks.

The Utility may, at its sole discretion, choose to take ownership of all hydrants and standpipes on private property upon the same conditions as those installed under a Main Extension. All Costs incurred by the Customer will be borne by the Customer.

Billing

11. Billing

- 11.1. **Basis for Billing** – The Utility will bill the Customer in accordance with the applicable Schedules attached to this Tariff, payable at the Utility's office or at any duly authorized collecting agency. The total amount of each bill is due and payable within fifteen (15) days of the date of issue.
- 11.2. **Taxes** - All rates, fees and charges specified in this Tariff are subject to applicable local, provincial or federal taxes, assessments or levies imposed by any competent taxing authorities which the Utility may be lawfully authorized or required to add to its normal rates and charges or to collect from or charge to the Customer.
- 11.3. **Meter Measurement** – For each Customer with a Meter Set, the Utility will measure the quantity of water delivered to a Customer using a Meter Set and the starting point for measuring delivered quantities during each billing period will be the finishing point of the preceding billing period.
- 11.4. **Estimates** - For billing purposes, the Utility may estimate the Customer's meter readings if, for any reason, the Utility does not obtain a meter reading. Subject to the provisions of Section 12 (Back Billing), the Customer shall pay any invoice for Water Service based upon estimated volumes determined in accordance with the provisions of Section 11 (Billing) and Section 8.4 (Estimating a Water Reading).
- 11.5. **Estimated Final Reading** - If a Service Agreement is terminated under Section 6.14 (Termination of a Service Agreement), the Utility may estimate the final meter reading for final billing.
- 11.6. **Incorrect Register** - If any Meter Set has failed to measure the delivered quantity of water correctly, the Utility may estimate the meter reading for billing purposes, subject to Section 8.4 (Estimating a Water Reading).
- 11.7. **Bills Issued** - The Utility may bill a Customer as often as the Utility considers necessary but generally will bill on a Monthly basis.
- 11.8. **Appeal of Calculation of Customer's Water Bill** - Any Customer obtaining water from the Utility's Waterworks may formally register a complaint or dispute with the Utility regarding the amount of any water bill, no more than thirty (30) days from the date of billing. The Customer must pay the undisputed portion of the bill.
- 11.9. **Change of Billing Address Information** - All Customers of the Utility are required, at all times, to promptly inform the Utility of any and all changes to any billing address, including changes to telephone or facsimile numbers.

- 11.10. **Owner's Responsibility for Payment** - Where any account rendered for water is not paid as prescribed by this Tariff, the legal owner of the Premises shall be deemed to be the Person responsible for payment of the account. More particularly,
- (a) Where the owner of a property has rented out a dwelling and the owner has signed an agreement with the Utility requesting the bill be directed to the Tenant, the owner of the rented property remains responsible for the water bill should the Tenant not pay for any reason whatsoever.
 - (b) In the event that a previous owner or Tenant vacates a Premise leaving an outstanding water bill, then pursuant to Section 2.8 (Change in Ownership or Tenancy of Property), it is the responsibility of the new property owner to pay the balance owing on the water bill.

12. Back Billing

- 12.1. **When Required** - The Utility may, in the circumstances specified herein, charge, demand, collect or receive from its Customers in respect of a Service rendered thereunder a greater or lesser compensation than that specified in the subsisting schedule applicable to that Service.

In the case of a minor adjustment to a Customer's bill, such as an estimated bill, such adjustments do not require back-billing treatment to be applied.

- 12.2. **Explanation of Back-billing** - Back-billing means the re-billing by the Utility for Services rendered to a Customer because the original billings are 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, or may result from an inspection under provisions of federal or provincial regulations. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:

- (a) stopped meter;
- (b) metering equipment failure;
- (c) missing meter now found;
- (d) switched meters;
- (e) double metering;
- (f) incorrect meter connections;
- (g) incorrect use of any prescribed apparatus respecting the registration of a meter;
- (h) the seal of a meter or by-pass valve is broken;
- (i) an open by-pass i exists;
- (j) an unauthorized Service has been discovered;
- (k) incorrect meter multiplier;
- (l) the application of an incorrect rate;
- (m) incorrect reading of meters or data processing; or
- (n) tampering, fraud, theft or any other criminal act.

- 12.3. **Billing Basis** - Where metering or billing errors occur, the consumption will be based upon the records of the Utility for the Customer, or the Customer's own records to the extent they are available and accurate, or if not available, reasonable and fair estimates may be made by the Utility in accordance with Section 8.4 (Estimating a Meter Reading).

- 12.4. **Tampering/Fraud** - If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Utility's Service in an unauthorized way, or there is evidence of fraud, theft or other criminal acts, or if a reasonable Customer should

have known of the under-billing and failed to promptly bring it to the attention of the Utility, then the extent of back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of Sections 12.7 (Under-Billing) to 12.10 (Changes in Occupancy), below, do not apply.

In addition, the Customer is liable for the direct administrative Costs incurred by the Utility in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.

Under-billing resulting from circumstances described above will bear interest at the rate normally charged by the Utility on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.

- 12.5. **Remedying Problem** - 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 of the effect upon the Customer's ongoing bill.
- 12.6. **Over-billing** - 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 a maximum period of twelve (12) months. The Utility will pay interest on money incorrectly collected at the Utility's prime interest rate minus two percent (2%), by crediting the Customer's account. The Utility's prime interest rate is defined as the floating annual rate of interest which is equal to the rate of interest declared from time to time by the Utility's principal bank as its "prime rate" for loans in Canadian dollars.
- 12.7. **Under-billing** - Subject to Section 12.4 (Tampering/Fraud), above, in every case of under-billing, the Utility will back-bill the Customer for the shorter of the duration of the error; or
- (a) six (6) months for customers receiving Residential service or Commercial service; or
 - (b) Twelve (12) months for all other customers or as set out in a special or individually negotiated services Agreement with the Utility.
- 12.8. **Terms of Repayment** - Subject to Section 12.4 (Tampering/Fraud) above, in all cases of under-billing, the Utility will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest-free and in equal instalments corresponding to the normal billing cycle. However, delinquency in payment of such instalments will be subject to the usual late payment charges.
- 12.9. **Disputed Back-bills** - Subject to Section 12.4 (Tampering/Fraud), above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption or duration of the error, the Utility will not threaten or cause the discontinuance of Service 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 threaten or cause the discontinuance of Service if such undisputed portion of the bill is not paid.

- 12.10. **Changes in Occupancy** - Subject to Section 12.4 (Tampering/Fraud) above, the Utility will make a reasonable attempt to locate the former Customer when back-billing, in all instances where changes of occupancy have occurred. If, after a period of one year, such Customer cannot be located, the applicable over or under billing will be cancelled.

13. Administration Charges

- 13.1. **Administration Charges on Services** – The Utility will include a reasonable allowance for the Utility's overhead in the charges specified in this Tariff for new service installations and other services. If the Utility incurs additional or unusual administrative costs in providing any service, it will add those costs to its charges or adjust its allowance for overhead to reflect the additional expenses.
- 13.2. **Returned Cheque Charge** - If a cheque received by the Utility from a Customer in payment of a bill is not honoured by the Customer's financial institution for any reason, the Utility will include a charge specified in this Tariff in the next bill to the Customer for processing the returned cheque whether or not the Service has been disconnected.
- 13.3. **Late Payment Charge** - If the amount due for Water Service, Service Related Charges or Other Service Charges on any bill has not been received in full by the Utility or by an agent acting on behalf of the Utility on or before the due date specified on the bill, the Utility will include in the next bill to the Customer the late payment charge specified in this Tariff.
- 13.4. **Delinquent Bill Collection Charges** – Any and all charges incurred in the collection of a delinquent water bill shall be payable to the Utility in full by the Customer (or the spouse, employee, contractor, agent or partner of the same Customer) prior to the reconnection of Service to the Customer or related party.

Such charges shall include, but are not limited to, charges incurred through the use of any collection agencies or other methods employed in retrieving delinquent payments.

- 13.5. **Historical Billing Information** – Customers who request historical billing information will be charged at the Utility's Costs to provide the information.

Discontinuance of Service and Refusal of Service

14. Refusal of Service and Discontinuance of Service

14.1. **Right to Refuse Water Service** - The Utility reserves the right to refuse Water Service and the right to refuse to install or to permit the installation of Service and Main Extensions under any of the following conditions:

- (a) The applicant has failed to apply for Service.
- (b) The applicant has failed to provide all necessary information.
- (c) The applicant has failed to pay any charges for Service or post any security deposit required by the Utility pursuant to these Terms and Conditions.
- (d) Under frost or other adverse weather conditions.
- (e) If rock or other impediment makes boring impractical and the approving authority will not permit pavement to be cut.
- (f) Where a water connection has been made or where Water Service has been turned on without proper authorization from the Utility. Under this circumstance, the Utility may remove the water meter and disconnect Service until proper authorization is obtained and all applicable fees are paid. The party receiving unauthorized Service shall further be subject to all appropriate service charges indicated in the Standard Fees and Charges Schedules, to be paid in advance of reconnection of Service, to defray the Cost of removing an unauthorized water connection.
- (g) For any of the reasons given in Section 14.3 (Discontinuance with Notice) and Section 14.4 (Discontinuance without Notice) applicable to Customers, whether or not an applicant has yet received Service.

14.2. **Discontinuance of Service after Notice by the Customer** - Any Customer who desires to discontinue the use of water for a period of not less than three (3) months shall:

- (a) give notice of its intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water to the Premises have been disconnected, and
- (b) give at least five (5) Business Days notice and be liable for payment for all Service until the date specified for discontinuation of Service.

If written notice of discontinuance is less than five Business Days, the Customer will continue to be responsible for payment of all Service until the discontinuance has been affected, up to a maximum of five Business Days.

14.3. **Discontinuance With Notice** - The Utility may discontinue Service or refuse to supply Service to a Customer with fifteen (15) days written notice sent to the last known postal address of the Customer (and if a Tenant, to the last known postal

address of the owner of the property being served) or served at the Customer's Premises, for any of the following reasons:

- (a) a Customer's account becomes one Month or more overdue, and payment has not been received at the Utility's office during normal working hours prior to expiry of the notice period,
- (b) the Customer is delinquent in its payments for any service provided by the Utility at the same Premises or any other Premises where services are provided by the Utility to the same Customer,
- (c) the Customer has failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in the security deposit by the specified date,
- (d) the Customer occupies the Premises with another Person who has failed to pay the Utility bill, security deposit, or required increase in the security deposit in respect of an other Premises which was occupied by that Person and the Customer at the same time,
- (e) inability of the Utility to gain admittance to the Premises to read the meter for a period of three (3) consecutive months, or
- (f) the land or portion thereof on which the Utility's facilities are, or are proposed to be, located contains the potential for contamination which the Utility, acting reasonably, determines has adversely affected or has the potential to adversely effect the Utility's facilities, or the health or safety of its workers or which may cause the Utility to assume liability for clean up and other Costs associated with the contamination.

If the Utility, acting reasonably, determines that contamination is present it is the obligation of the occupant of the land to satisfy the Utility that the contamination does not have the potential to adversely affect the Utility or its workers. For the purposes of this Section, "contamination" means the presence in the soil, sediment or groundwater of special waste or another substance in quantities or concentrations exceeding criteria, standards or conditions established by the British Columbia Ministry of Environment, Lands and Parks or as prescribed by present and future laws, rules, regulations and orders of any other legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the environment.

14.4. Discontinuance Without Notice - The Utility may discontinue without notice or refuse the supply of water or Service to a Customer for any of the following reasons:

- (a) the Customer has failed to provide reference information and identification acceptable to the Utility, when applying for Service or at any subsequent time on request by the Utility,
- (b) the Customer misrepresents any information required for Service as outlined in Section 1.2 (Information Required for Service) provided to the Utility,
- (c) the Customer uses water or has requested the supplying of water in such a manner as in the Utility's opinion may contaminate the Waterworks,

- (d) the Customer receiving service at the Premises fails to comply with any notice concerning potential contamination served pursuant to this Tariff,
- (e) in the Utility's opinion, the condition of the Customer's pipes or fixtures is such as to cause or potentially cause serious waste of water or damage to property,
- (f) the Customer fails to make repairs, modifications or additions to the Customer's equipment which have been required by the Utility, or fails to protect the Utility's Meter Set from ice, snow, or other materials, within the prescribed time periods specified by the Utility pursuant to this Tariff,
- (g) in the event of fire, flood, or other emergency in order to safeguard persons, or property against the possibility of contamination, injury, or damage,
- (h) the Customer breaches any of the Terms and Conditions of this Tariff upon which Service is provided to the Customer by the Utility, or, if a notice period is provided to the Customer, fails to remedy such breach within the prescribed notice period by order of the Utility pursuant to this Tariff,
- (i) the Customer fraudulently misrepresents to the Utility its use of water or the volume delivered,
- (j) the Customer tampers with or alters a water meter with the intent of altering the consumption measurement, or incites another party to tamper with a water meter,
- (k) the Customer repeatedly violates any of the terms and conditions listed in Section 14.3 (Discontinuance with Notice),
- (l) the Customer is in receivership or bankruptcy, or operating under the protection of any insolvency legislation, and has failed to pay any outstanding bills to the Utility,
- (m) the Customer vacates the Premises,
- (n) the Utility is ordered to cease supplying water to the Customer by a duly authorized government agency,
- (o) necessary repairs to the Utility's system, or
- (p) failure, temporary or permanent, of the availability of water.

14.5. **Locking Mechanism** - In the event that a Customer has violated a provision of this Tariff, or is indebted to the Utility either for water supply or Services rendered, the Utility at the discretion of the Utility's Manager may, in addition to discontinuing the water supply to the Premises in question, physically place a locking mechanism on the waterworks within or immediately outside such Premises. Removal of the locking mechanism shall be subject to a service charge, as identified in this Tariff. Only an authorized employee or agent of the Utility may remove the locking 77422.

14.6. **Disconnection** – In the case of infractions by the Customer listed in Section 14.4 (Discontinuance without Notice), the Utility may take such further action as deemed appropriate by the Utility, and physically disconnect the Customer's Water Service.

- 14.7. **Reconnection of Service and Security Deposit** - Where Water Service is locked off or disconnected for failure to pay a bill when due or for non-compliance with any other term or condition of this Tariff, the Utility shall not permit a resumption of Water Service for any Customer until proof of compliance with the Terms and Conditions is demonstrated, and until all outstanding debts and applicable service charges, as described in Section 3.3 (Reconnection Charges), have been paid in full. The Customer shall also be required to establish or re-establish a security deposit (or equivalent form of security acceptable to the Utility) in an amount determined by the Utility in accordance with Section 5.1 (Security for Payment of Bills).
- 14.8. **Liability** - No person whose Water Service is discontinued pursuant to these Terms and Conditions shall have any claim whatsoever against the Utility for discontinuance of Water Service.

Liability and Indemnity Provisions

15. Limitations on Liability

- 15.1. **Responsibility for Delivery of Water** - The Utility, its directors, officers, servants, agents, employees and contractors are not responsible or liable for any loss, damage, costs or injury (including death) incurred by any Customer or any Person claiming by or through the Customer caused by or resulting from, directly or indirectly, installation, presence, maintenance and operation of the Water Service or any discontinuance, suspension or interruption of, or failure or defect in the supply or delivery of, or refusal to supply, or deliver water, or provide Service, unless the loss, damage, costs or injury (including death) is directly attributable to the gross negligence or willful misconduct of the Utility, its directors, officers, servants, agents, employees or contractors, provided however that the Utility, its directors, officers servants agents employees and contractors are not responsible or liable for any loss of profit, loss of revenues, consequential damages or economic loss even if the loss is directly attributable to the gross negligence or willful misconduct of the Utility, its directors, officers, servants, agents, employees and contractors.
- 15.2. **Liability for Discontinuance of Water Supply** - No person whose Water Service is discontinued pursuant to the terms and conditions of this Tariff shall have any claim whatsoever against the Utility for discontinuance of water supply. This includes but is not limited to the Utility not being liable for any damage caused, or appearing to be caused by the breaking of any water main, any attachment, or other portion of the waterworks, or for any losses caused by temporary or permanent discontinuance of water for the purposes of repairing, maintaining, or cleaning the pipes, or for the connection of a Main Extension.
- 15.3. **Responsibility after Delivery** - The Customer is responsible for all expense, risk and liability with respect to the use or presence of water after it passes into the Customer's portion of Service Line.
- 15.4. **Responsibility Before Delivery** - The Customer is responsible for all expense, risk and liability with respect to
- (a) the use or presence of water before it passes into the Customer's Premises, and
 - (b) the Utility-owned facilities serving the Customer's Premises
- if any loss or damage is caused, or contributed to, by any act or omission of the Customer or a Person for whom the Customer is responsible.
- 15.5. **Responsibility for Meter Set** - The Customer is responsible for all expense, risk and liability with respect to all Meter Sets and related equipment at the Customer's Premises to the extent that damage is attributable to the negligence or willful misconduct of the Customer, its employees, contractors, invitees, tenants or agents,

which includes any action or inaction of a Customer which allows an Authorized Water Meter or related equipment to freeze.

15.6. **Customer Indemnification** - The Customer will indemnify and hold harmless the Utility, its directors, officers, servants, agents, employees and contractors from all claims, loss, damage, costs or injury (including property damage and death) and including legal costs on a solicitor and own client basis which may be suffered or incurred by the Customer or its invitees or any other Person claiming by or through the Customer or by any third party caused by or resulting from the use of water by the Customer or the presence of water in the Customer's Premises, or from the Customer or Customer's invitees, Tenants, employees, contractors or agents damaging the Utility's Waterworks or other facilities or from any breach by the Customer of the Service Agreement including without limitation, these Terms and Conditions.

15.7. **Force Majeure** - Notwithstanding any other term or condition contained herein, neither party shall be liable to the other for failure to carry out its obligations hereunder when such failure is caused by force majeure as hereinafter defined. The term force majeure means civil disturbance, industrial disturbances (including strikes and lockouts), arrests and restraints of rulers or people, interruptions by government or court orders, present or future valid orders of any regulatory body having proper jurisdiction, acts of public enemy, wars, riots, blockades, insurrections, failure or inability to secure materials, permits or labours by reason or priority regulations, or orders of government, serious epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or pipelines, temporary failure of water supply, an act or omission of the Utility, or any other causes or circumstances to the extent such cause or circumstance was beyond the control of and occurred without negligence on the part of the party prevented from carrying out its obligations by the act of force majeure.

Any causes or contingencies which entitle a party to claim force majeure shall not relieve it from liability in the event of its concurring negligence, or in the event of its failure to use due diligence to remedy the situation or remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes and contingencies affecting the performance of the obligations hereunder relieve either party from the obligation to make payments of amounts then due or thereafter accruing due hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely at the discretion of the party affected.

Miscellaneous Provisions

16. Promotions and Incentives

- 16.1. **Promotion of Water Saving Appliances** - The Utility may promote, sell, rent, lease, or finance water saving appliances and related accessories and services on a cash or finance plan basis and make reasonable charges for these Services.
- 16.2. **Promotion of Customer Attachments** - The Utility may finance the Cost of connecting Customers to the Waterworks on a cash or finance plan basis and make reasonable charges for these Services.

17. Other Miscellaneous Provisions

- 17.1. **Notice** - A notice mailed to the last known postal address of the Customer shall be deemed good and sufficient for all notices pursuant to this Tariff, other than notices pursuant to Section 6.3 (Interruption of Service) which shall be as specified in that Section. Notices shall be deemed to be effective midnight of the day mailed and any notice period provided by the Utility or this Tariff shall be deemed to include sufficient time for the receipt of mail.
- 17.2. **Conflicting Terms and Conditions** - Where anything in these Terms and Conditions conflicts with special terms or conditions specified under a Service Agreement, then the terms or conditions specified under the Service Agreement govern. All Service Agreements are subject to the approval by the Comptroller of Water Rights.
- 17.3. **Headings** - The headings of the Sections set forth in these Terms and Conditions are for convenience of reference only and will not be considered in any interpretation of the Terms and Conditions.
- 17.4. **Authority of Agents of the Utility** - No employee, contractor or agent of the Utility has authority to make any promise, agreement or representation not incorporated in these Terms and Conditions or in a Service Agreement, and any such unauthorized promise, agreement or representation is not binding on the Utility.
- 17.5. **Water Utility Act to Prevail** - The provisions of the Water Utility Act, as amended from time to time, are declared to be incorporated in and to form part of these Terms and Conditions. In the event of contradiction, inconsistency or ambiguity, the provisions of the Statute shall prevail.
- 17.6. **Disagreements regarding application of the Terms and Conditions for Applicants and Customers** – In case of disagreement regarding the application of these Terms and Conditions, or in circumstances where the application of such appears impracticable or unjust to any party, the Utility, applicant or Customer may refer the matter to the Comptroller for settlement.
- 17.7. **Additions, Alterations and Amendments to this Tariff** - The rates and charges recorded in this Tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his/her own volition, or on complaint of the Utility or other Persons, may deem that the existing rates in effect and collected or any rates charged or attempted to be charged for Service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the Water Utility Act, regulations or law, and may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates. The Utility may submit to the Comptroller, by letter of application together with full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to its

Customers and other Persons may submit objections thereto. The Comptroller will decide the matter and will notify all interested Persons of his/her decisions.

- 17.8. **Ownership of Waterworks** - The title to and ownership of all water Main Extensions, fittings, connections, or facilitates which are constructed for carrying water from the water Main to the property line of the Premise (whether at the Customer's expense or the Utility's expense) and installed within or along present or future public highways or within the Utility's property or rights-of-way shall transfer to, be vested in and remain with the Utility, with right of removal, upon inspection and acceptance by the Utility for connection to its Waterworks. The title to all Authorized Water Meters and appurtenances attached to a Customer's Service Line shall likewise transfer to and be vested in the Utility upon acceptance by the Utility. No charge shall be made by the Customer for use of Premises occupied by the Utility's Waterworks or for providing access to the Utility's facilities. This Section shall not apply to appliances or goods (other than water meter sets and related appurtenances to be used as Meter Sets) sold directly to the Customer by the Utility.
- 17.9. **Services Provided at No Charge** - The Utility shall provide the following services at no additional cost to the Customer:
- (a) locate Mains to prevent damage to underground facilities as long as a minimum of two (2) Business Day's notice is given. If less notice is given, then the Utility, at its discretion may charge a fee in accordance with this Tariff,
 - (b) any preventative maintenance service which in the Utility's opinion is required to ensure public and the Utility's safety and the maintenance of the Utility's equipment, but not including any parts or labour used to repair Customer's equipment,
 - (c) turn-off of Water Service.

Standard Fees and Charges Schedules

In accordance with applicable sections of this Tariff, Services rendered by the Utility will be subject to the following charges, rates, or fees, with taxes added where applicable.

Schedule "A" – Water Service Connection	55
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Schedule "A" – Water Service Connection

The charges below apply to connections to a water Main.

Connection charge (a) below recovers the Costs incurred by the Utility, and not otherwise recovered, of installing a service connection from the water Main to a curb stop and, if required, the Authorized Water Meter in the Customer's Premises. Costs herein include any administrative overhead incurred.

Where, at a time prior to a Customer's application for Service, a service connection has been installed at no cost to the Utility or at a cost otherwise recovered by the Utility, then upon connection of the service pipe, the rate shown in (b) shall become due and payable upon application for Service.

- a) Connection Charge.....At the Utility's Costs
- b) Connection of Customer's service pipe to an existing curb stop, including the Meter Set.....At the Utility's Costs
- c) Supply of an information-only Meter Set for a service connection.....At the Utility's Costs

Schedule “B” – Contribution in Aid of Future Construction

The charges shown below apply only to eligible premises as granted through the issuance of a CPCN by the Comptroller.

Where as a result of eligible premises becoming qualified as authorized Premises a greater number of Units require or may require Service from the Utility, thus utilizing Waterworks capacity presently or prospectively, then, upon application for a service connection, in addition to the connection charge and any Main Extension Costs, the charge shown below be paid.

For each Unit qualifying as authorized Premises (as applicable)

Reservoir	\$4,281.45 per SFRE
Water Treatment Plant I	\$4,346.01 per SFRE
Water Treatment Plant II	\$4,415.49 per SFRE

Note:

1. Monies collected under this schedule are to be deposited by the Utility into a Deferred Capacity Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.
2. This schedule applies to all developers except Kamlands Holdings.

Schedule "C" – Service Charges

Service-Related Charges when applying for Water Service

The following standard fees and charges will be applicable to the provision of Water Service to applicants or Customers. Charges for obtaining Water Service are intended to recover the Utility's Cost in responding to the request.

The nature of the request will determine the appropriate charges as follows:

- a) An administration charge shall apply at the time an application for Water Service is made by any applicant (whether for commencement of Water Service at existing authorized Premises or for a new connection).
- b) For Water Service to Premises that have not previously been connected to the Utility's Waterworks, the applicant shall pay the connection and contribution charges shown in Schedule "A" and/or "B" of this Tariff.
- c) A Turn-on fee shall be applicable when a turn-on of a valve at an existing curb-stop is made at a date after the service connection was installed.
- d) All other charges are subject to the provisions of the Tariff.

Application Fees

- Administrative fee for new applicant (new Customer).....\$25.00
- Transfer of Water Service (change in Customer).....\$25.00
- Change of billing address (same owner)..... \$0.00
- Turn on fee.....At the Utility's Costs
- Temporary Service.....At the Utility's Costs
-

Meter & Remote Reader Fees

- New meter & tie-in.....At the Utility's Costs
- New remote reader & installationAt the Utility's Costs
- Removal of an unauthorized water meterAt the Utility's Costs
- Removal and testing of meter at the Customer's request,
subject to Section 8.4 (Testing Water Meters).....At the Utility's Costs
- Moving a water meter at the Customer's request.....At the Utility's Costs

Administration Charges

Late Payment Charge	1.5% per Month (19.56% per annum) on out-standing balance as defined in Section 11.
Returned Cheque Charge	\$25.00
Interest on Cash Security Deposits	The Utility will pay interest on cash security deposits at the Utility's prime interest rate minus 2%, by crediting the Customer's account in January of each Year.

Other Service Charges

The following standard fees and charges will be applicable for the specific services listed below.

1. Backflow Prevention Charges

- Rental of a backflow prevention device per day (if unit available).....At the Utility's Costs
- Annual backflow prevention device test.....At the Utility's Costs

2. Processing Backflow Test Reports

- Each test report for each devices.....\$20.00

3. Contravention of Water Use Restriction, Backflow Prevention, Installation

- First occurrence for conservation order onlyWarning
- First occurrence (all others).....\$200.00
- Further occurrences\$500.00

4. Removal of Materials *subject to Section 8.10 (Required Access to Water Meter)*

- Charge per meter for first occurrence\$50.00
- Charge per meter for additional occurrences\$100.00

5. Removal and testing of meter at the Utility's request

- Charge per meter per request\$0.00

6. Special Meter Reading

- Within five days (per meter).....\$25.00
- Within 24 hours (per meter).....\$50.00

7. Reconnection Fee (per occurrence)

- Turn on of water after Discontinuance of Service.....\$50.00
- Removal of locking mechanism.....\$50.00
- Reconnection where meter and remote reader has NOT been removed.....At the Utility's Costs
- Reconnection where the meter has been removed.....At the Utility's Costs

8. Where other services are performed, Costs shall be:

- Materials:At the Utility's Costs
- Utility's Staff Labour only:.....Hourly rate of \$75.00
(After hours to be charged double time)
- Utility Back Hoe Equipment.....Hourly rate of \$100.00
- Other Contracted Services:.....At the Utility's Costs

Schedule “D” – Rates for Water Service

Applicability: Within the Service Area of the Utility.

Availability: To all Customers of the Utility.

Rates Effective July 14, 2025

Customer Group	Basic Charge	Variable Charge
Residential – Townhouse	\$25.48 per month	\$1.2383 per m ³
Residential – Cottage	\$45.48 per month	-
Residential – Resort	\$64.93 per month	-
Residential – Equestrian	\$72.60 per month	-
Commercial –Hotel	\$331.04 per month	-
Commercial – Other	\$111.87 per month	\$0.9454 per m ³
Irrigation (Non-Potable) Water Customers	\$2,896.09 per month	-

Rates Effective January 1, 2026

Meter Size	Basic Charge	Variable Charge
5/8" or 3/4"	\$20.78 per month	\$0.82 per m ³
1"	\$36.95 per month	\$0.82 per m ³
1.5"	\$83.14 per month	\$0.82 per m ³
2"	\$147.80 per month	\$0.82 per m ³
3"	\$332.56 per month	\$0.82 per m ³
4"	\$591.22 per month	\$0.82 per m ³
6"	\$1,330.24 per month	\$0.82 per m ³
Irrigation (Non-Potable) Customers	\$1,665.49 per month	

Rates Effective January 1, 2027

Meter Size	Basic Charge	Variable Charge
5/8" or 3/4"	\$23.28 per month	\$0.86 per m ³
1"	\$41.39 per month	\$0.86 per m ³
1.5"	\$93.12 per month	\$0.86 per m ³
2"	\$165.54 per month	\$0.86 per m ³
3"	\$372.47 per month	\$0.86 per m ³
4"	\$662.16 per month	\$0.86 per m ³

Meter Size	Basic Charge	Variable Charge
6"	\$1,489.87 per month	\$0.86 per m ³
Irrigation (Non-Potable) Customers	\$1,865.34 per month	

Note:

1. The 2025 rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights

Schedule “E” – Replacement Reserve Fund Contributions

Applicability: Within the Service Area of the Utility.
Availability: To all Approved Lots within the Service Area.

Rates Effective January 1, 2026, and January 1, 2027

RRF Rate		2026	2027
Residential Customers using Potable water	Per MDD of each approved unit per month	\$4.81	\$4.88
Commercial Customers using Potable water		\$4.81	\$4.88
“Availability” Customers		\$4.81	\$4.88
Irrigation (Non-Potable) Customers		\$0.40	\$0.41

Note:

- The Utility is to deposit monies collected under this schedule into a Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.
- MDD = Maximum Daily Demand
- Each Unit has a specific MDD. Please refer to the Unit’s purchase documents for details of your MDD.
- An *illustrative* calculation using is below
 - 2026 Monthly Bill = Rate x Unit MDD
= \$4.81 x 5.4 m³
= \$25.97 per month

Schedule “F” – Fire Hydrant & Standpipe Rates per Fire Protection Agreement

Applicability:	Within that portion of the Utility’s Service Area in Tobiano Resort’s Fire Protection Area as established by the Thompson Nicola Regional District.
Availability:	The following rates apply to all fire hydrants, standpipes and blow-offs used for fire fighting training and fire suppression purposes.
Annual Rate:	As per the Water Supply Agreement between Tobiano Utilities Inc. and the Thompson Nicola Regional District, as amended or assigned.

Annual Payment:

On January 1 of each year of this approved tariff starting in January 1, 2008, the Annual Payment will be calculated at a rate of 27% of the Total Revenue Requirement as approved by the Comptroller of Water Rights or as agreed between the parties to this Agreement

Note:

1. The rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights

Schedule “G” – Irrigation and Non-Fire Protection Use of Hydrants or Standpipes

Applicability: Within the Service Area of the Utility.

Availability: The following rates apply to all fire hydrants, standpipes and blow-offs used for non-fire fighting training and non-fire suppression.

Metered Rate

Minimum Charge and Base Consumption Allowance:

Hydrant Use \$200.00 minimum charge per use, includes the first 5 cubic meters or part thereof as well as a Hydrant Inspection and the first five (5) days of the hydrant Meter Set rental

Stand Pipe Use \$50.00 minimum charge per use, includes the first 5 cubic meters or part thereof and the first five (5) days of stand pipe Meter Set rental

Hydrant / Stand Pipe Meter Set rental

\$25.00 per day for each additional day of rental after the first five (5) days of rental (per Premises per annum)

Hydrant / Stand Pipe Backflow Prevention Device rental

\$10.00 per day for each day of rental

Billing for Additional Water

Additional water used will be charged at the usage rates as outlined in Schedule D or Schedule E as applicable.

Non-metered Rate (for use only by Customers without a Meter Set including non-authorized use)

Flat Charge

Hydrant Use \$750.00 per day, and includes a Hydrant Inspection

Stand Pipe Use \$500.00 per day

Schedule “H” – Availability of Service Charge as per Rent Charge Agreement(s)

Applicability: To owners of Premises with Rent Charge Agreements registered on title. The Service Charge becomes effective, due and payable on the first day of the month following the date of CPCN issuance.

Availability: All owners of the Premises to which this rate is applicable shall pay the rate during the period they are not Customers of Water Service.

Rates Effective July 14, 2025

Customer Group	Basic Charge
Residential – Townhouse	\$16.99 per month
Residential – Cottage	\$22.74 per month
Residential – Resort	\$32.51 per month
Residential – Equestrian	\$36.35 per month
Commercial –Hotel	\$223.74 per month
Commercial – Other	\$223.74 per month

Rates Effective January 1, 2026

Meter Size	2026
5/8" and 3/4"	\$20.78 per month
1"	\$36.95 per month
1.5"	\$83.14 per month
2"	\$147.80 per month
3"	\$332.56 per month
4"	\$591.22 per month
6"	\$1,330.24 per month
Irrigation (Non-Potable) Water Customers	\$1,665.49 per month

Rates Effective January 1, 2027

Meter Size	2027
5/8" and 3/4"	\$23.28 per month
1"	\$41.39 per month
1.5"	\$93.12 per month
2"	\$165.54 per month

Meter Size	2027
3"	\$372.47 per month
4"	\$662.16 per month
6"	\$1,489.87 per month
Irrigation (Non-Potable) Water Customers	\$1,865.34 per month

Note:

1. The 2025 rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights
2. Once a Customer has received approval to connect to the Utility's Waterworks, has passed inspection and has been accepted by the Utility as a Customer, this rate will no longer apply to the portion of the property connected to the Utility's Waterworks. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.
3. Should a Customer choose to develop a Premise, other than a Residential Lot, in a phased manner over one or more years, then each Dwelling Unit in each phase must be inspected and accepted by the Utility prior to the Utility removing this charge. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.

APPENDIX 2-B WATER TARIFF – PROPOSED – BLACKLINE VERSION

Corix-Bluestem Multi-Utility Services Inc. ULC

Tobiano Water Utility - Water Tariff No. 23

Rates, Terms and Conditions for Water Service at Tobiano Resort, British Columbia

Contact Person: Paul BurgessBob Shields, Area Operations
Manager

Email: customercare@bluestemutilities.com

Customer Care Phone: 1.877.788.7277

Emergency Contact: 1.855.244.7808 (24 hours)

This Tariff is available for public inspection at **420 Chilcotin Road, Kamloops, BC.**

Revisions reflecting Utility transfer accepted for filing by the Comptroller of Water Rights
on ~~31st~~ day of ~~May~~, 20212025
Effective Date: ~~May 31, 2021~~ July 1, 2025

____Secretary to the

_____Comptroller of Water Rights

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Definitions

Unless the context indicates otherwise, the following words have the following meanings in this Tariff:

- a) “Authorized Backflow Prevention Device Tester” means a tester currently registered with the Certification Committee of the American Water Works Association, B.C. Section, whose testing device has a current validation certification by BCWWA.
- b) “Authorized Water Meter” means a Meter Set, approved, owned and operated by the Utility pursuant to this Tariff, for the purposes of measuring a Customer's water consumption.
- c) “AWWA” means American Water Works Association
- d) “Backflow Prevention Device” means a backflow preventor designed to be in-line tested and repaired and meet the head loss and flow requirements of the recognized approval authority. The device consists of the backflow prevention unit, two resilient seated shutoff valves and test cock(s) means a mechanical device that prevents backflow of undesirable substances into the potable water system.
- e) “BCWWA” means British Columbia Water and Waste Association
- f) “Business Day” means a day during which normal business is conducted and usually includes Monday through Friday. A statutory holiday is not considered a Business Day.
- g) “Complex” means a structure containing one or more Units which receives service from a connection to the Utility's Waterworks, and without restricting the generality of the foregoing, includes single family dwellings, multi-family dwellings, apartments, condominiums, lodging, commercial properties, mobile home parks, marinas, equestrian centres, campgrounds, recreation centres, golf courses, amenities, cemeteries, hospitals and farms.
- h) “Comptroller” means the Comptroller of Water Rights as empowered pursuant to the Water Utility Act, R.S.B.C. 1996, Chapter 485 for the Province of British Columbia and includes a Deputy Comptroller and any successor established by law.
- i) “Conversion Factor” means a factor, or combination of factors, which converts water meter data to cubic meters for billing purposes.
- j) “Cost(s)” means the total of all direct costs incurred by the Utility for a Service provided to a Customer, including but not limited to labour, materials and equipment, as well as any other costs that may reasonably arise in preparation for or during completion of the work, plus (if not otherwise specified) a reasonable allowance for the Utility's overhead costs.
- k) “CPCN” means a Certificate of Public Convenience and Necessity (CPCN) is issued by the Comptroller of Water Rights for the Province of British Columbia to Corix Multi-

Utility Services Inc. Bluestem Multi-Utility Services ULC to authorize the Utility to construct and operate a water works system and to provide water service to Customers within a specified area within the Tobiano Resort. The CPCN describes the conditions under which the Utility is established and under which it will operate.

- l) “Cross Connection” means an actual or potential connection between the drinking water supply and any source of pollution or contaminant. Improper plumbing and/or cross connections on private property can contaminate the public drinking water supply.
- m) “Cubic Meter (M³)” means the volume of water which occupies one cubic meter and is the equivalent of 1,000 litres.
- n) “Customer” means a Person who is being provided Service by the Utility, or an applicant who has requested Service at Unit and such request has been approved by the Utility.
- o) “Dwelling Unit” means two or more rooms used or intended to be used for residential accommodations, containing cooking, sleeping and sanitary facilities, and which have no more than one set of cooking facilities.
- p) “Hydrant Inspection” means the full maintenance inspection of a hydrant that may or may not include the replacement of any or all working parts of the hydrant.
- q) “Lot” includes any lot or parcel including an airspace parcel into which lands comprising the Tobiano Resort are subdivided, whether by subdivision plan, strata plan, bare land strata plan, airspace plan or otherwise and includes the common property and limited common property of any strata plan or bare land strata plan and the airspace in any airspace plan.
- r) “Main” means pipe used to carry water for general or collective use for the purposes of distribution.
- s) “Main Extension” means an extension of one of the Utility’s distribution mains, whether installed by the Utility or approved for connection to the Utility’s Waterworks, and includes the installation of any required pumping stations, reservoirs or pressure regulating facilities and upgrading of existing mains, pumping stations, reservoirs or pressure regulating facilities, but does not include the installation of Service Lines or Meter Sets.
- t) “Maximum Daily Demand” means the single highest total 24-hour daily water consumption occurring over one year as approved by the Comptroller through a CPCN.
- u) “Meter Set” means the equipment owned by the Utility and used for metering or measuring water consumption, including but not limited to remote meter reading and/or backflow prevention devices.
- v) “Month” means a period, as used by the Utility for billing purposes, generally ranging from 27 to 37 consecutive days, but may be a lesser or greater period when Water Service is activated, discontinued, or disconnected.

Commented [NO1]: Do we need to revise this in line with new bylaws?

- w) “Non-Potable Water” means water that is not suitable for human consumption in accordance with applicable Regulations
- x) “Notice” means that the Utility may cause notices to be published in a newspaper of general circulation, on its dedicated website, via a mass community notification system and by other additional means. These notices may declare restrictions on the use of water to conserve and save water or for other reasons that could affect its Customers or the general public.
- y) “Other Service” means the provision of Service other than Water Service, including, but not limited to, alterations and repairs, initial connection of Service, reconnection of Service, removal of materials (such as ice, snow or construction materials, etc.) and Main Extension(s).
- z) “Other Service Charges” means charges for, but not limited to, Other Service and financing, returned cheque charges, late payment charges, Social Service Tax, Goods and Services Tax or other taxes related to these charges.
- aa) “Person” means a natural person, partnership, corporation, society, un-incorporated entity or body politic.
- bb) “Potable Water” means water suitable for human consumption in accordance with applicable Regulations.
- cc) “Premise(s)” means any land, building or improvements which are entitled to, and authorized for, Water Service in accordance with the Certificate of Public Convenience and Necessity (CPCN) of the Utility which may include a Project, Unit, Lot or Complex.
- dd) “Project” means a single family, strata titled or other development for residential, commercial, recreational or amenity purposes within the Tobiano Resort.
- ee) “Rent Charge” means a yearly rent charge, charged against the land to secure the annual water “Availability of Service Charge”.
- ff) “Resort Accommodation Unit” means one or more habitable rooms or accommodation units used for accommodation and may contain units with cooking, eating, living, sleeping and sanitary facilities.
- gg) “Service” means the provision of Water Service or Other Service by the Utility, including:
a. The supply of water delivered in any manner to a Customer, and
b. The provision of any equipment, facilities, or manual service used by or in connection with the Utility in supplying water to the Customer’s Premises.
- hh) “Service Agreement” means an agreement between the Utility and a Customer for the provision of Service referred to in Section 2.1 of these Terms and Conditions.

Commented [N02]: Do we need to define this or make it lower case?

- ii) “Service Area” means the areas within the Tobiano Resort, which the Utility is authorized and entitled to provide Water Service in accordance with the Certificate of Public Convenience and Necessity of the Utility.
- jj) “Service Line” means that portion of the water distribution system extending from a water Main or Service Main to the inlet of the Meter Set whether installed by the Utility or approved for connection to the Utility’s Waterworks.
- kk) “Service Main” means pipe(s) used to carry water for general or collective use within a Project for purposes of distribution.
- ll) “Service Related Charges” include, but are not limited to, application fees, connection fees, Service Line installation fees, Meter Set fees, late payment charges, plus Social Services Tax, Goods and Service Tax, or other taxes related to these charges.
- mm) “Single Family Residential Equivalent (SFRE)” means a Resort Lot and its approved CPCN MDD
- nn) “Standard Fees & Charges Schedules” means the schedules forming part of the Terms and Conditions which lists the various fees and charges relating to Service provided by the Utility as approved from time to time by the Comptroller.
- oo) “Temporary Service” means the provision of Service for what the Utility determines will be a limited period.
- pp) “Tenant” means a Person under lease, license or tenancy agreement or who has the temporary use and occupation of real property owned by another Person.
- qq) “Terms & Conditions” means these terms and conditions of the Utility’s Water Tariff as amended from time to time and approved by the Comptroller.
- rr) “Tobiano Resort” means the integrated resort community known as Tobiano Resort located adjacent to Kamloops Lake in the Thompson Nicola Regional District, British Columbia
- ss) “Unit” means land or premises in respect of which a separate title has been issued at the Land Title Office or other applicable office of public record from time to time (a “Registered Parcel”) and includes, without limitation:
- a. a house, townhouse, apartment, suite, hotel room or other premises intended for use as a place of residence; and
- b. a retail store, office or other place of business,
- provided, however, that where the Developer determines:
- i. that a Registered Parcel comprises more than one house, townhouse, apartment, suite, hotel room, store, office, place of business or other premises which are separately used or intended to be separately used for residential, commercial, recreational or amenity purposes (a “Separate Usable Area”), each Separate Usable Area shall be deemed to be a Unit; and

~~ii. that a building, suite, room or other premises forming part of the common property of a strata titled development is used or intended to be used for recreational or amenity purposes (a "Strata Amenity Area"), each Strata Amenity Area shall be deemed to be a Unit.~~

tt) "Unit of Water" means a unit of measurement, usually the equivalent of one (1.0) cubic meter or one thousand (1,000) liters of water.

uu) "Utility" means Corix-Bluestem Multi-Utility Services Inc./ULC's Tobiano Water Utility.

vv) "Water Service" means the delivery of water to a Customer.

ww) "Waterworks" means the physical plant owned and operated by the Utility, including the equipment, pipes, reservoirs, pumping stations, meters, and appurtenances employed by or used in connection with the Utility in providing Water Service or any Other Service.

xx) "Year" means a period of twelve (12) consecutive calendar months

Tobiano Utility House Types (as established by Zoning Bylaws)	
<u>Residential - Townhouse</u>	Zoning Bylaw Definition: an attached resort accommodation unit built within a multi-unit development
<u>Residential - Cottage</u>	Zoning Bylaw Definition: a detached resort accommodation unit built on a compact lot (i.e. min. parcel size 350 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A - this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano)
<u>Residential Resort Home</u>	Zoning Bylaw Definition: a detached resort accommodation unit built on a medium-sized lot (i.e. min. parcel size 560 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A - this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano)
<u>Residential - Equestrian</u>	Zoning Bylaw Definition: a detached resort accommodation unit situated in close proximity and linked by design and purpose to an integral equestrian facility. (min. Parcel size 930 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A - this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano)
<u>Commercial - Hotel</u>	Resort Hotel – any building used for accommodation which may include resort accommodation units and areas used for the public: lobby, restaurant, assembly, entertainment, retail purposes, indoor recreation and personal services. Type of zoning – Comprehensive Development – Sub Zone B - this zone permits this type of accommodation as well as zone C-8
<u>Commercial - Other</u>	Commercial uses permit a range of accommodation, recreational, entertainment, retail and office-oriented uses. Type of zoning – Comprehensive Development – Sub Zone B - this zone permits commercial and multi-family residential as well as zone C-7 and C-8
<u>Marina</u>	Means a development containing docking or mooring facilities where boats and other water vessels and their accessories are berthed, stored, serviced, repaired, or kept for sale or rent.
<u>Irrigation (Untreated)</u>	Means a development containing facilities and or land where the Utility has agreed to provide non-potable water for the purposes of irrigation

Commented [N03]: Do we need to revise these in line with the latest zoning bylaws?

Application for Service

1. Application Requirements

1.1. Requesting Services - A Customer or applicant requesting the Utility

- (a) to provide Service,
- (b) to provide a new Service Line,
- (c) to re-activate an existing Service Line,
- (d) to transfer an existing account,
- (e) to change the Service provided, or
- (f) to make alterations to an existing Service Line or Meter Set,
- (g) to update or change information on an existing account,

shall apply to the Utility at its office location in person, by mail, by telephone, by facsimile or by other electronic means acceptable to the Utility.

The Utility may request payment in advance of all Water Service application and connection charges, as described in Section 3 (Application, Installation and Reconnection Fees) before a Water Service connection will be installed.

1.2. Information Required for Service - All applications for Service must truthfully disclose:

- (a) The purpose(s) for which the Service is to be used (i.e. domestic, commercial, irrigation, etc.);
- (b) Detailed information on the expected maximum demand for service in order for the Utility to determine the size of service connection;
- (c) The size (diameter) of the pipe planned by the Customer and subject to approval by the Utility through which water will be supplied from the Utility's service to the Premises;
- (d) The legal description of the Premises and municipal address, if available;
- (e) Billing address and contact phone number(s) including emergency contact information;
- (f) The number of Units within the Premises; and
- (g) The location of the Unit or Units to be serviced.

Additional applications for Service shall be made for Service to additional Units within the same property and for additional purposes as required in this Tariff.

1.3. Forecast Information – The Utility may require the Customer or their agent at the property to provide forecasts of water usage for the Premises for a specific period.

The method of forecasting usage must be prepared and calculated in a manner acceptable to the Utility. The Customer or agent shall promptly provide such forecasts.

- 1.4. **Required References** - The Utility may require an applicant for Service to provide reference information and identification acceptable to the Utility. The Utility may, at any time, request information required to determine a prospective Customer's or existing Customer's credit history and to assess the credit risk of the Customer, including, without limitation, identification, contact, and credit information. If a prospective or existing Customer refuses to provide the requested information, the Utility may refuse or discontinue service to the customer, as applicable.
- 1.5. **Security Deposit** - The Utility may require an applicant for Service to provide a monetary or other security as set out in Section 5 (Security for Payment of Bills).
- 1.6. **Customer Name or Information Change** – If a customer has a change of name or contact information, including mailing address and telephone number, the Customer must immediately notify the Utility of such change. The Utility reserves the right to require that such notification be made in writing.

2. Agreement to Provide Service

2.1. **Approval of Service** - The Utility will determine the terms and conditions under which a Service connection will be provided. The Utility shall maintain the right to refuse to approve an application for Service if any of the Terms and Conditions listed in this Tariff are not met, pursuant to Section 14.1 (Refusal of Service).

2.2. **Service Agreement** - The Service Agreement between a Customer and the Utility will be the oral or written application of the Customer, as approved by the Utility, and these Terms and Conditions. All Customers shall be subject to the Terms and Conditions set out herein, each of which shall be deemed to form part of the Service Agreement between the Customer and Utility.

2.3. **Customer Status** - A Person becomes a Customer of the Utility when the Utility

(a) approves the Person's application for Service, or

(b) the Utility provides Service to the Person.

A Person who is being provided Service by the Utility but who has not applied for Service shall be served in accordance with and shall be subject to these Terms and Conditions.

2.4. **Separate Premise/Businesses** - If an applicant is requesting Service from the Utility at more than one Premise, or for more than one separately operated business, the applicant will be considered a separate Customer for each of the Premises and businesses (subject to Section 14.3 (b)). For the purposes of this provision, the Utility will determine whether or not any building contains one or more Premises or any business is separately operated.

2.5. **Access to Premises** – The Utility's obligation to provide Service to an applicant or Customer is conditional upon the Utility being given an ongoing right of access to its equipment as set out in Section 6.8 (Access to Premises and Equipment).

2.6. **Change in Ownership or Tenancy of Property** - When there is a change in ownership or tenancy of property, the property seller should ensure that the Utility bill is paid before the transfer of the title to the purchaser. Where there is a change in ownership or tenancy of property, it is the responsibility of the new owner and/or new Tenant to ensure any outstanding obligations are included in the statement of adjustments of the property purchase, or are fully paid by the previous owner or Tenant.

(a) If a new owner leases or rents a Premises and wants the Utility bill to be sent to a Tenant, the new owner must complete an agreement with the Utility, which authorizes the Utility to send the Utility bill to the Tenant. However, this arrangement does not release the Owner from its obligation to pay the Utility's bills.

In the event that a previous owner or Tenant vacates the Premises, leaving an outstanding Utility bill, then the Utility's agreement to provide Water Service is subject to the new property owner paying the outstanding balance owing on the water bill.

2.3. Application, Installation and Reconnection Fees

2.4.3.1. Application and Service Installation Fees - An applicant for Service shall pay the applicable application, connection, Service Line installation and Meter Set fees as set out in this Tariff. Where the Service Line is required to serve more than one Customer, then the Costs of the Service Line and Meter Set shall be equitably shared by each applicant.

2.2.3.2. Waiver of Application or Reconnection Fee - The application or reconnection fee will be waived by the Utility if Service to a Customer is reactivated after it was discontinued for any of the reasons described in Section 6.3 (a) (Right to Restrict).

2.3.3.3. Reconnection Charges - If

- (a) Service is terminated
 - (i) at the request of a Customer, or
 - (ii) for any of the reasons described in Section 14 (Refusal of Service and Discontinuance of Service) other than as necessitated by repairs to the Utility's system or failure of water supply, or
 - (iii) to permit Customers to make alterations to their Premises, and

- (b) reactivation of Service to the Premises is requested,

the applicant for resumption of Water Service and/or reconnection shall pay the appropriate service charges listed in the applicable Schedules attached to this Tariff for turning on Water Service, removal of any locking device, and/or the reconnection of Water Service, together with any other indebtedness, any and all additional charges incurred in the collection of a delinquent account, and any other reactivation Costs which may be incurred by the Utility in reactivating Service.

2.4.3.4. Compliance Costs - Where the Utility undertakes a lawful action deemed necessary to enforce compliance of a Customer with this Tariff, any Costs incurred by such action, including legal fees on a solicitor and own client basis, shall be recovered from the Customer as a service charge under this Tariff, regardless of whether or not it is specifically included in these Terms and Conditions.

3.4. Additional Services and Fees

3.4.1. Customer Responsibility for Additional Costs and Expenditures - Any applicant or Customer who applies to the Utility for work, which is not covered by the Schedules attached to this Tariff, shall pay all additional Costs as determined by the Utility, including:

- (a) expenditures by the Utility for gross wages and salaries, employee benefits, materials and a reasonable allowance for administrative Costs.
- (b) any expenditure for equipment, at rates paid or set by the Utility, as well as any other Costs that may reasonably arise in preparation for or during the completion of the work.

3.4.2. Advance Payment for Additional Costs and Expenditures - When reasonable under the circumstances, the Utility will provide the applicant or Customer with a written estimate of the Costs of the Service requested. Prior to the commencement of any work, and at the sole discretion of the Utility, the Utility may request that the applicant or Customer make an advance payment to the Utility of the full estimated amount, inclusive of any application charges or other applicable fees.

3.4.3. Reconciliation to Actual Costs - Upon completion of the respective Service, the Utility will provide the Customer with a calculation of the actual Costs.

- (a) Where the total Costs of the Service provided are less than the advance payment deposited with the Utility, excluding application charges or other fees, the difference will be refunded without interest by the Utility to the Customer.
- (b) Where the total Costs of the Service provided are more than the amount deposited for that purpose or an advance is not collected by the Utility, the Utility will provide an invoice to the Customer, and the outstanding balance is due and payable within fifteen (15) days of the date of issue.

4.5. Security for Payment of Bills

4.1.5.1. Security for Payment of Bills – If a Customer or applicant cannot establish or maintain credit to the satisfaction of the Utility, at any time, the Customer or applicant may be required to make a security deposit in the form of cash or an equivalent form of security acceptable to the Utility. The amount of the security may not

- (a) be less than \$100.00, nor
- (b) exceed an amount equal to the estimate of the total bill for the three (3) highest consecutive months' water consumption by the Customer or applicant, provided such estimate is not less than \$100.00.

4.2.5.2. Interest - The Utility will pay interest to a Customer on a security deposit at the rate and at the times specified in this Tariff. Such interest shall be credited annually to the Customer's billing account in the month of January. If a security deposit is returned to the Customer for any reason, the Utility will credit any accrued interest to the Customer's account at that time, less any outstanding indebtedness to the Utility then owing by the Customer.

No interest is payable:

- (a) on any unclaimed deposit left with the Utility after the account for which it is security is closed, nor
- (b) on a deposit held by the Utility in a form other than cash.

4.3.5.3. Refund of Deposit - When the Customer pays the final bill, the Utility will refund any security deposit plus any accrued interest or cancel the equivalent form of security.

4.4.5.4. Unclaimed Refund - If the Utility is unable to locate the Customer to whom a security deposit is payable, the Utility will take reasonable steps to trace the Customer; but if the security deposit remains unclaimed one (1) year after the date on which it first became refundable, the deposit and interest thereon becomes the absolute property of the Utility.

4.5.5.5. Application of Deposit - If a Customer's bill is not paid when due, the Utility may apply all or any part of the Customer's security deposit or equivalent form of security, along with any accrued interest, toward payment of the bill. Even if the Utility applies the security deposit or calls on the equivalent form of security, the Utility may, under Section 14 (Refusal of Service and Discontinuance of Service), discontinue Service to the Customer for failure to pay for Service. Upon application of all or any portion of the security of a bill, the Customer shall, upon demand by the Utility, replenish the Security to the original amount or such other amounts as the Utility may then require, subject only to the limits set out in Section 5.1 (Security for Payment of Bills).

~~4.6.5.6.~~ **Failure to Pay Security Deposit** - Failure to pay or replenish a security deposit or to provide an equivalent form of security acceptable to the Utility may, at the Utility's discretion, result in discontinuance or refusal of Service as set out in Section 14 (Refusal of Service and Discontinuance of Service).

5.6. Service Agreement

5.4.6.1. Term of Service Agreement – Unless a Service Agreement specifies otherwise, the initial term of Service will be 3 months, and thereafter will be automatically renewed from Month to Month unless otherwise terminated in accordance with these Terms and Conditions.

5.2.6.2. Regular Supply of Water - The Utility intends to maintain an adequate and continuous supply of water at suitable pressures at all times. However, it accepts no liability for interruptions due to circumstances beyond its control. For interruptions exceeding ~~five seventy-two (725) hours~~ days, a proportionate reduction or rebate of fixed Monthly charges may be allowed to Customers where applicable.

5.3.6.3. Interruption of Service - The Utility shall have the right at all times to restrict or suspend the supply of water to any Premises without advance Notice, to effect such emergency repairs, replacements, alterations, or extensions to the Utility's Waterworks as shall, in the opinion of the Utility, be deemed necessary.

- (a) **Right to Restrict** - The Utility may require any of its Customers, at all times or between specified hours, to discontinue, interrupt or reduce to a specified use or quantity, the delivery of water for any of the following purposes or reasons:
- (i) in the event of a temporary or permanent shortage of Water, whether actual or perceived by the Utility,
 - (ii) in the event of a breakdown or failure of the supply of water to the Utility or of the Utility's water storage or distribution systems,
 - (iii) to conserve water supply, including, but not limited to, restricting or prohibiting the use of water for gardening, irrigation, sprinkling, air conditioning or filling of hot tubs,
 - (iv) to comply with any legal requirements,
 - (v) to make repairs or improvements to any part of the Utility's Waterworks, including but not limited to the water distribution or storage systems,
 - (vi) in the event of fire, flood, or other emergency to safeguard Persons or property against the possibility of contamination or damage.
- (b) **Notice** - The Utility will, to the extent practicable, give notice of its requirements and removal of its requirements under Section 6.3 (a) (Right to Restrict) to its Customers by
- (i) newspaper, radio or television announcement, or
 - (ii) mass community notification software, or
 - (iii) notice in writing that is sent through the mail to the Customer's billing address, left at the Premises where water is delivered, served

personally on a Customer, or sent by facsimile or other electronic means to the Customer, or

- (iv) oral communication.

Whenever possible, the Utility will give advance notice of the restriction or shut-off in Water Service. In cases where the Utility expects Water Service to be interrupted for twenty-four (24) hours or more, the Utility will attempt to provide forty-eight (48) hours' notice to its Customers.

- (c) **Failure to Comply with Restriction** - If, in the opinion of the Utility, a Customer failed to comply with any requirement under Section 6.3 (a) (Right to Restrict), the Utility may, after providing notice to the Customer in the manner specified in Section 6.3 (b) (Notice), either levy a charge as listed in Standard Fees and Charges Schedules or discontinue Service to the Customer. A Person who contravenes water use restrictions for water conservation purposes is subject to one warning notice per Year. Each subsequent contravention during that Year is subject to the appropriate charge.

5-4-6.4. Authorized Consumption - Approval Required to Increase Load - A Customer shall not increase the maximum rate of water consumption delivered to it by the Utility beyond that requested in its original application to the Utility without the Utility's written approval, which approval will not be unreasonably withheld.

5-5-6.5. Waste of Water - The Customer shall use due care to prevent any waste of water and will immediately notify the Utility in the event of equipment failure or water leakage. Should there be evidence of leaking or waste of water on the Customer's property, the Utility shall notify the Customer and may order the repair of any leaky pipes and fixtures that are evident on the Premises. If repairs are not made within five (5) Business Days after any such notice, or if the condition of the Customer's pipes or fixtures is such as to cause serious waste of water or damage to property, then without further notice the Utility may shut off the water supply to the Premises pursuant to Section 14.4 (Discontinuance without Notice).

5-6-6.6. Water Conservation Fixtures

- (a) All Customers connecting to the Waterworks must install and at all times maintain water-conserving plumbing fixtures throughout any Dwelling Unit, including ultra-low flush toilets (maximum 4 litres or lower per flush) or dual-flush toilets (3 / 6 litre per flush), ultra-low flow shower fixtures (1.5 USGPM or 6 litres per minute) and ultra-low flow taps (1.5 USGPM or 6 litres per minute). All toilets must meet a minimum MAP testing of 600 grams.
- (b) All Customers must maintain these standards by not modifying or allowing maintenance work to be performed on the low flow fixtures to allow larger flows than originally specified by the manufacturer.

- (c) All replacement fixtures must meet the current standards for water conserving fixtures as stated in the current approved Water Tariff as modified and approved from time to time by the Comptroller of Water Rights.

5.7.6.7. Unauthorized Resale / Use - Unless authorized in writing by the Utility, a Customer shall not resell water supplied to it by the Utility to other Persons, permit water to be carried away other than for personal use, or use or allow water to be used in the Premises for purposes other than those stated in the Customer's application for Service.

5.8.6.8. Access to Premises and Equipment - As a condition of Water Service, the Customer must grant the Utility a right of entry to the Customer's Premises. The Customer will provide free access to its Premises at all reasonable times, upon reasonable notice, except in the case of an emergency, to the Utility's authorized employees, contractors, and agents for the purposes of reading, testing, repairing or removing meters and ancillary equipment, inspecting stopcocks and backflow prevention devices, turning water on or off, completing system leakage surveys, stopping leaks, examining pipes, connections, fittings and appliances and reviewing the use made of water delivered to the Customer, or for any other related purpose which the Utility requires.

The Customer on behalf of the owner of the Premises grants the Utility full power, right and liberty to enter the Premises, whether or not the owner or occupant is at the Premises, to break the surface and make necessary excavations for the purposes of locating, installing, repairing, replacing, maintaining, and inspecting all facilities on the Premises.

In situations of perceived emergency, the Utility may use reasonable force to secure access to its equipment for inspection, disconnection, and repair. The Utility will do as little damage and cause as little inconvenience as reasonably possible in doing such work.

When a Customer who has requested a service call, or who has been given advance notice of a required service, does not permit the Utility to provide service during normal business hours of the Utility, the Customer will be required to pay overtime costs in addition to all applicable service charges.

5.9.6.9. Employee Identification - Upon request, the Utility's employee or authorized agent wishing access to a Customer's Premises must show valid Utility identification prior to entering the Premises.

5.10.6.10. Easements & Right-of-Way - If the Customer is not the owner of the Premises or intervening property between the Premises and the Utility's Mains, the Customer shall obtain for the Utility from the owner the necessary consent or easement in writing and if requested by the Utility in form registrable in the Land Title Office for the installation and maintenance at the Premises and in or about the intervening property, of all

necessary facilities for supplying water. The Utility reserves the right to proceed with rights-of-way acquisition if deemed desirable.

5.11.6.11. Authority of Work - No Person who is not an agent or employee of the Utility shall make any connections with, or alterations to, or tamper with, any of the Utility's Waterworks, including any distribution water Mains or water meters belonging to the Utility, nor turn on or off any valve or curb stop of the Utility, without authorization in writing by the Utility. Should a Customer, their agent or employee, or any related third party contravene this prohibition, then the Customer will be subject to any Costs incurred by the Utility to repair damages caused by the Customer or third party. Should such incidents be the responsibility of an unrelated third party, the Utility shall have a right to claim all relevant Costs from the unrelated third party. A Person who contravenes the Authority of Work section will be subject to one warning notice per Year. Each subsequent contravention during that Year is subject to the appropriate Charge.

5.12.6.12. Failure to Comply with the Tariff - Where any Customer fails to comply with these Terms and Conditions, the Utility, in addition to its right to discontinue Water Service pursuant to Section 14 (Refusal of Service and Discontinuance of Service), may undertake any lawful action deemed necessary to enforce compliance.

5.13.6.13. Assignment - The Service Agreement shall be binding upon, and ensure to the benefit of the parties thereto and their respective successors and assigns but shall not be assigned or be assignable by the Customer without the written consent of the Utility first being obtained.

5.14.6.14. Termination of Service Agreement - The following terms apply to the termination of any Service Agreement:

- (a) Unless the Service Agreement specifies otherwise, the Customer may terminate the Service Agreement after the end of the initial term by giving the Utility at least five (5) Business Days notice.
- (b) The Customer is responsible for, and shall pay for, all water delivered to the Premises and is responsible for all damages to and loss of the Meter Set or other Utility property on the Premises until the Service Agreement is terminated.
- (c) The Customer is not released from any previously existing obligations to the Utility under the Service Agreement whether the Service Agreement is terminated by the Customer or Utility..
- (d) After receiving a termination notice for a Premise and after a reasonable period of time during which the current or a new Customer has not applied for Water Service at the Premises, the Utility may seal off the Service Line to the Premises.

- (e) The Utility may terminate the Service Agreement for any breach or infringement by the Customer of these Terms and Conditions or as otherwise specified herein by giving the Customer fifteen (15) days written notice.

Service Facilities

6.7. Service Lines

6.1.7.1. Installation - The Utility will designate the location and conditions of installation of the Service Line on the Customer's Premises and determine the amount of space that must be left unobstructed around it. The Customer, at its own expense, will install the Service Line from the curb stop to the Meter Set on the Customer's Premises. Any request by the Customer to extend the Service Line beyond the designated location or to enter the Premise at a different point or follow a different route than designated by the Utility will be subject to approval of the Utility, and the Customer will be responsible for all additional Costs.

6.2.7.2. Temporary Service – Any Person who requires Temporary Service must apply to the Utility and must first obtain permission from the Utility to acquire water pursuant to the following conditions:

- (a) In the event that a Temporary Service requires a Service Line and/or temporary meter, as determined by the Utility, the Utility will estimate the Costs of the Temporary Service connection and the Person applying for Temporary Service will pay the estimated Costs prior to installation, if required to do so by the Utility.
- (b) The Customer acquiring Temporary Service shall keep a record of the amount of water consumed, and shall report to the Utility the amount of water consumed on a regular basis, as specified by the Utility, or upon completion of the construction or expansion for which the Temporary Service is required. Temporary connections to a fire hydrant or standpipe must be fitted with a backflow prevention device, and an independent shut off valve to regulate the flow. The backflow prevention device must be approved by the Utility and shall either be provided by the Customer requiring the Service, or rented from the Utility at the daily rate as indicated in the Standard Fees and Charges Schedules. If the Customer is providing the backflow prevention device then it must have successfully passed a backflow test by a Certified Backflow Prevention Tester within the last year. If a water meter is rented from the Utility, the Customer requiring the device shall be responsible for proper maintenance and any damages occurring to such equipment while under their control.
- (c) Tanker trucks, street sweepers, water sprinkler trucks, etc. must be fitted with a backflow prevention device approved by the Utility. and the device must have successfully passed a backflow test by a Certified Backflow Prevention Tester as well as they must have permission from the Utility before hooking up to a fire hydrant or a stand pipe for the purpose of taking on water. If the Customer is providing the backflow prevention device then it must have successfully passed a backflow test by a Certified Backflow Prevention Tester within the last

year. The Utility will specify the specific fire hydrant or stand pipe the Customer is to use through the issuance of a permit.

- (d) The Utility will issue an invoice for water consumed by the Customer acquiring Temporary Service, which shall be payable immediately upon receipt. ~~The rate for water will be that listed in this Tariff for comparable permanent Service.~~
- (e) If a fire hydrant or stand pipe is being used for Temporary Service and is required by the Fire Department for an emergency situation, the Customer agrees to remove any connection to the hydrant or standpipe without delay.

6-3-7.3. Water for Construction – Where a Person or Customer requests the Utility to provide water for any construction purpose and testing of fixtures, the Person or Customer shall pay for water supplied at the unmetered rates listed in this Tariff. The Utility may require that water for any construction purpose be metered and charged in accordance with this Tariff.

6-4-7.4. Specification of Service Line – Service Lines are subject to the following specifications:

- (a) The minimum size of pipe permissible to serve any one Premise shall be 19mm (3/4") nominal diameter or such larger size as may be determined by the Utility from time to time. The diameter of the pipe used on the Customer's Premises should be selected to allow for pressure losses due to friction.
- (b) Service connection materials installed on the property to be served must comply with the BC Plumbing Code. All Service Line connections must either meet or exceed BCWWA or AWWA standards for potable waterworks systems. Materials may be specified by the Utility.
- (c) The Service Line on the Customer's Premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of 1.8 meters (6 feet) below the surface ground.
- (d) Subject to any exceptions agreed to by the Utility under Section 2.5 (Connection Policy for Individual Units in Complexes), each separately metered service connection must have its own curb stop between the water Main and the Meter Set for each such Unit served.

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6-5-7.5. Site Preparation Standards – The Customer will be responsible for all necessary site preparation to the standards established by the Utility. The Utility reserves the right not to install a Service Line or permit connection to the Utility's System if in the Utility's opinion, the finished soil grade has not been achieved or other site installation standards specified by the Utility or this Tariff are not met.

If, in the Utility's opinion, an installed Service Line has less than minimum ground cover, acceptable backfill material, or other unsafe conditions exist, the Customer may be directed by the Utility to re-install sufficient ground cover and remedy any other conditions to meet the Utility's standards. This work will be performed by the

Customer at its cost or may, at the Utility's discretion, be performed by the Utility at the Customer's cost.

Where a curb stop is buried more than 1.5 meters, the Customer will cause to have an extension installed so that the length of valve key required to operate the curb stop is less than 1.5 meters.

6.6.7.6. Timing of Installation - The timing of installation of facilities will be determined by the Utility.

6.7.7.7. Winter Construction - If an applicant or Customer applies for Service which requires construction when, in the Utility's opinion, frost conditions may exist, the Utility may postpone the required construction until the frost conditions no longer exist. If the Utility carries out the construction, the applicant or Customer will be required to pay all Costs incurred due to the frost conditions.

6.8.7.8. Unusual Site Conditions - If an applicant or Customer applies for Service that requires construction which, in the Utility's opinion, involves site conditions that may affect its ability to complete the installation in a safe and cost effective manner, the Utility may postpone the required construction until these conditions are remedied to the Utility's satisfaction. If the Utility carries out the construction, the applicant or Customer will be required to pay all Costs incurred due to the unusual site conditions.

6.9.7.9. Utility to Approve Installation of Service - No service pipe or fittings shall be covered until they have been inspected and approved by the Utility, as well as the municipal or regional plumbing or building inspector or other appropriate authority. Builders and developers shall provide seventy-two (72) hours notice in writing prior to connecting into the Utility's Waterworks, as well as seventy-two (72) hours verbal notice (to service technician) prior to requiring inspection by the Utility.

6.10.7.10. Customer Requested Change in Location - Any change in the location of an existing Service Line shall be subject to the Utility's approval in writing, and will be at the Customer's expense if the change is requested by the Customer or necessitated by the actions of the Customer.

6.11.7.11. Installation of Separate Curb Stops - Where a Complex has been permitted to connect to the Utility's Waterworks without separate curb stops for each individual Unit, all owners in the Complex are jointly and severally liable to the Utility for payment of all Service charges related to the Complex, pursuant to Section 11.11 (Responsibility for Properties with Multiple Owners). In the event a Customer, at its cost, subsequently requests the Utility install a separate water connection for an individual Unit, upon payment made to the Utility in full for the work performed and the disconnection of such Unit from the original service of the Complex, the Unit will no longer be subject to joint and several liability for further Service to the portion of the Complex remaining on the original service connection.

6.12.7.12. Ownership of Service Line - Title to and ownership of the Service Line, from the water Main to the property boundary of any Premise, shall be vested in the Utility. The Customer shall own the Service Line to the extent it is within the property boundaries of the Premises.

6.13.7.13. Maintenance - The Customer will maintain the portion of the Service Line owned by the Customer. The Utility will charge the Customer with the Cost of repairing the Service Line in the event the damage is caused other than by negligence of the Utility.

6.14.7.14. Excavation Notice - The Customer shall provide seventy-two (72) hours notice in writing prior to connecting into the Utility's Waterworks, or seventy-two (72) hours verbal notice (to service technician) in advance of any excavation work to be conducted on the Premises and shall immediately advise of any damage occurring to the service installation. The Customer must also arrange for an inspection prior to back filling being performed. Twenty-four (24) hours notice must be given for the back filling being performed unless weather conditions could cause damage to the Utility's works.

6.15.7.15. Prohibition - A Customer shall not construct any permanent structure over a Service Line or otherwise contravene government regulations, codes or the Utility's policies.

6.16.7.16. Compliance with Laws – Customers shall comply with all applicable laws, statutes, regulations, policies and guidelines relating to the installation of Service Lines and any other related works including but not limited to the BCWWA and AWWA standards and the BC Building Code.

7.8. Water Meter Sets & Metering

7.4.8.1. The Meter Set - The Customer, at its expense, shall install a water meter in the Service Line at the location specified by the Utility. Upon inspection by the Utility to confirm compliance and acceptance of the installation, the water meter and its associated remote readout equipment shall become the property of the Utility and be considered the Utility's Meter Set. The Utility will be responsible for all ordinary maintenance, repair and replacement of the Meter Set subject to Section 15.5 (Responsibility for Meter Set).

The Utility reserves the right to supply and/or install the water meter and the associated remote readout equipment; in this event, the Customer shall pay all Costs according to this Tariff. The installation of each water meter is subject to the following requirements:

- (a) unless otherwise specified in writing by the Utility, the water meter must be installed in the Service Line immediately downstream of the point where the Service Line enters the structure of the Premises,
- (b) a separate water meter for each Premise, unless otherwise specified by the Utility,
- (c) the make and model of the water meter must be approved by the Utility,
- (d) the water meter is to register in Cubic Meters and be supplied with a remote reading device approved by the Utility
- (e) the water meter shall be installed with adequate support and anchoring on each side of the meter capable of keeping the pipe alignment and supporting the weight of the meter, pipe and all other components. A customer shall ensure that:
 - (i) every private service line entering a building has a horizontal meter setting, and that the piping extends not less than 450 mm (18 inches) beyond the wall or floor of the building immediately before the meter position;
 - (ii) The Meter Set is positioned as close as possible to the point where the private service Line enters the building and has a safe and convenient access,
- (f) the remote reading device must be accessible by the Utility for reading purposes and installed in a safe location approved by the Utility, and
- (g) By-Pass Valve(s) – The Utility shall seal all by-pass valves closed. No one shall break a by-pass valve seal except under the direction of Utility staff. In the event that a by-pass valve seal is broken, the Utility shall be contacted within 48 hours. At the Utility's discretion, the Utility may permit a subsidiary meter on the by-pass at the Customer's expense.

7.2.8.2. Measurement - The quantity of water delivered to the Premises will be metered using utility industry approved apparatus, unless superseded by an approved process for certification implemented by Consumer and Corporate Affairs Canada or any other subsequent or successor government agency. The amount of water registered by the Meter Set during each billing period will be converted to cubic meters in accordance with industry and manufacturer's recommended practises and rounded to the nearest cubic meter.

7.3.8.3. Estimating a Water Reading - If for any reason the Utility is required to estimate the water consumption of a Customer for any given period, the following procedure will be followed:

- (a) The estimate will be based on the Customer's historical use on the property for which a water consumption estimate is required.
- (b) In the event that insufficient history exists to produce a reasonable estimate, the estimate will be calculated on the basis of an average of the water consumption for similar properties in the same area, and at the least would be the Utility's minimum Monthly charge for the Premises.
- (c) In the event that the meter is working but the remote is broken or inaccessible the Utility may bill using one of the above methods, and include any necessary adjustments on the first invoice after a proper reading is taken.
- (d) If Utility is unable to read the meter due to meter failure and the Customer does not allow the Utility to resolve the issue within a 30 day period after written notice is given, the Utility will bill the Customer at the unmetered rate listed in this Tariff.

7.4.8.4. Testing Water Meters - When any Customer whose Water Service is metered makes a complaint that their account is, in their opinion, excessive, the Utility will conduct an inspection for leaks at the Meter Set. Should no leaks be found up to and including the Authorized Water Meter, and the Customer continues to believe that the Authorized Water Meter is indicating excessive consumption, the Customer may request that the Authorized Water Meter be tested for accuracy. This will be carried out only after a written request to the Utility has been received.

The Customer's Authorized Water Meter will be removed, replaced with a different Authorized Water Meter and the Authorized Water Meter in question sent to the manufacturer or its agent for testing. The Customer will be sent a copy of the report. If the test shows an error in registering the quantity of water passing through the meter of over five percent (5%) in favor of the Utility, the Customer's account will be adjusted accordingly.

If the test of the Authorized Water Meter shows an accurate measurement of water or shows an error in favor of the Customer, the Customer will be billed for all Costs pertaining to the test, removal of the Authorized Water Meter, and the installation of a replacement or a temporary Authorized Water Meter.

The Utility may at any time test any meter at its discretion.

7.5-8.5. Water Meter Bypass for Fire Suppression Systems - A Customer installing a fire suppression system must apply in writing to the Utility for permission to install an automated water meter bypass system to ensure that fire suppression water flows can be supplied.

7.6-8.6. Interruption of Service – Any Person that has applied for Service must, at the Utility's discretion, pay the Utility in advance for the Costs which the Utility estimates it will incur in the installation and subsequent removal of metering facilities necessary to supply water to the Customer pursuant to Section 7.2 (Temporary Service). Interruption of water service may be granted upon written application and at the sole discretion of the Utility. The appropriate Monthly Basic Rate will be applicable.

7.7-8.7. Customer Requested Meter Relocation or Modifications - Any change in the location of a Meter Set or related equipment, or any modifications to the Meter Set, including automatic and/or remote meter reading capability shall be subject to the Utility's approval in writing, and will be made at the expense of the Customer if the change or modification is requested by the Customer or necessitated by the actions of the Customer. If any of the changes to the Meter Set or related equipment require the Utility to incur ongoing incremental operating and maintenance costs, the Utility may recover these Costs from the Customer through a Monthly charge.

7.8-8.8. Protection of Meter Set Equipment - The Customer shall take reasonable care of and protect all Meter Sets and related equipment on the Customer's Premises. This includes, but is not limited to protection from: water run off from roof or deck surfaces; accumulation or unloading of snow and ice; and accidental damage from vehicles. The Customer's responsibility for expense, risk and liability with respect to all Meter Sets and related equipment is set out in Section 15.5 (Responsibility for Meter Set).

Where in the opinion of Utility, safety devices need to be installed to protect a Meter Set from damage, the Customer shall install such safety devices within 30 days of the Utility's written notice to do so. If the Customer does not perform the required work within this period, then the Utility will make arrangements and invoice the Customer for the Utility's Costs.

7.9-8.9. Required Access to Water Meter - If the Meter Set is located on private property, the Customer shall provide access for installing and maintaining the meter and appurtenances for meter reading, as provided in Section 6.8 (Access to Premises and Equipment). Should the Utility require removal of snow, ice or other material in order to maintain access to the Meter Set, the Utility may arrange to have the work performed and will invoice the Customer for the Utility's Costs, subject to a minimum charge for removal of materials as set out in the Standard Fees and Charges Schedules. If in the opinion of the Utility, a customer installed water meter or a Meter Set is situated in an unsafe area, or in a location which may create a dangerous

situation to a meter reader, the meter shall be deemed to be "inaccessible" and will be subject to disconnection as provided in Section 14 (Refusal of Service and Discontinuance of Service).

7.10.8.10. Removal of Meter Set - At the termination of a Service Agreement, the Utility may disconnect or remove a Meter Set from the Premises if a new Customer is not expected to apply for Service at the Premises within a reasonable time.

8.9. Customer Obligations for Service Maintenance

8.4.9.1. Pressure Regulating Devices - Pressure-reducing valves may be required to control internal water pressure depending on the Premise's location within a specific Pressure Zone. Any device installed to control the internal pressure shall be the responsibility of the Customer, who must ensure that the device remains in proper working order. The Utility accepts no responsibility for damages that may result from water pressures supplied by the Utility.

8.2.9.2. Condition of Customer's Pipes and Fixtures - The Customer at its own risk and expense shall keep its pipes, stop cocks and other fixtures in good working order and protect them from frost and other damage. Should there be evidence of leaking or waste of water on the Customer's property, the Utility will notify the Customer of its obligation to repair such leaks or waste, in which case the Customer will make the necessary repairs within five (5) Business Days after notice has been given or, subject to the provisions described in this Tariff, the Utility may shut off the water supply.

8.3.9.3. The Curb Stop – It shall be the responsibility of the Customer to maintain the curb stop and to ensure that the curb stop remains undamaged and operational. The curb stop must remain accessible to Utility personnel at all times.

Should an extension of the curb stop be necessary due to grade changes, the Customer shall apply to extend the curb stop and receive written permission from the Utility prior to performing any work. Once approval is given, the Customer may proceed to extend the curb stop with an approved metal extension to bring it level with the finished grade.

Should the Utility find the curb stop be inaccessible or inoperable, then the Utility will notify the Customer of problems with the curb stop and request necessary repairs be made. If repairs have not been made within fifteen (15) days after notice is given, the Utility may complete the necessary repairs. Any work performed on the curb stop will be at the Customer's expense.

8.4.9.4. Stop Cock - The Customer shall provide a shut-off valve (stop cock) inside each of the Customer's buildings in which water is used, for the use of the Customer in case of leaky or defective pipes or fixtures, or in case the Premises are vacated.

8.5.9.5. British Columbia Plumbing Code – All water service pipe and materials installed on the Customer's Premises shall be installed to meet or exceed the manufacturer's standards as well as the British Columbia Plumbing Code or equivalent regulations.

8.6.9.6. Frozen Pipes - Customers are wholly responsible for clearing any frozen pipelines or fixtures located on or within the boundary of the Premises receiving Water Service.

If the Utility is requested to clear a frozen Service Line connection, and it is found that the affected pipeline or fixture is not located within the portion of the waterworks owned and maintained solely by the Utility, the Customer who requested assistance shall pay an hourly service charge to cover Costs associated with examining and/or clearing any pipes or fixtures. If the Meter Set becomes frozen and is located within the Customer's Premises, the Utility will repair or replace the Meter Set at the Customer's expense.

The bill for clearing and repairing frozen pipelines or fixtures is due and payable upon receipt. Should the Utility choose not to issue a separate bill, or payment is not received before the Customer's next regular water bill is processed, the charges shall be added to the Customer's water bill.

If the frozen connection or fixture is located within the portion of the waterworks owned and maintained solely by the Utility, then no charge for thawing that portion of works belonging to the Utility will be levied against the Customer, subject to Section 9.7 (Prevention of Frozen Pipes).

8-7-9.7. Prevention of Frozen Pipes - The Utility may, as it deems necessary during very cold spells in winter, request that the Customer leave a faucet running very slowly to prevent the Service Line from freezing. The Utility will adjust the water bill of the Customer to reflect the requirement by the Utility to leave the faucet running. If the Customer fails to comply with the Utility's request, the Customer will be responsible for Costs to the Utility of any repairs or replacement of Service to the Customer as a result of the frozen Service Line.

8-8-9.8. Prevention of Contamination – No person shall connect, cause to be connected or allow to remain connected, any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater, or any harmful liquid, gas, or other harmful substances to enter the Utility's water system.

Service to a Customer shall be provided only on the provision that the Customer has installed on the private service an approved Backflow Prevention Device, or devices, such that the Utility's waterworks system is effectively isolated from the private system by the device(s). The mechanism to prevent backflow is necessary to inhibit the entry of contaminants into the Utility's Waterworks. It shall be installed at the Customer's expense and must be of a design approved by the Utility.

Without limiting the generality of the foregoing, the Utility may allow approved Backflow Prevention Devices to be installed on the customer's water piping at the sources of potential contamination (in-plant isolation) and/or on the water services (premise isolation) either on private property or public property. If the device is installed on public property, the device shall be installed "at Cost" by the property owner/government agency in accordance with Section 9.8 hereof.

8-9-9.9. Customer's Responsibility for Prohibition of Dangerous Cross-Connections
– No Customer or Agent shall permit the plumbing of the Premises to be connected to

any source of water supply other than the Utility's, or to any potential source of contamination, without first obtaining the Utility's permission in writing.

The owner of any property on which an approved Backflow Prevention Device is installed shall:

- (a) maintain the approved Backflow Prevention Device in proper working order at all times.
- (b) have the approved Backflow Prevention Device tested upon installation and thereafter annually, or more often if required by the Utility, by an Authorized Backflow Prevention Device Tester or by personnel approved by the Utility to demonstrate that the device is in good working condition,
- (c) submit a report on a form approved by the Utility from an Authorized Backflow Device Tester upon installation of the device and thereafter annually within 30-days of such test on any or all tests performed,

Should a test show that an approved Backflow Prevention Device is not in good working condition, the Utility shall give notice to the customer to make the necessary repairs or replace the device within 96 hours, or other specified period, and if the customer fails to comply with the notice the Utility shall shut off the service or services.

The water shall not be turned on at the curb stop for occupancy use until the private plumbing system has been inspected for cross-connections by the Utility; this shall not prohibit the use of a water service for construction purposes for a limited time, provided the Utility is satisfied that adequate provision is made to prevent backflow into the Utility's water mains.

Where, in the opinion of the Utility, a severe hazard exists, water service to a Customer shall be provided only on the provision that the Customer installs on the Customer's water service an approved Backflow Prevention Device. This device will be in addition to any approved backflow prevention device(s) installed on the Customer's water piping at the source of potential contamination.

If a backflow incident should occur, resulting in the contamination of the public water supply, the responsible owner or occupant of the property can be held liable for damages. Customers shall comply with all regulations and guidelines for cross-connection control in British Columbia in accordance with BC Building Code, CSA Standards and other guidelines for Cross Connection control developed by AWWA and/or Canadian organizations including any Cross Connection Control Policy established by the Utility from time to time. A Person who contravenes the Utility's Cross-Connection Control Policy or other cross connection regulations and guidelines referenced above will be responsible for any Costs or damages that arise from such contravention and may in addition be subject to such charges as may be established by the Utility to ensure there is no subsequent contravention of such policies.

Where an approved Backflow Prevention Device is required to be installed, it shall be installed in accordance with the standards prescribed in the current edition of the British Columbia Building Code Part 7, Plumbing Services, and in conjunction with the Utility's Cross-Connection Control Policy supplement.

8.40-9.10. Utility Actions to Prevent Contamination - Where in the opinion of the Utility, any condition is found to exist which is or may be contaminating the Utility's Waterworks, the Utility at the discretion of the Manager of the Utility, may take one or more of the following actions:

- (a) Give notice to the Customer requiring correction of the fault within a specified time period;
- (b) Require installation of a Backflow Prevention Device on any pipe, at the Customer's expense; or
- (c) Immediately discontinue any Water Service until such time that the condition is corrected.

The Utility may in addition to the remediation contained in Section 9.9, have a reduced pressure backflow assembly installed on the service, on Utility property or right of way. The device shall be installed "at Cost" by the Utility, except that all customer charges will be twice those obtained under normal application of this Section. All Costs incurred may be recovered from the customer as a charge under this Tariff.

8.41-9.11. Systems Requiring Backflow Prevention – Where a premise is supplied by two or more services, and these services are interconnected within the premise, and the required on site Backflow Prevention Devices do not prevent flow through the property and resulting backflow from the private service to the Utility's water system, the customer shall install and maintain a Backflow Prevention Device on each service in such locations (i.e. prior to connection of any Non-Potable Water system) as necessary to prevent backflow from any private service into the Utility's water system. An accepted Backflow Prevention Device is required on all private domestic and fire line services suitable to the degree of on-site hazard and shall be installed downstream of the interconnected services.

8.42-9.12. Backflow Prevention on Existing Or Future Fire Services - A fire service intended to be used for fire purposes only shall have either an approved double check detector assembly or a reduced pressure detector assembly installed on it, depending on the degree of health hazard of the water contained in the service.

All double check detector assemblies and reduced pressure detector assemblies used on fire services shall have UL or ULC approval and shall be of such make and pattern as may be accepted by the Engineer.

The cost of all fire service gate valves, double check detector assemblies, reduced pressure detector assemblies and installation of same shall be borne by the customer.

8.13.9.13. Responsibility for Maintenance and Testing of Backflow Prevention Devices

- Any device installed for the purpose of controlling backflow shall be the responsibility of the Customer, who must ensure that the Backflow Prevention Device is tested and in working order at the time of installation, and must ensure that it is tested at least once per annum (each twelve months) by a certified tester of such mechanisms, pursuant to the BC Plumbing Code and as recommended by the manufacturer. If the Backflow Prevention Device does not pass inspection, it must immediately be reported to the Utility, and then repaired or replaced within five (5) Business Days and re-inspected at the Customer's expense. All test results, including descriptions of any repairs, are to be reported on the proper test report form obtained from the Utility. The completed test report forms shall be returned to the Utility within thirty (30) days after the inspection is completed. The test reports will be registered and maintained by the Utility.

8.14.9.14. Administration Of Backflow Prevention Devices - All customers whose premises contain one or more Backflow Prevention Devices shall pay an annual Cross-Connection Control Program administration fee as specified in Schedule C – Service Charges.**8.15.9.15. Hydrant and Standpipe Use** – Every person who receives authority to use water from a hydrant shall install and use an approved back flow prevention device suitable to the degree of health hazard within the premise or commensurate with the use for which a vehicle is intended. The Backflow Prevention Device shall be of the type accepted by the Utility. The Backflow Prevention Device must have been tested by an Authorized Backflow Prevention Device Tester within one year's time prior to the expected end date of usage of the hydrant or standpipe, and a correctly completed copy of the Utilities' Test Report form submitted to the Utility's Office prior to using the hydrant.**8.16.9.16. Privately Owned Hydrants and Standpipes** - Hydrants or Standpipes installed on private property without an agreement for operation between the Utility and private property owner, remain the responsibility of the owner. The owner is required to, and liable for, inspecting, testing, maintaining and operating each hydrant/standpipe on the owner's property in a safe manner and to industry specifications. This includes the use of "food grade, safe anti-freeze", as approved by the Ministry of Health or other authorized agencies, for winterizing Hydrants or Standpipes to meet the British Columbia's Fire Code.**8.17.9.17. Use of a Hydrant or Standpipe by the Tobiano Fire Department** - The Utility will provide annual training on the proper use of hydrants and standpipes to the Tobiano Fire Department. The Fire Department shall advise the Utility's field technician verbally within twelve (12) hours, as well as in writing to the Utility's offices within forty-eight (48) hours, after each use of the Utility's fire hydrants for practice or for fire suppression, so that the Utility can ensure the hydrant or standpipe used by the Fire Department has been inspected, serviced and is in good working order.

Repairs to any damage caused by the Fire Department's personnel to hydrants or standpipes over and above normal wear and tear as recognized by the manufacturer will be billed to the Tobiano Fire Department.

8.18-9.18. Call Out Charge Liability - Customers are solely responsible for the satisfactory operation of Service Lines, Curb Stops, valves and appurtenances, within the boundaries of the Premises being served. The Utility shall not be required to perform any work on pipes or fittings that are not the property of the Utility unless there is a concern for the safety or performance of the Utility's Waterworks. Should the Utility be called upon for assistance, the Customer who requested assistance shall pay an hourly service charge to cover Costs associated with the call out and/or subsequent repair of faulty pipes or fittings belonging to the Customer. The bill is due and payable upon receipt. Should the Utility choose not to issue a separate bill, or payment is not received before the Customer's next regular water bill is processed, the charges shall be added to the Customer's water bill

8.19-9.19. Vegetation Management and Interference with the Utility's Facilities

- (a) The Customer shall be responsible for managing vegetation on the property owned or controlled by the Customer so as to allow and permit easy access to the Utility's facilities. No Person shall obstruct or impede free and direct access to any service, water main valve, cross connect control, fire hydrant, meter, remote reader, or other appurtenances of the Water Works.
- (b) Where a Customer fails to adhere to Section 9.13 and fails to cure the cause of such default within fifteen (15) days after being notified in writing by the Utility, the Utility is authorized to remedy the cause of such default at the Customer's Cost.
- (c) Customer's shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe maintenance and operations of the Utility's facilities or result in non-compliance with applicable statutes, regulations, standards and codes.

9.10. Water Main Extensions

9.4.10.1. General Provisions - Applications for extensions of water Mains shall be made in writing and shall be subject to the following rules:

- (a) These Main Extension rules apply only to eligible premises within the Utility Service Area, the owners or Tenants of which may become Customers.
- (b) Any waterworks installed hereunder will be the sole property of the Utility.
- (c) The size, type, quality of materials, and their location will be specified by the Utility and the actual construction will be done by the Utility or by a construction agency acceptable to it.
- (d) The length of the Main Extension necessary to render service to a Premises shall be measured from the nearest distribution main to the center of the property to be served, along lines of proper construction and common practice in the location of public waterworks, with due consideration for the general layout of the Utility's system. The estimated Cost of the extension will be based upon the waterworks required to comply with all ordinances, regulations and specifications of public authority.
- (e) Payment in advance of the estimated Costs of the Main Extension.
- (f) Adjustment of any difference between the estimated Costs and the actual Costs of the Main Extension will be made within sixty (60) days after the actual Costs of the installation have been ascertained by the Utility.

9.2.10.2. Extension of Service for Developers - The developer of a Premise within the Tobiano Resort requiring Water Service shall provide the Utility with adequate notice (as established by the Utility) and the following information in respect of any proposed development:

- (a) The location and legal address of the proposed development and all information required by the Utility for a Service application pursuant to Section 1.2 (Information Required for Service),
- (b) One set of drawings indicating the footprint and height of the proposed structure(s), as well as the square footage and number of Lots or Dwelling Units proposed in each structure.
- (c) Anticipated fire flow and water use requirements,
- (d) Contact name, telephone number and fax number for any additional information required,
- (e) Billing address and accounts payable contact, and
- (f) Advance notice advising the schedule for construction, and minimum seventy-two (72) hours notice for any Temporary Service and inspections required by the Utility

The Utility may require the developer to construct and contribute the facilities at no cost to the Utility. Where a developer requests the Utility install a Main Extension or other facilities to serve the development, or the Utility determines that such an extension or facilities are required, the Utility may require the developer to advance to the Utility before construction is commenced the estimated Costs of installation of all such facilities in addition to any other fees applicable to the development as identified in the Standard Fees and Charges Schedules.

9.3-10.3. Allocation of Payments and Refunds:

- (a) **Payment by original applicants:** When multiple applications are involved and an advance payment is required for a Main Extension, the advance amount will be allocated based on the calculated number of Units in the combined applications for Service, or as otherwise agreed among the applicants.
- (b) **Advances by subsequent applicants on same extension:** Charges equal to a pro-rata share of the original Costs of the Main Extension will be collected by the Utility from each additional Customer who connects to the same Main Extension within five years. The Utility will hold advances from applicants in payment for Main Extensions without interest.

The advances collected from subsequent applicants will be refunded equally (on a pro-rata basis) to the Customers who already have advances deposited with the Utility as a result of the original funding of the Main Extension, so that all subscribers connecting to the Main Extension will have paid an equal amount (per Unit). Refunds will be paid to the current registered owners of the properties for which the deposits were received.

After the end of five years from the date the advance was received by the Utility from the original applicants, additional Customers will be connected without being required to pay an extension charge.

- (c) **Disagreements:** In case of disagreement regarding the application of these rules, or in circumstances where the interpretation of any term appears impracticable or unjust to either the Utility or an applicant for Water Service, either party may refer the matter to the Comptroller for determination.

9.4-10.4. Ownership of Main Extensions within road or statutory right-of-way - The Utility will assume ownership and all responsibility for the operation and maintenance of Main Extensions where such Waterworks are located along a gazetted road, in easements or rights of way held in the name of the Utility, or on property solely owned by the Utility.

9.5-10.5. Utility to Approve Installation of Water Mains - No mains, service pipe, fittings, hydrants, standpipe or other components of the Main Extension shall be covered until they have been inspected and approved by the Utility, as well as the municipal or regional plumbing or building inspector or other appropriate authority. Developers

and contractors are required to provide two (2) Business Days notice in writing prior to connecting into the Utility's Waterworks and a further two (2) Business Days verbal notice (to the Utility's field technicians) prior to inspection by the Utility.

9.6-10.6. Looping of water mains - Where a water Main Extension to service a project would result in a dead end, which may result in possible water quality problems as a result of a dead ended Main, the developer shall be charged the full Costs associated with the looping of the water Main in addition to the Main Extension.

The plans for looping a Main are required to be approved by a Board of Health Engineer and a written permit issued in accordance with the Safe Drinking Water Regulation, Province of British Columbia, and Ministry of Health before any work on the project is undertaken by the Utility.

9.7-10.7. Hydrants and Standpipes - Once a Main Extension has been inspected and formally accepted by the Utility, hydrants and standpipes connected to the Utility's Mains become the property of the Utility. It shall be the responsibility of the Utility to inspect, test, maintain and operate each hydrant/standpipe attached to the Utility's Waterworks.

The Utility may, at its sole discretion, choose to take ownership of all hydrants and standpipes on private property upon the same conditions as those installed under a Main Extension. All Costs incurred by the Customer will be borne by the Customer.

Billing

~~40-11.~~ Billing

~~40-1-11.1.~~ **Basis for Billing** – The Utility will bill the Customer in accordance with the applicable Schedules attached to this Tariff, payable at the Utility's office or at any duly authorized collecting agency. The total amount of each bill is due and payable within fifteen (15) days of the date of issue.

~~40-2-11.2.~~ **Taxes** - All rates, fees and charges specified in this Tariff are subject to applicable local, provincial or federal taxes, assessments or levies imposed by any competent taxing authorities which the Utility may be lawfully authorized or required to add to its normal rates and charges or to collect from or charge to the Customer.

~~40-3-11.3.~~ **Meter Measurement** – For each Customer with a Meter Set, the Utility will measure the quantity of water delivered to a Customer using a Meter Set and the starting point for measuring delivered quantities during each billing period will be the finishing point of the preceding billing period.

~~40-4-11.4.~~ **Estimates** - For billing purposes, the Utility may estimate the Customer's meter readings if, for any reason, the Utility does not obtain a meter reading. Subject to the provisions of Section 12 (Back Billing), the Customer shall pay any invoice for Water Service based upon estimated volumes determined in accordance with the provisions of Section 11 (Billing) and Section 8.4 (Estimating a Water Reading).

~~40-5-11.5.~~ **Estimated Final Reading** - If a Service Agreement is terminated under Section 6.14 (Termination of a Service Agreement), the Utility may estimate the final meter reading for final billing.

~~40-6-11.6.~~ **Incorrect Register** - If any Meter Set has failed to measure the delivered quantity of water correctly, the Utility may estimate the meter reading for billing purposes, subject to Section 8.4 (Estimating a Water Reading).

~~40-7-11.7.~~ **Bills Issued** - The Utility may bill a Customer as often as the Utility considers necessary but generally will bill on a Monthly basis.

~~40-8-11.8.~~ **Appeal of Calculation of Customer's Water Bill** - Any Customer obtaining water from the Utility's Waterworks may formally register a complaint or dispute with the Utility regarding the amount of any water bill, no more than thirty (30) days from the date of billing. The Customer must pay the undisputed portion of the bill.

~~40-9-11.9.~~ **Change of Billing Address Information** - All Customers of the Utility are required, at all times, to promptly inform the Utility of any and all changes to any billing address, including changes to telephone or facsimile numbers.

~~10.10.11.10.~~ **Owner's Responsibility for Payment** - Where any account rendered for water is not paid as prescribed by this Tariff, the legal owner of the Premises shall be deemed to be the Person responsible for payment of the account. More particularly,

- (a) Where the owner of a property has rented out a dwelling and the owner has signed an agreement with the Utility requesting the bill be directed to the Tenant, the owner of the rented property remains responsible for the water bill should the Tenant not pay for any reason whatsoever.
- (b) In the event that a previous owner or Tenant vacates a Premise leaving an outstanding water bill, then pursuant to Section 2.8 (Change in Ownership or Tenancy of Property), it is the responsibility of the new property owner to pay the balance owing on the water bill.

44.12. Back Billing

44.1.12.1. When Required - The Utility may, in the circumstances specified herein, charge, demand, collect or receive from its Customers in respect of a Service rendered thereunder a greater or lesser compensation than that specified in the subsisting schedule applicable to that Service.

In the case of a minor adjustment to a Customer's bill, such as an estimated bill, such adjustments do not require back-billing treatment to be applied.

44.2.12.2. Explanation of Back-billing - Back-billing means the re-billing by the Utility for Services rendered to a Customer because the original billings are 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, or may result from an inspection under provisions of federal or provincial regulations. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:

- (a) stopped meter;
- (b) metering equipment failure;
- (c) missing meter now found;
- (d) switched meters;
- (e) double metering;
- (f) incorrect meter connections;
- (g) incorrect use of any prescribed apparatus respecting the registration of a meter;
- (h) the seal of a meter or by-pass valve is broken;
- (i) an open by-pass i exists;
- (j) an unauthorized Service has been discovered;
- (k) incorrect meter multiplier;
- (l) the application of an incorrect rate;
- (m) incorrect reading of meters or data processing; or
- (n) tampering, fraud, theft or any other criminal act.

44.3.12.3. Billing Basis - Where metering or billing errors occur, the consumption will be based upon the records of the Utility for the Customer, or the Customer's own records to the extent they are available and accurate, or if not available, reasonable and fair estimates may be made by the Utility in accordance with Section 8.4 (Estimating a Meter Reading).

11.4.12.4. Tampering/Fraud - If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Utility's Service in an unauthorized way, or there is evidence of fraud, theft or other criminal acts, or if a reasonable Customer should have known of the under-billing and failed to promptly bring it to the attention of the Utility, then the extent of back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of Sections 12.7 (Under-Billing) to 12.10 (Changes in Occupancy), below, do not apply.

In addition, the Customer is liable for the direct administrative Costs incurred by the Utility in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.

Under-billing resulting from circumstances described above will bear interest at the rate normally charged by the Utility on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.

11.5.12.5. Remedying Problem - 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 of the effect upon the Customer's ongoing bill.

11.6.12.6. Over-billing - 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 a maximum period of twelve (12) months. The Utility will pay interest on money incorrectly collected at the Utility's prime interest rate minus two percent (2%), by crediting the Customer's account. The Utility's prime interest rate is defined as the floating annual rate of interest which is equal to the rate of interest declared from time to time by the Utility's principal bank as its "prime rate" for loans in Canadian dollars.

11.7.12.7. Under-billing - Subject to Section 12.4 (Tampering/Fraud), above, in every case of under-billing, the Utility will back-bill the Customer for the shorter of the duration of the error; or

(a) six (6) months for customers receiving Residential service or Commercial service; or

(b) Twelve (12) months for all other customers or as set out in a special or individually negotiated services Agreement with the Utility.

11.8.12.8. Terms of Repayment - Subject to Section 12.4 (Tampering/Fraud) above, in all cases of under-billing, the Utility will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest-free and in equal instalments corresponding to the normal billing cycle. However, delinquency in payment of such instalments will be subject to the usual late payment charges.

Commented [N05]: Updated to match other tariffs.

~~11.9.12.9.~~ **Disputed Back-bills** - Subject to Section 12.4 (Tampering/Fraud), above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption or duration of the error, the Utility will not threaten or cause the discontinuance of Service 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 threaten or cause the discontinuance of Service if such undisputed portion of the bill is not paid.

~~11.10.12.10.~~ **Changes in Occupancy** - Subject to Section 12.4 (Tampering/Fraud) above, the Utility will make a reasonable attempt to locate the former Customer when back-billing, in all instances where changes of occupancy have occurred. If, after a period of one year, such Customer cannot be located, the applicable over or under billing will be cancelled.

12.13. Administration Charges

12.1.13.1. Administration Charges on Services – The Utility will include a reasonable allowance for the Utility's overhead in the charges specified in this Tariff for new service installations and other services. If the Utility incurs additional or unusual administrative costs in providing any service, it will add those costs to its charges or adjust its allowance for overhead to reflect the additional expenses.

12.2.13.2. Returned Cheque Charge - If a cheque received by the Utility from a Customer in payment of a bill is not honoured by the Customer's financial institution for any reason, the Utility will include a charge specified in this Tariff in the next bill to the Customer for processing the returned cheque whether or not the Service has been disconnected.

12.3.13.3. Late Payment Charge - If the amount due for Water Service, Service Related Charges or Other Service Charges on any bill has not been received in full by the Utility or by an agent acting on behalf of the Utility on or before the due date specified on the bill, the Utility will include in the next bill to the Customer the late payment charge specified in this Tariff.

12.4.13.4. Delinquent Bill Collection Charges – Any and all charges incurred in the collection of a delinquent water bill shall be payable to the Utility in full by the Customer (or the spouse, employee, contractor, agent or partner of the same Customer) prior to the reconnection of Service to the Customer or related party.

Such charges shall include, but are not limited to, charges incurred through the use of any collection agencies or other methods employed in retrieving delinquent payments.

12.5.13.5. Historical Billing Information – Customers who request historical billing information will be charged at the Utility's Costs to provide the information.

Discontinuance of Service and Refusal of Service

13.14. Refusal of Service and Discontinuance of Service

13.1.14.1. Right to Refuse Water Service - The Utility reserves the right to refuse Water Service and the right to refuse to install or to permit the installation of Service and Main Extensions under any of the following conditions:

- (a) The applicant has failed to apply for Service.
- (b) The applicant has failed to provide all necessary information.
- (c) The applicant has failed to pay any charges for Service or post any security deposit required by the Utility pursuant to these Terms and Conditions.
- (d) Under frost or other adverse weather conditions.
- (e) If rock or other impediment makes boring impractical and the approving authority will not permit pavement to be cut.
- (f) Where a water connection has been made or where Water Service has been turned on without proper authorization from the Utility. Under this circumstance, the Utility may remove the water meter and disconnect Service until proper authorization is obtained and all applicable fees are paid. The party receiving unauthorized Service shall further be subject to all appropriate service charges indicated in the Standard Fees and Charges Schedules, to be paid in advance of reconnection of Service, to defray the Cost of removing an unauthorized water connection.
- (g) For any of the reasons given in Section 14.3 (Discontinuance with Notice) and Section 14.4 (Discontinuance without Notice) applicable to Customers, whether or not an applicant has yet received Service.

13.2.14.2. Discontinuance of Service after Notice by the Customer - Any Customer who desires to discontinue the use of water for a period of not less than three (3) months shall:

- (a) give notice of its intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water to the Premises have been disconnected, and
- (b) give at least five (5) Business Days notice and be liable for payment for all Service until the date specified for discontinuation of Service.

If written notice of discontinuance is less than five Business Days, the Customer will continue to be responsible for payment of all Service until the discontinuance has been affected, up to a maximum of five Business Days.

13.3.14.3. Discontinuance With Notice - The Utility may discontinue Service or refuse to supply Service to a Customer with fifteen (15) days written notice sent to the last

known postal address of the Customer (and if a Tenant, to the last known postal address of the owner of the property being served) or served at the Customer's Premises, for any of the following reasons:

- (a) a Customer's account becomes one Month or more overdue, and payment has not been received at the Utility's office during normal working hours prior to expiry of the notice period,
- (b) the Customer is delinquent in its payments for any service provided by the Utility at the same Premises or any other Premises where services are provided by the Utility to the same Customer,
- (c) the Customer has failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in the security deposit by the specified date,
- (d) the Customer occupies the Premises with another Person who has failed to pay the Utility bill, security deposit, or required increase in the security deposit in respect of an other Premises which was occupied by that Person and the Customer at the same time,
- (e) inability of the Utility to gain admittance to the Premises to read the meter for a period of three (3) consecutive months, or
- (f) the land or portion thereof on which the Utility's facilities are, or are proposed to be, located contains the potential for contamination which the Utility, acting reasonably, determines has adversely affected or has the potential to adversely effect the Utility's facilities, or the health or safety of its workers or which may cause the Utility to assume liability for clean up and other Costs associated with the contamination.

If the Utility, acting reasonably, determines that contamination is present it is the obligation of the occupant of the land to satisfy the Utility that the contamination does not have the potential to adversely affect the Utility or its workers. For the purposes of this Section, "contamination" means the presence in the soil, sediment or groundwater of special waste or another substance in quantities or concentrations exceeding criteria, standards or conditions established by the British Columbia Ministry of Environment, Lands and Parks or as prescribed by present and future laws, rules, regulations and orders of any other legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the environment.

13.4.14.4. Discontinuance Without Notice - The Utility may discontinue without notice or refuse the supply of water or Service to a Customer for any of the following reasons:

- (a) the Customer has failed to provide reference information and identification acceptable to the Utility, when applying for Service or at any subsequent time on request by the Utility,
- (b) the Customer misrepresents any information required for Service as outlined in Section 1.2 (Information Required for Service) provided to the Utility,

- (c) the Customer uses water or has requested the supplying of water in such a manner as in the Utility's opinion may contaminate the Waterworks,
- (d) the Customer receiving service at the Premises fails to comply with any notice concerning potential contamination served pursuant to this Tariff,
- (e) in the Utility's opinion, the condition of the Customer's pipes or fixtures is such as to cause or potentially cause serious waste of water or damage to property,
- (f) the Customer fails to make repairs, modifications or additions to the Customer's equipment which have been required by the Utility, or fails to protect the Utility's Meter Set from ice, snow, or other materials, within the prescribed time periods specified by the Utility pursuant to this Tariff,
- (g) in the event of fire, flood, or other emergency in order to safeguard persons, or property against the possibility of contamination, injury, or damage,
- (h) the Customer breaches any of the Terms and Conditions of this Tariff upon which Service is provided to the Customer by the Utility, or, if a notice period is provided to the Customer, fails to remedy such breach within the prescribed notice period by order of the Utility pursuant to this Tariff,
- (i) the Customer fraudulently misrepresents to the Utility its use of water or the volume delivered,
- (j) the Customer tampers with or alters a water meter with the intent of altering the consumption measurement, or incites another party to tamper with a water meter,
- (k) the Customer repeatedly violates any of the terms and conditions listed in Section 14.3 (Discontinuance with Notice),
- (l) the Customer is in receivership or bankruptcy, or operating under the protection of any insolvency legislation, and has failed to pay any outstanding bills to the Utility,
- (m) the Customer vacates the Premises,
- (n) the Utility is ordered to cease supplying water to the Customer by a duly authorized government agency,
- (o) necessary repairs to the Utility's system, or
- (p) failure, temporary or permanent, of the availability of water.

13.5-14.5. Locking Mechanism - In the event that a Customer has violated a provision of this Tariff, or is indebted to the Utility either for water supply or Services rendered, the Utility at the discretion of the Utility's Manager may, in addition to discontinuing the water supply to the Premises in question, physically place a locking mechanism on the waterworks within or immediately outside such Premises. Removal of the locking mechanism shall be subject to a service charge, as identified in this Tariff. Only an authorized employee or agent of the Utility may remove the locking 77422.

~~13.6.14.6.~~ **Disconnection** – In the case of infractions by the Customer listed in Section 14.4 (Discontinuance without Notice), the Utility may take such further action as deemed appropriate by the Utility, and physically disconnect the Customer's Water Service.

~~13.7.14.7.~~ **Reconnection of Service and Security Deposit** - Where Water Service is locked off or disconnected for failure to pay a bill when due or for non-compliance with any other term or condition of this Tariff, the Utility shall not permit a resumption of Water Service for any Customer until proof of compliance with the Terms and Conditions is demonstrated, and until all outstanding debts and applicable service charges, as described in Section 3.3 (Reconnection Charges), have been paid in full. The Customer shall also be required to establish or re-establish a security deposit (or equivalent form of security acceptable to the Utility) in an amount determined by the Utility in accordance with Section 5.1 (Security for Payment of Bills).

~~13.8.14.8.~~ **Liability** - No person whose Water Service is discontinued pursuant to these Terms and Conditions shall have any claim whatsoever against the Utility for discontinuance of Water Service.

Liability and Indemnity Provisions

44.15. Limitations on Liability

44.1.15.1. Responsibility for Delivery of Water - The Utility, its directors, officers, servants, agents, employees and contractors are not responsible or liable for any loss, damage, costs or injury (including death) incurred by any Customer or any Person claiming by or through the Customer caused by or resulting from, directly or indirectly, installation, presence, maintenance and operation of the Water Service or any discontinuance, suspension or interruption of, or failure or defect in the supply or delivery of, or refusal to supply, or deliver water, or provide Service, unless the loss, damage, costs or injury (including death) is directly attributable to the gross negligence or willful misconduct of the Utility, its directors, officers, servants, agents, employees or contractors, provided however that the Utility, its directors, officers servants agents employees and contractors are not responsible or liable for any loss of profit, loss of revenues, consequential damages or economic loss even if the loss is directly attributable to the gross negligence or willful misconduct of the Utility, its directors, officers, servants, agents, employees and contractors.

44.2.15.2. Liability for Discontinuance of Water Supply - No person whose Water Service is discontinued pursuant to the terms and conditions of this Tariff shall have any claim whatsoever against the Utility for discontinuance of water supply. This includes but is not limited to the Utility not being liable for any damage caused, or appearing to be caused by the breaking of any water main, any attachment, or other portion of the waterworks, or for any losses caused by temporary or permanent discontinuance of water for the purposes of repairing, maintaining, or cleaning the pipes, or for the connection of a Main Extension.

44.3.15.3. Responsibility after Delivery - The Customer is responsible for all expense, risk and liability with respect to the use or presence of water after it passes into the Customer's portion of Service Line.

44.4.15.4. Responsibility Before Delivery - The Customer is responsible for all expense, risk and liability with respect to

- (a) the use or presence of water before it passes into the Customer's Premises, and
- (b) the Utility-owned facilities serving the Customer's Premises

if any loss or damage is caused, or contributed to, by any act or omission of the Customer or a Person for whom the Customer is responsible.

44.5.15.5. Responsibility for Meter Set - The Customer is responsible for all expense, risk and liability with respect to all Meter Sets and related equipment at the Customer's Premises to the extent that damage is attributable to the negligence or willful

misconduct of the Customer, its employees, contractors, invitees, tenants or agents, which includes any action or inaction of a Customer which allows an Authorized Water Meter or related equipment to freeze.

14.6.15.6. Customer Indemnification - The Customer will indemnify and hold harmless the Utility, its directors, officers, servants, agents, employees and contractors from all claims, loss, damage, costs or injury (including property damage and death) and including legal costs on a solicitor and own client basis which may be suffered or incurred by the Customer or its invitees or any other Person claiming by or through the Customer or by any third party caused by or resulting from the use of water by the Customer or the presence of water in the Customer's Premises, or from the Customer or Customer's invitees, Tenants, employees, contractors or agents damaging the Utility's Waterworks or other facilities or from any breach by the Customer of the Service Agreement including without limitation, these Terms and Conditions.

14.7.15.7. Force Majeure - Notwithstanding any other term or condition contained herein, neither party shall be liable to the other for failure to carry out its obligations hereunder when such failure is caused by force majeure as hereinafter defined. The term force majeure means civil disturbance, industrial disturbances (including strikes and lockouts), arrests and restraints of rulers or people, interruptions by government or court orders, present or future valid orders of any regulatory body having proper jurisdiction, acts of public enemy, wars, riots, blockades, insurrections, failure or inability to secure materials, permits or labours by reason or priority regulations, or orders of government, serious epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or pipelines, temporary failure of water supply, an act or omission of the Utility, or any other causes or circumstances to the extent such cause or circumstance was beyond the control of and occurred without negligence on the part of the party prevented from carrying out its obligations by the act of force majeure.

Any causes or contingencies which entitle a party to claim force majeure shall not relieve it from liability in the event of its concurring negligence, or in the event of its failure to use due diligence to remedy the situation or remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes and contingencies affecting the performance of the obligations hereunder relieve either party from the obligation to make payments of amounts then due or thereafter accruing due hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely at the discretion of the party affected.

Miscellaneous Provisions

~~45.16.~~ Promotions and Incentives

~~45.1.16.1.~~ **Promotion of Water Saving Appliances** - The Utility may promote, sell, rent, lease, or finance water saving appliances and related accessories and services on a cash or finance plan basis and make reasonable charges for these Services.

~~45.2.16.2.~~ **Promotion of Customer Attachments** - The Utility may finance the Cost of connecting Customers to the Waterworks on a cash or finance plan basis and make reasonable charges for these Services.

16.17. Other Miscellaneous Provisions

16.4-17.1. Notice - A notice mailed to the last known postal address of the Customer shall be deemed good and sufficient for all notices pursuant to this Tariff, other than notices pursuant to Section 6.3 (Interruption of Service) which shall be as specified in that Section. Notices shall be deemed to be effective midnight of the day mailed and any notice period provided by the Utility or this Tariff shall be deemed to include sufficient time for the receipt of mail.

16.2-17.2. Conflicting Terms and Conditions - Where anything in these Terms and Conditions conflicts with special terms or conditions specified under a Service Agreement, then the terms or conditions specified under the Service Agreement govern. All Service Agreements are subject to the approval by the Comptroller of Water Rights.

16.3-17.3. Headings - The headings of the Sections set forth in these Terms and Conditions are for convenience of reference only and will not be considered in any interpretation of the Terms and Conditions.

16.4-17.4. Authority of Agents of the Utility - No employee, contractor or agent of the Utility has authority to make any promise, agreement or representation not incorporated in these Terms and Conditions or in a Service Agreement, and any such unauthorized promise, agreement or representation is not binding on the Utility.

16.5-17.5. Water Utility Act to Prevail - The provisions of the Water Utility Act, as amended from time to time, are declared to be incorporated in and to form part of these Terms and Conditions. In the event of contradiction, inconsistency or ambiguity, the provisions of the Statute shall prevail.

16.6-17.6. Disagreements regarding application of the Terms and Conditions for Applicants and Customers – In case of disagreement regarding the application of these Terms and Conditions, or in circumstances where the application of such appears impracticable or unjust to any party, the Utility, applicant or Customer may refer the matter to the Comptroller for settlement.

16.7-17.7. Additions, Alterations and Amendments to this Tariff - The rates and charges recorded in this Tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his/her own volition, or on complaint of the Utility or other Persons, may deem that the existing rates in effect and collected or any rates charged or attempted to be charged for Service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the Water Utility Act, regulations or law, and may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates. The Utility may submit to the Comptroller, by letter of application together with

full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to its Customers and other Persons may submit objections thereto. The Comptroller will decide the matter and will notify all interested Persons of his/her decisions.

16-8-17.8. Ownership of Waterworks - The title to and ownership of all water Main Extensions, fittings, connections, or facilitates which are constructed for carrying water from the water Main to the property line of the Premise (whether at the Customer's expense or the Utility's expense) and installed within or along present or future public highways or within the Utility's property or rights-of-way shall transfer to, be vested in and remain with the Utility, with right of removal, upon inspection and acceptance by the Utility for connection to its Waterworks. The title to all Authorized Water Meters and appurtenances attached to a Customer's Service Line shall likewise transfer to and be vested in the Utility upon acceptance by the Utility. No charge shall be made by the Customer for use of Premises occupied by the Utility's Waterworks or for providing access to the Utility's facilities. This Section shall not apply to appliances or goods (other than water meter sets and related appurtenances to be used as Meter Sets) sold directly to the Customer by the Utility.

16-9-17.9. Services Provided at No Charge - The Utility shall provide the following services at no additional cost to the Customer:

- (a) locate Mains to prevent damage to underground facilities as long as a minimum of two (2) Business Day's notice is given. If less notice is given, then the Utility, at its discretion may charge a fee in accordance with this Tariff,
- (b) any preventative maintenance service which in the Utility's opinion is required to ensure public and the Utility's safety and the maintenance of the Utility's equipment, but not including any parts or labour used to repair Customer's equipment,
- (c) turn-off of Water Service.

Standard Fees and Charges Schedules

In accordance with applicable sections of this Tariff, Services rendered by the Utility will be subject to the following charges, rates, or fees, with taxes added where applicable.

<u>Schedule "A" – Water Service Connection</u>	<u>58</u>
<u>Schedule "B" – Contribution in Aid of Future Construction</u>	<u>59</u>
<u>Schedule "C" – Service Charges</u>	<u>60</u>
<u>Schedule "D" – Rates for Water Service, Effective July 1, 2025</u>	<u>63</u>
<u>Schedule "E" – Replacement Reserve Fund Contributions</u>	<u>65</u>
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Schedule "A" – Water Service Connection

The charges below apply to connections to a water Main.

Connection charge (a) below recovers the Costs incurred by the Utility, and not otherwise recovered, of installing a service connection from the water Main to a curb stop and, if required, the Authorized Water Meter in the Customer's Premises. Costs herein include any administrative overhead incurred.

Where, at a time prior to a Customer's application for Service, a service connection has been installed at no cost to the Utility or at a cost otherwise recovered by the Utility, then upon connection of the service pipe, the rate shown in (b) shall become due and payable upon application for Service.

- a) Connection Charge.....At the Utility's Costs
- b) Connection of Customer's service pipe to an existing curb stop, including the Meter Set.....At the Utility's Costs
- c) Supply of an information-only Meter Set for a service connection.....At the Utility's Costs

Schedule “B” – Contribution in Aid of Future Construction

The charges shown below apply only to eligible premises as granted ~~though~~through the issuance of a CPCN by the Comptroller.

Where as a result of eligible premises becoming qualified as authorized Premises a greater number of Units require or may require Service from the Utility, thus utilizing Waterworks capacity presently or prospectively, then, upon application for a service connection, in addition to the connection charge and any Main Extension Costs, the charge shown below be paid.

For each Unit qualifying as authorized Premises \$18,529.55 per SFRE.~~P~~

Commented [NO6]: Per the latest CPCN Application..

Note:

- 1. Monies collected under this schedule are to be deposited by the Utility into a Deferred Capacity Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.
- 2. This schedule applies to all developers except Kamlands Holdings.

Schedule "C" – Service Charges

Service-Related Charges when applying for Water Service

The following standard fees and charges will be applicable to the provision of Water Service to applicants or Customers. Charges for obtaining Water Service are intended to recover the Utility's Cost in responding to the request.

The nature of the request will determine the appropriate charges as follows:

- a) An administration charge shall apply at the time an application for Water Service is made by any applicant (whether for commencement of Water Service at existing authorized Premises or for a new connection).
- b) For Water Service to Premises that have not previously been connected to the Utility's Waterworks, the applicant shall pay the connection and contribution charges shown in Schedule "A" and/or "B" of this Tariff.
- c) A Turn-on fee shall be applicable when a turn-on of a valve at an existing curb-stop is made at a date after the service connection was installed.
- d) All other charges are subject to the provisions of the Tariff.

Application Fees

- Administrative fee for new applicant (new Customer).....\$25.00
- Transfer of Water Service (change in Customer).....\$25.00
- Change of billing address (same owner)..... \$0.00
- Turn on fee.....At the Utility's Costs
- Temporary Service.....At the Utility's Costs
-

Meter & Remote Reader Fees

- New meter & tie-in.....At the Utility's Costs
- New remote reader & installationAt the Utility's Costs
- Removal of an unauthorized water meterAt the Utility's Costs
- Removal and testing of meter at the Customer's request,
subject to Section 8.4 (Testing Water Meters).....At the Utility's Costs
- Moving a water meter at the Customer's request.....At the Utility's Costs

Administration Charges

Late Payment Charge	1.5% per Month (19.56% per annum) on out-standing balance as defined in Section 11.
Returned Cheque Charge	\$25.00
Interest on Cash Security Deposits	The Utility will pay interest on cash security deposits at the Utility's prime interest rate minus 2%, by crediting the Customer's account in January of each Year. The Utility's prime interest rate is defined in Section 40+2.6.

Other Service Charges

The following standard fees and charges will be applicable for the specific services listed below.

1. Backflow Prevention Charges

- Rental of a backflow prevention device per day (if unit available).....At the Utility's Costs
- Annual backflow prevention device test.....At the Utility's Costs

2. Processing Backflow Test Reports

- Each test report for each devices.....\$20.00

3. Contravention of Water Use Restriction, Backflow Prevention, Installation

- First occurrence for conservation order onlyWarning
- First occurrence (all others).....\$200.00
- Further occurrences\$500.00

4. Removal of Materials *subject to Section 8.10 (Required Access to Water Meter)*

- Charge per meter for first occurrence\$50.00
- Charge per meter for additional occurrences\$100.00

5. Removal and testing of meter at the Utility's request

- Charge per meter per request\$0.00

6. Special Meter Reading

- Within five days (per meter).....\$25.00
- Within 24 hours (per meter).....\$50.00

7. Reconnection Fee (per occurrence)

- Turn on of water after Discontinuance of Service.....\$50.00
- Removal of locking mechanism.....\$50.00
- Reconnection where meter and remote reader has NOT been removed.....At the Utility's Costs
- Reconnection where the meter has been removed.....At the Utility's Costs

8. Where other services are performed, Costs shall be:

- Materials:At the Utility's Costs
- Utility's Staff Labour only:.....Hourly rate of \$75.00
(After hours to be charged double time)
- Utility Back Hoe Equipment.....Hourly rate of \$100.00
- Other Contracted Services:.....At the Utility's Costs

Schedule “D” – Rates for Water Service, Effective July 1, 2025

Applicability: Within the Service Area of the Utility.
Availability: To all Customers of the Utility.

Rates Effective July 14, 2025

Customer Group	Basic Charge	Variable Charge
Residential – Townhouse	\$ 26.84 <u>5.48</u> per month	\$ 1.23833047 per m ³
Residential – Cottage	\$ 45.48 <u>7.94</u> per month	-
Residential – Resort	\$ 68.414 <u>.93</u> per month	-
Residential – Equestrian	\$ 76.492 <u>.60</u> per month	-
Commercial –Hotel	\$ 302.08 <u>31.04</u> per month	-
Commercial – Other	\$ 117.86 <u>1.87</u> per month	\$ 0.9454960 per m ³
Irrigation (Non-Potable) Water Customers	\$ 2,896.093 <u>.054</u> per month	-

Rates Effective January 1, 2026, and January 1, 2027

Service Connection Meter Size	Basic Charge	Variable Charge
	Eff. January 1, 2026	Eff. January 1, 2026
5/8" or and 3/4"	\$ 20.78 <u>14.55</u> per month	\$ 0.82 <u>6454</u> per m ³
1"	\$ 36.95 <u>25.86</u> per month	\$ 0.82 per m ³ \$0.6454 per m ³
1.5"	\$ 83.14 <u>58.19</u> per month	\$ 0.82 per m ³ \$0.6454 per m ³
2"	\$ 103.45 <u>47.80</u> per month	\$ 0.82 per m ³ \$0.6454 per m ³
3"	\$ 232.77 <u>332.56</u> per month	\$ 0.82 per m ³ \$0.6454 per m ³
4"	\$ 413.81 <u>591.22</u> per month	\$ 0.82 per m ³ \$0.6454 per m ³
6"	\$ 1,330.24 <u>931.07</u> per month	\$ 0.82 per m ³ \$0.6454 per m ³
Irrigation (Non-Potable) Water Customer ss	\$ 1,665.49 <u>947.28</u> per month	-

Commented [N07]: The terminology ties to Section 1.2b and 2.1. Can we work with this? Or do we revert to meter sizes?

Rates Effective January 1, 2027

Meter Size	Basic Charge	Variable Charge
5/8" or 3/4"	\$ <u>23.28</u> per month	\$ <u>0.86</u> per m ³
1"	\$ <u>41.39</u> per month	\$ <u>0.86</u> per m ³
1.5"	\$ <u>93.12</u> per month	\$ <u>0.86</u> per m ³
2"	\$ <u>165.54</u> per month	\$ <u>0.86</u> per m ³
3"	\$ <u>372.47</u> per month	\$ <u>0.86</u> per m ³
4"	\$ <u>662.16</u> per month	\$ <u>0.86</u> per m ³

Commented [N08]: The terminology ties to Section 1.2b and 2.1. Can we work with this? Or do we revert to meter sizes?

Meter Size	Basic Charge	Variable Charge
6"	\$1,489.87 per month	\$0.86 per m ³
Irrigation (Non-Potable) Customers	\$1,865.34 per month	

Commented [N08]: The terminology ties to Section 1.2b and 2.1. Can we work with this? Or do we revert to meter sizes?

Note:

1. The 2025 rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights

Schedule "E" – Replacement Reserve Fund Contributions

Applicability: Within the Service Area of the Utility.
Availability: To all Approved Lots within the Service Area.

Rates Effective January 1, 2026, and January 1, 2027

RRF Rate		2026	2027
Residential Customers using Potable water	Per MDD of each approved unit per month	\$4,813.53	\$4,358.8
Commercial Customers using Potable water		\$4.81 \$3.53	\$4.88 -\$3.58
"Availability" Customers		\$4.81 \$3.53	\$4.88 -\$3.58
Irrigation (Non-Potable) Customers		\$0.40	\$0.41

Note:

- The Utility is to deposit monies collected under this schedule into a Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.
- MDD = Maximum Daily Demand
- Each Unit has a specific MDD. Please refer to the Unit's purchase documents for details of your MDD.
- An *illustrative* calculation using is below
 - 2026 Monthly Bill = Rate x Unit MDD

$$= \$4,813.53 \times 5.4 \text{ m}^3$$

$$= \$25,974.962 \text{ per month}$$

Schedule “F” – Fire Hydrant & Standpipe Rates per Fire Protection Agreement

Applicability:	Within that portion of the Utility’s Service Area in Tobiano Resort’s Fire Protection Area as established by the Thompson Nicola Regional District.
Availability:	The following rates apply to all fire hydrants, standpipes and blow-offs used for fire fighting training and fire suppression purposes.
Annual Rate:	As per the Water Supply Agreement between Tobiano Utilities Inc. and the Thompson Nicola Regional District, as amended or assigned.

Annual Payment:

On January 1 of each year of this approved tariff starting in January 1, 2008, the Annual Payment will be calculated at a rate of 27% of the Total Revenue Requirement as approved by the Comptroller of Water Rights or as agreed between the parties to this Agreement

Note:

1. The rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights

Schedule “G” – Irrigation and Non-Fire Protection Use of Hydrants or Standpipes

Applicability: Within the Service Area of the Utility.

Availability: The following rates apply to all fire hydrants, standpipes and blow-offs used for non-fire fighting training and non-fire suppression.

Metered Rate

Minimum Charge and Base Consumption Allowance:

Hydrant Use \$200.00 minimum charge per use, includes the first 5 cubic meters or part thereof as well as a Hydrant Inspection and the first five (5) days of the hydrant Meter Set rental

Stand Pipe Use \$50.00 minimum charge per use, includes the first 5 cubic meters or part thereof and the first five (5) days of stand pipe Meter Set rental

Hydrant / Stand Pipe Meter Set rental

\$25.00 per day for each additional day of rental after the first five (5) days of rental (per Premises per annum)

Hydrant / Stand Pipe Backflow Prevention Device rental

\$10.00 per day for each day of rental

Billing for Additional Water

Additional water used will be charged at the usage rates as outlined in Schedule D or Schedule E as applicable.

Non-metered Rate (for use only by Customers without a Meter Set including non-authorized use)

Flat Charge

Hydrant Use \$750.00 per day, and includes a Hydrant Inspection

Stand Pipe Use \$500.00 per day

Notes: —

1. ~~The above rates include a contribution to the Reserve Replacement Trust Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights~~

Schedule “H” – Availability of Service Charge as per Rent Charge Agreement(s)

Applicability: To owners of Premises with Rent Charge Agreements registered on title. The Service Charge becomes effective, due and payable on the first day of the month following the date of CPCN issuance.

Availability: All owners of the Premises to which this rate is applicable shall pay the rate during the period they are not Customers of Water Service.

Rates Effective July 14, 2025

Customer Group	Basic Charge
Residential – Townhouse	\$17.906.99 per month
Residential – Cottage	\$23.962.74 per month
Residential – Resort	\$34.252.51 per month
Residential – Equestrian	\$38.296.35 per month
Commercial –Hotel	\$223.74 per month-
Commercial – Other	\$223.74 per month-
Irrigation (Non-Potable) Water Customers	-

Rates Effective January 1, 2026, and January 1, 2027

Service Connection Meter Size	Basic Charge Eff. January 1, 2026
5/8" and 3/4"	\$20.78 per month \$14.55 per month
1"	\$36.95 per month \$25.86 per month
1.5"	\$83.14 per month \$58.19 per month
2"	\$147.80 per month \$103.45 per month
3"	\$332.56 per month \$232.77 per month
4"	\$591.22 per month \$413.81 per month
6"	\$1,330.24 per month \$931.07 per month

Tobiano Water Tariff No 3 clean ~~Tobiano Water Tariff No 3_blackline~~

Irrigation (Non-Potable) Water Customers	\$1,665.49 per month \$1,947.28 per month
--	--

Rates Effective January 1, 2027

<u>Meter Size</u>	<u>2027</u>
<u>5/8" and 3/4"</u>	<u>\$23.28 per month</u>
<u>1"</u>	<u>\$41.39 per month</u>
<u>1.5"</u>	<u>\$93.12 per month</u>
<u>2"</u>	<u>\$165.54 per month</u>
<u>3"</u>	<u>\$372.47 per month</u>
<u>4"</u>	<u>\$662.16 per month</u>
<u>6"</u>	<u>\$1,489.87 per month</u>
<u>Irrigation (Non-Potable) Water Customers</u>	<u>\$1,865.34 per month</u>

Note:

- ~~2.1~~ The 2025 rates include a contribution to the Replacement Reserve Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights
- ~~3.2~~ Once a Customer has received approval to connect to the Utility's Waterworks, has passed inspection and has been accepted by the Utility as a Customer, this rate will no longer apply to the portion of the property connected to the Utility's Waterworks. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.
- ~~4.3~~ Should a Customer choose to develop a Premise, other than a Residential Lot, in a phased manner over one or more years, then each Dwelling Unit in each phase must be inspected and accepted by the Utility prior to the Utility removing this charge. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.

~~Corix Multi-Utility Services Inc.~~

~~Tobiano Water Utility~~

~~Water Tariff No. 2~~

~~Rates and Rules~~

~~For Water Service at~~

~~Tobiano, British Columbia~~

~~Tobiano Water Tariff No 3 clean~~~~Tobiano Water Tariff No 3_blackline~~

~~Contact Person(s)~~

~~Paul Burgess~~

~~Phone: (250) 377-7757~~

~~Email: paul.burgess@corix.com~~

~~This Tariff is available for public inspection at:~~

~~420 Chilcotin Road, Kamloops, BC V2H 1G3~~

~~Revisions reflecting Utility transfer accepted for filing by the Comptroller of Water Rights
on _31st_ day of _May_, 2021~~

~~Effective Date: May 31, 2021~~

~~_____

Secretary to the
Comptroller of Water Rights~~

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Definitions

Unless the context indicates otherwise, the following words have the following meanings in this Tariff:

Term	Definition
Authorized Backflow Prevention Device Tester	means a tester who is currently registered with the Certification Committee of the American Water Works Association, B.C. Section, whose testing device has a current validation certification by BCWWA.
Authorized Water Meter	Means a Meter Set, approved, owned and operated by the Utility pursuant to this Tariff, for the purposes of measuring a Customer's water consumption.
AWWA	Means American Water Works Association
Backflow Prevention Device	means a backflow preventor, which is designed to be in-line tested and repaired, and to meet the head loss and flow requirements of the recognized approval authority. The device consists of the backflow prevention unit, two resilient seated shutoff valves and test cock(s) means a mechanical device that prevents backflow of undesirable substances into the potable water system.
BCWWA	Means British Columbia Water and Waste Association
Business Day	Means a day during which normal business is conducted and usually includes Monday through Friday. A statutory holiday is not considered a Business Day.
Complex	Means a structure containing one or more Units which receives service from a connection to the Utility's Waterworks, and without restricting the generality of the foregoing, includes single family dwellings, multi-family dwellings, apartments, condominiums, lodging, commercial properties, mobile home parks, marinas, equestrian centres, campgrounds, recreation centres, golf courses, amenities, cemeteries, hospitals and farms.
Comptroller	Means the Comptroller of Water Rights as empowered pursuant to the Water Utility Act, R.S.B.C. 1996, Chapter 485 for the Province of British Columbia and includes a Deputy Comptroller and any successor established by law.

Term	Definition
Conversion Factor	Means a factor, or combination of factors, which converts water meter data to cubic meters for billing purposes.
Cost(s)	Means the total of all direct costs incurred by the Utility for a Service provided to a Customer, including but not limited to labour, materials and equipment, as well as any other costs that may reasonably arise in preparation for or during completion of the work, plus (if not otherwise specified) a reasonable allowance for the Utility's overhead costs.
GPCN	Certificate of Public Convenience and Necessity (GPCN) is issued by the Comptroller of Water Rights for the Province of British Columbia to Corix Multi-Utility Services Inc. in order to authorize the Utility to construct and operate a water works system and to provide water service to Customers within a specified area with the Tobiano Resort. The CPCN describes the conditions under which the Utility is established and under which it will operate.
Cross-Connection	A cross-connection is an actual or potential connection between the drinking water supply and any source of pollution or contaminant. Improper plumbing and/or cross connections on private property can contaminate the public drinking water supply.
Cubic Meter (M ³)	Means the volume of water, which occupies one cubic meter and is the equivalent of 1,000 litres.
Customer	Means a Person who is being provided Service by the Utility, or an applicant who has requested Service at Unit and such request has been approved by the Utility.
Dwelling Unit	means two or more rooms used or intended to be used for residential accommodations, containing cooking, sleeping and sanitary facilities, and which have no more than one set of cooking facilities.
Hydrant Inspection	Means the full maintenance inspection of a hydrant that may or may not include the replacement of any or all working parts of the hydrant.

Term	Definition
Lot	includes any lot or parcel including an airspace parcel into which lands comprising the Tobiano Resort are subdivided, whether by subdivision plan, strata plan, bare land strata plan, airspace plan or otherwise and includes the common property and limited common property of any strata plan or bare land strata plan and the airspace in any airspace plan.
Main	Means pipe used to carry water for general or collective use for the purposes of distribution.
Main Extension	Means an extension of one of the Utility's distribution mains, whether installed by the Utility or approved for connection to the Utility's Waterworks, and includes the installation of any required pumping stations, reservoirs or pressure regulating facilities and upgrading of existing mains, pumping stations, reservoirs or pressure regulating facilities, but does not include the installation of Service Lines or Meter Sets.
Meter Set	Means the equipment owned by the Utility and used for metering or measuring water consumption including but not limited to remote meter reading and / or backflow prevention devices.
Month	Means a period of time, used by the Utility for billing purposes, normally from 27 to 37 consecutive days, but may be a lesser or greater period of time when Water Service is activated, discontinued or disconnected.
Non-Potable Water	Means water that is not suitable for human consumption in accordance with applicable Regulations
Notice	Means that the Utility may cause notices to be published in a newspaper of general circulation, and may give notice by other additional means declaring restriction upon the use of water for the purposes of conserving and saving water or other reasons that could affect its Customers or the general public.
Other Service	Means the provision of Service other than Water Service including, but not limited to, alterations and repairs, initial connection of Service, reconnection of Service, removal of materials (such as ice, snow or construction materials, etc.) and Main Extension(s).

Term	Definition
Other Service Charges	Means charges for, but not limited to, Other Service and financing, returned cheque charges, late payment charges, Social Service Tax, Goods and Services Tax or other taxes related to these charges.
Person	Means a natural person, partnership, corporation, society, un-incorporated entity or body politic.
Potable Water	Means water suitable for human consumption in accordance with applicable Regulations.
Premise(s)	Means any land, building or improvements which are entitled to, and authorized for, Water Service in accordance with the Certificate of Public Convenience and Necessity (CPCN) of the Utility which may include a Project, Unit, Lot or Complex.
Project	means a single family, strata titled or other development for residential, commercial, recreational or amenity purposes within the Tobiano Resort.
Rent Charge	Means a yearly rent charge, charged against the land in order to secure the annual water availability of service charge.
Resort Accommodation Unit:-	means one or more habitable rooms or accommodation units used for accommodation and may contain units with cooking, eating, living, sleeping and sanitary facilities.
Service	Means the provision of Water Service or Other Service by the Utility, and including: a) — The supply of water delivered in any manner to a Customer, and b) — The provision of any equipment, facilities, or manual service by or in connection with the Utility in providing the supply of water to the Customer's Premises.
Service Agreement	Means an agreement between the Utility and a Customer for the provision of Service referred to in Section 2.1 of these Terms and Conditions.
Service Area	Means the areas within the Tobiano Resort, which the Utility is authorized and entitled to provide Water Service in accordance with the Certificate of Public Convenience and Necessity of the Utility.

BMUS TOBIANO WATER UTILITY**WATER TARIFF NO. 3****TERMS AND CONDITIONS**~~JULY 2025~~CMUS-Tobiano Water Utility—Water Tariff No.-2Terms and Conditions — Page ~~77~~ of ~~134~~

Term	Definition
Service Line	Means that portion of the water distribution system extending from a water Main or Service Main to the inlet of the Meter Set whether installed by the Utility or approved for connection to the Utility's Waterworks.
Service Main	Means pipe used to carry water for general or collective use within a Project for purposes of distribution.
Service Related Charges	Include, but are not limited to, application fees, connection fees, Service Line installation fees, Meter Set fees, late payment charges, plus Social Services Tax, Goods and Service Tax, or other taxes related to these charges.
Standard Fees & Charges Schedules	Means the schedules forming part of the Terms and Conditions which lists the various fees and charges relating to Service provided by the Utility as approved from time to time by the Comptroller.
Temporary Service	Means the provision of Service for what the Utility determines will be a limited period of time.
Tenant	Means a Person under lease, license or tenancy agreement or who has the temporary use and occupation of real property owned by another Person.
Terms & Conditions	Means these terms and conditions of the Utility's Water Tariff as amended from time to time and approved by the Comptroller.
Tobiano Resort	Means the integrated resort community known as Tobiano Resort located adjacent to Kamloops Lake in the Thompson Nicola Regional District, British Columbia

BMUS TOBIANO WATER UTILITY**WATER TARIFF NO. 3****TERMS AND CONDITIONS**~~JULY 2025~~CMUS Tobiano Water Utility Water Tariff No. 2Terms and Conditions – Page ~~78~~ of 134

Term	Definition
Unit	means land or premises in respect of which a separate title has been issued at the Land Title Office or other applicable office of public record from time to time (a "Registered Parcel") and includes, without limitation: a house, townhouse, apartment, suite, hotel room or other premises intended for use as a place of residence; and a retail store, office or other place of business, provided however that where the Developer determines: that a Registered Parcel comprises more than one house, townhouse, apartment, suite, hotel room, store, office, place of business or other premises which are separately used or intended to be separately used for residential, commercial, recreational or amenity purposes (a "Separate Usable Area"); each Separate Usable Area shall be deemed to be a Unit; and that a building, suite, room or other premises forming part of the common property of a strata-titled development is used or intended to be used for recreational or amenity purposes (a "Strata Amenity Area"), each Strata Amenity Area shall be deemed to be a Unit.
Unit of Water	Means a unit of measurement, usually the equivalent of one (1.0) cubic meter or one thousand (1,000) liters of water.
Utility	Means Corix Multi-Utility Services Inc.'s Tobiano Water Utility.
Water Service	Means the delivery of water to a Customer.
Waterworks	Means the physical plant owned and operated by the Utility, including the equipment, pipes, reservoirs, pumping stations, meters and appurtenances employed by or used in connection with the Utility, in providing Water Service or any Other Service.
Year	Means a period of twelve (12) consecutive calendar months

Tobiano Utility Customer Types (as established by Zoning Bylaws)	
Residential – Townhouse	Zoning Bylaw Definition: an attached resort accommodation unit built within a multi-unit development
Residential – Cottage	Zoning Bylaw Definition: a detached resort accommodation

~~Tobiano Utility Customer Types (as established by Zoning Bylaws)~~

	unit built on a compact lot (i.e. min. parcel size 350 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A – this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano) -
Residential Resort Home	Zoning Bylaw Definition: a detached resort accommodation unit built on a medium sized lot (i.e. min. parcel size 560 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A – this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano) -
Residential – Equestrian	Zoning Bylaw Definition: a detached resort accommodation unit situated in close proximity and linked by design and purpose to an integral equestrian facility. (min. parcel size 930 sq. m.) Type of zoning – Comprehensive Development – Sub Zone A – this zone permits this type of residential housing (which is defined as a primarily residential area of Tobiano) -
Commercial – Hotel	Resort Hotel – any building used for accommodation which may include resort accommodation units and areas used for the public: lobby, restaurant, assembly, entertainment, retail purposes, indoor recreation and personal services. Type of zoning – Comprehensive Development – Sub Zone B – this zone permits this type of accommodation as well as zone C-8 -
Commercial – Other	Commercial uses permit a range of accommodation, recreational, entertainment, retail and office oriented uses. Type of zoning – Comprehensive Development – Sub Zone B – this zone permits commercial and multi-family residential as well as zone C-7 and C-8 -

Tobiano Utility Customer Types (as established by Zoning Bylaws)	
Marina	Means a development containing docking or mooring facilities where boats and other water vessels and their accessories are berthed, stored, serviced, repaired, or kept for sale or for rent.
Irrigation (Untreated)	Means a development containing facilities and or land where the Utility has agreed to provide non-potable water for the purposes of irrigation

Application for Service

~~1. Application Requirements~~

~~1.1 Requesting Services—A Customer or applicant requesting the Utility~~

- ~~(a) to provide Service;~~
- ~~(b) to provide a new Service Line;~~
- ~~(c) to re-activate an existing Service Line;~~
- ~~(d) to transfer an existing account;~~
- ~~(e) to change the Service provided; or~~
- ~~(f) to make alterations to an existing Service Line or Meter Set;~~
- ~~(g) to update or change information on an existing account;~~

~~_____ shall apply to the Utility at its office location in person, by mail, by telephone, by facsimile or by other electronic means acceptable to the Utility.~~

~~_____ The Utility may request payment in advance of all Water Service application and connection charges, as described in Section 3 (Application, Installation and Reconnection Fees), before a Water Service connection will be installed.~~

~~1.2 Information Required for Service—All applications for Service must truthfully disclose:~~

- ~~(a) The purpose(s) for which the Service is to be used (i.e. domestic, commercial, irrigation, etc.);~~
- ~~(b) Detailed information on the expected maximum demand for service in order for the Utility to determine the size of service connection;~~
- ~~(c) The size (diameter) of the pipe planned by the Customer and subject to approval by the Utility through which water will be supplied from the Utility's service to the Premises;~~
- ~~(d) The legal description of the Premises and municipal address, if available;~~
- ~~(e) Billing address and contact phone number(s) including emergency contact information;~~
- ~~(f) The number of Units within the Premises; and~~
- ~~(g) The location of the Unit or Units to be serviced.~~

~~Additional applications for Service shall be made for Service to additional Units within the same property and for additional purposes as required in this Tariff.~~

~~1.3 Forecast Information—The Utility may require the Customer or agent at the property to provide forecasts of water use for the Premises for a specific period of time. The method of forecasting usage must be prepared and calculated in a manner acceptable to the Utility. The Customer or agent shall promptly provide such forecasts.~~

~~1.4 — Required References — The Utility may require an applicant for Service to provide reference information and identification acceptable to the Utility. The Utility may at any time request information required to determine a prospective Customer's or existing Customer's credit history and to determine the credit risk of the Customer, including without limitations, identification, contact and credit information. If a prospective Customer or existing Customer refuses to provide the requested information, then the Utility may refuse or discontinue, as the case may be, Service to the Customer.~~

~~1.5 — Security Deposit — The Utility may require an applicant for Service to provide a monetary or other security as set out in Section 5 (Security for Payment of Bills).~~

~~1.6 — Customer or Name Change or Information — If a customer has a change of name or contact information, including mailing address and telephone number, the Customer must immediately notify the Utility of such change. The Utility reserves the right to require that such notification be made in writing.~~

~~2. Agreement to Provide Service~~

~~2.1 Approval of Service—The Utility will determine the terms and conditions under which a Service connection will be provided. The Utility shall maintain the right to refuse to approve an application for Service if any of the Terms and Conditions listed in this Tariff are not met, pursuant to Section 14.1 (Refusal of Service).~~

~~2.2 Service Agreement—The agreement for Service between a Customer and the Utility will be the oral or written application of the Customer, which has been approved by the Utility, and these Terms and Conditions. All Customers shall be subject to the Terms and Conditions set out herein each of which shall be deemed to form part of the Service Agreement between the Customer and Utility.~~

~~2.3 Customer Status—A Person becomes a Customer of the Utility when the Utility~~

~~(a) approves the Person's application for Service, or~~

~~(b) the Utility provides Service to the Person.~~

~~A Person who is being provided Service by the Utility but who has not applied for Service shall be served in accordance with and shall be subject to these Terms and Conditions.~~

~~2.4 Separate Premise/Businesses—If an applicant is requesting Service 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 (subject to Section 14.3 (b)). For the purposes of this provision, the Utility will determine whether or not any building contains one or more Premises or any business is separately operated.~~

~~2.5 Access to Premises—The Utility's obligation to provide Service to an applicant or Customer is conditional upon the Utility being given an ongoing right of access to its equipment as set out in Section 6.8 (Access to Premises and Equipment).~~

~~2.6 Change in Ownership or Tenancy of Property—When there is a change in ownership or tenancy of property, the property seller should ensure that the Utility bill is paid before transfer of the title to the purchaser. Where there is a change in ownership or tenancy of property, it is the responsibility of the new owner and/or new Tenant to ensure:~~

~~(a) any outstanding obligations are included in the statement of adjustments of the property purchase, or are fully paid by the previous owner or Tenant;~~

~~(b) if a new owner is leasing or renting a Premises and wants the Utility bill sent to a Tenant, the new owner must complete an agreement with the Utility which authorizes the Utility to send the Utility bill to the Tenant, but the Owner will not be released from its obligation to pay the Utility's bills.~~

~~In the event that a previous owner or Tenant vacates the Premises leaving an outstanding Utility bill, then the Utility's agreement to provide Water Service is subject to the new property owner paying the outstanding balance owing on the water bill.~~

~~3. — Application, Installation and Reconnection Fees~~

~~3.1 — Application and Service Installation Fees—An applicant for Service shall pay the applicable application, connection, Service Line installation and Meter Set fees as set out in this Tariff. Where the Service Line is required to serve more than one Customer, then the Costs of the Service Line and Meter Set shall be equitably shared by each applicant.~~

~~3.2 — Waiver of Application or Reconnection Fee—The application or reconnection fee will be waived by the Utility if Service to a Customer is reactivated after it was discontinued for any of the reasons described in Section 6.3 (a) (Right to Restrict).~~

~~3.3 — Reconnection Charges —If~~

~~(a) — Service is terminated~~

~~(i) — at the request of a Customer, or~~

~~(ii) — for any of the reasons described in Section 14 (Refusal of Service and Discontinuance of Service) other than as necessitated by repairs to the Utility's system or failure of water supply, or~~

~~(iii) — to permit Customers to make alterations to their Premises, and~~

~~(b) — reactivation of Service to the Premises is requested,~~

~~the applicant for resumption of Water Service and/or reconnection shall pay the appropriate service charges listed in the applicable Schedules attached to this Tariff for turning on Water Service, removal of any locking device, and/or the reconnection of Water Service, together with any other indebtedness, any and all additional charges incurred in the collection of a delinquent account, and any other reactivation Costs which may be incurred by the Utility in reactivating Service.~~

~~3.4 — Compliance Costs —Where the Utility undertakes a lawful action deemed necessary to enforce compliance of a Customer with this Tariff, any Costs incurred by such action, including legal fees on a solicitor and own client basis, shall be recovered from the Customer as a service charge under this Tariff, regardless of whether or not it is specifically included in these Terms and Conditions.~~

~~4. — Additional Services and Fees~~

~~4.1 — Customer Responsibility for Additional Costs and Expenditures — Any applicant or Customer who applies to the Utility for work, which is not covered by the Schedules attached to this Tariff, shall pay all additional Costs as determined by the Utility, including:~~

~~(a) — expenditures by the Utility for gross wages and salaries, employee benefits, materials and a reasonable allowance for administrative Costs.~~

~~(b) — any expenditure for equipment, at rates paid or set by the Utility, as well as any other Costs that may reasonably arise in preparation for or during completion of the work.~~

~~4.2 — Advance Payment for Additional Costs and Expenditures — When reasonable under the circumstances, the Utility will provide the applicant or Customer with a written estimate of the Costs of the Service requested. Prior to the commencement of any work and at the sole discretion of the Utility, the Utility may request that the applicant or Customer make an advance payment to the Utility of the full amount estimated, inclusive of any application charges or other applicable fees.~~

~~4.3 — Reconciliation to Actual Costs — Upon completion of the respective Service, the Utility will provide the Customer with a calculation of the actual Costs.~~

~~(a) — Where the total Costs of the Service provided are less than the advance payment deposited with the Utility, excluding application charges or other fees, the difference will be refunded without interest by the Utility to the Customer.~~

~~(b) — Where the total Costs of the Service provided are more than the amount deposited for that purpose or an advance is not collected by the Utility, the Utility will provide an invoice to the Customer, and the outstanding balance is due and payable within fifteen (15) days of the date of issue.~~

5. — Security for Payment of Bills

~~5.1 — Security for Payment of Bills — At any time a Customer or applicant cannot establish or maintain credit to the satisfaction of the Utility, the Customer or applicant may be required to make a security deposit in the form of cash or an equivalent form of security acceptable to the Utility. The amount of the security may not~~

~~(a) — be less than \$100.00, nor~~

~~(b) — exceed an amount equal to the estimate of the total bill for the three (3) highest consecutive months' consumption of water by the Customer or applicant, provided such estimate is not less than \$100.00.~~

~~5.2 — Interest — The Utility will pay interest to a Customer on a security deposit at the rate and at the times specified in this Tariff. Such interest shall be credited annually to the Customer's billing account in the month of January. If a security deposit is returned to the Customer for any reason, the Utility will credit any accrued interest to the Customer's account at that time less any outstanding indebtedness to the Utility then owing by the Customer.~~

~~— No interest is payable~~

~~(a) — on any unclaimed deposit left with the Utility after the account for which it is security is closed, nor~~

~~(b) — on a deposit held by the Utility in a form other than cash.~~

~~5.3 — Refund of Deposit — When the Customer pays the final bill, the Utility will refund any security deposit plus any accrued interest or cancel the equivalent form of security.~~

~~5.4 — Unclaimed Refund — If the Utility is unable to locate the Customer to whom a security deposit is payable, the Utility will take reasonable steps to trace the Customer; but if the security deposit remains unclaimed one (1) year after the date on which it first became refundable, the deposit and interest thereon becomes the absolute property of the Utility.~~

~~5.5 — Application of Deposit — If a Customer's bill is not paid when due, the Utility may apply all or any part of the Customer's security deposit or equivalent form of security and any accrued interest toward payment of the bill. Even if the Utility applies the security deposit or calls on the equivalent form of security, the Utility may, under Section 14 (Refusal of Service and Discontinuance of Service) discontinue Service to the Customer for failure to pay for Service. Upon application of all or any portion of the security of a bill, the Customer shall upon demand by the Utility, replenish the Security to the original amount or such other amounts as the Utility may then require, subject only to the limits set out in Section 5.1 (Security for Payment of Bills).~~

~~5.6 — Failure to Pay Security Deposit — Failure to pay or replenish a security deposit or to provide an equivalent form of security acceptable to the Utility may, at the Utility's discretion, result in discontinuance or refusal of Service as set out in Section 14 (Refusal of Service and Discontinuance of Service).~~

6. — Service Agreement

~~6.1 — Term of Service Agreement — Unless a Service Agreement specifies otherwise, the initial term of Service will be 3 months, and thereafter will be automatically renewed from Month to Month unless otherwise terminated in accordance with these Terms and Conditions.~~

~~6.2 — Regular Supply of Water — The Utility intends to maintain at all times an adequate and continuous supply of water at suitable pressures but accepts no liability for interruptions due to circumstances beyond its control. For interruptions in excess of seventy-two (72) hours, a proportionate reduction or rebate may be allowed to Customers of fixed Monthly charges where applicable.~~

~~6.3 — Interruption of Service — The Utility shall have the right at all times to restrict or suspend the supply of water to any Premises without advance Notice, in order to effect such emergency repairs, replacements, alterations, or extensions to the Utility's Waterworks as shall, in the opinion of the Utility, be deemed necessary.~~

~~(a) — Right to Restrict — The Utility may require any of its Customers, at all times or between specified hours, to discontinue, interrupt or reduce to a specified use or quantity, the delivery of water for any of the following purposes or reasons:~~

~~(i) — in the event of a temporary or permanent shortage of Water, whether actual or perceived by the Utility;~~

~~(ii) — in the event of a breakdown or failure of the supply of water to the Utility or of the Utility's water storage or distribution systems;~~

~~(iii) — to conserve water supply, including, but not limited to, restricting or prohibiting the use of water for gardening, irrigation, sprinkling, air conditioning or filling of hot tubs;~~

~~(iv) — in order to comply with any legal requirements;~~

~~(v) — in order to make repairs or improvements to any part of the Utility's Waterworks, including but not limited to the water distribution or storage systems;~~

~~(vi) — in the event of fire, flood, or other emergency in order to safeguard Persons or property against the possibility of contamination or damage.~~

~~(b) — Notice — The Utility will, to the extent practicable, give notice of its requirements and removal of its requirements under Section 6.3 (a) (Right to Restrict) to its Customers by~~

~~(i) — newspaper, radio or television announcement, or~~

~~(ii) — notice in writing that is sent through the mail to the Customer's billing address, left at the Premises where water is delivered, served personally on a Customer, or sent by facsimile or other electronic means to the Customer, or~~

~~(iii) — oral communication.~~

~~Whenever possible the Utility will give advance notice of the restriction or shut off in Water Service, and, in cases where the Utility expects Water Service to be interrupted for twenty four~~

(24) hours or more, the Utility will attempt to provide forty-eight (48) hours notice to its Customers.

(c) ~~Failure to Comply with Restriction~~—If, in the opinion of the Utility, a Customer failed to comply with any requirement under Section 6.3 (a) (Right to Restrict), the Utility may, after providing notice to the Customer in the manner specified in Section 6.3 (b) (Notice), either levy a charge as listed in Standard Fees and Charges Schedules or discontinue Service to the Customer. A Person who contravenes water use restrictions for water conservation purposes is subject to one warning notice per Year. Each subsequent contravention during that Year is subject to the appropriate charge.

6.4 ~~Authorized Consumption~~—~~Approval Required to Increase Load~~—A Customer shall not increase the maximum rate of consumption of water delivered to it by the Utility from that requested in its original application to the Utility without the written approval of the Utility, which approval will not be unreasonably withheld.

6.5 ~~Waste of Water~~—The Customer shall use due care to prevent any waste of water and will immediately notify the Utility in case of failure of equipment or leakage of water. Should there be evidence of leaking or waste of water on the Customer's property, the Utility shall notify the Customer and may order the repair of any leaky pipes and fixtures that are evident on the Premises. If repairs are not made within five (5) Business Days after any such notice, or if the condition of the Customer's pipes or fixtures is such as to cause serious waste of water or damage to property, then without further notice the Utility may shut off the water supply to the Premises pursuant to Section 14.4 (Discontinuance without Notice).

6.6 ~~Water Conservation Fixtures~~

(a) ~~All Customers connecting to the Waterworks must install and at all times maintain water conserving plumbing fixtures throughout any Dwelling Unit, including ultra low flush toilets (maximum 4 litres or lower per flush) or dual flush toilets (3 / 6 litre per flush), ultra low flow shower fixtures (1.5 USGPM or 6 litres per minute) and ultra low flow taps (1.5 USGPM or 6 litres per minute). All toilets must meet a minimum MAP testing of 600grams.~~

(b) ~~All Customers must maintain these standards by not modifying or allowing maintenance work to be performed on the low flow fixtures to allow larger flows than originally specified by the manufacturer.~~

(c) ~~All replacement fixtures must meet the current standards for water conserving fixtures as stated in the current approved Water Tariff as modified and approved from time to time by Comptroller of Water Rights.~~

6.7 ~~Unauthorized Resale / Use~~—Unless authorized in writing by the Utility, a Customer shall not resell water supplied to it by the Utility to other Persons, permit water to be carried away other than for personal use, or use or allow water to be used in the Premises for purposes other than those stated in the Customer's application for Service.

6.8 ~~Access to Premises and Equipment~~—As a condition of Water Service, the Customer must give the Utility a right of entry to the Customer's Premises. The Customer will provide free

access to its Premises at all reasonable times, upon reasonable notice, except in the case of an emergency, to the Utility's authorized employees, contractors, and agents for the purposes of reading, testing, repairing or removing meters and ancillary equipment, inspecting stopcocks and backflow prevention devices, turning water on or off, completing system leakage surveys, stopping leaks, examining pipes, connections, fittings and appliances and reviewing the use made of water delivered to the Customer, or for any other related purpose which the Utility requires.

The Customer on behalf of the owner of the Premises grants the Utility full power, right and liberty to enter the Premises, whether or not the owner or occupant is at the Premises, to break the surface and make necessary excavations for the purposes of locating, installing, repairing, replacing, maintaining, and inspecting all facilities on the Premises.

In situations of perceived emergency, the Utility may use reasonable force in securing access to its equipment for inspection, disconnection and repair. The Utility will do as little damage and cause as little inconvenience as reasonably possible in doing such work.

When a Customer who has requested a service call, or who has been given advance notice of a required service, will not permit the Utility to provide service during normal business hours of the Utility, the Customer will be required to pay overtime Costs in addition to all applicable service charges.

6.9 — Employee Identification — Upon request, the Utility's employee or authorized agent wishing access to a Customer's Premises must show valid Utility identification prior to entering the Premises.

6.10 — Easements & Right of Way — If the Customer is not the owner of the Premises or intervening property between the Premises and the Utility's Mains, the Customer shall obtain for the Utility from the owner the necessary consent or easement in writing and if requested by the Utility in form registrable in the Land Title Office for the installation and maintenance at the Premises and in or about the intervening property, of all necessary facilities for supplying water. The Utility reserves the right to proceed with rights-of-way acquisition if deemed desirable.

6.11 — Authority of Work — No Person who is not an agent or employee of the Utility shall make any connections with, or alterations to, or tamper with, any of the Utility's Waterworks, including any distribution water Mains or water meters belonging to the Utility, nor turn on or off any valve or curb stop of the Utility, without authorization in writing by the Utility. Should a Customer, their agent or employee, or any related third party contravene this prohibition, then the Customer will be subject to any Costs incurred by the Utility to repair damages caused by the Customer or third party. Should such incidents be the responsibility of an unrelated third party, the Utility shall have a right to claim all relevant Costs from the unrelated third party. A Person who contravenes the Authority of Work section will be subject to one warning notice per Year. Each subsequent contravention during that Year is subject to the appropriate Charge.

6.12 — Failure to Comply with the Tariff — Where any Customer fails to comply with these Terms and Conditions, the Utility, in addition to its right to discontinue Water Service pursuant to

~~Section 14 (Refusal of Service and Discontinuance of Service), may undertake any lawful action deemed necessary to enforce compliance.~~

~~6.13— Assignment—The Service Agreement shall be binding upon, and ensure to the benefit of the parties thereto and their respective successors and assigns but shall not be assigned or be assignable by the Customer without the written consent of the Utility first being obtained.~~

~~6.14— Termination of Service Agreement—The following terms apply to termination of any Service Agreement:~~

~~(a)— Unless the Service Agreement specifies otherwise, the Customer may terminate the Service Agreement after the end of the initial term by giving the Utility at least five (5) Business Days notice.~~

~~(b)— The Customer is responsible for, and shall pay for, all water delivered to the Premises and is responsible for all damages to and loss of the Meter Set or other Utility property on the Premises until the Service Agreement is terminated.~~

~~(c)— The Customer is not released from any previously existing obligations to the Utility under the Service Agreement whether the Service Agreement is terminated by the Customer or Utility.~~

~~(d)— After receiving a termination notice for a Premise and after a reasonable period of time during which the current or a new Customer has not applied for Water Service at the Premises, the Utility may seal off the Service Line to the Premises.~~

~~(e)— The Utility may terminate the Service Agreement for any breach or infringement by the Customer of these Terms and Conditions or as otherwise specified herein by giving the Customer fifteen (15) days written notice.~~

Service Facilities

~~7. Service Lines~~

~~7.1—Installation—The Utility will designate the location and conditions of installation of the Service Line on the Customer's Premises and determine the amount of space that must be left unobstructed around it. The Customer, at its own expense, will install the Service Line from the curb stop to the Meter Set on the Customer's Premises. Any request by the Customer to extend the Service Line beyond the designated location or to enter the Premise at a different point or follow a different route than designated by the Utility will be subject to approval of the Utility, and the Customer will be responsible for all additional Costs.~~

~~7.2—Temporary Service—Any Person who requires Temporary Service must apply to the Utility and must first obtain permission from the Utility to acquire water pursuant to the following conditions:~~

~~(a)—In the event that a Temporary Service requires a Service Line and/or temporary meter, as determined by the Utility, the Utility will estimate the Costs of the Temporary Service connection and the Person applying for Temporary Service will pay the estimated Costs prior to installation, if required to do so by the Utility.~~

~~(b)—The Customer acquiring Temporary Service shall keep a record of the amount of water consumed, and shall report to the Utility the amount of water consumed on a regular basis, as specified by the Utility, or upon completion of the construction or expansion for which the Temporary Service is required. Temporary connections to a fire hydrant or standpipe must be fitted with a backflow prevention device, and an independent shut-off valve to regulate the flow. The backflow prevention device must be approved by the Utility and shall either be provided by the Customer requiring the Service, or rented from the Utility at the daily rate as indicated in the Standard Fees and Charges Schedules. If the Customer is providing the backflow prevention device then it must have successfully passed a backflow test by a Certified Backflow Prevention Tester within the last year. If a water meter is rented from the Utility, the Customer requiring the device shall be responsible for proper maintenance and any damages occurring to such equipment while under their control.~~

~~(c)—Tanker trucks, street sweepers, water sprinkler trucks, etc. must be fitted with a backflow prevention device approved by the Utility, and the device must have successfully passed a backflow test by a Certified Backflow Prevention Tester as well as they must have permission from the Utility before hooking up to a fire hydrant or a stand pipe for the purpose of taking on water. If the Customer is providing the backflow prevention device then it must have successfully passed a backflow test by a Certified Backflow Prevention Tester within the last year. The Utility will specify the specific fire hydrant or stand pipe the Customer is to use through the issuance of a permit.~~

~~(d)—The Utility will issue an invoice for water consumed by the Customer acquiring Temporary Service, which shall be payable immediately upon receipt. The rate for water will be that listed in this Tariff for comparable permanent Service.~~

(e) If a fire hydrant or stand pipe is being used for Temporary Service and is required by the Fire Department for an emergency situation, the Customer agrees to remove any connection to the hydrant or standpipe without delay.

7.3 Water for Construction Where a Person or Customer requests the Utility to provide water for any construction purpose and testing of fixtures, the Person or Customer shall pay for water supplied at the unmetered rates listed in this Tariff. The Utility may require that water for any construction purpose be metered and charged in accordance with this Tariff.

7.4 Specification of Service Line Service Lines are subject to the following specifications:

(a) The minimum size of pipe permissible to serve any one Premise shall be 19mm (3/4") nominal diameter or such larger size as may be determined by the Utility from time to time. The diameter of the pipe used on the Customer's Premises should be selected to allow for pressure losses from friction.

(b) Service connection materials installed on the property to be served must comply with the B.C. Plumbing Code. All Service Line connections must either meet or exceed BCWWA or AWWA standards for potable waterworks systems. Materials may be specified by the Utility.

(c) The Service Line on the Customer's Premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of 1.8 meters (6 feet) below the surface ground.

(d) Subject to any exceptions agreed to by the Utility under Section 2.5 (Connection Policy for Individual Units in Complexes), each separately metered service connection must have its own curb stop between the water Main and the Meter Set for each such Unit served.

7.5 Site Preparation Standards The Customer will be responsible for all necessary site preparation to the standards established by the Utility. The Utility reserves the right not to install a Service Line or permit connection to the Utility's System if in the Utility's opinion, the finished soil grade has not been achieved or other site installation standards specified by the Utility or this Tariff are not met.

If, in the Utility's opinion, an installed Service Line has less than minimum ground cover, acceptable backfill material, or other unsafe conditions exist, the Customer may be directed by the Utility to re-install sufficient ground cover and remedy any other conditions to meet the Utility's standards. This work will be performed by the Customer at its cost or may, at the Utility's discretion, be performed by the Utility at the Customer's cost.

Where a curb stop is buried more than 1.5 meters, the Customer will cause to have an extension installed so that the length of valve key required to operate the curb stop is less than 1.5 meters.

7.6 Timing of Installation The timing of installation of facilities will be determined by the Utility.

~~7.7—Winter Construction—If an applicant or Customer applies for Service which requires construction when, in the Utility's opinion, frost conditions may exist, the Utility may postpone the required construction until the frost conditions no longer exist. If the Utility carries out the construction, the applicant or Customer will be required to pay all Costs incurred due to the frost conditions.~~

~~7.8—Unusual Site Conditions—If an applicant or Customer applies for Service that requires construction which, in the Utility's opinion, involves site conditions that may affect its ability to complete the installation in a safe and cost effective manner, the Utility may postpone the required construction until these conditions are remedied to the Utility's satisfaction. If the Utility carries out the construction, the applicant or Customer will be required to pay all Costs incurred due to the unusual site conditions.~~

~~7.9—Utility to Approve Installation of Service—No service pipe or fittings shall be covered until they have been inspected and approved by the Utility, as well as the municipal or regional plumbing or building inspector or other appropriate authority. Builders and developers shall provide seventy two (72) hours notice in writing prior to connecting into the Utility's Waterworks, as well as seventy two (72) hours verbal notice (to service technician) prior to requiring inspection by the Utility.~~

~~7.10—Customer Requested Change in Location—Any change in the location of an existing Service Line shall be subject to the Utility's approval in writing, and will be at the Customer's expense if the change is requested by the Customer or necessitated by the actions of the Customer.~~

~~7.11—Installation of Separate Curb Stops—Where a Complex has been permitted to connect to the Utility's Waterworks without separate curb stops for each individual Unit, all owners in the Complex are jointly and severally liable to the Utility for payment of all Service charges related to the Complex, pursuant to Section 11.11 (Responsibility for Properties with Multiple Owners). In the event a Customer, at its cost, subsequently requests the Utility install a separate water connection for an individual Unit, upon payment made to the Utility in full for the work performed and the disconnection of such Unit from the original service of the Complex, the Unit will no longer be subject to joint and several liability for further Service to the portion of the Complex remaining on the original service connection.~~

~~7.12—Ownership of Service Line—Title to and ownership of the Service Line, from the water Main to the property boundary of any Premise, shall be vested in the Utility. The Customer shall own the Service Line to the extent it is within the property boundaries of the Premises.~~

~~7.13—Maintenance—The Customer will maintain the portion of the Service Line owned by the Customer. The Utility will charge the Customer with the Cost of repairing the Service Line in the event the damage is caused other than by negligence of the Utility.~~

~~7.14—Excavation Notice—The Customer shall provide seventy two (72) hours notice in writing prior to connecting into the Utility's Waterworks, or seventy two (72) hours verbal notice (to service technician) in advance of any excavation work to be conducted on the Premises and shall immediately advise of any damage occurring to the service installation. The Customer~~

must also arrange for an inspection prior to back-filling being performed. Twenty-four (24) hours notice must be given for the back-filling being performed unless weather conditions could cause damage to the Utility's works.

7.15—Prohibition—A Customer shall not construct any permanent structure over a Service Line or otherwise contravene government regulations, codes or the Utility's policies.

7.16—Compliance with Laws—Customers shall comply with all applicable laws, statutes, regulations, policies and guidelines relating to the installation of Service Lines and any other related works including but not limited to the BCWWA and AWWA standards and the BC Building Code.

8. ~~Water Meter Sets & Metering~~

~~8.1 The Meter Set—The Customer, at its expense, shall install a water meter in the Service Line at the location specified by the Utility. Upon inspection by the Utility to confirm compliance and acceptance of the installation, the water meter and its associated remote readout equipment shall become property of the Utility and be considered the Utility's Meter Set. The Utility will be responsible for all ordinary maintenance, repair and replacement of the Meter Set subject to Section 15.5 (Responsibility for Meter Set).~~

~~The Utility reserves the right to supply and/or install the water meter and the associated remote readout equipment, in which event the Customer shall pay all Costs according to this Tariff. The installation of each water meter is subject to the requirements as follows:~~

- ~~(a) unless otherwise specified in writing by the Utility, the water meter must be installed in the Service Line immediately downstream of the point the Service Line enters the structure of the Premises;~~
- ~~(b) a separate water meter for each Premise, unless otherwise specified by the Utility;~~
- ~~(c) the make and model of water meter must be approved by the Utility;~~
- ~~(d) the water meter is to register in Cubic Meters and be supplied with a remote reading device approved by the Utility;~~
- ~~(e) the Water Meter shall be installed with adequate support and anchoring on each side of the meter capable of keeping the pipe alignment and supporting the weight of the meter, pipe and all other components. A customer shall ensure that:~~
 - ~~(i) every private service line entering a building has a horizontal meter setting, and that the piping extends not less than 450 mm (18 inches) beyond the wall or floor of the building immediately before the meter position;~~
 - ~~(ii) The Meter Set is positioned as close as possible to the point where the private service Line enters the building and has a safe and convenient access;~~
- ~~(f) the remote reading device must be accessible by the Utility for reading purposes and installed in a safe location approved by the Utility, and~~
- ~~(g) By-Pass Valve(s)—The Utility shall seal all by-pass valves closed. No one shall break a by-pass valve seal except under the direction of Utility staff. In the event that a by-pass valve seal is broken, the Utility shall be contacted within 48 hours. At the Utility's discretion, the Utility may permit a subsidiary meter on the by pass at the Customer's expense.~~

~~8.2 Measurement—The quantity of water delivered to the Premises will be metered using utility industry approved apparatus, unless superseded by an approved process for certification implemented by Consumer and Corporate Affairs Canada or any other subsequent or successor government agency. The amount of water registered by the Meter Set during each billing period will be converted to cubic meters in accordance with industry and manufacturer's recommended practises and rounded to the nearest cubic meter.~~

~~8.3 — Estimating a Water Reading — If for any reason the Utility is required to estimate the water consumption of a Customer for any given period, the following procedure will be followed:~~

~~(a) — The estimate will be based on the Customer's historical use on the property for which a water consumption estimate is required.~~

~~(b) — In the event that insufficient history exists to produce a reasonable estimate, the estimate will be calculated on the basis of an average of the water consumption for similar properties in the same area, and at the least would be the Utility's minimum Monthly charge for the Premises.~~

~~(c) — In the event that the meter is working but the remote is broken or inaccessible the Utility may bill using one of the above methods, and include any necessary adjustments on the first invoice after a proper reading is taken.~~

~~(d) — If Utility is unable to read the meter due to meter failure and the Customer does not allow the Utility to resolve the issue within a 30 day period after written notice is given, the Utility will bill the Customer at the unmetered rate listed in this Tariff.~~

~~8.4 — Testing Water Meters — When any Customer whose Water Service is metered makes a complaint that its account is, in its opinion excessive, the Utility will make an inspection for leaks at the Meter Set. Should no leaks be found up to and including the Authorized Water Meter, and should the Customer continue to feel that the Authorized Water Meter is indicating excessive consumption, then the Customer can request that the Authorized Water Meter be tested for accuracy. This will be carried out only after a written request to the Utility has been received.~~

~~The Customer's Authorized Water Meter will be removed, replaced with a different Authorized Water Meter and the Authorized Water Meter in question sent to the manufacturer or its agent for testing. The Customer will be sent a copy of the report. If the test shows an error in registering the quantity of water passing through the meter of over five percent (5%) in favor of the Utility, the Customer's account will be adjusted accordingly.~~

~~If the test of the Authorized Water Meter shows an accurate measurement of water, or shows an error in favor of the Customer, the Customer will be billed for all Costs pertaining to the test, removal of the Authorized Water Meter, and the installation of a replacement or a temporary Authorized Water Meter.~~

~~The Utility may at any time test any meter, at its discretion.~~

~~8.5 — Water Meter Bypass for Fire Suppression Systems — A Customer installing a fire suppression system must apply in writing to the Utility for permission to install an automated water meter bypass system in order to ensure that fire suppression water flows can be supplied.~~

~~8.6 — Interruption of Service — Any Person that has applied for Service must, at the Utility's discretion, pay the Utility in advance for the Costs which the Utility estimates it will incur in the installation and subsequent removal of metering facilities necessary to supply water to the Customer pursuant to Section 7.2 (Temporary Service). Interruption of water service may be~~

granted upon written application and at the sole discretion of the Utility. The appropriate Monthly Basic Rate will be applicable.

~~8.7 — Customer Requested Meter Relocation or Modifications — Any change in the location of a Meter Set or related equipment, or any modifications to the Meter Set, including automatic and/or remote meter reading capability shall be subject to the Utility's approval in writing, and will be made at the expense of the Customer if the change or modification is requested by the Customer or necessitated by the actions of the Customer. If any of the changes to the Meter Set or related equipment require the Utility to incur ongoing incremental operating and maintenance costs, the Utility may recover these Costs from the Customer through a Monthly charge.~~

~~8.8 — Protection of Meter Set Equipment — The Customer shall take reasonable care of and protect all Meter Sets and related equipment on the Customer's Premises. This includes, but is not limited to protection from: water run-off from roof or deck surfaces; accumulation or unloading of snow and ice; and accidental damage from vehicles. The Customer's responsibility for expense, risk and liability with respect to all Meter Sets and related equipment is set out in Section 15.5 (Responsibility for Meter Set).~~

~~Where in the opinion of Utility, safety devices need to be installed to protect a Meter Set from damage, the Customer shall install such safety devices within 30 days of the Utility's written notice to do so. If the Customer does not perform the required work within this period, then the Utility will make arrangements and invoice the Customer for the Utility's Costs.~~

~~8.9 — Required Access to Water Meter — If the Meter Set is located on private property, the Customer shall provide access for installing and maintaining the meter and appurtenances for meter reading, as provided in Section 6.8 (Access to Premises and Equipment). Should the Utility require removal of snow, ice or other material in order to maintain access to the Meter Set, the Utility may arrange to have the work performed and will invoice the Customer for the Utility's Costs, subject to a minimum charge for removal of materials as set out in the Standard Fees and Charges Schedules. If in the opinion of the Utility, a customer installed water meter or a Meter Set is situated in an unsafe area, or in a location which may create a dangerous situation to a meter reader, the meter shall be deemed to be "inaccessible" and will be subject to disconnection as provided in Section 14 (Refusal of Service and Discontinuance of Service).~~

~~8.10 — Removal of Meter Set — At the termination of a Service Agreement, the Utility may disconnect or remove a Meter Set from the Premises if a new Customer is not expected to apply for Service at the Premises within a reasonable time.~~

9. Customer Obligations for Service Maintenance

9.1 Pressure Regulating Devices – Pressure reducing valves may be required to control internal water pressure depending on the Premise's location within a specific Pressure Zone. Any device installed for the purpose of controlling the internal pressure shall be the responsibility of the Customer, who must ensure that the device remains in proper working order. The Utility accepts no responsibility for damages that may result from water pressures supplied by the Utility.

9.2 Condition of Customer's Pipes and Fixtures – The Customer at its own risk and expense shall keep its pipes, stop cocks and other fixtures in good working order and protect them from frost and other damage. Should there be evidence of leaking or waste of water on the Customer's property, the Utility will notify the Customer of its obligation to repair such leaks or waste, in which case the Customer will make the necessary repairs within five (5) Business Days after notice has been given or, subject to the provisions described in this Tariff, the Utility may shut off the water supply.

9.3 The Curb Stop – It shall be the responsibility of the Customer to maintain the curb stop and to ensure that the curb stop remains undamaged and operational. The curb stop must remain accessible to Utility personnel at all times.

Should an extension of the curb stop be necessary due to grade changes, the Customer shall apply to extend the curb stop and receive written permission from the Utility prior to performing any work. Once approval is given, the Customer may proceed to extend the curb stop with an approved metal extension to bring it level with the finished grade.

Should the Utility find the curb stop be inaccessible or inoperable, then the Utility will notify the Customer of problems with the curb stop and request necessary repairs be made. If repairs have not been made within fifteen (15) days after notice is given, the Utility may complete the necessary repairs. Any work performed on the curb stop will be at the Customer's expense.

9.4 Stop Cock – The Customer shall provide a shut-off valve (stop cock) inside each of the Customer's buildings in which water is used, for the use of the Customer in case of leaky or defective pipes or fixtures, or in case the Premises are vacated.

9.5 British Columbia Plumbing Code – All water service pipe and materials installed on the Customer's Premises shall be installed to meet or exceed the manufacturer's standards as well as the British Columbia Plumbing Code or equivalent regulations.

9.6 Frozen Pipes – Customers are wholly responsible for clearing any frozen pipelines or fixtures located on or within the boundary of the Premises receiving Water Service.

If the Utility is requested to clear a frozen Service Line connection, and it is found that the affected pipeline or fixture is not located within the portion of the waterworks owned and maintained solely by the Utility, the Customer who requested assistance shall pay an hourly service charge to cover Costs associated with examining and/or clearing any pipes or fixtures. If the Meter Set becomes frozen and is located within the Customer's Premises, then the Utility will repair or replace the Meter Set at the Customer's expense.

BMUS TOBIANO WATER UTILITY

WATER TARIFF No. 3

TERMS AND CONDITIONS

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The bill for clearing and repairing frozen pipelines or fixtures is due and payable upon receipt. Should the Utility choose not to issue a separate bill, or payment is not received before the Customer's next regular water bill is processed, the charges shall be added to the Customer's water bill.

~~If the frozen connection or fixture is located within the portion of the waterworks owned and maintained solely by the Utility, then no charge for thawing that portion of works belonging to the Utility will be levied against the Customer, subject to Section 9.7 (Prevention of Frozen Pipes).~~

~~9.7—Prevention of Frozen Pipes—The Utility may, as it deems necessary during very cold spells in winter, request that the Customer leave a faucet running very slowly so as to prevent the Service Line from freezing. The Utility will adjust the water bill of the Customer to reflect the requirement by the Utility to leave the faucet running. If the Customer fails to comply with the Utility's request, the Customer will be responsible for Costs to the Utility of any repairs or replacement of Service to the Customer as a result of the frozen Service Line.~~

~~9.8—Prevention Of Contamination—No person shall connect, cause to be connected or allow to remain connected, any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater, or any harmful liquid, gas, or other harmful substances to enter the Utility's water system.~~

~~Service to a Customer shall be provided only on the provision that the Customer has installed on the private service an approved Backflow Prevention Device, or devices, such that the Utility's waterworks system is effectively isolated from the private system by the device(s). The mechanism to prevent backflow is necessary to inhibit the entry of contaminants into the Utility's Waterworks, it shall be installed at the Customer's expense and must be of a design approved by the Utility.~~

~~Without limiting the generality of the foregoing, the Utility may allow approved Backflow Prevention Devices to be installed on the customer's water piping at the sources of potential contamination (in-plant isolation) and/or on the water services (premise isolation) either on private property or public property. If the device is installed on public property, the device shall be installed "at Cost" by the property owner/government agency in accordance with Section 9.8 hereof.~~

~~9.9—Customer's Responsibility for Prohibition of Dangerous Cross Connections—No Customer or Agent shall permit the plumbing of the Premises to be connected to any source of water supply other than the Utility's, or to any potential source of contamination, without first obtaining the Utility's permission in writing.~~

~~The owner of any property on which an approved Backflow Prevention Device is installed shall:~~

- ~~(a)—maintain the approved Backflow Prevention Device in proper working order at all times.~~
- ~~(b)—have the approved Backflow Prevention Device tested upon installation and thereafter annually, or more often if required by the Utility, by an Authorized Backflow Prevention Device Tester or by personnel approved by the Utility to demonstrate that the device is in good working condition;~~
- ~~(c)—submit a report on a form approved by the Utility from an Authorized Backflow Device Tester upon installation of the device and thereafter annually within 30 days of such test on any or all tests performed;~~

Should a test show that an approved Backflow Prevention Device is not in good working condition, the Utility shall give notice to the customer to make the necessary repairs or replace the device within 96 hours, or other specified period, and if the customer fails to comply with the notice the Utility shall shut off the service or services.

The water shall not be turned on at the curb stop for occupancy use until the private plumbing system has been inspected for cross-connections by the Utility; this shall not prohibit the use of a water service for construction purposes for a limited time, provided the Utility is satisfied that adequate provision is made to prevent backflow into the Utility's water mains.

Where, in the opinion of the Utility, a severe hazard exists, water service to a Customer shall be provided only on the provision that the Customer install on the Customer's water service an approved Backflow Prevention Device. This device will be in addition to any approved backflow prevention device(s) installed on the Customer's water piping at the source of potential contamination.

If a backflow incident should occur resulting in the contamination of the public water supply, the responsible owner or occupant of the property can be held liable for damages. Customers shall comply with all regulations and guidelines for cross-connection control in British Columbia in accordance with BC Building Code, CSA Standards and other guidelines for Cross-Connection control developed by AWWA and/or Canadian organizations including any Cross-Connection Control Policy established by the Utility from time to time. A Person who contravenes the Utility's Cross-Connection Control Policy or other cross-connection regulations and guidelines referenced above will be responsible for any Costs or damages that arise from such contravention and may in addition be subject to such charges as may be established by the Utility to ensure there is no subsequent contravention of such policies.

Where an approved Backflow Prevention Device is required to be installed, it shall be installed in accordance with the standards prescribed in the current edition of the British Columbia Building Code Part 7, Plumbing Services, and in conjunction with the Utility's Cross-Connection Control Policy supplement.

9.10—Utility Actions to Prevent Contamination—Where in the opinion of the Utility, any condition is found to exist which is or may be contaminating the Utility's Waterworks, the Utility at the discretion of the Manager of the Utility, may take one or more of the following actions:

- (a)—Give notice to the Customer requiring correction of the fault within a specified time period;
- (b)—Require installation of a Backflow Prevention Device on any pipe, at the Customer's expense; or
- (c)—Immediately discontinue any Water Service until such time that the condition is corrected.

The Utility may in addition to the remediation contained in Section 9.9, have a reduced pressure backflow assembly installed on the service, on Utility property or right of way. The device shall be installed "at Cost" by the Utility, except that all customer charges will be twice those obtained under normal application of this Section. All Costs incurred may be recovered from the customer as a charge under this Tariff.

~~9.11—Systems Requiring Backflow Prevention—Where a premise is supplied by two or more services, and these services are interconnected within the premise, and the required on-site Backflow Prevention Devices do not prevent flow through the property and resulting backflow from the private service to the Utility's water system, the customer shall install and maintain a Backflow Prevention Device on each service in such locations (i.e. prior to connection of any Non-Potable Water system) as necessary to prevent backflow from any private service into the Utility's water system. An accepted Backflow Prevention Device is required on all private domestic and fire line services suitable to the degree of on-site hazard and shall be installed downstream of the interconnected services.~~

~~9.12—Backflow Prevention on Existing Or Future Fire Services—A fire service intended to be used for fire purposes only shall have either an approved double check detector assembly or a reduced pressure detector assembly installed on it, depending on the degree of health hazard of the water contained in the service.~~

~~All double check detector assemblies and reduced pressure detector assemblies used on fire services shall have UL or ULC approval and shall be of such make and pattern as may be accepted by the Engineer.~~

~~The cost of all fire service gate valves, double check detector assemblies, reduced pressure detector assemblies and installation of same shall be borne by the customer.~~

~~9.13—Responsibility for Maintenance and Testing of Backflow Prevention Devices—Any device installed for the purpose of controlling backflow shall be the responsibility of the Customer, who must ensure that the Backflow Prevention Device is tested and in working order at the time of installation, and must ensure that it is tested at least once per annum (each twelve months) by a certified tester of such mechanisms, pursuant to the BC Plumbing Code and as recommended by the manufacturer. If the Backflow Prevention Device does not pass inspection, it must immediately be reported to the Utility, and then repaired or replaced within five (5) Business Days and re-inspected at the Customer's expense. All test results, including descriptions of any repairs, are to be reported on the proper test report form obtained from the Utility. The completed test report forms shall be returned to the Utility within thirty (30) days after the inspection is completed. The test reports will be registered and maintained by the Utility.~~

~~9.13—Administration Of Backflow Prevention Devices—All customers whose premises contain one or more Backflow Prevention Devices shall pay an annual Cross-Connection Control Program administration fee as specified in Schedule C—Service Charges.~~

~~9.14—Hydrant and Standpipe Use—Every person who receives authority to use water from a hydrant shall install and use an approved back flow prevention device suitable to the degree of health hazard within the premise or commensurate with the use for which a vehicle is intended. The Backflow Prevention Device shall be of the type accepted by the Utility. The Backflow Prevention Device must have been tested by an Authorized Backflow Prevention Device Tester within one year's time prior to the expected end date of usage of the hydrant or standpipe, and a correctly completed copy of the Utilities' Test Report form submitted to the Utility's Office prior to using the hydrant.~~

~~9.15—Privately Owned Hydrants and Standpipes—Hydrants or Standpipes installed on private property without an agreement for operation between the Utility and private property owner, remain the responsibility of the owner. The owner is required to, and liable for, inspecting, testing, maintaining and operating each hydrant/standpipe on the owner's property in a safe manner and to industry specifications. This includes the use of "food grade, safe anti-freeze", as approved by the Ministry of Health or other authorized agencies, for winterizing Hydrants or Standpipes to meet the British Columbia's Fire Code.~~

~~9.16—Use of a Hydrant or Standpipe by the Tobiano Fire Department—The Utility will provide annual training on the proper use of hydrants and standpipes to the Tobiano Fire Department. The Fire Department shall advise the Utility's field technician verbally within twelve (12) hours, as well as in writing to the Utility's offices within forty-eight (48) hours, after each use of the Utility's fire hydrants for practice or for fire suppression, so that the Utility can ensure the hydrant or standpipe used by the Fire Department has been inspected, serviced and is in good working order. Repairs to any damage caused by the Fire Department's personnel to hydrants or standpipes over and above normal wear and tear as recognized by the manufacturer will be billed to the Tobiano Fire Department.~~

~~9.17— Call-Out Charge Liability—Customers are solely responsible for the satisfactory operation of Service Lines, Curb Stops, valves and appurtenances, within the boundaries of the Premises being served. The Utility shall not be required to perform any work on pipes or fittings that are not the property of the Utility unless there is a concern for the safety or performance of the Utility's Waterworks. Should the Utility be called upon for assistance, the Customer who requested assistance shall pay an hourly service charge to cover Costs associated with the call out and/or subsequent repair of faulty pipes or fittings belonging to the Customer. The bill is due and payable upon receipt. Should the Utility choose not to issue a separate bill, or payment is not received before the Customer's next regular water bill is processed, the charges shall be added to the Customer's water bill~~

~~9.18— Vegetation Management and Interference with the Utility's Facilities~~

~~(a)—The Customer shall be responsible for managing vegetation on the property owned or controlled by the Customer so as to allow and permit easy access to the Utility's facilities. No Person shall obstruct or impede free and direct access to any service, water main valve, cross connect control, fire hydrant, meter, remote reader, or other appurtenances of the Water Works.~~

~~(b)—Where a Customer fails to adhere to Section 9.13 and fails to cure the cause of such default within fifteen (15) days after being notified in writing by the Utility, the Utility is authorized to remedy the cause of such default at the Customer's Cost.~~

~~(c)—Customer's shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe maintenance and operations of the Utility's facilities or result in non-compliance with applicable statutes, regulations, standards and codes.~~

~~10. — Water Main Extensions~~

~~10.1 — General Provisions—Applications for extensions of water Mains shall be made in writing and shall be subject to the following rules:~~

- ~~(a) — These Main Extension rules apply only to eligible premises within the Utility Service Area, the owners or Tenants of which may become Customers.~~
- ~~(b) — Any waterworks installed hereunder will be the sole property of the Utility.~~
- ~~(c) — The size, type, quality of materials, and their location will be specified by the Utility and the actual construction will be done by the Utility or by a construction agency acceptable to it.~~
- ~~(d) — The length of the Main Extension necessary to render service to a Premises shall be measured from the nearest distribution main to the center of the property to be served, along lines of proper construction and common practice in the location of public waterworks, with due consideration for the general layout of the Utility's system. The estimated Cost of the extension will be based upon the waterworks required to comply with all ordinances, regulations and specifications of public authority.~~
- ~~(e) — Payment in advance of the estimated Costs of the Main Extension.~~
- ~~(f) — Adjustment of any difference between the estimated Costs and the actual Costs of the Main Extension will be made within sixty (60) days after the actual Costs of the installation have been ascertained by the Utility.~~

~~10.2 — Extension of Service for Developers—The developer of a Premise within the Tobiano Resort requiring Water Service shall provide the Utility with adequate notice (as established by the Utility) and the following information in respect of any proposed development:~~

- ~~(a) — The location and legal address of the proposed development, and all information required by the Utility for a Service application pursuant to Section 1.2 (Information Required for Service);~~
- ~~(b) — One set of drawings indicating the footprint and height of the proposed structure(s), as well as the square footage and number of Lots or Dwelling Units proposed in each structure;~~
- ~~(c) — Anticipated fire flow and water use requirements;~~
- ~~(d) — Contact name, telephone number and fax number for any additional information required;~~
- ~~(e) — Billing address and accounts payable contact; and~~
- ~~(f) — Advance notice advising the schedule for construction, and minimum seventy-two (72) hours notice for any Temporary Service and inspections required by the Utility~~

~~The developer may be required by the Utility to construct and contribute the facilities at no cost to the Utility. Where a developer requests the Utility install a Main Extension or other facilities to serve the development, or the Utility determines that such an extension or facilities are required, the Utility may require the developer to advance to the Utility before construction is commenced the estimated Costs of installation of all such facilities in addition to any other fees applicable to the development as identified in the Standard Fees and Charges Schedules.~~

10.3 Allocation of Payments and Refunds:

~~(a) Payment by original applicants: When more than one application is involved and an advance is required in payment for a Main Extension, the amount of the advance will be allocated by the calculated number of Units in the combined applications for Service or as otherwise agreed among the applicants.~~

~~(b) Advances by subsequent applicants on same extension: Charges equal to a pro-rata share of the original Costs of the Main Extension will be collected by the Utility from each additional Customer who connects to the same Main Extension within five years. Advances from applicants in payment for Main Extensions will be held by the Utility without interest.~~

~~The advances collected from subsequent applicants will be refunded equally (on a pro-rata basis) to the Customers who already have advances deposited with the Utility as a result of the original funding of the Main Extension, so that all subscribers connecting to the Main Extension will have paid an equal amount (per Unit). Refunds will be paid to the current registered owners of the properties on account of which the deposits were received.~~

~~After the end of five years from the date the advance was received by the Utility from the original applicants, additional Customers will be connected without being required to pay an extension charge.~~

~~(c) Disagreements: In case of disagreement regarding the application of these rules, or in circumstances where the interpretation of any term appears impracticable or unjust to either the Utility or an applicant for Water Service, either party may refer the matter to the Comptroller for determination.~~

~~**10.4 Ownership of Main Extensions within road or statutory right of way** The Utility will assume ownership and all responsibility for the operation and maintenance of Main Extensions where such Waterworks are located along a gazetted road, in easements or rights of way held in the name of the Utility, or on property solely owned by the Utility.~~

~~**10.5 Utility to Approve Installation of Water Mains** No mains, service pipe, fittings, hydrants, standpipe or other components of the Main Extension shall be covered until they have been inspected and approved by the Utility, as well as the municipal or regional plumbing or building inspector or other appropriate authority. Developers and contractors are required to provide two (2) Business Days notice in writing prior to connecting into the Utility's Waterworks and a further two (2) Business Days verbal notice (to the Utility's field technicians) prior to inspection by the Utility.~~

~~**10.6 Looping of water mains** Where a water Main Extension to service a project would result in a dead-end, which may result in possible water quality problems as a result of a dead-ended Main, the developer shall be charged the full Costs associated with the looping of the water Main in addition to the Main Extension.~~

~~The plans for looping a Main are required to be approved by a Board of Health Engineer and a written permit issued in accordance with the Safe Drinking Water Regulation, Province of British Columbia, and Ministry of Health before any work on the project is undertaken by the Utility.~~

~~10.7—Hydrants and Standpipes—Once a Main Extension has been inspected and formally accepted by the Utility, hydrants and standpipes connected to Utility's Mains become the property of the Utility. It shall be the responsibility of the Utility to inspect, test, maintain and operate each hydrant/standpipe attached to the Utility's Waterworks.~~

~~The Utility may at its sole discretion chose to take ownership of all hydrants and standpipes on private property upon the same conditions as those installed under a Main Extension. All Costs incurred by the Customer with be borne by the Customer.~~

Billing

~~11. Billing~~

~~11.1 Basis for Billing — The Utility will bill the Customer in accordance with the applicable Schedules attached to this Tariff, payable at the Utility's office or at any duly authorized collecting agency. The total amount of each bill is due and payable within fifteen (15) days of the date of issue.~~

~~11.2 Taxes — All rates, fees and charges specified in this Tariff are subject to applicable local, provincial or federal taxes, assessments or levies imposed by any competent taxing authorities which the Utility may be lawfully authorized or required to add to its normal rates and charges or to collect from or charge to the Customer.~~

~~11.3 Meter Measurement — For each Customer with a Meter Set, the Utility will measure the quantity of water delivered to a Customer using a Meter Set and the starting point for measuring delivered quantities during each billing period will be the finishing point of the preceding billing period.~~

~~11.4 Estimates — For billing purposes, the Utility may estimate the Customer's meter readings if, for any reason, the Utility does not obtain a meter reading. Subject to the provisions of Section 12 (Back Billing), the Customer shall pay any invoice for Water Service based upon estimated volumes determined in accordance with the provisions of Section 11 (Billing) and Section 8.4 (Estimating a Water Reading).~~

~~11.5 Estimated Final Reading — If a Service Agreement is terminated under Section 6.14 (Termination of a Service Agreement), the Utility may estimate the final meter reading for final billing.~~

~~11.6 Incorrect Register — If any Meter Set has failed to measure the delivered quantity of water correctly, the Utility may estimate the meter reading for billing purposes, subject to Section 8.4 (Estimating a Water Reading).~~

~~11.7 Bills Issued — The Utility may bill a Customer as often as the Utility considers necessary but generally will bill on a Monthly basis.~~

~~11.8 Appeal of Calculation of Customer's Water Bill — Any Customer obtaining water from the Utility's Waterworks may formally register a complaint or dispute with the Utility regarding the amount of any water bill, no more than thirty (30) days from the date of billing. The Customer must pay the undisputed portion of the bill.~~

~~11.9 Change of Billing Address Information — All Customers of the Utility are required, at all times, to promptly inform the Utility of any and all changes to any billing address, including changes to telephone or facsimile numbers.~~

~~11.10 Owner's Responsibility for Payment — Where any account rendered for water is not paid as prescribed by this Tariff, the legal owner of the Premises shall be deemed to be the Person responsible for payment of the account. More particularly,~~

BMUS TOBIANO WATER UTILITY

WATER TARIFF NO. 3

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(a) —Where the owner of a property has rented out a dwelling and the owner has signed an agreement with the Utility requesting the bill be directed to the Tenant, the owner of the rented property remains responsible for the water bill should the Tenant not pay for any reason whatsoever.

(b) —In the event that a previous owner or Tenant vacates a Premise leaving an outstanding water bill, then pursuant to Section 2.8 (Change in Ownership or Tenancy of Property) it is the responsibility of the new property owner to pay the balance owing on the water bill.

12. — Back-Billing

~~12.1 — When Required — The Utility may, in the circumstances specified herein, charge, demand, collect or receive from its Customers in respect of a Service rendered thereunder a greater or lesser compensation than that specified in the subsisting schedule applicable to that Service.~~

~~—— In the case of a minor adjustment to a Customer's bill, such as an estimated bill, such adjustments do not require back-billing treatment to be applied.~~

~~12.2 — Explanation of Back-billing — Back-billing means the re-billing by the Utility for Services rendered to a Customer because the original billings are 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, or may result from an inspection under provisions of federal or provincial regulations. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:~~

- ~~(a) — stopped meter;~~
- ~~(b) — metering equipment failure;~~
- ~~(c) — missing meter now found;~~
- ~~(d) — switched meters;~~
- ~~(e) — double metering;~~
- ~~(f) — incorrect meter connections;~~
- ~~(g) — incorrect use of any prescribed apparatus respecting the registration of a meter;~~
- ~~(h) — the seal of a meter or by-pass valve is broken;~~
- ~~(i) — an open by-pass exists;~~
- ~~(j) — an unauthorized Service has been discovered;~~
- ~~(k) — incorrect meter multiplier;~~
- ~~(l) — the application of an incorrect rate;~~
- ~~(m) — incorrect reading of meters or data processing; or~~
- ~~(n) — tampering, fraud, theft or any other criminal act.~~

~~12.3 — Billing Basis — Where metering or billing errors occur, the consumption will be based upon the records of the Utility for the Customer, or the Customer's own records to the extent they are available and accurate, or if not available, reasonable and fair estimates may be made by the Utility in accordance with Section 8.4 (Estimating a Meter Reading).~~

~~12.4 — Tampering/Fraud — If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Utility's Service in an unauthorized way, or there is evidence of fraud, theft or other criminal acts, or if a reasonable Customer should have known of the under-billing and failed to promptly bring it to the attention of the Utility, then the extent of~~

back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of Sections 12.7 (Under-Billing) to 12.10 (Changes in Occupancy), below, do not apply.

In addition, the Customer is liable for the direct administrative Costs incurred by the Utility in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.

Under-billing resulting from circumstances described above will bear interest at the rate normally charged by the Utility on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.

~~12.5 Remedying Problem~~ 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 of the effect upon the Customer's ongoing bill.

~~12.6 Over-billing~~ 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 a maximum period of twelve (12) months. The Utility will pay interest on money incorrectly collected at the Utility's prime interest rate minus two percent (2%), by crediting the Customer's account. The Utility's prime interest rate is defined as the floating annual rate of interest which is equal to the rate of interest declared from time to time by the Utility's principal bank as its "prime rate" for loans in Canadian dollars.

~~12.7 Under-billing~~ Subject to Section 12.4 (Tampering/Fraud), above, in every case of under-billing, the Utility will back-bill the Customer for the shorter of

(a) the duration of the error; or

(b) Twelve (12) months.

~~12.8 Terms of Repayment~~ Subject to Section 12.4 (Tampering/Fraud), above, in all cases of under-billing, the Utility will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal instalments corresponding to the normal billing cycle. However, delinquency in payment of such instalments will be subject to the usual late payment charges.

~~12.9 Disputed Back bills~~ Subject to Section 12.4 (Tampering/Fraud), above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption or duration of the error, the Utility will not threaten or cause the discontinuance of Service 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 threaten or cause the discontinuance of Service if such undisputed portion of the bill is not paid.

~~12.10 Changes in Occupancy~~ Subject to Section 12.4 (Tampering/Fraud) above, the Utility will make a reasonable attempt to locate the former Customer when back-billing, in all instances

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~~where changes of occupancy have occurred. If, after a period of one year, such Customer cannot be located, the applicable over or under billing will be cancelled.~~

~~13.—Administration Charges~~

~~13.1—Administration Charges on Services—The Utility will include a reasonable allowance for the Utility's overhead in the charges specified in this Tariff for new service installations and other services. If the Utility experiences additional or unusual administration costs in providing any service, the Utility will add those administration costs to its charges or adjust its allowance for overhead to reflect its additional costs.~~

~~13.2—Returned Cheque Charge—If a cheque received by the Utility from a Customer in payment of a bill is not honoured by the Customer's financial institution for any reason, the Utility will include a charge specified in this Tariff in the next bill to the Customer for processing the returned cheque whether or not the Service has been disconnected.~~

~~13.3—Late Payment Charge—If the amount due for Water Service, Service Related Charges or Other Service Charges on any bill has not been received in full by the Utility or by an agent acting on behalf of the Utility on or before the due date specified on the bill, the Utility will include in the next bill to the Customer the late payment charge specified in this Tariff.~~

~~13.4—Delinquent Bill Collection Charges—Any and all charges incurred in the collection of a delinquent water bill shall be payable to the Utility in full by the Customer (or the spouse, employee, contractor, agent or partner of the same Customer) prior to the reconnection of Service to the Customer or related party.~~

~~Such charges shall include, but are not limited to, charges incurred through the use of any collection agencies, or other methods employed in retrieving delinquent payments.~~

~~13.5—Historical Billing Information—Customers who request historical billing information will be charged at the Utility's Costs to provide the information.~~

~~Discontinuance of Service and Refusal of Service~~

~~14. Refusal of Service and Discontinuance of Service~~

~~14.1 Right to Refuse Water Service—The Utility reserves the right to refuse Water Service and the right to refuse to install or to permit the installation of Service and Main Extensions under any of the following conditions:~~

- ~~(a) The applicant has failed to apply for Service.~~
- ~~(b) The applicant has failed to provide all necessary information.~~
- ~~(c) The applicant has failed to pay any charges for Service or post any security deposit required by the Utility pursuant to these Terms and Conditions.~~
- ~~(d) Under frost or other adverse weather conditions.~~
- ~~(e) If rock or other impediment makes boring impractical and the approving authority will not permit pavement to be cut.~~
- ~~(f) Where a water connection has been made or where Water Service has been turned on without proper authorization from the Utility. Under this circumstance, the Utility may remove the water meter and disconnect Service until proper authorization is obtained and all applicable fees are paid. The party receiving unauthorized Service shall further be subject to all appropriate service charges indicated in the Standard Fees and Charges Schedules, to be paid in advance of reconnection of Service, to defray the Cost of removing an unauthorized water connection.~~
- ~~(g) For any of the reasons given in Section 14.3 (Discontinuance with Notice) and Section 14.4 (Discontinuance without Notice) applicable to Customers, whether or not an applicant has yet received Service.~~

~~14.2 Discontinuance of Service after Notice by the Customer—Any Customer who desires to discontinue the use of water for a period of not less than three (3) months shall:~~

- ~~(a) give notice of its intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water to the Premises have been disconnected, and~~
- ~~(b) give at least five (5) Business Days notice and be liable for payment for all Service until the date specified for discontinuation of Service.~~

~~If written notice of discontinuance is less than five Business Days, the Customer will continue to be responsible for payment of all Service until the discontinuance has been affected, up to a maximum of five Business Days.~~

~~14.3 Discontinuance With Notice—The Utility may discontinue Service or refuse to supply Service to a Customer with fifteen (15) days written notice sent to the last known postal address of the Customer (and if a Tenant, to the last known postal address of the owner of the property being served) or served at the Customer's Premises, for any of the following reasons:~~

- ~~(a) a Customer's account becomes one Month or more overdue, and payment has not been received at the Utility's office during normal working hours prior to expiry of the notice period;~~
- ~~(b) the Customer is delinquent in its payments for any service provided by the Utility at the same Premises or any other Premises where services are provided by the Utility to the same Customer;~~
- ~~(c) the Customer has failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in the security deposit by the specified date;~~
- ~~(d) the Customer occupies the Premises with another Person who has failed to pay the Utility bill, security deposit, or required increase in the security deposit in respect of an other Premises which was occupied by that Person and the Customer at the same time;~~
- ~~(e) inability of the Utility to gain admittance to the Premises to read the meter for a period of three (3) consecutive months; or~~
- ~~(f) the land or portion thereof on which the Utility's facilities are, or are proposed to be, located contains the potential for contamination which the Utility, acting reasonably, determines has adversely affected or has the potential to adversely effect the Utility's facilities, or the health or safety of its workers or which may cause the Utility to assume liability for clean up and other Costs associated with the contamination.~~

~~If the Utility, acting reasonably, determines that contamination is present it is the obligation of the occupant of the land to satisfy the Utility that the contamination does not have the potential to adversely affect the Utility or its workers. For the purposes of this Section, "contamination" means the presence in the soil, sediment or groundwater of special waste or another substance in quantities or concentrations exceeding criteria, standards or conditions established by the British Columbia Ministry of Environment, Lands and Parks or as prescribed by present and future laws, rules, regulations and orders of any other legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the environment.~~

~~14.4—Discontinuance Without Notice—The Utility may discontinue without notice or refuse the supply of water or Service to a Customer for any of the following reasons:~~

- ~~(a) the Customer has failed to provide reference information and identification acceptable to the Utility, when applying for Service or at any subsequent time on request by the Utility;~~
- ~~(b) the Customer misrepresents any information required for Service as outlined in Section 1.2 (Information Required for Service) provided to the Utility;~~
- ~~(c) the Customer uses water or has requested the supplying of water in such a manner as in the Utility's opinion may contaminate the Waterworks;~~
- ~~(d) the Customer receiving service at the Premises fails to comply with any notice concerning potential contamination served pursuant to this Tariff;~~
- ~~(e) in the Utility's opinion, the condition of the Customer's pipes or fixtures is such as to cause or potentially cause serious waste of water or damage to property;~~

~~(f) — the Customer fails to make repairs, modifications or additions to the Customer's equipment which have been required by the Utility, or fails to protect the Utility's Meter Set from ice, snow, or other materials, within the prescribed time periods specified by the Utility pursuant to this Tariff;~~

~~(g) — in the event of fire, flood, or other emergency in order to safeguard persons, or property against the possibility of contamination, injury, or damage;~~

~~(h) — the Customer breaches any of the Terms and Conditions of this Tariff upon which Service is provided to the Customer by the Utility, or, if a notice period is provided to the Customer, fails to remedy such breach within the prescribed notice period by order of the Utility pursuant to this Tariff;~~

~~(i) — the Customer fraudulently misrepresents to the Utility its use of water or the volume delivered;~~

~~(j) — the Customer tampers with or alters a water meter with the intent of altering the consumption measurement, or incites another party to tamper with a water meter;~~

~~(k) — the Customer repeatedly violates any of the terms and conditions listed in Section 14.3 (Discontinuance with Notice);~~

~~(l) — the Customer is in receivership or bankruptcy, or operating under the protection of any insolvency legislation, and has failed to pay any outstanding bills to the Utility;~~

~~(m) — the Customer vacates the Premises;~~

~~(n) — the Utility is ordered to cease supplying water to the Customer by a duly authorized government agency;~~

~~(o) — necessary repairs to the Utility's system, or~~

~~(p) — failure, temporary or permanent, of the availability of water.~~

~~14.5 — Locking Mechanism — In the event that a Customer has violated a provision of this Tariff, or is indebted to the Utility either for water supply or Services rendered, the Utility at the discretion of the Utility's Manager may, in addition to discontinuing the water supply to the Premises in question, physically place a locking mechanism on the waterworks within or immediately outside such Premises. Removal of the locking mechanism shall be subject to a service charge, as identified in this Tariff. Only an authorized employee or agent of the Utility may remove the locking mechanism.~~

~~14.6 — Disconnection — In the case of infractions by the Customer listed in Section 14.4 (Discontinuance without Notice), the Utility may take such further action as deemed appropriate by the Utility, and physically disconnect the Customer's Water Service.~~

~~14.7 — Reconnection of Service and Security Deposit — Where Water Service is locked off or disconnected for failure to pay a bill when due or for non-compliance with any other term or condition of this Tariff, the Utility shall not permit a resumption of Water Service for any Customer until proof of compliance with the Terms and Conditions is demonstrated, and until all~~

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~~outstanding debts and applicable service charges, as described in Section 3.3 (Reconnection Charges), have been paid in full. The Customer shall also be required to establish or re-establish a security deposit (or equivalent form of security acceptable to the Utility) in an amount determined by the Utility in accordance with Section 5.1 (Security for Payment of Bills).~~

~~14.8—Liability—No person whose Water Service is discontinued pursuant to these Terms and Conditions shall have any claim whatsoever against the Utility for discontinuance of Water Service.~~

Liability and Indemnity Provisions

15. Limitations on Liability

~~15.1 Responsibility for Delivery of Water—The Utility, its directors, officers, servants, agents, employees and contractors are not responsible or liable for any loss, damage, costs or injury (including death) incurred by any Customer or any Person claiming by or through the Customer caused by or resulting from, directly or indirectly, installation, presence, maintenance and operation of the Water Service or any discontinuance, suspension or interruption of, or failure or defect in the supply or delivery of, or refusal to supply, or deliver water, or provide Service, unless the loss, damage, costs or injury (including death) is directly attributable to the gross negligence or willful misconduct of the Utility, its directors, officers, servants, agents, employees or contractors, provided however that the Utility, its directors, officers, servants, agents, employees and contractors are not responsible or liable for any loss of profit, loss of revenues, consequential damages or economic loss even if the loss is directly attributable to the gross negligence or willful misconduct of the Utility, its directors, officers, servants, agents, employees and contractors.~~

~~15.2 Liability for Discontinuance of Water Supply—No person whose Water Service is discontinued pursuant to the terms and conditions of this Tariff shall have any claim whatsoever against the Utility for discontinuance of water supply. This includes but is not limited to the Utility not being liable for any damage caused, or appearing to be caused by the breaking of any water main, any attachment, or other portion of the waterworks, or for any losses caused by temporary or permanent discontinuance of water for the purposes of repairing, maintaining, or cleaning the pipes, or for the connection of a Main Extension.~~

~~15.3 Responsibility after Delivery—The Customer is responsible for all expense, risk and liability with respect to the use or presence of water after it passes into the Customer's portion of Service Line.~~

~~15.4 Responsibility Before Delivery—The Customer is responsible for all expense, risk and liability with respect to~~

- ~~(a) the use or presence of water before it passes into the Customer's Premises, and~~
- ~~(b) the Utility-owned facilities serving the Customer's Premises~~

~~if any loss or damage is caused, or contributed to, by any act or omission of the Customer or a Person for whom the Customer is responsible.~~

~~15.5 Responsibility for Meter Set—The Customer is responsible for all expense, risk and liability with respect to all Meter Sets and related equipment at the Customer's Premises to the extent that damage is attributable to the negligence or willful misconduct of the Customer, its employees, contractors, invitees, tenants or agents, which includes any action or inaction of a Customer which allows an Authorized Water Meter or related equipment to freeze.~~

~~15.6 Customer Indemnification—The Customer will indemnify and hold harmless the Utility, its directors, officers, servants, agents, employees and contractors from all claims, loss, damage,~~

~~costs or injury (including property damage and death) and including legal costs on a solicitor and own client basis which may be suffered or incurred by the Customer or its invitees or any other Person claiming by or through the Customer or by any third party caused by or resulting from the use of water by the Customer or the presence of water in the Customer's Premises, or from the Customer or Customer's invitees, Tenants, employees, contractors or agents damaging the Utility's Waterworks or other facilities or from any breach by the Customer of the Service Agreement including without limitation, these Terms and Conditions.~~

~~15.7—Force Majeure—Notwithstanding any other term or condition contained herein, neither party shall be liable to the other for failure to carry out its obligations hereunder when such failure is caused by force majeure as hereinafter defined. The term force majeure means civil disturbance, industrial disturbances (including strikes and lockouts), arrests and restraints of rulers or people, interruptions by government or court orders, present or future valid orders of any regulatory body having proper jurisdiction, acts of public enemy, wars, riots, blockades, insurrections, failure or inability to secure materials, permits or labours by reason or priority regulations, or orders of government, serious epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or pipelines, temporary failure of water supply, an act or omission of the Utility, or any other causes or circumstances to the extent such cause or circumstance was beyond the control of and occurred without negligence on the part of the party prevented from carrying out its obligations by the act of force majeure.~~

~~Any causes or contingencies which entitle a party to claim force majeure shall not relieve it from liability in the event of its concurring negligence, or in the event of its failure to use due diligence to remedy the situation or remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes and contingencies affecting the performance of the obligations hereunder relieve either party from the obligation to make payments of amounts then due or thereafter accruing due hereunder. It is understood and agreed that the settlement of strikes or lockouts shall be entirely at the discretion of the party affected.~~

Miscellaneous Provisions

~~16. Promotions and Incentives~~

~~16.1 Promotion of Water Saving Appliances—The Utility may promote, sell, rent, lease, or finance water saving appliances and related accessories and services on a cash or finance plan basis and make reasonable charges for these Services.~~

~~16.2 Promotion of Customer Attachments—The Utility may finance the Cost of connecting Customers to the Waterworks on a cash or finance plan basis and make reasonable charges for these Services.~~

17. — Miscellaneous Provisions

~~17.1 — Notice — A notice mailed to the last known postal address of the Customer shall be deemed good and sufficient for all notices pursuant to this Tariff, other than notices pursuant to Section 6.3 (Interruption of Service) which shall be as specified in that Section. Notices shall be deemed to be effective midnight of the day mailed and any notice period provided by the Utility or this Tariff shall be deemed to include sufficient time for the receipt of mail.~~

~~17.2 — Conflicting Terms and Conditions — Where anything in these Terms and Conditions conflicts with special terms or conditions specified under a Service Agreement, then the terms or conditions specified under the Service Agreement govern. All Service Agreements are subject to the approval by the Comptroller of Water Rights.~~

~~17.3 — Headings — The headings of the Sections set forth in these Terms and Conditions are for convenience of reference only and will not be considered in any interpretation of the Terms and Conditions.~~

~~17.4 — Authority of Agents of the Utility — No employee, contractor or agent of the Utility has authority to make any promise, agreement or representation not incorporated in these Terms and Conditions or in a Service Agreement, and any such unauthorized promise, agreement or representation is not binding on the Utility.~~

~~17.5 — Water Utility Act to Prevail — The provisions of the Water Utility Act, as amended from time to time, are declared to be incorporated in and to form part of these Terms and Conditions. In the event of contradiction, inconsistency or ambiguity, the provisions of the Statute shall prevail.~~

~~17.6 — Disagreements regarding application of the Terms and Conditions for Applicants and Customers — In case of disagreement regarding the application of these Terms and Conditions, or in circumstances where the application of such appears impracticable or unjust to any party, the Utility, applicant or Customer may refer the matter to the Comptroller for settlement.~~

~~17.7 — Additions, Alterations and Amendments to this Tariff — The rates and charges recorded in this Tariff are the only lawful, enforceable and collectable rates and charges of the Utility, and shall not be amended without the consent of the Comptroller. The Comptroller, on his/her own volition, or on complaint of the Utility or other Persons, may deem that the existing rates in effect and collected or any rates charged or attempted to be charged for Service by the Utility are unjust, unreasonable, insufficient, unduly discriminatory or in contravention of the Water Utility Act, regulations or law, and may, after investigation, determine the just, reasonable and sufficient rates to be observed and in force, and shall, by order, fix the rates. The Utility may submit to the Comptroller, by letter of application together with full supporting documentation, proposed amendments to rates and charges, and other terms and conditions of service. After initial review of the application, the Comptroller may require the Utility to give an acceptable form of notice of the application to its Customers and other Persons may submit objections thereto. The Comptroller will decide the matter and will notify all interested Persons of his/her decisions.~~

~~17.8—Ownership of Waterworks—The title to and ownership of all water Main Extensions, fittings, connections, or facilitates which are constructed for carrying water from the water Main to the property line of the Premise (whether at the Customer's expense or the Utility's expense) and installed within or along present or future public highways or within the Utility's property or rights-of-way shall transfer to, be vested in and remain with the Utility, with right of removal, upon inspection and acceptance by the Utility for connection to its Waterworks. The title to all Authorized Water Meters and appurtenances attached to a Customer's Service Line shall likewise transfer to and be vested in the Utility upon acceptance by the Utility. No charge shall be made by the Customer for use of Premises occupied by the Utility's Waterworks or for providing access to the Utility's facilities. This Section shall not apply to appliances or goods (other than water meter sets and related appurtenances to be used as Meter Sets) sold directly to the Customer by the Utility.~~

~~17.9—Services Provided at No Charge—The Utility shall provide the following services at no additional cost to the Customer:~~

- ~~(a)—locate Mains to prevent damage to underground facilities as long as a minimum of two (2) Business Day's notice is given. If less notice is given, then the Utility, at its discretion may charge a fee in accordance with this Tariff,~~
- ~~(b)—any preventative maintenance service which in the Utility's opinion is required to ensure public and the Utility's safety and the maintenance of the Utility's equipment, but not including any parts or labour used to repair Customer's equipment,~~
- ~~(c)—turn-off of Water Service.~~

~~Standard Fees and Charges Schedules~~

~~In accordance with applicable sections of this Tariff, Services rendered by the Utility will be subject to the following charges, rates, or fees, with taxes added where applicable.~~

~~Schedule "A" — Water Service Connection~~

~~The charges below apply to connections to a water Main.~~

~~Connection charge (a) below recovers the Costs incurred by the Utility, and not otherwise recovered, of installing a service connection from the water Main to a curb stop and, if required, the Authorized Water Meter in the Customer's Premises. Costs herein include any administrative overhead incurred.~~

~~Where, at a time prior to a Customer's application for Service, a service connection has been installed at no cost to the Utility or at a cost otherwise recovered by the Utility, then upon connection of the service pipe, the rate shown in (b) shall become due and payable upon application for Service.~~

~~d) — Connection Charge At the Utility's Costs~~

~~e) — Connection of Customer's service pipe to an existing curb stop, including the Meter Set
— At the Utility's Costs~~

~~f) — Supply of an information only Meter Set for a service connection — At the Utility's Costs~~

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~~Schedule "B" Contribution in Aid of Future Construction~~

~~The charges shown below apply only to eligible premises as granted through the issuance of a GPCN by the Comptroller.~~

~~Where as a result of eligible premises becoming qualified as authorized Premises a greater number of Units require or may require Service from the Utility, thus utilizing Waterworks capacity presently or prospectively, then, upon application for a service connection, in addition to the connection charge and any Main Extension Costs, the charge shown below be paid.~~

~~_____ For each Unit qualifying as authorized Premises _____ \$ to be determined.~~

~~Note: Monies collected under this schedule are to be deposited by the Utility into a Reserved Replacement Trust Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.~~

~~Schedule "C" Service Charges~~

~~Service Related Charges when applying for Water Service—The following standard fees and charges will be applicable to the provision of Water Service to applicants or Customers. Charges for obtaining Water Service are intended to recover the Utility's Cost in responding to the request. The nature of the request will determine the appropriate charges as follows:~~

~~e) An administration charge shall apply at the time an application for Water Service is made by any applicant (whether for commencement of Water Service at existing authorized Premises or for a new connection).~~

~~f) For Water Service to Premises that have not previously been connected to the Utility's Waterworks, the applicant shall pay the connection and contribution charges shown in Schedule "A" and/or "B" of this Tariff.~~

~~g) A Turn on fee shall be applicable when a turn on of a valve at an existing curb stop is made at a date after the service connection was installed.~~

~~h) All other charges are subject to the provisions of the Tariff.~~

~~Application Fees~~

- ~~• Administrative fee for new applicant (new Customer) \$25.00~~
- ~~• Transfer of Water Service (change in Customer) \$25.00~~
- ~~• Change of billing address (same owner) \$0.00~~
- ~~• Turn on fee At the Utility's Costs~~
- ~~• Temporary Service At the Utility's Costs~~

~~Meter & Remote Reader Fees~~

- ~~• New meter & tie-in At the Utility's Costs~~
- ~~• New remote reader & installation At the Utility's Costs~~
- ~~• Removal of an unauthorized water meter At the Utility's Costs~~
- ~~• Removal and testing of meter at the Customer's request, subject to Section 8.5 (Testing Water Meters) At the Utility's Costs~~
- ~~• Moving a water meter at the Customer's request At the Utility's Costs~~

~~Administration Charges~~

~~Late Payment Charge—1.5% per Month (19.56% per annum) on outstanding balance as defined in Section 11 (Billing).~~

~~Returned Cheque Charge—\$25.00~~

~~Interest on Cash Security Deposits—The Utility will pay interest on cash security deposits at the Utility's prime interest rate minus 2%, by crediting the Customer's account in January of each Year. The Utility's prime interest rate is defined in Section 12.6 (Over-billing).~~

~~Schedule "C" Service Charges (Continued)~~

~~Other Service Charges—The following standard fees and charges will be applicable for the specific services listed below.~~

~~Backflow Prevention Charges~~

- ~~• Rental of a backflow prevention device per day (if unit available) At the Utility's Costs~~
- ~~• Annual backflow prevention device test At the Utility's Costs~~

~~Processing Backflow Test Reports~~

- ~~• Each test report for each device \$20.00~~

~~Contravention of water use restriction, backflow prevention, installation~~

- ~~• First occurrence for conservation order only Warning~~
- ~~• First occurrence (all others) \$200.00~~
- ~~• Further occurrences \$500.00~~

~~Removal of Materials subject to Section 8.10 (Required Access to Water Meter)~~

- ~~• Charge per meter for first occurrence \$50.00~~
- ~~• Charge per meter for additional occurrences \$100.00~~

~~Removal and testing of meter at the Utility's request~~

~~Charge per meter per request \$0.00~~

~~Special Meter Reading~~

- ~~• Within five days (per meter) \$25.00~~
- ~~• Within 24 hours (per meter) \$50.00~~

~~Reconnection Fee (per occurrence)~~

- ~~• Turn on of water after Discontinuance of Service \$ 50.00~~
- ~~• Removal of locking mechanism \$ 50.00~~
- ~~• Reconnection where meter and remote reader has NOT been removed At the Utility's Costs~~
- ~~• Reconnection where the meter has been removed At the Utility's Costs~~

~~Where other services are performed, Costs shall be:~~

- ~~• Materials: At the Utility's Costs~~
- ~~• Utility's Staff Labour only: Hourly rate of \$75.00~~
- ~~— (After hours to be charged double time)~~

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- ~~Utility Back Hoe Equipment~~ Hourly rate of \$100.00
- ~~Other Contracted Services:~~ At the Utility's Costs

~~Schedule "D" Rates for Water Service Effective January 1, 2013~~

~~Applicability: Within the Service Area of the Utility.~~

~~Availability: To all Customers of the Utility.~~

~~Metered Rate~~

~~Basic Charge: Effective January 1, 2013~~

~~Residential—Townhouse Basic Charge of \$23.25 per Month~~

~~Residential—Cottage Basic Charge of \$41.50 per Month~~

~~Residential—Resort Basic Charge of \$50.25 per Month~~

~~Residential—Equestrian Basic Charge of \$66.25 per Month~~

~~Commercial—Hotel Basic Charge of \$302.08 per Month~~

~~Commercial—Other Basic Charge of \$102.08 per Month~~

~~Irrigation (Non-Potable) Water Customers Basic Charge of \$2,642.75 per Month~~

~~Metered Usage Rate: Effective January 1, 2013~~

~~Residential Townhouse \$1.13 per cubic meter of water used in addition to the Basic Charge.~~

~~Commercial Hotel Customers of the Utility \$0.7410 per cubic meter of water used in addition to the Basic Charge~~

~~Commercial Other Customers of the Utility \$0.8627 per cubic meter of water used in addition to the Basic Charge~~

~~Note: The above rates include a contribution to the Reserved Replacement Trust Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights~~

~~Schedule "E" Rates for Water Service~~

~~Rescinded~~

~~Schedule "F" — Fire Hydrant & Standpipe Rates per Fire Protection Agreement~~

~~Applicability: Within that portion of the Utility's Service Area in Tobiano Resort's Fire Protection Area as established by the Thompson Nicola Regional District.~~

~~Availability: The following rates apply to all fire hydrants, standpipes and blow-offs used for fire fighting training and fire suppression purposes.~~

~~Annual Rate: — As per the pending Water Supply Agreement between Tobiano Utilities Inc. and the Thompson Nicola Regional District, as amended or assigned.~~

~~— Annual Payment:~~

~~On January 1 of each year of this approved tariff starting in January 1, 2008, the Annual Payment will be calculated at a rate of 27% of the Total Revenue Requirement as approved by the Comptroller of Water Rights or as agreed between the parties to this Agreement~~

~~Notes: The above rates include a contribution to the Reserve Replacement Trust Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.~~

~~Schedule "C" — Irrigation and Non Fire Protection Use of Hydrants or Stand Pipes~~

~~Applicability: Within the Service Area of the Utility.~~

~~Availability: The following rates apply to all fire hydrants, standpipes and blow-offs used for non-fire fighting training and non-fire suppression.~~

~~Metered Rate~~

~~Minimum Charge and Base Consumption Allowance:~~

~~Hydrant Use \$200.00 minimum charge per use, includes the first 5 cubic meters or part thereof as well as a Hydrant Inspection and the first five (5) days of the hydrant Meter Set rental~~

~~Stand Pipe Use \$50.00 minimum charge per use, includes the first 5 cubic meters or part thereof and the first five (5) days of stand pipe Meter Set rental~~

~~Hydrant / Stand Pipe Meter Set rental~~

~~\$25.00 per day for each additional day of rental after the first five (5) days of rental (per Premises per annum)~~

~~Hydrant / Stand Pipe Backflow Prevention Device rental~~

~~\$10.00 per day for each day of rental~~

~~Billing for additional water:~~

~~Additional water used will be charged at the usage rates as outlined in Schedule D or Schedule E as applicable.~~

~~Non-metered Rate (for use only by Customers without a Meter Set including non-authorized use)~~

~~Flat Charge~~

~~Hydrant Use \$750.00 per day, and includes a Hydrant Inspection~~

~~Stand Pipe Use \$500.00 per day~~

~~Notes: The above rates include a contribution to the Reserve Replacement Trust Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights
Tobiano Water Tariff No 3 — blackline~~

~~Schedule "H" — Availability of Service Charge as per Rent Charge Agreement(s)~~

~~Applicability: To owners of the legal subdivision with Rent Charge Agreements registered on title. The Service Charge becomes effective and due and payable on January 1 of the year following the date an eligible premises becomes qualified as an authorized Premises as granted through the issuance of a CPCN by the Comptroller.~~

~~Availability: All owners of the lots to which this rate is applicable shall pay the rate during the period they are not users of Water Service.~~

~~Rate: Effective January 1, 2008~~

Residential — Townhouse	\$186.00 per year
Residential — Cottage	\$249.00 per year
Residential — Resort	\$356.00 per year
Residential — Equestrian	\$398.00 per year
Commercial — Hotel	\$2,450.00 per year
Commercial — Other	\$2,450.00 per year

~~Note: Once a Customer has received approval to connect to the Utility's Waterworks, has passed inspection and has been accepted by the Utility as a Customer, this rate will no longer apply to the portion of the property connected to the Utility's Waterworks. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.~~

~~——— Should a Customer choose to develop a Premise, other than a Residential Lot, in a phased manner over one or more years, then each Dwelling Unit in each phase must be inspected and accepted by the Utility prior to the Utility removing this charge. A pro-rated refund of the Rent Charge will be credited to the Customer's account, if applicable.~~

~~Notes: The above rates include a contribution to the Reserve Replacement Trust Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights~~

~~Tobiano Water Tariff No 3_blackline~~

APPENDIX 3 DEPRECIATION STUDY

The background of the page is a detailed, light gray line drawing of a city street grid. The grid is composed of numerous small, irregular polygons representing city blocks. A prominent red rectangular box is positioned in the upper left corner, partially obscuring the street map. Inside this box, the text 'Appendix E' is written in a large, bold, white sans-serif font. Below it, the text 'Asset Values and Depreciation Update' is written in a smaller, white sans-serif font. The overall design is clean and modern, with a focus on the title and subtitle.

Appendix E

Asset Values and
Depreciation Update

Tobiano Utilities Inc.

BC CPI 2007 110 BC CPI Oct 2018 127.8 BC CPI 2021 136.1 Percent Growth from 2008 to 2018 16.2% Percent Growth from 2008 to 2021 23.7% Percent Growth from 2018 to 2021 6.5%

Ref #	Title	2008 Value	2018 Value (Inflated by CPI)	2018 Ranchlands and Fairways	2021 Value (Inflated by CPI)	2022 Construction Cost	TOTAL WATER ASSET VALUE 2018	TOTAL WATER ASSET VALUE 2022
101304	Structures and Improvements	\$909,440	\$1,056,604		\$1,125,226		\$1,056,604	\$1,125,226
101305	Collecting and Impounding Reservoirs	\$0	\$0		\$0		\$0	\$0
101306	Lake, River & other Intakes	\$297,670	\$345,838		\$368,299		\$345,838	\$368,299
101308	Infiltration Galleries and Tunnels	\$0	\$0		\$0		\$0	\$0
101309	Supply Mains	\$220,353	\$256,011		\$272,637		\$256,011	\$272,637
101310	Power Generation Equipment	\$0	\$0		\$0		\$0	\$0
101311	Pumping Equipment	\$104,773	\$121,727		\$129,632		\$121,727	\$129,632
101320	Treatment Equipment	\$1,010,559	\$1,174,085		\$1,250,337	\$1,601,755	\$1,174,085	\$2,852,092
101330	Distribution Reservoirs and Standpipes	\$863,273	\$1,002,966		\$1,068,104	\$1,050,580	\$1,002,966	\$2,118,683
101331	Transmission and Distribution Mains	\$1,345,293	\$1,562,986	\$322,124	\$1,664,494	\$451,290	\$1,885,110	\$2,115,784
101333	Services	\$87,643	\$101,826	\$164,920	\$108,439	\$166,380	\$266,746	\$274,819
101335	Hydrants	\$53,800	\$62,506	\$46,373	\$66,565	\$112,000	\$108,879	\$178,565
101336	Backflow Prevention Devices	\$17,440	\$20,262		\$21,578		\$20,262	\$21,578
101339	Other Plant and Misc Equipment	\$0	\$0		\$0		\$0	\$0
101347	Miscellaneous Equipment	\$163,713	\$190,204		\$202,557		\$190,204	\$202,557
101348	Other Tangible Plant	\$0	\$0		\$0		\$0	\$0
TOTAL		\$5,073,956	\$5,895,014	\$533,417	\$6,277,867		\$6,428,431	\$9,659,872

TOTAL WATER ASSET VALUE WITH WESTHILLS ZONE (2% INFLATION PER YEAR FOR 6 YEARS)
\$2,517,187
\$0
\$414,764
\$0
\$307,034
\$0
\$145,987
\$3,211,918
\$5,185,982
\$3,582,717
\$309,491
\$201,093
\$24,300
\$0
\$228,112
\$0
\$16,128,585

\$1.25MM for new Booster

WTP - AWC Supply Contract plus Acres install contract

Zone 1 Cell 2 Reservoir

just the watermain total from Acres' SoQ (includes bends, valves, etc.)

\$2.8MM for new reservoir

just the services number from Acres' SoQ

\$1.2MM for new watermain

just hydrants number from Acres' SoQ

Tobiano BC - Corix Multi-Utility Services Inc - Tobiano Water Utility
2021-2031 - Projected Cash Flow Statements

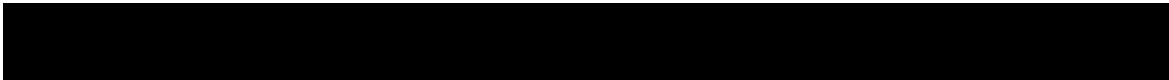
	2021 Financial Statements		Tobiano Forecast									
	2021 (June-Dec)	2022 Draft	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
% of lots connected - SFRE		76%	78%	89%	91%	93%	96%	80%	86%	90%	94%	96%
SFRE Connected	262	324	370	425	475	522	538	607	653	683	713	728
Remaining Rent Charge Lots - sold & unconnected	106	92	22	-	16	37	25	25	9	9	13	15
Remaining Rent Charge Lots - unsold & unconnected	11	11	81	54	29	4	-	130	100	70	36	19
Total authorized lots	379	427	473	479	520	563	563	762	762	762	762	762
REVENUE:			21%	19%	12%	10%	6%	17%	7%	5%	5%	5%
Updated Revenue before top-up/RRTF contribution	231,926	338,470	408,292	486,781	547,344	604,420	638,659	750,105	805,208	847,363	886,275	926,768
RRTF Contribution	- 112,859	- 193,320	- 193,320	- 260,572	- 260,572	- 260,572	- 260,572	- 404,345	- 404,345	- 404,345	- 404,345	- 404,345
Revenue after RRTF Contribution	119,067	145,150	214,972	226,209	286,772	343,848	378,087	345,760	400,863	443,018	481,930	522,423
Operating Costs	35,842											
Operation & Maintenance (O&M)												
Labour	40,131	96,822	99,730	102,722	105,803	108,977	112,247	115,614	119,082	122,655	126,335	130,125
Outside Services	1,555	37,878	39,014	40,184	41,390	42,632	43,911	45,228	46,585	47,982	49,422	50,904
Vehicle	7,360	14,720	15,404	15,866	16,342	16,833	17,338	17,858	18,394	18,945	19,514	20,099
Purchased Utilities	23,457	34,692	35,733	36,805	37,909	39,046	40,217	41,424	42,667	43,947	45,265	46,623
Lab Analysis	2,344	8,324	8,574	8,831	9,096	9,369	9,650	9,939	10,237	10,544	10,861	11,187
Repairs & Maintenance	8,549	59,151	14,317	15,033	15,784	16,573	17,402	18,272	19,186	20,145	21,152	22,210
Chemicals	4,970	24,684	24,931	25,180	25,432	25,686	25,943	26,202	26,464	26,729	26,996	27,266
M&E	20	145	149	153	158	163	168	173	178	183	189	194
Telecom	-	450	463	477	491	506	521	537	553	569	587	604
Shop Supplies	10,267	37,255	19,674	20,264	20,872	21,498	22,143	22,807	23,492	24,196	24,922	25,670
Regional Allocation	-	34,057	35,079	36,131	37,215	38,332	39,482	40,666	41,886	43,143	44,437	45,770
Corporate Allocation	-	50,220	51,727	53,278	54,877	56,523	58,219	59,965	61,764	63,617	65,526	67,491
Cost Recovery	19,140	44,210	45,536	46,902	48,309	49,758	51,251	52,789	54,372	56,004	57,684	59,414
Other	22,118	15,652										
IT/Computer supplies	1,297	293	302	311	320	330	340	350	360	371	382	394
Bank Charges	21	1,160	1,195	1,231	1,268	1,306	1,345	1,385	1,427	1,469	1,514	1,559
Insurance Adder	1,995	9,889	10,186	10,491	10,806	11,130	11,464	11,808	12,162	12,527	12,903	13,290
Office Expenses	311	1,532	1,578	1,625	1,674	1,724	1,776	1,829	1,884	1,941	1,999	2,059
Foreign Exchange Gain/Loss	-	1,666	1,716	1,767	1,820	1,875	1,931	1,989	2,049	2,110	2,174	2,239
Total O&M & General Expenses	143,535	472,800	405,307	417,251	429,567	442,262	455,348	468,836	482,742	497,078	511,862	527,098
Operating Margin at 9.5%	13,636	44,916	38,504	39,639	40,809	42,015	43,258	44,539	45,860	47,222	48,627	50,074
Cost of Service before Income Tax	157,171	517,716	443,811	456,890	470,375	484,276	498,606	513,376	528,602	544,301	560,489	577,172
			-14%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Earnings before Income Tax	-38,103.83	-372,566.51	-228,838.53	-230,681.14	-183,603.10	-140,428.78	-120,518.87	-167,615.59	-127,738.93	-101,283.19	-78,559.37	-54,748.31
NET INCOME (LOSS) as % of total expenses	-24.24%	-71.96%	-51.56%	-50.49%	-39.03%	-29.00%	-24.17%	-32.65%	-24.17%	-18.61%	-14.02%	-9.49%

RDRF = Revenue Deficit Reserve Fund

RCRF = Rent Charge Reserve Fund

RRTF = Replacement Reserve Fund

SFRE = Single family residential equivalent



Schedule A

Standard Depreciation Rates for Private Water Utilities in British Columbia

		Prescribed Service Life SL	Prescribed Depreciation Rate DR = 100/SL	Estimated Costs EC	Annual Depreciation * AD = EC*DR/100	Actual Costs ** AC	Annual Depreciation *** AD = AC*DR/100
NARUC							
Acct No.	Account Title	[Years]	[% per Year]	[\$]	[\$]	[\$]	[\$]
A							
	304						
	Structures and Improvements						
	304.1	Wood Frame	30	3.3%	0		0
	304.2	Steel	40	2.5%	0		0
	304.3	Cement Block	40	2.5%	0		0
	304.4	Reinforced Concrete or Brick	50	2.0%	1,125,225.69	22505	1,125,225.69
	304.5	Miscellaneous	25	4.0%	0		0
	305	Collecting and Impounding Reservoirs					
	305.1	Wood Structures	35	2.9%	0		0
	305.2	Earth Fill Structures	60	1.7%	0		0
	305.3	Concrete Structures	75	1.3%	0		0
	306	Lake, River and Other Intakes					
	306.1	Wood Structures	35	2.9%	0		0
	306.2	Concrete Structures	60	1.7%	368,298.76	6138	368,298.76
	307	Wells and Springs	40	2.5%	0		0
	309	Supply Mains					
	309.1	PVC AWWA C900	75	1.3%	272,637.17	3635	272,637.17
	309.2	HDPE AWWA C906	75	1.3%	0		0
	309.3	Ductile/Cast Iron	60	1.7%	0		0
	309.4	Steel, Cement Lined	50	2.0%	0		0
	309.5	Concrete	50	2.0%	0		0
	309.6	Sub-Marine Mains	20	5.0%	0		0
	339	Other Misc. Water Source Plant	25	4.0%	202,557.17		202,557.17
B							
	304	Structures and Improvements					
	304.1	Wood Frame	30	3.3%	0		0
	304.2	Steel	40	2.5%	0		0
	304.3	Cement Block	40	2.5%	0		0
	304.4	Reinforced Concrete or Brick	50	2.0%	0		0
	304.5	Miscellaneous	25	4.0%	0		0
	310	Power Generation Equipment	25	4.0%	0		0
	311	Pumping Equipment					
	311.1	Electric Pumping Equipment	25	4.0%	129,632.16	5185	129,632.16
	311.2	Diesel Pumping Equipment	25	4.0%	0		0
	311.3	Other Pumping Equipment	25	4.0%	0		0
	339	Other Miscellaneous Pumping Plant	25	4.0%	0		0
C							
	304	Structures and Improvements					
	304.1	Wood Frame	30	3.3%	0		0
	304.2	Steel	40	2.5%	0		0
	304.3	Cement Block	40	2.5%	0		0
	304.4	Reinforced Concrete or Brick	50	2.0%	0		0
	304.5	Miscellaneous	25	4.0%	0		0
	320	Treatment Equipment					
	320.1	Sand & Other Media Filtration Equipment	30	3.3%	2,852,091.58	95070	2,852,091.58
	320.2	Membrane Filtration Equipment	15	6.7%	0		0
	320.3	Chlorination	15	6.7%	0		0
	320.4	Other Water Treatment Equipment	20	5.0%	0		0
	339	Other Miscellaneous Treatment Plant	25	4.0%	0		0
D							
	304	Structures and Improvements					
	304.1	Wood Frame	30	3.3%	0		0
	304.2	Steel	40	2.5%	0		0
	304.3	Cement Block	40	2.5%	0		0
	304.4	Reinforced Concrete or Brick	50	2.0%	0		0
	304.5	Miscellaneous	25	4.0%	0		0
	330	Distribution Reservoirs					
	330.1	Concrete (underground)	60	1.7%	2,118,683.38	35311	2,118,683.38
	330.2	Steel (above ground)	50	2.0%	0		0
Continued on next page...							

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Schedule A
Standard Depreciation Rates for Private Water Utilities in British Columbia

		Prescribed Service Life	Prescribed Depreciation Rate	Estimated Costs	Annual Depreciation ¹	Actual Costs ²	Annual Depreciation ³
NARUC		SL	DR = 100/SL	EC	AD = EC*DR/100	AC	AD = AC*DR/100
Acct No.	Account Title	[Years]	[% per Year]	[\$]	[\$]	[\$]	[\$]
D		Transm. and Distr. Plant (con't)					
	331	Transmission and Distribution Mains					
	331.1	PVC AWWA C900	75	1.3%	2,115,784.15	28210	2,115,784.15
	331.2	HDPE AWWA C906	75	1.3%		0	0
	331.3	Ductile/Cast Iron	60	1.7%		0	0
	331.4	Steel, Cement Lined	50	2.0%		0	0
	331.5	Concrete	50	2.0%		0	0
	331.6	Sub-Marine Mains	20	5.0%		0	0
	333	Services	50	2.0%	274,818.76	5496	274,818.76
	334	Meters and Meter Installations	25	4.0%		0	0
	335	Hydrants / Standpipes	50	2.0%	178,565.27	3571	178,565.27
	339	Other Transm. and Distribution Plant	25	4.0%	21,577.90	863	21,577.90
E		General Plant					
	304	Structures and Improvements					
	304.1	Wood Frame	30	3.3%		0	0
	304.2	Steel	40	2.5%		0	0
	304.3	Cement Block	40	2.5%		0	0
	304.4	Reinforced Concrete or Brick	50	2.0%		0	0
	304.5	Miscellaneous	25	4.0%		0	0
	340	Office Furniture and Equipment	20	5.0%		0	0
	349	Computer Equipment	5	20.0%		0	0
	341	Transportation Equipment	7	14.3%		0	0
	342	Stores Equipment	20	5.0%		0	0
	343	Tools, Shop and Garage Equipment	15	6.7%		0	0
F	344	Laboratory Equipment	15	6.7%		0	0
	345	Power Operated Equipment	15	6.7%		0	0
	346	Communication Equipment	10	10.0%		0	0
	346.1	Communication Equipment - SCADA	10	10.0%		0	0
	346.2	Other Communication Equipment	10	10.0%		0	0
	347	Miscellaneous Equipment	20	5.0%		0	0
		Other Tangible Plant					
	348	Other Tangible Plant ⁵	50	2.0%		0	0
		Intangible Plant					
	301	Organization	100	1.0%		0	0
	302	Franchises and Consents	100	1.0%		0	0
a	Subtotal Construction Cost [\$]				9,659,872.01		9,659,872.01
b	Total Annual Depreciation [\$]					205986	205986
c	Composite Depreciation Rate [%], = b / a * 100			2.1%			
d	Engineering Cost ⁶				965,987.20		965,987.20
e	Annual Engineering Cost Component [\$] = d * c / 100					20599	20599
f	Contingency ⁷				1,593,878.88		1,593,878.88
g	Annual Contingency Cost Component [\$] = f * c / 100					33988	33988
h	Total Annual Cost = Annual RRF Contribution					260572	260572

Notes:

¹ Estimated Costs at CPCN application/pre-construction stage, in CAD \$, from CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form

² Annual Depreciation based on Estimated Costs at CPCN stage.

³ Actual Costs at post-construction approval stage, in CAD \$, from CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form

⁴ Annual Depreciation based on Actual Costs at post-construction approval stage; for establishing the final Water Tariff

⁵ List any applicable items such as Valve Chambers, PRV Stations etc.

⁶ Total engineering fees including survey cost, (see CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form)

⁷ Contingency allowance at CPCN application/pre-construction stage, (see CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form)

⁸ RRF - Replacement Reserve Fund, equals rows b + e + g

Schedule A

Standard Depreciation Rates for Private Water Utilities in British Columbia

			Prescribed Service Life	Prescribed Depreciation Rate	Estimated Costs	Annual Depreciation ⁺	Actual Costs ⁺	Annual Depreciation ⁺
NARUC			SL	DR = 100/SL	EC	AD = EC*DR/100	AC	AD = AC*DR/100
Acct No.	Account Title		[Years]	[% per Year]	[\$]	[\$]	[\$]	[\$]
A		Source of Supply Plant						
	304	Structures and Improvements						
	304.1	Wood Frame	30	3.3%		0		0
	304.2	Steel	40	2.5%		0		0
	304.3	Cement Block	40	2.5%		0		0
	304.4	Reinforced Concrete or Brick	50	2.0%	2517186.888	50344		0
	304.5	Miscellaneous	25	4.0%		0		0
	305	Collecting and Impounding Reservoirs						
	305.1	Wood Structures	35	2.9%		0		0
	305.2	Earth Fill Structures	60	1.7%		0		0
	305.3	Concrete Structures	75	1.3%		0		0
	306	Lake, River and Other Intakes						
	306.1	Wood Structures	35	2.9%		0		0
	306.2	Concrete Structures	60	1.7%	414764.2253	6913		0
	307	Wells and Springs	40	2.5%		0		0
	309	Supply Mains						
	309.1	PVC AWWA C900	75	1.3%	307033.73	4094		0
	309.2	HDPE AWWA C906	75	1.3%		0		0
	309.3	Ductile/Cast Iron	60	1.7%		0		0
	309.4	Steel, Cement Lined	50	2.0%		0		0
	309.5	Concrete	50	2.0%		0		0
	309.6	Sub-Marine Mains	20	5.0%		0		0
	339	Other Misc. Water Source Plant	25	4.0%	228112.2751			
B		Pumping Plant						
	304	Structures and Improvements						
	304.1	Wood Frame	30	3.3%		0		0
	304.2	Steel	40	2.5%		0		0
	304.3	Cement Block	40	2.5%		0		0
	304.4	Reinforced Concrete or Brick	50	2.0%		0		0
	304.5	Miscellaneous	25	4.0%		0		0
	310	Power Generation Equipment	25	4.0%		0		0
	311	Pumping Equipment						
	311.1	Electric Pumping Equipment	25	4.0%	145986.8633	5839		0
	311.2	Diesel Pumping Equipment	25	4.0%		0		0
	311.3	Other Pumping Equipment	25	4.0%		0		0
	339	Other Miscellaneous Pumping Plant	25	4.0%		0		0
C		Water Treatment Plant						
	304	Structures and Improvements						
	304.1	Wood Frame	30	3.3%		0		0
	304.2	Steel	40	2.5%		0		0
	304.3	Cement Block	40	2.5%		0		0
	304.4	Reinforced Concrete or Brick	50	2.0%		0		0
	304.5	Miscellaneous	25	4.0%		0		0
	320	Treatment Equipment						
	320.1	Sand & Other Media Filtration Equipmen	30	3.3%	3211918.357	107064		0
	320.2	Membrane Filtration Equipment	15	6.7%		0		0
	320.3	Chlorination	15	6.7%		0		0
	320.4	Other Water Treatment Equipment	20	5.0%		0		0
	339	Other Miscellaneous Treatment Plant	25	4.0%		0		0
D		Transm. and Distribution Plant						
	304	Structures and Improvements						
	304.1	Wood Frame	30	3.3%		0		0
	304.2	Steel	40	2.5%		0		0
	304.3	Cement Block	40	2.5%		0		0
	304.4	Reinforced Concrete or Brick	50	2.0%		0		0
	304.5	Miscellaneous	25	4.0%		0		0
	330	Distribution Reservoirs						
	330.1	Concrete (underground)	60	1.7%	5185981.604	86433		0
	330.2	Steel (above ground)	50	2.0%		0		0

Continued on next page...

Schedule A
Standard Depreciation Rates for Private Water Utilities in British Columbia

		Prescribed Service Life	Prescribed Depreciation Rate	Estimated Costs	Annual Depreciation ¹	Actual Costs ²	Annual Depreciation ³
NARUC		SL	DR = 100/SL	EC	AD = EC*DR/100	AC	AD = AC*DR/100
Acct No.	Account Title	[Years]	[% per Year]	[\$]	[\$]	[\$]	[\$]
D	Transm. and Distr. Plant (con't)						
E	331 Transmission and Distribution Mains						
	331.1 PVC AWWA C900	75	1.3%	3582716.601	47770		0
	331.2 HDPE AWWA C906	75	1.3%		0		0
	331.3 Ductile/Cast Iron	60	1.7%		0		0
	331.4 Steel, Cement Lined	50	2.0%		0		0
	331.5 Concrete	50	2.0%		0		0
	331.6 Sub-Marine Mains	20	5.0%		0		0
	333 Services	50	2.0%	309490.5639	6190		0
	334 Meters and Meter Installations	25	4.0%		0		0
	335 Hydrants / Standpipes	50	2.0%	201093.4995	4022		0
	339 Other Transm. and Distribution Plant	25	4.0%	24300.22036	972		0
	General Plant						
F	304 Structures and Improvements						
	304.1 Wood Frame	30	3.3%		0		0
	304.2 Steel	40	2.5%		0		0
	304.3 Cement Block	40	2.5%		0		0
	304.4 Reinforced Concrete or Brick	50	2.0%		0		0
	304.5 Miscellaneous	25	4.0%		0		0
	340 Office Furniture and Equipment	20	5.0%		0		0
	349 Computer Equipment	5	20.0%		0		0
	341 Transportation Equipment	7	14.3%		0		0
	342 Stores Equipment	20	5.0%		0		0
	343 Tools, Shop and Garage Equipment	15	6.7%		0		0
	344 Laboratory Equipment	15	6.7%		0		0
	345 Power Operated Equipment	15	6.7%		0		0
	346 Communication Equipment	10	10.0%		0		0
	346.1 Communication Equipment - SCADA	10	10.0%		0		0
	346.2 Other Communication Equipment	10	10.0%		0		0
	347 Miscellaneous Equipment	20	5.0%		0		0
	Other Tangible Plant						
G	348 Other Tangible Plant ⁵	50	2.0%		0		0
	Intangible Plant						
	301 Organization	100	1.0%		0		0
	302 Franchises and Consents	100	1.0%		0		0
a	Subtotal Construction Cost [\$]			16128584.83		0	
b	Total Annual Depreciation [\$]				319640		0
c	Composite Depreciation Rate [%], = b / a * 100		2.0%				
d	Engineering Cost ⁶			1612858.483		0	
e	Annual Engineering Cost Component [\$] = d * c / 100				31964		0
f	Contingency ⁷			2661216.497		0	
g	Annual Contingency Cost Component [\$] = f * c / 100				52741		0
h	Total Annual Cost ⁸ = Annual RRF Contribution				404345		0

Notes:

¹ Estimated Costs at CPCN application/pre-construction stage, in CAD \$, from CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form

² Annual Depreciation based on Estimated Costs at CPCN stage.

³ Actual Costs at post-construction approval stage, in CAD \$, from CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form

⁴ Annual Depreciation based on Actual Costs at post-construction approval stage; for establishing the final Water Tariff

⁵ List any applicable items such as Valve Chambers, PRV Stations etc.

⁶ Total engineering fees including survey cost, (see CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form)

⁷ Contingency allowance at CPCN application/pre-construction stage, (see CPCN Application Guide - Appendix 6 - Capital Cost Estimate Form)

⁸ RRF - Replacement Reserve Fund, equals rows b + e + g

APPENDIX 4 FIRE PROTECTION – MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING

(regarding Tobiano Fire Protection Annual Payment)

THIS MEMORANDUM OF UNDERSTANDING (this "**MOU**"), dated as of August __, 2022, sets forth certain understandings and binding agreements between CORIX MULTI-UTILITY SERVICES INC. ("**Corix**"), a British Columbia corporation, having an office at 1160 - 1188 West Georgia St., Vancouver, BC, V2C 6L7 and THOMPSON-NICOLA REGIONAL DISTRICT ("**TNRD**"), a British Columbia incorporated regional district, having an office at 300 - 465 Victoria Street, Kamloops, BC, V2C 2A9. Corix and TNRD are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS the BC Comptroller of Water Rights (the "**Comptroller**") has approved Water Tariff No. 2 (the "**Tariff**"), setting out the terms by which Corix shall provide water services to Tobiano, British Columbia via the Tobiano Water Utility. The Tariff is dated effective May 31, 2021, replacing Water Tariff No. 1 to reflect the transfer of the Water Utility to Corix from Tobiano Utilities Inc.

AND WHEREAS Schedule 'F' of the Tariff (such schedule entitled "Fire Hydrant & Standpipe Rates per Fire Protection Agreement", attached hereto as Exhibit "A") sets out the annual payment (the "**Annual Payment**") for water supply and infrastructure such as fire hydrants, standpipes and blowoffs used for firefighting training and fire suppression purposes (together, "**Tobiano Fire Protection**") for the integrated resort community known as Tobiano Resort located adjacent to Kamloops Lake in the TNRD. The Annual Payment for the Tobiano Fire Protection is set out as follows:

"On January 1 of each year of this approved tariff starting in January 1, 2008, the Annual Payment will be calculated at a rate of 27% of the Total Revenue Requirement as approved by the Comptroller of Water Rights or as agreed between the parties to this Agreement".

NOW THEREFORE further to the Tariff, the Parties wish to enter into this MOU to confirm the terms of the Annual Payment. For clarity, except where otherwise stated herein, the terms and conditions of the Tariff shall apply to this MOU, and defined terms not set out in this MOU shall have their respective meanings as set out in the Tariff. **This MOU shall constitute a legally binding and enforceable agreement between the Parties.**

In consideration of the provision of fire protection water supply, the Parties agree as follows:

1. Annual Payment. Until otherwise mutually agreed by the parties in writing (and approved by the Comptroller if required), the Annual Payment shall be payable annually by TNRD within fifteen (15) days of being invoiced by Corix, with the Annual Payment being 27% of the previous year's Actual Total Gross Revenue, calculated each year as part of Corix's Annual Report to the Comptroller, which is typically April 30th of each year. This calculation shall be set out in writing by Corix to TNRD in support of each invoice, as an excerpt from the Annual Report to the Comptroller, in substantially similar form to the illustrative example attached hereto as Exhibit "B". This arrangement shall apply from the date hereof and also to any Annual Payments that are currently outstanding. Notwithstanding the above, the Parties agree that they shall reevaluate the percentage calculation (currently 27%) if and when (i) Tobiano Resort exceeds a population of 5,000 people or (ii) peak flow rate exceeds 1478 USGpm.
2. Late Payment Charges. As per Section 13.3 (Late Payment Charge) of the Tariff, if the amount due on any bill has not been received in full to the party indicated on Corix's annual invoice to TNRD by the indicated due date, Corix may include in its next invoice to TNRD a late payment charge pursuant to the Tariff.
3. Costs and Expenses. Except where stated otherwise, each Party shall be responsible for all its costs and expenses associated with the performance of its obligations under this MOU.

4. Term and Termination.

a) This MOU shall continue until:

- i. otherwise mutually agreed by the parties in writing (and approved by the Comptroller if required); or
- ii. a change to Schedule 'F' of the Tariff has been approved by the Comptroller; or
- iii. the TNRD Tobiano Volunteer Fire Protection Service ceases to operate for any reason, with no foreseeable date that operations will resume, or if the service is assumed by another party not associated with the TNRD, in which either case TNRD shall provide notice of same to Corix and confirmation of termination.

b) This MOU may be terminated by mutual written agreement of the Parties, provided however that any amounts owing shall remain payable unless otherwise mutually agreed in writing, and the sections regarding Governing Law and No-Third Party Beneficiaries shall survive such termination.

5. Governing Law. This MOU shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule (whether of the Province of British Columbia or any other jurisdiction).

6. No Third-Party Beneficiaries. Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this MOU.

7. Assignment. Neither this MOU, nor any rights or obligations hereunder may be assigned, delegated or conveyed by either Party without prompt written notice to the other Party.

8. Counterparts. This MOU may be executed electronically and in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the date set forth above.

Corix Multi-Utility Services Inc.

By _____

Name: Travis Hickford-Kulak

Title: President

Thompson-Nicola Regional District

By _____

Name: Kenneth Gillis

Title: Chair

By _____

Name: Deanna Campbell

Title: Corporate Officer

[Signature page to MOU re Tobiano Fire Protection Annual Payment]

Exhibit A
Tariff Schedule 'F' - Fire Hydrant & Standpipe Rates per Fire Protection Agreement

See attached next page.

Schedule “F” – Fire Hydrant & Standpipe Rates per Fire Protection Agreement

Applicability: Within that portion of the Utility’s Service Area in Tobiano Resort’s Fire Protection Area as established by the Thompson Nicola Regional District.

Availability: The following rates apply to all fire hydrants, standpipes and blow-offs used for fire fighting training and fire suppression purposes.

Annual Rate: As per the pending Water Supply Agreement between Tobiano Utilities Inc. and the Thompson Nicola Regional District, as amended or assigned.

Annual Payment:

On January 1 of each year of this approved tariff starting in January 1, 2008, the Annual Payment will be calculated at a rate of 27% of the Total Revenue Requirement as approved by the Comptroller of Water Rights or as agreed between the parties to this Agreement

Notes: The above rates include a contribution to the Reserve Replacement Trust Fund, which may only be released to the Utility at the discretion of the Comptroller of Water Rights.

Exhibit B
Example Annual Payment Calculation

Note: This is for illustrative purposes only. The actual Annual Payment for 2021 may differ.

The Utility's Statement of Operations and Deficit for the Year ended December 31, 2020 reports Total Gross Revenues of \$586,199.

Schedule "F" Calculation of Fire Protection for 2021	
2020 Total Gross Revenues – Tobiano	\$586,199
Rate	27%
2021 Fire Protection – Tobiano	\$158,274

The calculated Schedule "F" Fire Protection Annual Payment for 2021 is **\$158,274** as calculated above.

APPENDIX 5**ORDER 2143 – REVENUE DEFICIENCY RESERVE FUND**

PROVINCE OF BRITISH COLUMBIA

**IN THE MATTER OF the *Water Utility Act* and
the *Utilities Commission Act***

and

**IN THE MATTER OF Tobiano Utilities Inc.
The 5th day of March 2008**

ORDER

WHEREAS the Comptroller of Water Rights, (the "Comptroller") in the exercise of the powers conferred upon him by the *Water Utility Act* and the *Utilities Commission Act*, deems it necessary and in the public interest that Tobiano Utilities Inc. (hereinafter referred to as "the Utility") should establish a Revenue Deficit Reserve Fund as a condition of granting Certificate of Public Convenience and Necessity No 1314, dated March 5, 2008 to Tobiano Utilities Inc. for the construction and operation of a water works system and the provision of water service within a specified area known as Tobiano Resort which is being developed by the developer and applicant, Kamlands Holdings Ltd.

IT IS HEREBY ORDERED THAT:

- 1) As a condition of the granting of a certificate of public convenience and necessity to the water utility, Tobiano Utilities Inc. (the "Utility"), in connection with the development of Tobiano Resort, the developer and applicant, Kamlands Holdings Ltd., establish a Revenue Deficit Reserve Fund (the "Fund") in the amount of CDN [REDACTED] for the following purposes to ensure the financial viability of the Tobiano Utilities Inc., Kamlands Holdings Ltd., at the direction of the Comptroller, is obligated to pay any Revenue Requirements ("RR") shortfalls (operating, maintenance, and administration costs, Replacement Reserve Fund required deposits and Income Tax provisions) incurred by Tobiano Utilities Inc. with respect to the operation of a water works system and provision of water service within the Tobiano Resort area served by the Utility.
- 2) The Fund shall be established and maintained by the Utility as follows:
- 3) The Fund is to consist of cash or other form of security acceptable to the Comptroller of Water Rights (the "Comptroller") in the amount of [REDACTED]
- 4) Acceptable security includes an Irrevocable Letter of Credit (ILOC) that is in a form, in an amount and subject to conditions that are acceptable to the
- 5) Comptroller, including as to the financial institution which is to provide the ILOC.

- 6) The ILOC will be irrevocable and unconditional and allow for draws, in whole or in part, on demand by the Province or the Comptroller.
- 7) The ILOC is to be for an indefinite term and to remain in effect for so long as it is required for the purposes contemplated by this Order to ensure the ongoing operation and maintenance of the waterworks system and water service to be provided by Tobiano Utilities Inc. to Tobiano Resort, except that the ILOC may be replaced by cash or another form of security acceptable to the Comptroller.
- 8) If the financial institution providing the Letter of Credit (the "original Letter of Credit") gives notice that it is not prepared to renew the original Letter of Credit, then Kamlands Holdings Ltd. will immediately provide a replacement Letter of Credit to the Comptroller in an amount and subject to conditions that are acceptable to the Comptroller.
- 9) If a replacement Letter of Credit is not immediately received by the Comptroller, the Comptroller will make a draw on the entire amount of the Credit under the original Letter of Credit for the purposes of the Fund.
- 10) It is a condition of this Order that the Province or the Comptroller may present the ILOC or other acceptable form of security, provided by Kamlands Holdings Ltd. Or Tobiano Utilities Inc. as security for the Fund, to the appropriate financial institution for payment, in whole or in part, to the Province on the occurrence of any one or more of the following events and the Province and the Comptroller may exercise any and all other remedies available to it to secure compliance by Kamlands Holdings Ltd. and Tobiano Utilities Inc. with any water utility requirements:

- (1) the Comptroller determines, at his sole discretion, that Kamlands Holdings Ltd. has failed to cover any portion or all of the Revenue Requirements (RR) shortfalls (operating, maintenance, and administration costs, Replacement Reserve Fund required deposits and Income Tax provisions) incurred by Tobiano Utilities Inc.;
- (2) Kamlands Holdings Ltd. or Tobiano Utilities Inc. makes an assignment in bankruptcy, is petitioned into bankruptcy, files a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act* or files a proposal under the *Bankruptcy and Insolvency Act* or seeks the benefit of any legislation (federal or provincial) for protection from its creditors or otherwise becomes insolvent;
- (3) Either of Kamlands Holdings Ltd. or Tobiano Utilities Inc. is in the process of corporate dissolution or has been dissolved;
- (4) The Province or the Comptroller receives notice that the financial institution has elected not to renew the ILOC;

- (5) The Comptroller determines in his sole discretion that the ILOC is no longer acceptable security or a replacement Letter of Credit acceptable to the Comptroller has not been provided by Kamlands Holdings Ltd.

11) On the occurrence of any of the events above described, an equivalent sum of money must be deposited by or on behalf of Kamlands Holdings Ltd. directly into the Fund to be held at the sole direction of the Comptroller for the purposes contemplated by this Order.

The Fund (if cash) shall be held on deposit or in safekeeping by:

- (1) A Canadian chartered bank, or
- (2) A trust company, or
- (3) A federal loan company, or
- (4) A credit union authorized to carry on business in the Province of British Columbia;

However, if an ILOC is accepted by the Comptroller, the original is to be held by the office of the Comptroller in Victoria BC.

Terms of Deposit of Fund:

The Utility shall provide the financial institution holding the Fund on deposit or in safekeeping with its irrevocable authority to hold the said Fund to the sole discretion of the Comptroller of Water Rights, *Water Utility Act*, of the Province of British Columbia. A signed original of this letter of authority duly acknowledged by the institution shall be forwarded to the Comptroller. The initial investment (principal) shall not be paid out of the Fund without the written approval of the Comptroller;

Disposition of Investment Income:

Income earned as a result of investment of the Fund shall be allowed to be withdrawn by the Utility for operating or capital purposes upon the written approval of the Comptroller.

Verification of Fund:

The Utility shall instruct the institution holding the Fund on deposit or in safekeeping to verify the existence and amount of the Fund direct to the Comptroller at the date of the Fund's inception and yearly thereafter or when requested by the Comptroller.