Big White Water Utility

Capital Plan and Application to Amend Rates

September 18, 2024

Overview

Big White Water Utility Ltd. (the "Utility") operates a small water utility system serving residential and commercial Customers in the area of Big White Ski Resort (the "Resort"). The Resort wholly owns the Utility.

The Utility system is comprised of:

- Two reservoir systems (Powder Basin/Lake Paul and Rhonda Lake);
- Three concrete balancing reservoirs;
- Two water treatment plants and equipment;
- Fire suppression assets, including hydrants;
- Watermains and four pressure-reducing stations; and
- Various other equipment needed for safe and reliable operations, including vehicles, buildings, pumps, valves, and emergency power generators.

The Utility's Customers are charged at Rates made up of both a fixed charge and a variable charge.

The fixed charge element of the Rate is based on the number of "Service Factors" attached to each account. These charges are set out in Schedule C (Residential Service Flat Rates), Schedule D (Commercial Flat Rates) and Schedule H (Service Factors) of the Water Tariff.

The variable element of the Rate is charged on cubic meters of consumption. The prevailing Meter Rates are set out in Schedule E of the Water Tariff. The same Rate is charged to both residential and commercial Customers.

The Utility is seeking substantive changes to its current Water Tariff with amendments to Schedules B, C, D, E, and H. In addition, the Tariff is updated with the current template provided by the Province, so there are some additional definitions and clauses to maintain consistency with best practices.

The current Water Tariff was last modified in 2016. At that time, the fixed charge was increased from $1.50 to $1.75, and a greater share of this Rate revenue was directed to the Replacement Reserve Trust Fund. Prior to that, the Rates had been unchanged since 2003, when the Water Management Branch (the "Branch") required the Rates to be reduced materially.

In 2018, the Utility sought permission from the Branch to increase the Meter Rate from the current $0.84 per cubic meter to $1.54 per cubic meter.

However, before a determination was reached on that application, the Utility sought permission from the Branch to withdraw it, pending further consideration of its

Rates by the Utility. The request to withdraw this application (the "Withdrawn Application") was accepted by the Branch on April 27, 2020.

This Application reflects a comprehensive review of the Utility's operating costs, capital plans, replacement reserve and debt repayment requirements.

Organization of Application

The remainder of this Application is organized as follows.

Section I sets out the relief sought.

Section II sets out the Utility's capital plan for both the five-year Test Period and the longer term. In addition to supporting this Rate Application, Section II is responsive to an inquiry about the Utility's capital program and financing made of the Utility by the Branch in an email from Ms. Yanan Xing on December 5, 2019.

Section III sets out the elements of the Utility's revenue requirement, including allowed profit, for each year of the Test Period.

Section IV sets out the proposed treatment of costs arising from two completed capital works: (i) the Powder Basin Reservoir; and (ii) the Powder Basin Ultraviolet (UV) and Chlorine Injector Treatment Plant.

Section V sets out the load forecast for the Test Period, defines the billing determinants, and describes the design of the proposed Rates.

Appendix 1 sets out sample expected bill impacts associated with Rate increases proposed in this Application.

Appendix 2 provides the updated Tariff including Rate Schedules amended to reflect the relief sought in this Application.

Section I: Relief Sought

With this Application, the Utility is seeking to amend its tariff for the portion of fiscal 2024-2025 from January 1, 2025 to June 1,2025, and for each of the four subsequent fiscal years; that is, fiscal 2025 to fiscal 2029, inclusive (the "Test Period"). The Utility's fiscal year begins on June 1st**.** To the extent that the Branch has not taken a final decision on this Application by January 1, 2025, the Utility asks that the rates sought become effective on that date on an interim basis – that is, subject to refund should lower rates ultimately be approved for the portion of the Test Period over which interim rates have been in force.

The Utility is seeking the following amendments to its Water Tariff:

Schedule B

The Rate is increased from $555 per Service Factor to *$1,387.50 per Bed Unit,* effective January 1, 2025. This Rate will then increase by 3.0 percent per year. For this purpose, Bed Units is defined as meaning public or private overnight accommodation for one person.

Note 1 is replaced with the following: *"For other than Residential Service and Multi-Residential Service (ie commercial Services), the charge shall be calculated using Service Factors as per Schedule H."*

Schedule C

Applicability is modified to read: "*To Customers receiving Service where four or fewer Units are served through a single shut off."*

The Rate is increased from $1.75 per Service Factor per month to *$3.63 per Service Factor* per month, effective January 1, 2025. This Rate will then increase by 3.0 per cent per year effective on June 1 of each year during the Test Period.

Note 1 is modified to replace "50 %" with *"19.6%".*

Note 2 is replaced with the following: *"If an existing residential Customer, after the commencement of Service, adds a Secondary Suite, they Utility will bill the Customer as though that Secondary Suite were a distinct new Customer."*

Schedule D

Applicability is modified to read: *"To all commercial Customers, including Multi-Residential Service Customers, receiving Service where more than four Units are served through a single shut-off."*

The Rate is increased from $1.75 per Service Factor per month to *$3.63 per Service Factor* per month, effective January 1, 2025. This Rate will then increase by 3.0 per cent per year, effective on June 1 of each year during the Test Period.

The notes are modified as in Schedule C.

Schedule E

The Rate is increased from $0.84 per cubic meter of metered use to *$1.74 per cubic meter of metered use* effective January 1, 2025. This Rate will then increase by 3.0 per cent per year, effective on June 1 of each year during the Test Period.

The notes are modified as in Schedule C.

Schedule H (Previously Schedule G)

For clarity only (that is, no substantive relief is being sought), the words:

> "A Service Factor is the water demand created by a room capable of accommodating two people over night and represents six discharge weights of plumbing fixtures as shown on the table below, or the equivalent demand of such a room."

shall be replaced with the words:

> "The number of Service Factors will be the greater of:
>
> (a) Total square footage, where the total square footage divided by 800, rounded to the nearest whole number;
>
> (b) User Service Factors, where each room capable of accommodating two (2) people overnight (including dens, studies, living rooms, lofts, etc. which could accommodate a sofa-bed or similar) will equal one (1) Service Factor; and
>
> (c) The Total Discharge Weight divided by six (6), rounded to the nearest whole number. The total number of each type of fixture installed will be multiplied by the Discharge Weight assigned to that type of fixture in the table below. The sum of these individual results will be the Total Discharge Weight."

To avoid conflict with provision (a) of the Service Factor calculation, above, the line reading "Square footage for every 800 sq. ft. of living space" is deleted from the table titled "Discharge Weights of Plumbing Fixtures."

Section II: Capital Plan

In 2024 the Utility undertook a minor update to its Capital Plan. This update was based on the 2020 Water Master Plan Update by Agua Consulting Ltd, which was an update to their 2018 Water Master Plan.

Since its 2016 tariff update, the Utility has identified and managed the capital program, and updated the costs and target delivery dates. This program forms the foundation of the Contribution in Aid of Construction, CIAC, collected when the system is extended or expanded.

The fundamental principle is that of developer pay: new users must be planned for and accommodated with access and connection to the system, but must pay the costs so as to protect the existing ratepayers.

Table 2.1

PROJECT: WATER CAPITAL PROGRAM
COMPANY: BIG WHITE WATER UTILITY LTD.
DATE: SEPTEMBER 11, 2024

BigWhite Inventory-Land Assets — Todays year = 2024
Tangible Capital Assets• Linear-Assets_Water Infrastructure — Construction Cost Inflation 3.0%

Project ID	Description	Priority	2020 Value	Year Scheduled	Updated Cost Estimate	Notes	
1a	POWDER BASIN RESERVOIR (completed)	C	$ 3,807,088	2009	$ 1,216,208		
1c	EMERGENCY GENERATOR AT RHONDA LAKE WTP (completed)	C	$ 4,500	2023	$ 34,000		
1d	EMERGENCY GENERATOR AT POWDER WTP (completed)	C		2023	$ 110,000		
1b	VILLAGE RESERVOIR EXPANSION (completed)	H	$ 1,914,249	2023	$ 2,091,752		
21	GRIZZLY RIDGE PRESSURE SUSTAINING VALVE	H		2024	$ 25,000		
20	LAND APPLICATIONS FOR SRWs (2) & POWDER RESERVOIR	M		2024	$ 50,000	Mid-July Hike, Validation	
3b	POWDER BASIN - RAW WATER SUPPLY PUMPS	M	$ 173,855	2024	$ 195,675		0
7	PRESSURE ZONE TRANSFER PUMP	M	$ 47,438	2029	$ 61,896	**Sapphire Lift/Lodge 2025	5
9	1875m PRESSURE ZONE INTERCONNECTION MAIN	H	$ 1,005,040	2035	$ 1,565,820	Redundancy Benefit	11
2c	POWDER BASIN - WATER PLANT EXPANSION & LAND LEASE	M		2037	$ 250,000		13
2a	POWDER BASIN - 1,000m3 CONCRETE RESERVOIR	M	$ 1,063,046	2037	$ 1,757,053	**Monashee Ridge II/Chateau	13
2b	POWDER BASIN - PIPING TO RESERVOIR	M	$ 230,000	2038	$ 391,560		14
6	LOWER PRESSURE ZONE INTERCONNECTION	H	$ 90,000	2038	$ 153,219	**Chateau Blanc, >90L/s in Pow	14
11	RHONDA RESERVOIR -WATER BALANCE REPORT	L	$ 25,000	2039	$ 43,838		15
12	POWDER BASIN -WATER BALANCE REPORT	L	$ 25,000	2039	$ 43,838		15
13	POWDER BASIN - FILTERS	L	$ 820,000	2040	$ 1,481,011		16
12	GROUNDWATER DEVELOPMENT	M	$ 377,603	2041	$ 702,453		17
10a	RHONDA LAKE RESERVOIR - DIVERSION DITCH	L	$ 84,238	2042	$ 161,409		18
10b	POWDER BASIN DIVERSION DITCH	L	$ 263,436	2042	$ 504,771		18
21	UTILITIES MAINTENANCE FACILITY			2043	$ 650,000		
5	SOUTHRIDGE - PRV (By Developer)	L	$ 46,000	2045			21
4a	300 mm SOUTHRIDGE WATER MAIN (By Developer)	L	$ 340,000	2045			21
4b	SOUTHRIDGE - ADD 400m3 STORAGE (By Developer)	L	$ 260,383	2045			21
18	WHITEFOOT CREEK DIVERSION AND STORAGE		$ 4,438,253	2052	$ 11,428,869		28
17	HALLAM CREEK DIVERSION AND STORAGE		$ 4,188,415	2070	$ 18,361,618		46
16	TRAPPING CREEK DIVERSION AND STORAGE		$ 1,625,525	2090	$ 12,870,617		66
1a	POWDER BASIN - WATER TREATMENT PLANT (completed)	C	$ 639,027		$ -		
	CAPITAL PLAN TO 1999 MASTER PLAN (2038)	13800	$ 8,385,216		$ 7,989,853		
	CAPITAL PLAN TO 2020 MASTER PLAN (2052)	20600	$ 6,629,913		$ 14,928,512		
	COMBINED CAPITAL PLANS TO 20,600		**$ 15,015,129**		**$ 22,918,365**		

Concurrent with the 2024 Capital Plan update, the Asset Management component of the Water Master Plan was updated to apply the useful life and replacement value, in order to establish an amortization value for the assets of the Utility.

On this basis, it is proposed that a contribution of $66,103.70 be placed in the Replacement Reserve which, based on projected revenues after adjustment in Section 3, represents 19.6% of Ratepayer fixed/flat Rate charges.

Table 2.2

PROJECT: WATER ASSET MANAGEMENT PROGRAM
COMPANY: BIG WHITE WATER UTILITY LTD.
DATE: SEPTEMBER 11, 2024

BigWhite Inventory-Land Assets — Todays year = 2024
Tangible Capital Assets • Linear-Assets_Water Infrastructure

Asset ID	Description	Enter Water System Asset	Water System Asset	Length (m) or units	Enter In-Service Date if Known	Useful Life	% of Useful Life Remaining	Useful Life Remaining in Years	Estimate of Out-Service Date	2023 Value	2024 Amortization
V000	Powder Basin Creation			1	2009	100				$ 1,778,446	$ 17,785.00
W017	Hydrants 1970-79	10	Hydrants	10	1975	50	2%	1	2025	$110,381.29	$502.55
W018	Hydrants 1980-89	10	Hydrants		1985	50	22%	11	2035	$0.00	$0.00
W030	100-150 mm Domestic Services 1980-89	13	MF Services 100-150mm dia	4	1985	60	35%	21	2045	$44,152.52	$364.55
W022	25-50mm Domestic Services 1980-89	11	Domestic Services - short	6	1985	60	35%	21	2045	$26,491.51	$218.50
W026	50-100 mm Domestic Services 1980-89	12	Domestic Services - long	6	1985	60	35%	21	2045	$49,671.58	$409.40
W019	Hydrants 1990-99	10	Hydrants	23	1995	50	42%	21	2045	$253,876.96	$3,492.55
W035	PRV - Large Station	15	PRV - Large Station	2	1975	75	35%	26	2050	$331,143.87	$2,183.85
W031	100-150 mm Domestic Services 1990-99	13	MF Services 100-150mm dia	6	1995	60	52%	31	2055	$66,228.77	$759.00
W034	Blow offs - Air Release Valves	14	Blow offs/ ARVs	10	1995	60	52%	31	2055	$82,785.97	$948.75
W023	25-50mm Domestic Services 1990-99	11	Domestic Services - short	11	1995	60	52%	31	2055	$48,567.77	$556.60
W027	50-100 mm Domestic Services 1990-99	12	Domestic Services - long	11	1995	60	52%	31	2055	$91,064.56	$0.00
W020	Hydrants 2000-09	10	Hydrants	50	2005	50	62%	31	2055	$551,906.45	$9,272.45
V005	Rhonda Lake WTP Facility Piping			1	2006	50	64%	32	2056	$1,159,003.54	$19,854.75
W005	150mm DI Watermain 1980-89	5	150mm DI	957	1984	75	47%	35	2059	$179,579.32	$1,139.65
L001	Works Yard			1	1960	100	36%	36	2060	$827,859.67	$0.00
W036	PRV - Small Station	16	PRV - Small vault	3	1985	75	48%	36	2060	$331,143.87	$3,037.15
V007	Powder Basin WTP Piping			1	2015	50	82%	41	2065	$551,906.45	$10,971.00
W021	Hydrants 2010-19	10	Hydrants	2	2015	50	82%	41	2065	$22,076.26	$439.30
W032	100-150 mm Domestic Services 2000-09	13	MF Services 100-150mm dia	18	2005	60	68%	41	2065	$198,686.32	$2,781.85
W024	25-50mm Domestic Services 2000-09	11	Domestic Services - short	29	2005	60	68%	41	2065	$128,042.30	$1,792.85
W028	50-100 mm Domestic Services 2000-09	12	Domestic Services - long	29	2005	60	68%	41	2065	$240,079.30	$3,361.45
W004	100mm DI Watermain 1990-2000	4	100mm DI	5	1991	75	56%	42	2066	$689.88	$5.75
W015	300mm DI Watermain 1990-99	8	300mm DI	170	1995	75	61%	46	2070	$65,676.87	$602.60
W006	150mm DI Watermain 1990-99	5	150mm DI	697	1995	75	61%	46	2070	$130,790.79	$1,199.45
W009	200mm DI Watermain 1990-99	6	200mm DI	839	1995	75	61%	46	2070	$194,480.79	$1,783.65
W012	250mm DI Watermain 1990-99	7	250mm DI	1,314	1995	75	61%	46	2070	$384,358.69	$3,524.75
V002	Small Conc. Reservoir - 446 m3 size			1	1975	100	51%	51	2075	$443,070.49	$1,008.55
W033	100-150 mm Domestic Services 2010-19	13	MF Services 100-150mm dia	2	2015	60	85%	51	2075	$22,076.26	$365.70
W025	25-50mm Domestic Services 2010-19	11	Domestic Services - short	4	2015	60	85%	51	2075	$17,661.01	$292.10
W029	50-100 mm Domestic Services 2010-19	12	Domestic Services - long	4	2015	60	85%	51	2075	$33,114.39	$548.55
W016	300mm DI Watermain 2000-09	8	300mm DI	1,989	2002	75	71%	53	2077	$768,419.34	$8,044.25
W007	150mm DI Watermain 2000-09	5	150mm DI	1,208	2005	75	75%	56	2080	$226,679.02	$2,539.20
W013	250mm DI Watermain 2000-09	7	250mm DI	1,960	2005	75	75%	56	2080	$573,320.42	$6,421.60
W010	200mm DI Watermain 2000-09	6	200mm DI	2,729	2005	75	75%	56	2080	$632,584.13	$7,085.15
W001	150mm PVC Watermain 1980-89	1	150mm PVC	156	1982	100	58%	58	2082	$29,216.82	$126.50
W003	300mm PVC Watermain 1980-82	3	300mm PVC	186	1982	100	58%	58	2082	$71,858.22	$309.35
W002	250mm PVC Watermain 1980-89	2	250mm PVC	276	1982	100	58%	58	2082	$80,732.87	$348.45
W014	250mm DI Watermain 2010-19	7	250mm DI	220	2015	75	88%	66	2090	$64,352.29	$853.30
W011	200mm DI Watermain 2010-19	6	200mm DI	783	2015	75	88%	66	2090	$181,499.95	$2,405.80
W008	150mm DI Watermain 2010-19	5	150mm DI		2015	75	88%	66	2090	$473,882.33	$0.00
L002	Water Treatment Plant site - Rhonda Lake WTP			1	1995	100	71%	71	2095	$551,906.45	$0.00
V001	Large Conc. Reservoir - 892 m3 size			1	1995	100	71%	71	2095	$886,140.99	$6,095.00
V006	Rhonda Lake WTP Facility Building			1	2006	100	82%	82	2106	$496,715.80	$4,255.00
L003	Water Treatment Plant site - Powder Basin WTP			1	2015	100	91%	91	2115	$331,143.87	$0.00
V008	Powder Basin WTP Building			1	2015	100	91%	91	2115	$275,953.22	$2,742.75
V003	Rhonda Lake Reservoir Dam and vault			1	1998	150	83%	124	2148	$2,758,532.23	$13,187.05
V004	Powder Basin Reservoir Dam and vault			1	2006	150	88%	132	2156	$551,906.45	$3,152.15
	Rhonda Lake Conc. Reservoir - 2,859 m3			1	2023	100	99%	99	2123	$1,914,249.00	$19,335.85
										$19,347,265.81	$166,103.70

Section III: Revenue Requirements for the Test Period

Table 3.1 shows the cost elements that make up the Utility's revenue requirement for each year of the Test Period.

Table 3.1

	Actual		Actual	PROPOSED				
	2022	2023	2024	2025	2026	2027	2028	2029
Bad Debts	150	108	-	-	-	-	-	-
Bank Charges	325	442	657	763	786	810	834	859
Chemicals	5,362	9,888	10,721	11,043	11,374	11,716	12,067	12,429
Dues, Subscriptions & Licenses	7,059	2,918	3,926	4,043	4,165	4,290	4,418	4,551
Entertainment - 50%	735	857	1,651	1,700	1,751	1,804	1,858	1,914
Equipment Rental & Lease	-	-	-	-	-	-	-	-
Fees & Penalties (non-deductible)	17	-	-	-	-	-	-	-
Freight	38	27	-	-	-	-	-	-
Fuel & Lube	4,029	4,768	4,023	4,144	4,268	4,396	4,528	4,664
Housing on Mtn	19,998	-	-	-	-	-	-	-
Insurance	39,978	33,335	12,134	14,640	15,079	15,532	15,998	16,477
Legal	1,291	20,295	9,132	9,406	9,688	9,979	10,278	10,586
Management Fees	33,408	33,408	30,000	30,000	30,000	30,000	30,000	30,000
Office Supplies & Stationery	1,247	239	163	168	173	179	184	190
Parts & Materials	7,245	2,303	2,887	3,300	3,399	3,501	3,606	3,714
Passenger Vehicles	20,007	24,259	20,285	20,894	21,521	22,166	22,831	23,516
Postage	241	136	169	174	180	185	190	196
Professional/Consulting Fees	38,527	58,140	74,992	59,419	61,202	63,038	64,929	66,877
Property Taxes	46	40	39	40	41	42	44	45
R & M - Hydrants	4,368	3,113	290	16,000	16,480	16,974	17,484	18,008
R & M - Equipment	21,880	20,298	44,389	51,045	52,576	54,153	55,778	57,451
R & M - Software	1,096	6,421	5,082	11,235	11,572	11,919	12,276	12,645
Rent & Lease	7,136	8,560	9,360	9,641	9,930	10,228	10,535	10,851
Sampling and Analysis	20,086	22,966	23,575	24,719	25,461	26,224	27,011	27,822
Snow Management	12,000	12,000	12,000	12,360	12,731	13,113	13,506	13,911
Snow Removal	13,000	13,000	13,000	13,390	13,792	14,205	14,632	15,071
Supplies - Operating	2,410	2,173	2,662	2,741	2,824	2,908	2,996	3,086
Telephone	2,097	2,031	2,493	2,573	2,650	2,730	2,811	2,896
Training & Recruitment	3,606	679	2,658	2,738	2,820	2,905	2,992	3,082
Travel	639	382	426	439	452	466	480	494
Utilities - Electricity	12,909	13,035	15,060	15,511	15,977	16,456	16,950	17,458
Wages	234,499	301,054	353,531	386,123	397,707	409,638	421,927	434,585
Interest Payable to BWSR				NA	NA	NA	NA	NA
Principal Payable to BWSR				NA	NA	NA	NA	NA
Allowed Return to BWWU				70,825	72,860	74,956	77,114	79,338
Contribution to RRTF per Depreciation Report Table A-7				166,104	171,087	176,219	181,506	186,951
Income Tax	1	-	-	19,831	20,401	20,988	21,592	22,215
Total Revenue Requirement	**$ 515,429**	**$ 596,875**	**$ 655,304**	**$ 965,010**	**$ 992,945**	**$ 1,021,719**	**$ 1,051,355**	**$ 1,081,880**

The following sub-sections provide detail and clarification on those items in Table 3.1: (a) that have changed appreciably from previous years; or (b) where the Utility believes that further explanation will be of assistance to the Branch.

In addition, in developing these elements of the Application, the Utility has sought to be responsive to questions asked by the Branch in respect of the Withdrawn Application in its Information Request Number 1 ("IR No. 1"), dated April 14, 2020.

Dues, Subscriptions, and Licenses

The majority of costs under this line item relate to water use fees paid to the Province pursuant to the Rhonda Lake Water Licence. The remainder of costs relate to professional and association dues, including for memberships in the BC Water and Wastewater Association (BCWWA) and Environmental Operators Certification Program (EOCP).

Fuel and Lube; See also Passenger Vehicles

These costs have increased in the Test Period to reflect the Utility's current operation of five vehicles, and of the general increase in fuel costs over the past several years.

Insurance

While insurance costs continue to increase at rates greater than general consumer inflation, consistent with general industry trends, the Utility sought and found a more competitive approach and option for coverage in 2024.

Legal; See also section on Professional/Consulting Fees)

Legal fees are exclusively paid to outside counsel, which has generally been the firm of Pushor Mitchell in Kelowna. Expenses have typically been for matters such as title searches, annual corporate filings, and other routine legal matters.

Parts and Materials

These costs relate to operating two water treatment plants. They have been increasing in recent years because the plants are aging, and because of the addition of an emergency generator set.

Passenger Vehicles

These expenses have increased since 2018 because of the addition of a used 2003 Ford ¾ ton truck (purchased in July 2018), and rising repair and maintenance costs on the owned trucks, associated with their increasing age and mileage.

Nevertheless, for heavier duty work it remains more cost effective to maintain these vehicles rather than lease new ones, which would require significant remediation prior to lease return.

The utilities now use a total of five vehicles. These are:

- A 2023 Honda Passport which is leased by the Resort. 40% of the Passenger Vehicle expenses of this vehicle is allocated to the Utility.

- A 2022 GMC, which is leased by Big White Gas Utility Ltd. 40% of the Passenger Vehicle expenses of this truck is allocated between the Utility and the Vice President of Utility Operations' personal use. A mileage log is kept, and the Vice President is assessed a taxable benefit on this basis.

- A 2022, Honda Ridgeline, which is leased by Big White Wastewater Utility Ltd. 40% of the Passenger Vehicle expenses of this truck is allocated to the Utility, with the remainder allocated between the wastewater and gas utilities.

- A 2017 GMC Sierra truck which is owned. This truck works only at the resort, and is not employed for any personal use. Its costs are allocated 40 per cent to the Utility, with the remainder allocated between the wastewater and gas utilities. This allocation is based on an estimate of actual use.

- A 2003 ¾ ton pickup, which is owned by the Utility and 40% of the Passenger Vehicle expenses of this truck is allocated to the Utility, with the remainder allocated between the wastewater and gas utilities.

Professional/Consulting Fees

These costs are for external expertise required by the Utility. The costs fall into three general areas: accounting, engineering, and specialist consulting. Costs in these areas break down as follows for the Test Period:

Accounting costs are paid primarily to the accounting firm BDO Canada LLP, and are related to preparing annual financial statements, the Reserve Trust Fund Report, and tax filings.

Engineering costs are paid to a variety of specialist firms, including WSP, Kerr Wood Leidal, Ecora Engineering & Resource Group Ltd and Agua Consulting Inc., which prepares and keeps current the Asset Plan, the Utility Master Plan, and undertakes water flow modelling as required. Other firms are also retained from time to time on specific questions of system design, planning, and asset health.

Specialist Consulting costs relate primarily to two suppliers:

- Ecora Engineering & Resource Group Ltd whose costs pertain to creating a dam breach analysis and report for both raw water sources operated by the Utility.
- Keppel Gate Consulting Ltd., whose costs pertain to matters of utility management.

Repair and Maintenance – Equipment

These costs relate to the operation the water system, including mains, treatment plants, intakes, pressure relief valves, pipes, fittings, sensors, and various other system elements. The Utility believes that the forecast levels are realistic, following a number of unrelated failures in the past three years, including a water main break, and the need to replace filter material on filters.

Although the Utility is not forecasting a continuing pattern of such failures for the purposes of setting Rates in the Test Period, the risk of such expenditures do underpin the Utility's rationale for its proposed allowed return (discussed below).

Repair and Maintenance – Hydrants

These costs relate to the ongoing maintenance and repair program for the Utility's network of fire hydrants.

Repair and Maintenance – Software

These costs relate to increasing costs to support meter reading, billing, and accounting software. Additional costs relate to Team Viewer software used to communicate with the SCADA system. Team Viewer allows utility operators to have remote access to instrumentation and historical data, including such things as reservoir levels, chlorine levels, water flows, water temperature, ultraviolet transmittance, turbidity, and trouble-shooting. Also, the costs for support of software for the Utility's four workstation computers; including Microsoft Office and Adobe Acrobat.

Rent and Lease

This item pertains exclusively to rent paid to the Ministry of Forest, Lands, Natural Resource Operations, and Rural Development in respect of the Powder Basin Reservoir.

Sampling and Analysis

These costs are paid exclusively to an outside lab (Caro Analytical Services) for water quality analysis. Costs are driven by health and safety requirements (specified by Interior Health, pursuant to the Utility's Permit to Operate) and laboratory rates, which have increased materially in recent years.

Snow Management (see also Snow Removal)

Snow Management costs relate exclusively to machine work done by tracked grooming equipment. The Utility uses this service for snow management around its remote buildings, and to allow snowmobile access to sampling stations.

The cost is currently $2,000 per month, which is paid to the Resort for the months of November to April, inclusive. This cost is derived from the Resort's posted Snow Management rate of $260 per hour (applicable to all Snow Management customers, such as hotels), based on an assumed 15 to 20 minutes work per day.

Snow Removal (see also Snow Management)

Snow Removal costs are also paid to the Resort, but relate to front end wheel loader clearing of snow from around buildings, at the pressure-reducing vault, in parking areas, and from around fire hydrants. This work is charged at a posted rate of $165 per hour.

Training and Recruitment

These costs have increased in recent years because of the addition of operators and because of increasingly stringent certification requirements (please see *Wages* for a discussion of these factors).

Utilities – Electricity

These costs relate primarily to electricity required by the two water treatment plants. Increases reflect expectations about the supplying utility (FortisBC) rate changes.

Wages

The Utility employs five full time operators. Operators are required to hold certification from the Environmental Operators Certification Program.

Total wage costs for the three operators are allocated 40 per cent to the Utility, 40 per cent to the wastewater utility, and 20 percent to the gas utility. This allocation reflects an estimate of work requirements over time.

Operators perform a range of duties. These include daily inspection and maintenance rounds, sampling work, emergency call-outs, meter reading, system upgrades, and repairs.

The addition of additional operators was driven by the demands of 24/7 emergency coverage, and by the need for succession planning (in light of the manager's age, length of service, and retirement plans).

Beyond the costs of the operators, this category includes a relatively small amount of costs related to casual labour, which is primarily used in summer months for seasonal repairs and maintenance.

Beginning in the second half of 2021, and continuing through the Test Period, the Utility added a new Utility employee, focussing on commercial, managerial, and regulatory matters. This employee forms part of the succession planning of the utilities, again recognizing that the senior leadership of the utilities and those responsible for the utilities within the Resort are approaching retirement age.

Utility Return

The Utility is seeking an annual return of 10% of annual operating costs. This level of shareholder compensation has been determined based, primarily, on the risk faced by the Utility shareholder.

The Utility recognizes that the allowed return for a regulated utility is typically set as a function of invested capital. However, the nature of the Utility's assets does not lend itself to such an approach because most investment is either heavily depreciated, funded by debt, or funded through contributions in aid of construction.

In arriving at a suggested return, the Utility has recognized that its primary rationale for a given profit is not a return on its investment, but rather as compensation for the risk it bears as a result of prospective Rate setting. That is, the Utility's shareholder bears all of the risk for unforeseen costs arising from system failures or required repairs, and these costs can be material as a percentage of both the Utility's balance sheet and income statement.

The Utility believes that its allowed return must be sufficient to justify it accepting this risk. In considering the Utility's recent experience (a single water main rupture in Winter 2024 and Fall 2019, for example, cost in excess of $20,000), and looking at the repair or replacement costs for key elements of its system, it is apparent that unforeseen costs could regularly exceed the dollar amount that might be found by using a typical model of utility return based on shareholder investment in the Utility's system. That is, under a typical model of determining utility Rates and return, the Utility's shareholders would be asked to bear a real risk of losses without compensation for that risk.

In contrast, the return sought in this Application is based on providing the Utility with an adequate return to compensate it for the risks arising from basing prospectively-set Rates on forecast costs, without any other provision (such as a deferral account) for unforeseen failures of expensive system elements.

Section IV: Treatment of Costs Arising from the Powder Basin Reservoir System

This section of the Application deals with costs arising from the completed works on the Powder Basin Reservoir System. These works were constructed in 2006 and 2019, and were paid for by the Resort. Although the projects increase the capacity of the Utility's system beyond the needs of existing Customers, both projects are essential to safely and reliably serve existing Customers, particularly in the event of even mild drought conditions, and as the resort moves toward four season operations.

Notably, modelling of the system assuming that only the Rhonda Lake reservoir system were in place and with normal icing conditions suggests that water supply could become dangerously low in the case of just two consecutive years of a one-in-ten year drought condition. More serious drought conditions could exhaust the Rhonda Lake system entirely, leaving the resort without a water supply.

Moreover, it must be recognized that the "lumpy" investment pattern (that is, moving from a system that is too small to one that is larger than immediately necessary) was not avoidable, for the following reasons:

(a) It was not feasible to increase the system capacity through wells, as underground water sources are not available;

(b) Water flow in creeks is insufficient on a year-round basis, and depleting creeks is seen as environmentally unacceptable; and

(c) The Powder Basin reservoir is a natural depression, so its size and essential design was governed by the topography (that is, taking account of both existing and future Customers' needs, including the trend toward Big White becoming a four-season resort, it was not rational or practical to add the reservoir in increments).

Furthermore, the choice of the Powder Basin reservoir was confirmed through extensive consultation with regulatory agencies, including the Federal Department of Fisheries and Oceans, the Provincial Dam Safety Branch, and the Water Management Branch.

Put simply, when faced with the need to upgrade its water service capacity beyond the Rhonda Lake system, the Utility had no practical choice but to build the Powder Basin Reservoir in its current configuration. And viewed from the perspective of current demand conditions, it would not be safe or acceptable to have the Rhonda Lake system alone.

In addition, the Powder Basin UV Reactors and Chlorine Injectors represent the most cost-effective way to meet the water standards imposed by Provincial

regulations. Water treated with this equipment is now used by, and beneficial to, all of the Utility's Customers.

At the time the Powder Basin system was built, the Resort was growing quickly. There were significant land sales, and developers had ambitious plans for new homes, condominiums, hotels, and other amenities. With an obligation to serve this development, the Utility had to plan using these forecasts.

Based on these forecasts, it was assumed that Development Cost Charges ("DCCs"), collected by the Utility through Contributions in Aid of Construction, would be sufficient to repay the Resort the money owed to it for funding the new Powder Basin System. This approach was followed notwithstanding the fact that the Powder Basin System was always understood to also be beneficial to existing Utility Customers as an alternative water supply and treatment mechanism.

Beginning with the 2008 recession, land development at the Resort collapsed. Planned, and some partially completed, projects were abandoned. Even before the COVID-19 crisis, the Resort anticipated few, if any, major developments in the next five years (that is, during the Test Period), and there is considerable uncertainty that any development will occur in the five to ten years beyond that.

Against this backdrop, the Utility must adopt a new approach to meeting its debt obligations to the Resort. This means implementing Rates that: (a) charge the Utility's Customers for that portion of the Power Basin System's capital and financing costs that directly benefit them; and (b) compensate the Resort for financing the remaining portion of the Powder Basin System until those costs are recovered from new system users through Contributions in Aid of Construction (DCCs).

The revenue requirement impact of this approach is shown in Table 3.1. These costs have been derived from the Capital Plan costs as follows:

Pursuant to: (1) an outside engineering analysis based on actual system operations and water flows; and (2) an assessment of reasonable bill impacts (see Appendix 1), the Utility is proposing that 40 per cent of the Powder Basin Reservoir and the Powder Basin UV Reactors and Chlorine Injectors (collectively the "Powder Basin System") should be recovered in Rates, with the remaining 60 per cent of costs recovered through DCCs.

Section V: Load Forecast, Billing Determinants, and Rate Design

The Utility is anticipating steady (3.0%) development at the Resort during the Test Period. As such, for the purposes of forecasting load, the Utility has simply extended the modest annual growth in both Service Factors and metered load it has experienced since the 2008 recession.

With regards to CIAC and DCTF, this produces the load forecast in Table 5.1.

Table 5.1

PROJECT: WATER REVENUE PROJECTIONS
COMPANY: BIG WHITE WATER UTILITY LTD.
DATE: SEPTEMBER 11, 2024

BIG WHITE Water Utility LTD

BigWhite Inventory-Land Assets | Todays year 2024 | Tariff Increase 100.0%
Tangible Capital Assets• Linear-Assets_Water Infrastructure | Annual Growth 3.0% | Tariff Inflation 3.00%
Service Factors/BU 125%

Year	Description	Total BU Count Annual Growth	Incremental BU Growth	Service Factors	Tariff /SF	Tariff /BU	Revenue
2024	Bed Units	9130	270	338	$ 555	$ 693.75	$ 187,313
2025	Bed Units	9410	280	350	$ 1,110	$ 1,387.50	$ 388,500
2026	Bed Units	9700	290	363	$ 1,144	$ 1,430.00	$ 414,700
2027	Bed Units	10000	300	375	$ 1,179	$ 1,473.75	$ 442,125
2028	Bed Units	10300	300	375	$ 1,215	$ 1,518.75	$ 455,625
2029	Bed Units	10610	310	388	$ 1,252	$ 1,565.00	$ 485,150
2030	Bed Units	10930	320	400	$ 1,290	$ 1,612.50	$ 516,000
2031	Bed Units	11260	330	413	$ 1,329	$ 1,661.25	$ 548,213
2032	Bed Units	11600	340	425	$ 1,369	$ 1,711.25	$ 581,825
2033	Bed Units	11950	350	438	$ 1,411	$ 1,763.75	$ 617,313
2034	Bed Units	12310	360	450	$ 1,454	$ 1,817.50	$ 654,300
2035	Bed Units	12680	370	463	$ 1,498	$ 1,872.50	$ 692,825
2036	Bed Units	13070	390	488	$ 1,543	$ 1,928.75	$ 752,213
2037	Bed Units	13470	400	500	$ 1,590	$ 1,987.50	$ 795,000
2038	**Bed Units**	**13880**	410	**513**	**$ 1,638**	**$ 2,047.50**	**$ 839,475**
2039	Bed Units	14300	420	525	$ 1,688	$ 2,110.00	$ 886,200
2040	Bed Units	14730	430	538	$ 1,739	$ 2,173.75	$ 934,713
2041	Bed Units	15180	450	563	$ 1,792	$ 2,240.00	$ 1,008,000
2042	Bed Units	15640	460	575	$ 1,846	$ 2,307.50	$ 1,061,450
2043	Bed Units	16110	470	588	$ 1,902	$ 2,377.50	$ 1,117,425
2044	Bed Units	16600	490	613	$ 1,960	$ 2,450.00	$ 1,200,500
2045	Bed Units	17100	500	625	$ 2,019	$ 2,523.75	$ 1,261,875
2046	Bed Units	17620	520	650	$ 2,080	$ 2,600.00	$ 1,352,000
2047	Bed Units	18150	530	663	$ 2,143	$ 2,678.75	$ 1,419,738
2048	Bed Units	18700	550	688	$ 2,208	$ 2,760.00	$ 1,518,000
2049	Bed Units	19270	570	713	$ 2,275	$ 2,843.75	$ 1,620,938
2050	Bed Units	19850	580	725	$ 2,344	$ 2,930.00	$ 1,699,400
2051	Bed Units	20450	600	750	$ 2,415	$ 3,018.75	$ 1,811,250
2052	**Bed Units**	**20600**	150	**188**	**$ 2,488**	**$ 3,110.00**	**$ 466,500**

This revenue from development then projects cash flow to confirm that the Rate charged to new Customers will afford the series of capital improvement projects outlined in Table 2.1.

Table 5.2

PROJECT: WATER DCTF CASH FLOW PROJECTIONS
COMPANY: BIG WHITE WATER UTILITY LTD.
DATE: SEPTEMBER 11, 2024

BigWhite Inventory-Land Assets
Tangible Capital Assets• Linear-Assets_Water Infrastructure

Year	Description	Revenue	Capital Expenses	Cash Position	Interest 6.75%	DCTF Balance
2024	PSV, Powder Pumps, Land	-$ 3,451,955	$ 270,675	-$ 3,722,630	-$ 251,278	-$ 3,973,907
2025		$ 388,500		-$ 3,334,130	-$ 225,054	-$ 3,559,184
2026		$ 414,700		-$ 2,919,430	-$ 197,062	-$ 3,116,491
2027		$ 442,125		-$ 2,477,305	-$ 167,218	-$ 2,644,523
2028		$ 455,625		-$ 2,021,680	-$ 136,463	-$ 2,158,143
2029	Pressure Zone Transfer Pump	$ 485,150	$ 61,896	-$ 1,598,426	-$ 107,894	-$ 1,706,319
2030		$ 516,000		-$ 1,082,426	-$ 73,064	-$ 1,155,489
2031		$ 548,213		-$ 534,213	-$ 36,059	-$ 570,273
2032		$ 581,825		$ 47,612		$ 47,612
2033		$ 617,313		$ 664,924		$ 664,924
2034		$ 654,300		$ 1,319,224		$ 1,319,224
2035	High Pressure Interconnect	$ 692,825	$ 1,565,820	$ 446,230		$ 446,230
2036		$ 752,213		$ 1,198,442		$ 1,198,442
2037	Powder Reservoir - 50%	$ 795,000	$ 2,007,053	-$ 13,611	-$ 919	-$ 14,530
2038	Powder Reservoir - 50% & L.P. Interconnect	$ 839,475	$ 544,779	$ 281,085		$ 281,085
2039	Balance Reports	$ 886,200	$ 87,675	$ 1,079,610		$ 1,079,610
2040	Powder Basin - Filters	$ 934,713	$ 1,481,011	$ 533,311		$ 533,311
2041	Groundwater Development	$ 1,008,000	$ 702,453	$ 838,858		$ 838,858
2042	Powder Diversion Ditch	$ 1,061,450	$ 666,179	$ 1,234,129		$ 1,234,129
2043	Utilities Maintenance Facility	$ 1,117,425	$ 650,000	$ 1,701,554		$ 1,701,554
2044		$ 1,200,500		$ 2,902,054		$ 2,902,054
2045		$ 1,261,875		$ 4,163,929		$ 4,163,929
2046		$ 1,352,000		$ 5,515,929		$ 5,515,929
2047		$ 1,419,738		$ 6,935,666		$ 6,935,666
2048		$ 1,518,000		$ 8,453,666		$ 8,453,666
2049		$ 1,620,938		$ 10,074,604		$ 10,074,604
2050		$ 1,699,400		$ 11,774,004		$ 11,774,004
2051		$ 1,811,250		$ 13,585,254		$ 13,585,254
2052	Whitefoot Creek Reservoir	$ 466,500	$ 11,428,869	$ 2,622,885		$ 2,622,885

With regards to existing Ratepayers, using the revenue requirement from Table 3.1, and the billing determinants from Table 5.1, it is necessary to allocate the increased costs to be recovered as between the fixed components of the Utility's tariff (Schedules C and D) and the variable component of its tariff (Schedule E). This allocation is required because the revenue requirement has increased more than the billing determinants, in percentage terms.

The Utility's costs are primarily fixed. In fact, very few of its costs vary with the volume of metered water. This would tend to argue in favour of adding most, if not all, of the increased annual revenue requirement to the charge per Service Factor.

However, the Utility is conscious of the fact that this approach does not tend to promote conservation. In addition, the Utility understands from its Customers that such a heavily fixed-cost Rate design is unpopular, in part because seasonal users feel poorly served by such a Rate (creating perceived equity concerns).

As such, the Utility is proposing that, for the first year of the Test Period, the metered Rate should be set at $1.74 per cubic meter. In each subsequent year of the Test Period, the Rate should be increased by 3.0 per cent, as a proxy for forecast inflation.

As this Rate increase alone is insufficient to recover the revenue requirement, the Utility is proposing that the charge per Service Factor, should be increased to $3.63 for Residential and for Commercial for the first year of the Test Period, and that these Rates should also be increased by inflation in the same manner as the variable portion of the Rate.

The following Table 5.3 summarizes the revenue requirement and proposed rate revenue (rate times forecast billing determinant) for each year of the Test Period.

Table 5.3

	Actual	PROPOSED				
	2024	2025	2026	2027	2028	2029
Revenue Requirement	655,304	965,010	992,945	1,021,719	1,051,355	1,081,880
Fixed Charge Revenue	206,379	591,402	611,526	632,570	654,580	677,604
Variable Charge Revenue	162,452	346,982	368,114	390,532	414,315	439,547
Total Revenue	$ 368,831	$ 938,384	$ 979,640	$ 1,023,102	$ 1,068,895	$ 1,117,151
(Loss) / Retained Earnings	$ (286,474)	$ (26,626)	$ (13,305)	$ 1,383	$ 17,540	$ 35,270

Appendix 1: Sample Bill Impacts

The following table estimates January 2025 bill impacts for Units in a number of representative developments. January was selected for this illustration, as this is generally the peak-billing month. It should be noted that this level of impact would typically apply to only four months of the year. Impacts in the other eight months will be far less material, as metered consumption is generally negligible.

Development	**Estimated January Bill Impact per Unit**	**Comment**
Ponderosa	$23.88	Condominium
Chateau on the Ridges	$42.60	Condominium
Chateau Big White	$37.52	Hotel-Style Condominium
Snow Pines	$65.04	Staff Housing for 10 people ($6.37 per person)
Snow Pines	$20.04	Single Family

Appendix 2: Tariff including Rate Schedules

WATER UTILITY ACT

WATER TARIFF NO. 5

RATES AND TERMS AND CONDITIONS FOR WATER SERVICE

at:

Big White Ski Area

By

Big White Water Utility Ltd.
1894 Ambrosi Road, Kelowna, BC V1Y 4R9
Utilities@BigWhite.com

Contact Person

Maurice Valcourt

This Tariff is available for public inspection at:

1894 Ambrosi Road, Kelowna, BC V1Y 4R9

Accepted for Filing by the Comptroller of Water Rights on ___ day of _____, 20__

Effective Date: _____

_____
Secretary to the Comptroller of Water Rights

September 2024

Definitions

In this tariff the following definitions shall apply:

a) "**Authorized Premises**" means Premises which are entitled to, and authorized for, Service in accordance with the Certificate of Public Convenience and Necessity of the Utility;

b) **"Bed Unit"** means public or private overnight accommodation for one person.

c) **"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.

d) **"Comptroller"** means the Comptroller of Water Rights under the *Water Act* and includes a Deputy Comptroller or a person appointed by the Minister as Acting Comptroller;

e) **"Customer"** means any person who is the owner or lessee of an Authorized Premises;

f) **"Multi-Residential Service"** means Condominiums, Multi-Family or Strata, or any other Service serving more than one residential Customers from one meter.

g) **"Premises"** means land and buildings thereon;

h) **"Rate"** includes:

(1) a general, individual or joint rate, fee, charge, rental or other compensation of the Utility,

(2) a schedule or tariff respecting a rate;

i) **"Rent Charge Agreement"** means a rent charge, section 219 (Land Title Act) covenant or similar encumbrance registered against title to Authorized Premises to secure the payment of Rates in respect of Service or availability of Service.

j) **"Residential Service"** means in-house use plus lawn & garden sprinkling to a maximum area of 1/10 of an acre;

k) **"Secondary Suite"** A separate Unit with a separate entrance and self-contained kitchen on the same parcel as an additional residential Unit.

l) **"Service"** shall include:

1) the supply of water provided by the Utility to the Customer,

2) the plant, equipment, apparatus, appliances, property and facilities employed by or in connection with the Utility in providing the supply of water to the property line of the premise.

m) **"Service Factor"** is the water demand created by a room capable of accommodating two people over night and represents six discharge weights of plumbing fixtures (see table in Schedule "H") or equivalent demand of such a room.

n) **"Unit"** means a building of accommodation occupied separately or to be occupied separately by an owner or lessee and, which either separately or jointly with other Units, receives Service from a connection to the Utility's waterworks and, without restricting the generality of the foregoing, includes the separate Units of accommodation in all dwellings.

o) "Utility" means Big White Water Utility Ltd.

Terms and Conditions

1. Application for Service

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

(a) At the time an application is made for Service to Premises which had not previously been connected for Service, the applicable charge shown in Schedule "A (a)" and/or "A (b)" of this tariff shall be paid by the applicant.

(b) A turn-on fee of $75.00 shall be applicable when:

(i) a turn-on of a valve at an existing curb-stop is made at a date after the Service connection was installed;

(ii) a Customer becomes re-connected after Service has been shut-off at the request of the Customer, for non-payment of Rates, or for violation of these terms and conditions.

(c) A Service shut-off charge of $25.00 shall be applicable when Service has been temporarily shut-off at the request of the Customer, or for non-payment of Rates, or for violation of these terms and conditions.

(d) At the time an application for Service is made by a new Customer, an administration charge of $25.00 shall apply. This charge is not only applicable for a new connection, but also when a new Customer, either owner or lessee of the Premises, commences receiving Service to an existing Authorized Premises.

2. Billing and Payment

All bills are issued **monthly** and are due and payable within twenty-one (21) Business Days of the date of issue. Flat Rates (and flat Rate portion of metered Rates) are billed in advance of Service. For metered Rates, consumption is billed in arrears. If the amount due on any bill has not been paid in full within (15) fifteen Business Days from the date of issue a further bill will be rendered to include the overdue amount plus a late payment charge of $25.00.

If a cheque is returned by the Customer's financial institution an administration fee of $40.00 will be charged.

3. Service Shut-Off Due to Non-Payment

When an account becomes one month overdue, Service may be shut off upon 15 Business Days' written notice. A notice sent by registered mail to the last known postal address of the Customer shall be deemed good and sufficient notice. A collection charge of $50.00 shall be paid each time a Utility representative attends a Customer's Premises to disconnect Service, following the issuance of a shut-off notice.

Service will not be turned on until all outstanding charges against the Service, including the collection charge, shut-off charge and turn-on fee (Sections 1(b) and 1(c)) have been paid.

4. Discontinuance of Service

a) Customers must give at least two working days' notice in writing at the office of the Utility when requesting discontinuance of Service and shall be liable for payment for all Service until such Service has been discontinued.

b) Any Customer who desires to discontinue the use of water for any of the purposes stated in his application for Service shall give notice of his intention, in writing, at the office of the Utility, and shall further show that any fittings used for the supply of water for such purposes have been disconnected.

c) The Utility may discontinue Service to any Customer who contravenes the terms and conditions contained in this tariff. In the event of further contravention of the tariff, the Utility may detach the Service connection from the Customer's Premises and, upon re-application for Service, the Customer shall be liable to pay the Utility's cost of performing the said detachment and re-connection in addition to other applicable Rates and charges.

5. Access to Premises

A condition of Service shall be the Customer's consent, upon reasonable notice, for representatives of the Utility to enter onto the Customer's property for the purposes of making connections/disconnections, taking water quality samples, reading meters, inspecting pipes and appurtenances, checking on the use or waste of water or determining compliance with these terms and conditions.

6. Interruption of Service

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. However, for the interruptions in excess of 48 hours, a proportionate rebate will be allowed to Customers served on flat Rates.

7. Restriction of Use of Water

The Utility may restrict or prohibit the use of water for gardening, sprinkling, air conditioning, the filling of swimming pools, or other purposes when, in its opinion, such action is necessary to conserve the water supply or to maintain water pressure. A Customer who contravenes water use restrictions may receive one warning notice per calendar year before a fine for contravention applies. A notice delivered to the Customer's Premises shall be deemed good and sufficient notice of a contravention. For each subsequent contravention during the calendar year, a $50.00 fine is applicable.

8. Limits on Water Use

No Customer shall sell or dispose of any water or permit same to be carried away, or use water or allow it to be used in Premises, or for purposes other than those stated in the Customer's application for Service.

The Utility may, if in its opinion an undue amount of water is used at any time by any Customer being served under a flat Rate, install a water meter and thereafter charge the Customer in accordance with the meter Rates included in this tariff. All such meters shall remain the property of the Utility.

9. Multiple Dwellings

In the case of apartment houses, duplexes or houses containing one or more suites, each such accommodation, whether or not self-contained, shall **not** be considered as a separate Customer unless it is *so* specified in a schedule of this Tariff other than side-by-side duplexes. This Multi-Residential Service will be metered, with curb stop, and will be invoiced to the registered owner.

10. Work to be done by the Utility

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 water meter belonging to the Utility, nor turn on or off any valve or curb stop of the Utility, without prior authorization by the Utility in writing.

11. Minimum Size of Services

The minimum size of pipe used to serve any one Premises shall be 1-1/2" (38 mm) nominal diameter. The type and diameter of pipe used on the Customer's Premises should be selected with due consideration of pressure losses from friction.

12. Minimum Earth Cover Over Services

All Services on the Customer's Premises shall be buried below the maximum depth of frost penetration but in any event at a minimum depth of (6) six feet below the surface of the ground.

13. Ownership of Service

All water Service pipes and fittings carrying water from the main to the Customer's property line shall be the property of the Utility. Please note the valve stem (or curb stop) is the responsibility of the owner to ensure it is not damaged during landscaping and lawn maintenance. If buried, it is the Customers responsibility to know and identify or mark the location.

14. 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 is vacated.

15. Customer's Service Pipes

Service connection materials installed on the Customer's Premises shall be rated by the manufacturer to sustain a minimum working pressure of 160 psi (1100 kilopascals). No Service pipe or fitting shall be covered until they have been inspected and approved by the Utility.

16. Dangerous Cross-Connections

The Customer shall not permit the plumbing on their 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. Any back-flow preventers deemed necessary by the Utility to prevent the entry of contaminants shall be installed at the Customer's expense, in the time frame provided by the Utility. Discovery of an unauthorized cross-connection, or cross-connection that is not suitably protected by a certified backflow preventer, may result in immediate shut-off of water Service without notice by the Utility. The water shall not be turned on again until such repairs have been made to the satisfaction of the Utility, and the charges paid as provided for in clauses 1 and 4(c) of this tariff. No person whose water supply is shut off pursuant to this section shall have any claim against the Utility for discontinuance of supply.

17. Condition of Customer's Pipes and Fixtures

All Customers at their own risk and expense shall keep their pipes, stop cocks and other fixtures in good working order and shall protect them from frost and other damage. The Utility shall, within a reasonable time notify the Customer of any leaky pipes and fixtures that are evident on the Premises. If the necessary repairs are not made within two (2) working days after such notice has been given, or when the condition of the pipes or fixtures is such as to cause damage to property or

material waste of water or damage to property, then without further notice the Utility may shut off the water supply. The water shall not be turned on again until such repairs have been made to the satisfaction of the Utility, and the charges paid as provided by clauses 1 and 4(c) of this tariff. No person whose water supply is shut off pursuant to this section shall have any claim against the Utility for discontinuance of supply.

18. Notice of Service Shut-off

The Utility shall have the right at all times to shut off the water supply temporarily to any Premises in order to make repairs, replacements, alterations and extensions to the Utility's waterworks as shall, in the opinion of the Utility, be deemed necessary. Whenever possible the Utility will give reasonable advance notice of shut-off, and, in all cases where the Utility expects Service to be interrupted for 24 hours or more, the Utility shall give advance notice to its Customers.

19. Application for Extension of Service

For lots not authorized for Service, all applications for extension of water Service shall be made in writing by the owner or lessee of the Premises to which the application refers, or by the owner's duly authorized agent. All applications for Service shall state:

a) the purpose(s) for which the Service is to be used (i.e., domestic, commercial, irrigation, etc.);
b) the legal description of the property;
c) the number and location of the Premises to be served.

Charges for extension of Service are intended to recover the Utility's costs. For each application, an initial deposit of $200 is required to be paid at the time of application. Additional costs incurred by the Utility for legal, engineering and other fees, including Utility staff time, will be payable by the applicant and may require further deposits prior to undertaking certain aspects of the application process.

Each application for extension of Service requires an amendment to the Utility's Certificate of Public Convenience & Necessity (CPCN) to include the lot(s) within its authorized Service area. In response to each application, the Utility will detail the terms and conditions of Service including all Rates and charges applicable. Prior to the issuance of an amended CPCN, confirmation is required that either a deposit into the Utility's Deferred Capacity Reserve/Trust Fund under Schedule B of this tariff has been made or that additional works have been constructed and contributed to the Utility by the applicant as required by the Comptroller of Water Rights.

If the application for extension of Service does not proceed within one year of paying the deposit into the Deferred Capacity Reserve/Trust Fund under Schedule B of this tariff, the Utility will refund the amount plus interest to the applicant. Any costs directly associated with the application incurred by the Utility in excess of the $200 initial deposit can be recovered from the monies paid into the Deferred Capacity Reserve/Trust Fund before issuing the refund to the applicant.

Once the amended CPCN is issued, and while the lot(s) are not receiving Service, Availability of Service (rent) charges under Schedule G of this tariff will be applicable.

Additional applications shall be made for all extensions of Service to additional Premises and for additional purposes.

20. Water Main Extensions

General Provisions

20.1 Any waterworks installed pursuant to an application for extension of Service shall be the sole property of the Utility.

20.2 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.

20.3 In arriving at the length of the main extension necessary to render Service to any point, the distance from such point to the nearest distribution main shall be considered along lines of proper construction and common practice in the location of public waterworks, due consideration being given to the general layout of the Utility's system. The length of the extension shall be measured along the lines of proper construction from the nearest distribution main to the middle of the furthest property to be served.

20.4 The Utility will not be required to make extensions where road grades have not been brought to those established by public authority.

20.5 Where an extension must comply with a law, statute, bylaw, ordinance, regulation, specification or order of a public authority, the estimated cost of the extension shall be based upon the waterworks required to comply therewith.

Method of Allocating Advances and Refunds

20.6 Advances by original applicants:
When more than one applicant is involved and an advance is required in payment for a main extension the amount of the advance shall be divided equally or as otherwise agreed among the applicants are made known to the Utility.

20.7 Advances by subsequent Customers:
An extension charge equal to a pro-rata share of the original cost of the main extension shall be collected by the Utility from each additional Customer who connects to the original main extension within five years. The extension charge collected above shall be refunded equally **or as otherwise agreed** to the Customers who already have advances deposited with the Utility as a result of connection to the extension, so that in the result all subscribers will have paid their pro-rata share or as otherwise agreed by them and made known to the Utility.

20.8 Advances which may be required from applicants in payment for extensions will be held by the Utility without interest. Refunds will be made in accordance with these rules and no *person* will have refunded to him an amount in excess of the amount of his advance. Refunds will be paid to the current registered owners of the properties on account of which the deposits were received. Any amount not used by the Utility for construction of the extension and not refunded at the end of five years from the date the advance was received by the Utility from the original applicant or applicants will be retained by the Utility and transferred to the "Deferred Capacity Reserve/Trust Fund" account. Thereafter additional Customers will be connected without being required to pay the extension charge.

21. Winter Construction

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

22. Amendments to 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 own motion, or on complaint of the Utility or other interested persons 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, 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 interested persons. The notice will state a specific time period within which any interested persons may submit objections to the application to the Comptroller. After investigation of the application and any objections thereto, the Comptroller will decide the matter and notify all interested persons of his decision.

23. Disputes

In case of disagreement or dispute regarding the application of any provision of these terms and conditions, or in circumstances where the application of the terms and conditions appears impracticable or unjust to either party, the Utility, or the applicant or applicants, may refer the matter to the Comptroller for adjudication.

Schedule A

Water Service Connection

The charges shown below apply to connections to a main (see page 2, section 1).

The connection charge (a) recovers the cost incurred by the Utility, and not otherwise recovered, of installing a Service connection from the water main to a curb stop and, if required, a meter at the property line of the Customer's Premises or in the building. Cost herein includes 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) below shall be paid upon application for Service.

(a)	Connection Charge:	**At Cost**
(b)	Connection of Customer's Service pipe to an existing curb stop:	
	1-1/2" Service Connection	**$300.00**
	Larger Service Connections	**Actual Cost +15%**

Schedule B

Contribution in Aid of Future Construction

Where as a result of 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 in the future, then, upon application for an extension of Service, in addition to the connection charge and any main extension costs, the charge shown below shall be paid.

For each Residential Service Premises qualifying as Authorized Premises:

Increased annually by 3.0%:

- Effective January 1, 2025 - $1,388 per Bed Unit
- Effective January 1, 2026 - $1,458 per Bed Unit
- Effective January 1, 2027 - $1,531 per Bed Unit
- Effective January 1, 2028 - $1,609 per Bed Unit
- Effective January 1, 2029 - $1,690 per Bed Unit
- For Rates effective January 1, 2030 and for each subsequent year, unless this Tariff is otherwise amended, Rates will be increased annually by 3%.

Notes:

1. For other than Residential Service and Multi-Residential Service (ie commercial Services), the charge shall be calculated using Service Factors as per Schedule H.

2. Monies collected are to be deposited to the Utility's Deferred Capacity Trust Fund and may only be released with the written authorization of the Comptroller of Water Rights.

3. If an existing residential Customer, after the commencement of Service, adds a Secondary Suite, the Utility will bill the Customer as though that Secondary Suite were a distinct new Customer.

Schedule C

Residential Service Flat Rates

Applicability: To Customers receiving Service where four or fewer Units are served through a single shut-off.

Rate: Increased annually by 3.0%:

- Effective January 1, 2025 - $3.63 per Service Factor per month.
- Effective January 1, 2026 - $3.74 per Service Factor per month.
- Effective January 1, 2027 - $3.85 per Service Factor per month.
- Effective January 1, 2028 - $3.97 per Service Factor per month.
- Effective January 1, 2029 - $4.09 per Service Factor per month.
- For Rates effective January 1, 2030 and for each subsequent year, unless this Tariff is otherwise amended, Rates will be increased annually by 3%.

Notes:

1. From the Rates collected, 19.6% per Customer will be deposited into a Replacement Reserve Trust Fund and may only be released with the written authorization of the Comptroller of Water Rights.

2. If an existing residential Customer, after the commencement of Service, adds a Secondary Suite, the Utility will bill the Customer as though that Secondary Suite were a distinct new Customer.

Schedule D

Commercial Flat Rates

Applicability: To all commercial Customers, including Multi-Residential Service Customers, receiving Service where more than four Units are served through a single shut-off.

Rate: Increased annually by 3.0%:

- Effective January 1, 2025 - $3.63 per Service Factor per month.
- Effective January 1, 2026 - $3.74 per Service Factor per month.
- Effective January 1, 2027 - $3.85 per Service Factor per month.
- Effective January 1, 2028 - $3.97 per Service Factor per month.
- Effective January 1, 2029 - $4.09 per Service Factor per month.
- For Rates effective January 1, 2030 and for each subsequent year, unless this Tariff is otherwise amended, Rates will be increased annually by 3%.

Notes:

1. From the Rates collected, 19.6% per Customer will be deposited into a Replacement Reserve/Trust Fund and may only be released with the written authorization of the Comptroller of Water Rights.
2. If an existing commercial Customer, after the commencement of Service, adds a Secondary Suite, the Utility will bill the Customer as though that Secondary Suite were a distinct new Customer.

Schedule E

Meter Rates

Applicability: To all Customers with metered Services.

Rate: Increased annually by 3.0%:

Meter Size	Rate
All meters	

- Effective January 1, 2025 - $1.74 per cubic meter of metered use.
- Effective January 1, 2026 - $1.79 per cubic meter of metered use.
- Effective January 1, 2027 - $1.85 per cubic meter of metered use.
- Effective January 1, 2028 - $1.90 per cubic meter of metered use.
- Effective January 1, 2029 - $1.96 per cubic meter of metered use.
- For Rates effective January 1, 2030 and for each subsequent year, unless this Tariff is otherwise amended, Rates will be increased annually by 3%.

Notes:

1 From the Rates collected, 0% per Customer will be deposited into a Replacement Reserve/Trust Fund and may only be released with the written authorization of the Comptroller of Water Rights.

2. If an existing Customer, after the commencement of Service, adds a Secondary Suite, the Utility will bill the Customer as though that Secondary Suite were a distinct new Customer.

Schedule F

Fire Hydrant & Standpipe Rates

(Per Fire Protection Agreement)

Applicability: Within that portion of the Utility's authorized Service area in the Big White fire protection district or other recognized local fire protection authority.

Rates: Increased annually by 3.0%:

Hydrants
- Effective January 1, 2025 - $223.51 per quarter.
- Effective January 1, 2026 - $230.22 per quarter.
- Effective January 1, 2027 - $237.12 per quarter.
- Effective January 1, 2028 - $244.24 per quarter.
- Effective January 1, 2029 - $251.56 per quarter.

Standpipes
- Effective January 1, 2025 - $111.76 per quarter.
- Effective January 1, 2026 - $115.11 per quarter.
- Effective January 1, 2027 - $118.56 per quarter.
- Effective January 1, 2028 - $122.12 per quarter.
- Effective January 1, 2029 - $125.78 per quarter.

Demand Charge
- Effective January 1, 2025 - $3,742.50 per quarter.
- Effective January 1, 2026 - $3,854.78 per quarter.
- Effective January 1, 2027 - $3,970.42 per quarter.
- Effective January 1, 2028 - $4,089.54 per quarter.
- Effective January 1, 2029 - $4,212.22 per quarter.

- For Rates effective January 1, 2030 and for each subsequent year, unless this Tariff is otherwise amended, Rates will be increased annually by 3%.

Schedule G

Availability of Service (Rent) Charges

Applicability:	To owners of the legal subdivision with Rent Charge Agreements eligible to be registered on title. The Rent Charge becomes effective and due and payable on the first day of the month following CPCN issuance and acceptance of certified as-built drawings (i.e., when lot or lots are eligible for subdivision registration).
Availability:	All owners of the lots to which this Rent Charge is applicable shall pay the Rate during the period they are not users of water Service.
Rate:	$150 per annum, per Residential Services lot
	$300 per year for a duplex or fourplex with two connections
	$600 per year for 5 Units or larger

Notes:

1. From the Rates collected, $0 per year will be deposited into a Replacement Reserve Trust Fund and may only be released with the written authorization of the Comptroller of Water Rights.

2. Any arrears of Rent Charges shall bear interest from the due date until payment at a Rate of 18% per annum accruing daily, and shall be a charge upon the Lands or Future Lot or Lots in question in the same manner as the Rent Charge charged on the Lands.

Schedule H

Service Factors

Applicability: Within the authorized Service area of the Utility.

The number of Service Factors will be the greater of:

a) Total square footage, where the total square footage divided by 800, rounded to the nearest whole number;

b) User Service Factors, where each room capable of accommodating two (2) people overnight (including dens, studies, living rooms, lofts, etc. which could accommodate a sofa-bed or similar) will equal one (1) Service Factor; and

c) The Total Discharge Weight divided by six (6), rounded to the nearest whole number. The total number of each type of fixture installed will be multiplied by the Discharge Weight assigned to that type of fixture in the table below. The sum of these individual results will be the Total Discharge Weight.

Discharge Weights of Plumbing Fixtures
(used for establishing water Rates in the Big White Ski Village)

Fixtures	Discharge Weight
Bath Tub (hot/cold)	3.0
Shower Stall	2.0
Showers (group) per head	3.0
Drinking fountain	0.5
Dishwasher -Domestic	2.0
-Commercial	25.0
Kitchen Sink -Domestic	2.0
-Domestic with waste grinder	3.0
-Commercial	25.0
Lavatory (hot/cold)	2.0
Sink	3.0
Urinal –Pedestal, siphon jet, blowout (flush valve)	8.0
-Stall or wall type	4.0
Water closet –Tank operated	4.0
-Flush Valve operated	8.0
Clothes Washer –Domestic	2.0
-Commercial	10.0