



SSL-Sustainable Services Ltd.  
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March 10, 2017

British Columbia Utilities Commission  
Sixth Floor, 900 Howe Street, Box 250  
Vancouver, BC V6Z 2N3

via Email  
commission.secretary@bcuc.com

ATTN: Erica Hamilton, Commission Secretary

**RE: BCUC – Sustainable Services Ltd. Geothermal Status as a Public Utility**

Dear Ms. Hamilton,

In response to the above-noted proceeding and the regulatory timetable established by Order No. G-12-17, please accept this information package on behalf of SSL-Sustainable Services Ltd. for review by the Commission Panel assigned to this hearing.

The undersigned may be contacted regarding this package.

Sincerely,

SSL-Sustainable Services Ltd.

A handwritten signature in black ink, appearing to read "K/Taylor", written over a white background.

Kyle Taylor  
Manager

Encl.

cc: Lisa Parkes, Corporate Counsel



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## 1. SYSTEM OVERVIEW

The Westhills Community Energy System (“CES”) was established to provide heating and cooling services to end-users in the community of Westhills in Langford, BC. Like most district energy systems, it employs centralized energy sources to distribute thermal energy to a wider community.

Construction of the CES began in 2008, with commissioning of the first phase and utility operations commencing in 2010. The CES now services approximately 400 residential customers, primarily single-family homes, but also several townhome and condominium strata users. The CES infrastructure is constructed, owned, operated, and maintained by SSL-Sustainable Services Ltd. (“SSL”) as part of a Services Agreement with the City of Langford and consistent with the terms and conditions of Bylaw 1291, 2016, which establishes the CES as a municipal service entirely within its own boundaries.

## 2. TECHNICAL DESCRIPTION

The primary thermal energy source for the CES is a geo-exchange borefield consisting of 212 vertically drilled wells combined into a closed-loop system. The geo-exchange borefield is located underneath Goudy Field, which is part of an artificial playing surface and stadium complex owned by the City of Langford. The CES also utilizes natural gas boilers as an energy source for backup and peak demand energy needs. Finally, the CES is connected to Westhills Arena, a nearby ice rink facility owned by the City of Langford, which provides supplemental energy to the CES in the form of waste heat generated by its refrigeration system.

Energy from the above-mentioned sources is routed through a pump station which transfers this thermal energy into a water-based distribution network. Each street in Westhills contains a pair of energy distribution mains, connecting all users to a common loop (similar to a water system). Water is used to deliver heat to and from end-users because of its unique ability to store heat. The distribution network consists of two mains in every street: a “warm” pipe and a “cool” pipe. The warm pipe contains water running at a higher temperature and is the main energy source for space and water heating. The cool pipe runs at a lower temperature and acts as a cooling sink to remove heat and provide space cooling.

## 3. RATES & UTILITY BILLING

Thermal energy provided by the CES to end-users is measured by a thermal metering device and billed in units of kilowatt-hours (kWh) multiplied by a two-tier rate structure similar to that of BC Hydro, with current rates as follows:

- First 675 kWh used in a 1-month billing period: \$0.0782/kWh
- All additional usage in the same 1-month period: \$0.1171/kWh

For comparison, current Step 1 and Step 2 rates for BC Hydro are \$0.0829 and \$0.1243 per kWh, respectively – about 6% higher than the CES rates.

Customers are also charged a fixed, monthly service connection fee which varies depending on the size of their physical connection.



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#### 4. ISSUE OF SSL AS A PUBLIC UTILITY

By letter dated January 15, 2016, the British Columbia Utilities Commission (“BCUC”) advised SSL that it had received a complaint from “a resident in the City of Langford in the Westhills area” regarding concerns about SSL’s geo-exchange rates. The letter did not indicate that the complainant was in fact not an SSL geo-exchange energy customer, SSL only learned this later when it was provided with a copy of the complaint. Nonetheless, BCUC has repeatedly referred to this complaint as the basis for holding a hearing into whether SSL is a public utility under the *Utilities Commission Act*.

Section 1 of the *Utilities Commission Act* contains the following definition:

“public utility” means a person, or the person’s lessee, trustee, receiver or liquidator, who owns or operates in British Columbia, equipment or facilities for

(a) the production, generation, storage, transmission, sale, delivery or provision of electricity, natural gas, steam or any other agent for the production of light, heat, cold or power to or for the public or a corporation for compensation, or

(b) the conveyance or transmission of information, messages or communications by guided or unguided electromagnetic waves, including systems of cable, microwave, optical fibre or radiocommunications if that service is offered to the public for compensation,

but does not include

(c) a municipality or regional district in respect of services provided by the municipality or regional district within its own boundaries,’

SSL – which is a privately-owned company – takes the position that it is simply the vehicle through which the City of Langford (the “City”) is providing a service within its own boundaries and therefore that by virtue of the exemption in clause (c) above, SSL is not a public utility.

Section 8 of the *Community Charter* provides as follows:

“(1) A municipality has the capacity, rights, powers and privileges of a natural person of full capacity.

(2) A municipality may provide any service that the council considers necessary or desirable, and may do this directly or through another public authority or another person or organization.”

Section 2 of the City’s Multi Utility Bylaw No 1291, 2010 (the “Bylaw”) clearly establishes the Multi Utility including water and energy services as a municipal service. Section 3 of the Bylaw establishes a service area entirely within the City’s boundaries in which both the water and energy services may be provided. Sections 4 and 6 of the Bylaw provide that the energy services must be provided in accordance with the terms and conditions set out in the Bylaw and that the rates to be charged are



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those set out in the Bylaw. Section 7 of the Bylaw provides that the City may provide the services directly or through another person or organization.

BCUC's Staff Submission makes reference to provisions in both the *Utilities Commission Act* and the *Community Charter* regarding conflict and interaction with other legislation, and implies that there is a conflict between these two pieces of legislation on the issue of municipal services which must be resolved in favour of the *Utilities Commission Act*. While SSL acknowledges that section 121 of the *Utilities Commission Act* says that a provision of the *Community Charter* does not supersede or impair a power conferred on the commission, SSL also says that there is no conflict between the two pieces of legislation on the issue of provision of a municipal service and therefore that section 121 is irrelevant to this matter. The *Utilities Commission Act* definition of "public utility" contains an exclusion for a municipality providing a service within its boundaries. Section 8 of the *Community Charter* sets out how a municipality may provide a service, which includes through another entity. The *Utilities Commission Act* is silent on the way in which a municipality may provide the service referred to in the public utility definition exclusion, meaning that there is no conflict between the two pieces of legislation on this issue and therefore no reason to reference sections of either dealing with conflict and predominance.

In addition to the Bylaw, once SSL was selected to be the vehicle through which the City would provide the municipal service, the City and SSL entered an agreement dated April 14, 2010 (the "Agreement") that imposed further obligations and restrictions on SSL. Section 9 and Schedule C of the Agreement set specific performance standards including response times to customer enquiries. Sections 9 and 10 set requirements for an office location, a 24-hour emergency number and for SSL employees to carry and provide identification. Section 14 of the Agreement provides that notwithstanding anything in the Bylaw, the residential energy rate shall not exceed that rate set by BC Hydro for its customers, section 15 of the Bylaw provides that increases above this level must be approved by City Council, and section 16 provides that approved rate changes shall take effect until the Bylaw has been amended accordingly. Section 37(3) provides that in the event of termination of the Agreement, the City will continue to regulate SSL until it has applied for and obtained authorization to operate from the appropriate regulatory authority. Section 38 of the Agreement provides that SSL may not assign the Agreement to any party without the consent of the City.

We trust that the above, in conjunction with the appended Bylaw and Agreement, provides information that will be of assistance to the Commission panel assigned to this hearing.

Encl.

CITY OF LANGFORD

BYLAW NO. 1291

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**A BYLAW TO ESTABLISH CONDITIONS FOR THE OPERATION AND MANAGEMENT OF A MULTI UTILITY AND TO IMPOSE FEES AND OTHER CHARGES FOR THE WATER AND ENERGY SERVICES**

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WHEREAS:

- A. The *Community Charter* authorizes the City to provide any service that the Council considers necessary or desirable, and to do this directly or through another person or organization;
- B. The City wishes to establish services for the purpose of providing water and energy within the City on certain terms and conditions; and
- C. The City wishes to establish rates, fees and other charges for the water and energy services.

NOW THEREFORE the Council of the City, in open meeting assembled, ENACTS AS FOLLOWS:

ADMINISTRATION

- 1. This Bylaw shall be known and cited as the Multi Utility Bylaw No. 1291, 2010.
- 2. The City of Langford Multi Utility, including Water and Energy Services, is established as a municipal service.
- 3. Unless and until further authorized by the CRD, the Water Services may be provided to any residential, commercial, industrial or institutional properties within the area known as Westhills and shown hatched on the plan attached as Schedule A. The Energy Services may be provided to any residential, commercial, industrial or institutional properties within the Service Area in accordance with the Schedules attached to this bylaw.
- 4. The Water and Energy Services must be provided and used in accordance with the terms and conditions set out in Schedules B and F (General Terms and Conditions).
- 5. The rates, fees and charges payable in respect of the Water Services are those set out in Schedules C, D & E which are based on the cost of providing, maintaining and expanding the Water Services and may be different for different properties and buildings based upon the use, capacity and consumption of those properties and buildings.
- 6. The rates, fees, and charges payable in respect of the Energy Services are those set out in Schedules G & H which are based on the cost of providing, maintaining and expanding the Energy Services and may be different for different properties and buildings based upon the use, capacity and consumption of those properties and buildings.
- 7. The City may provide the Services directly or through another person or organization (the Service Provider).

8. The City authorizes its officers and employees and the officers, employees, agents, servants, contractors and subcontractors of the Service Provider to enter onto any property or into any building applying for, connecting or connected to or using the Water Service or Energy Service, or required to apply for connection to and use the Energy or Water Service, to connect or disconnect the Energy or Water Service and to inspect and determine whether all regulations, prohibitions and requirements contained in this Bylaw and the General Terms and Conditions are being met.
9. The City authorizes its officers and employees and the officers and employees of the Service Provider to require persons applying for, connecting or connected to or using the Energy or Water Services to provide security with respect to the Energy or Water Services in an amount reasonably determined by the City or the Service Provider.
10. The City or the Service Provider may discontinue providing the Energy or Water Services to a person or property because of:
  - (a) unpaid fees or charges in relation to the Services; or
  - (b) non-compliance with the General Terms and Conditions or the provisions of this Bylaw.
11. The City or the Service Provider may discontinue providing the Energy or Water Services to a person or property upon providing not less than 48 hours' written notice specifying the reasons for the discontinuance.
12.
  - (1) A person whose Energy or Water Services are discontinued for non-compliance with the General Terms and Conditions or the provisions of this Bylaw other than a failure to pay fees or charges payable in respect of the Energy or Water Services may appeal the discontinuance to the Council of the City by delivering to the City, within 10 days of the date of the written notice of discontinuance, written notice of their intention to appeal stating in a concise fashion the grounds upon which the appeal is based.
  - (2) If at the time of the receipt by the City of a written notice of intention to appeal, the Energy or Water Services have not yet been discontinued, the decision of the City or the Service Provider to discontinue the Energy or Water Services shall be stayed until the appeal has been considered by the Council unless the Services are to be discontinued for reasons which the City or the Service Provider reasonably believe will endanger persons or property, including the property of the City or the Service Provider, in which case the decision will not be stayed and the Services may be discontinued in accordance with the notice of discontinuance.
  - (3) The Council, having considered the representations of the person who has received notice of discontinuance, may confirm the discontinuance or advise the Service Provider to continue providing the Service and may specify conditions under which the Service Provider must continue providing the Service.

13. If any account rendered for Water or Energy Service is not paid in accordance with this Bylaw and its Schedules by December 31 in the year in which the account was levied, the City, upon the request of the Service Provider or on its own accord, shall add the amount of the unpaid rates, fees and charges to the tax roll in respect of the real property or improvements to which Water or Energy Service has been provided, as fees imposed for work done or services provided to land or improvements. Such amounts are a charge and lien on the land and improvements having the priority ascribed to them by s. 259 of the Community Charter and may be collected in the same manner and with the same remedies as property taxes, with interest at the prescribed rate.
14. A person who contravenes this Bylaw or the Terms and Conditions commits an offence and is liable, on conviction, to the penalties set out in the *Offence Act*.
15. This Bylaw may be cited for all purposes as "Multi Utility Bylaw No. 1291, 2010".

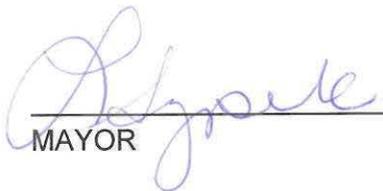
READ A FIRST TIME this 7<sup>th</sup> day of June, 2010.

READ A SECOND TIME this 7<sup>th</sup> day of June, 2010.

READ A THIRD TIME this 7<sup>th</sup> day of June, 2010

ADOPTED this 21<sup>st</sup> day of June, 2010.



  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
CORPORATE OFFICER

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**LIST OF ATTACHED SCHEDULES**

**SCHEDULE A**

**SERVICE AREAS**

**SCHEDULE B**

**GENERAL TERMS AND CONDITIONS – WATER SERVICE**

**SCHEDULE C**

**CONNECTIONS AND CONNECTION CHARGES**

**SCHEDULE D**

**CONSUMPTION RATES AND SERVICE CHARGES**

**SCHEDULE E**

**MISCELLANEOUS FEES AND CHARGES**

**SCHEDULE F**

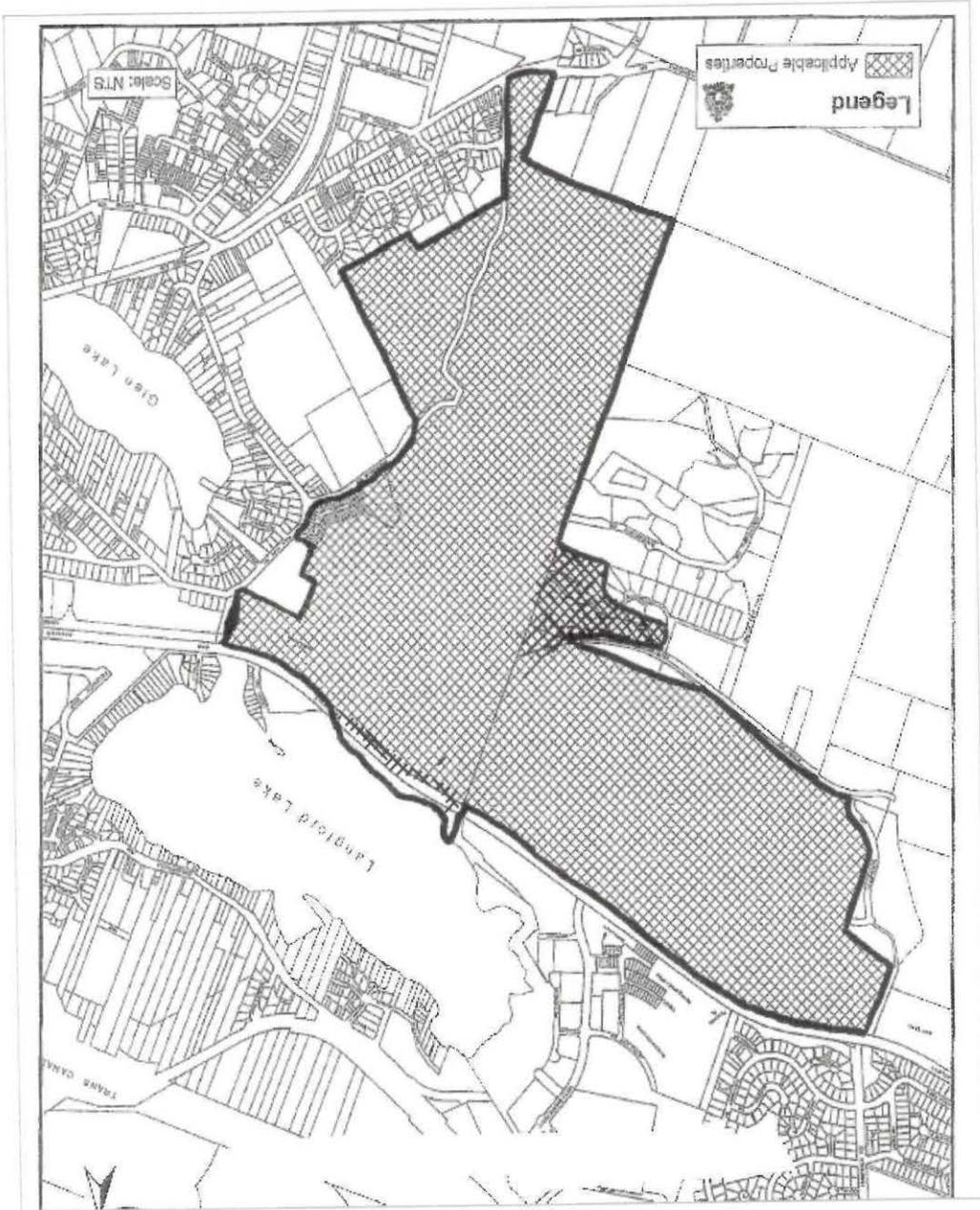
**GENERAL TERMS AND CONDITIONS –ENERGY SERVICE**

**SCHEDULE G**

**STANDARD FEES AND CHARGES**

**SCHDEULE H**

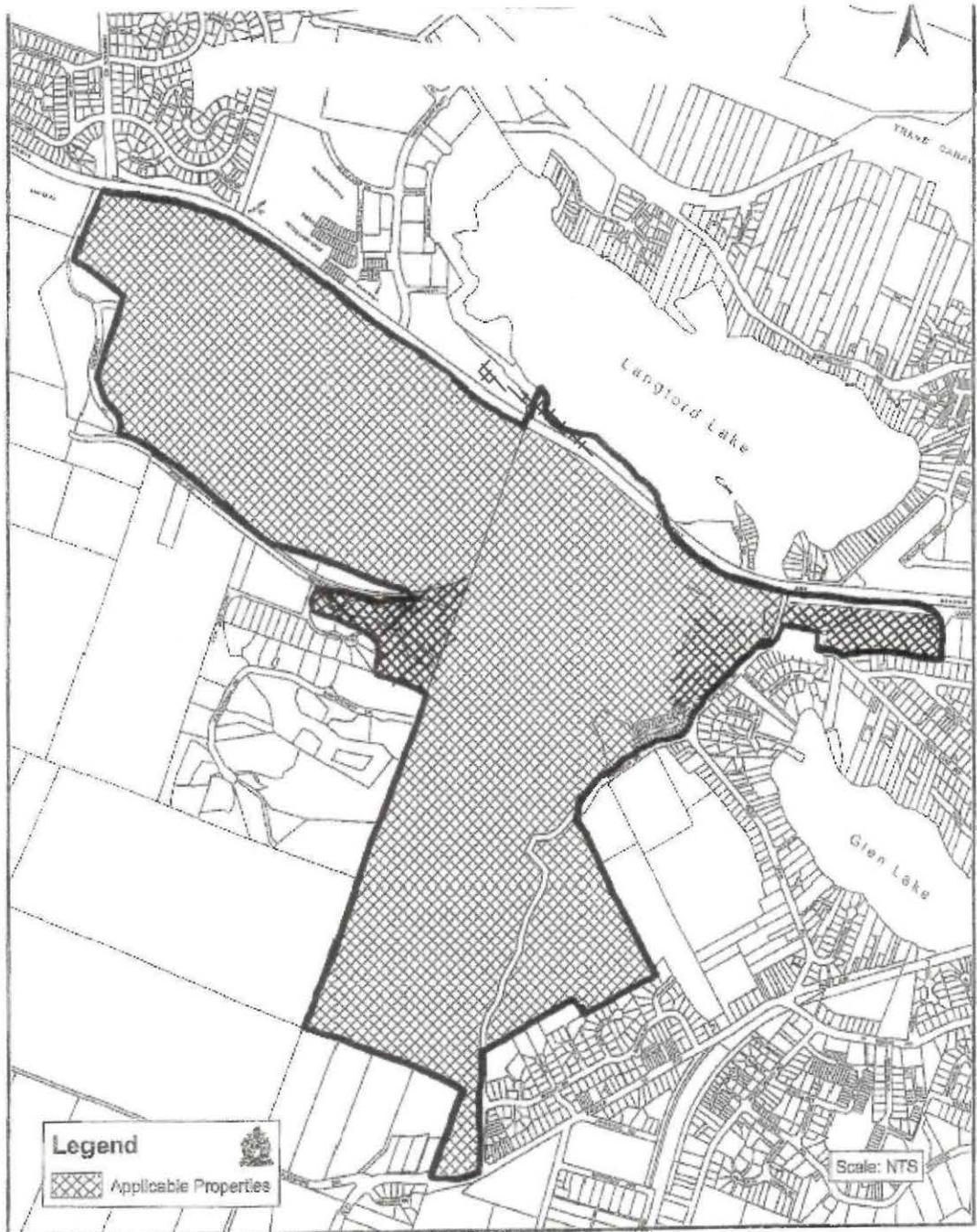
**STANDARD RATE SCHEDULE**



**WESTHILLS WATER SERVICE AREA**

**SCHEDULE A**

### WESTHILLS ENERGY SERVICE AREA



**SCHEDULE B**  
**WATER SERVICE TERMS AND CONDITIONS**

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ADMINISTRATION

**1. DEFINITIONS**

In this Schedule:

**“British Columbia Plumbing Code”** means the applicable plumbing provisions of the British Columbia Building Code.

**“Complex”** means a structure containing more than one dwelling or commercial unit which receives Water Service, and without restriction, includes apartments, condominiums, townhouses, mobile home parks, campgrounds, recreation centres, golf courses, cemeteries, hospitals, and farms.

**“Connection Charge”** means the charges prescribed for a water service connection in Schedule C.

**“City”** means the City of Langford.

**“City Engineer”** means the person appointed to that position by the Council of the City, and any person authorized to act on behalf of the City Engineer.

**“Customer”** means a Person who is being provided Water Service or who has filed an application for Water Service with the Service Provider and has been accepted by the Service Provider.

**“Engineering Specifications”** means the engineering specifications and standard drawings prescribed in the City’s Subdivision and Servicing Bylaw No. 1000, as amended from time to time.

**“Fire Chief”** means the person appointed to that position by the Council of the City, and any person authorized to act on behalf of the Fire Chief.

**“Fire hydrant”** means a hydrant installed for fire suppression purposes, together with all its valves and fittings, and that are connected to a Water Service Main.

**“Fire line”** means a pipe that is intended solely for the purposes of providing a standby supply of water for fire protection and suppression purposes.

**“Highway”** means a street, road or lane open to public use and maintained by the City, and may include a private right of way on private property.

**“Person”** means a natural person, partnership, corporation, society, unincorporated entity or body politic.

**“Water”** means water that meets the requirements of the Provincial regulations and is safe to drink and fit for domestic purposes without further treatment.

**“Premises”** means a building, a separate unit of a building, or machinery together with the surrounding land.

**“Premises Isolation”** means preventing backflow into the waterworks system from a Customer’s Premises by installing a suitable backflow preventer in the Service line at or near the Water Service Connection point.

**“Private water service pipe”** means the pipe and its fittings that are intended to distribute water within any Premises and that are connected to the Water Service Pipe by a Water Service Connection.

**“Water Rate”** means the amount set out in Schedule D to be paid by a Customer for the quantity of water supplied to the Customer.

**“Service Area”** means the parts of the City designated by resolution of the City’s Council for the provision of Water Service.

**“Service fee or charge”** includes the amounts set out in Schedules C, D, and E.

**“Service Provider”** means the Person who provides Service to Customers in accordance with the General Terms and Conditions, including without limitation, SSL – Sustainable Services Ltd., and its successors, assigns, officers, employees, servants, agents and contractors.

**“Shut off water”** means to turn off the water supply by closing a Service Provider-owned valve or by any other means approved by the Service Provider.

**“Special reading”** means a meter reading requested by a Customer and which occurs other than on the scheduled reading date.

**“Turn on water”** means to allow the flow of water by opening a Service Provider-owned valve or by any other means approved by the Service Provider.

**“Unit of Water”** means a unit of measurement, the equivalent of 1.0 cubic metre, or 1,000 litres, or 35.3 cubic feet, or 220 imperial gallons of water.

**“Waterworks system”** includes every part of the Service Provider’s system for the supply of water within a Service Area.

**“Water Meter”** means an assembly of metering and ancillary equipment that measures the amount of Water delivered to a Customer.

**“Water Service”** means the delivery of water through the Waterworks system to Premises.

**“Water Service Connection”** means the Service Provider installed fitting that is farthest downstream from the Service Provider’s water service main.

**“Water Service Main”** means the Service Provider-owned water pipes which serve portions of the Waterworks System within the Service Area.

**“Water Service Pipes”** mean the Service Provider-owned pipes and their fittings either under or within a street, or within an easement held by the City or the Service Provider, that are intended to carry water from the Water Service Main to a Water Service Connection.

## **2. Service Area**

**2.1** These General Terms and Conditions refer to the provision of water in the City or designated portions of the City and other areas as may be added from time to time by the City.

## **3. Water Service Connections**

**3.1 Application Requirements – Requesting Services:** A Person requesting the Service Provider to provide Service, including:

- (a) providing Water Services;
- (b) providing a Water Service Connection;
- (c) re-activating existing Water Service Connections;
- (d) transferring an existing water account;
- (e) changing the type of Water Service provided; or
- (f) making alterations to existing Water Service Connections or Meters,

must apply to the Service Provider in person, by mail, by telephone, by facsimile or by other electronic means as the Service Provider may establish.

**3.2 Required Documents –** An applicant for Service may be required to sign an application and a Service Agreement provided by the Service Provider.

**3.3** All Customers, using forms provided by the Service Provider, must truthfully disclose:

- (a) their full name and address,
- (b) the diameter of the pipe through which water will be supplied,
- (c) the legal and civic location of the Premises to be supplied,
- (d) the number of individual Premises to be supplied.

**3.4** All Customers of the Service Provider must inform the Service Provider of any and all changes to their billing address, and changes to their telephone numbers.

**3.5** Any misrepresentation on the part of the Customer shall be considered sufficient grounds for refusal to provide Water Service, or if the Water Service has already been connected, sufficient grounds to discontinue Water Service without notice.

**3.6** No Water Service so disconnected may be reconnected without the deposit of a security in an amount determined by the Service Provider, to be held until the Customer no longer requires Water Service, and until the applicable charges have been paid for disconnection and reconnection of the Water Service.

- 3.7 Separate Premises/Businesses** – If a Person or Customer is requesting Water Service from the Service Provider at more than one Premises, or for more than one separately operated business, the Person or Customer will be considered a separate Customer for each of the Premises and businesses. For the purposes of this provision, the Service Provider will determine whether any building contains one or more Premises or any business is separately operated.
- 3.8 Required References** – The Service Provider may require a Person or Customer for Water Service to provide reference information and identification acceptable to the Service Provider.
- 3.9** At the discretion of the Service Provider, a Person or Customer for Water Service or for a transfer of Water Service must provide written authorization enabling the Service Provider to make inquiries regarding the Person's or Customer's credit background, in order to verify the accuracy of the application and the ability of the Person or Customer to provide payment for all services rendered.
- 3.10** The Service Provider reserves the right to deny Water Service or the transfer of Water Service if a credit history review indicates that a Person or Customer would not be able to provide full payment for all services rendered.
- 3.11 Refusal of Application** – The Service Provider may refuse to accept an application for Water Service for any of the following reasons:
- (a) a Customer occupies the Premises with another occupant who has failed to pay the Service Provider's invoice or statement of account, security deposit, or required increase in the security deposit in respect of other Premises which was occupied by that occupant and the Customer at the same time;
  - (b) the Customer is in receivership or bankruptcy, or operating under the protection of any insolvency legislation and is unable to demonstrate its ability to pay the Water Service;.
  - (c) the Customer has failed to pay the Service Provider's invoice or statement in respect of another Premises on or before the due date.
- 4. Agreement To Provide Water Services**
- 4.1 Service Agreement** – The agreement for Service between a Customer and the Service Provider will be:
- (a) the oral or written application of the Customer that has been approved by the Service Provider and that is deemed to include these General Terms and Conditions; or
  - (b) a Service Agreement signed by the Service Provider and the Customer.
- 4.2 Customer Status** – A Person becomes a Customer of the Service Provider when the Service Provider:
- (a) approves the Person's application for Water Service; or
  - (b) provides Water Service to the Person.

- 4.3 Service Connections** – Subject to the following, the Service Provider will serve each parcel of land with one Water Service Connection. Additional Water Service Connections may be provided at the sole discretion of the Service Provider. In the case of buildings that have been subdivided by strata plan, except for commercial units, unless the Service Provider decides otherwise, all strata lots and common property will be served by one Water Service Connection and the Customer will be the Strata Corporation.
- 4.4 No Assignment/Transfer** – A Customer may not transfer or assign a Service Agreement without the written consent of the Service Provider, and if approved must pay the applicable charge in Schedule E.
- 4.5 Unauthorized Sale/Supply/Use** – Unless authorized in writing by the Service Provider, a Customer will not sell or supply Water supplied to it by the Service Provider to other Persons or use Water supplied to it by the Service Provider for any purpose other than as specified in the Service Agreement and the General Terms and Conditions.

## **5. Application And Service Connection Fees & Charges**

- 5.1 Application and Service Connection Fees** – An applicant for Water Service must pay the applicable application and Connection Charges and fees set out in the Schedules C and E.

- 5.2 Reactivation Charges** – If Water Service is discontinued for any of the following reasons:

- (a) the Customer has not fully paid the Service Provider's invoice or statement with respect to the Water Service on or before the due date;
- (b) the Customer has failed to pay the required security deposit, equivalent form of security, or post a guarantee or required increase in it by the specified date;
- (c) the Customer has failed to apply for Water Service;
- (d) to permit Customers to make alterations to their Premises,
- (e) in accordance with other provisions of this Schedule;

and the same Customer or the spouse, employee, contractor, agent or partner of the Customer requests reactivation of Water Service to the Premises within one Year, the Customer for reactivation must pay the greater of:

- (f) the costs the Service Provider incurs in deactivating and reactivating the Water Service, and
- (g) the sum of the charges set out in the applicable schedule which would have been paid by the Customer between the time of termination and the time of reactivation of Water Service.

## **6. Security For Payment Of Account**

- 6.1 Security for Payment of Bills** – If a Customer or Person cannot establish or maintain credit to the satisfaction of the Service Provider, the Customer may be required to provide a security deposit in the form of cash or an equivalent form of security acceptable to the Service Provider. As security for payment of accounts, all Customers who have not established or maintained credit to the satisfaction of the Service Provider, may be required to provide a security deposit or equivalent form of security, the amount of which may not:
- (a) be less than \$50; and
  - (b) exceed an amount equal to the estimate of the total bill for the two highest consecutive Months consumption of Water by the Customer.
- 6.2 Interest** – The Service Provider will pay interest to a Customer on a security deposit at the rate and at the times specified in the Miscellaneous Fees and Charges Schedule. Subject to the provisions of this section, if a security deposit in whole or in part is returned to the Customer for any reason, the Service Provider will credit any accrued interest to the Customers' account at that time.
- 6.3** No interest is payable:
- (a) on any unclaimed deposit left with the Service Provider after the account for which security was provided is closed; or
  - (b) on a deposit held by the Service Provider in a form other than cash.
- 6.4 Refund of Deposit** – When the Customer pays the final account, the Service Provider will refund any remaining security deposit plus any accrued interest or cancel the equivalent form of security.
- 6.5 Unclaimed Refund** – If the Service Provider is unable to locate the Customer to whom a security deposit is payable, the Service Provider will take reasonable steps to trace the Customer; but if the security deposit remains unclaimed 5 Years after the date on which it first became refundable, the deposit, together with any interest accrued, becomes the absolute property of the Service Provider.
- 6.6 Application of Deposit** – If a Customer's account is not paid when due, the Service Provider 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 account. Even if the Service Provider applies the security deposit or calls on the equivalent form of security, the Service Provider may discontinue Service to the Customer for failure to pay for Water Service on time.
- 6.7 Replenish Security Deposit** – If a Customer's security deposit or equivalent form of security is called upon by the Service Provider towards paying an unpaid bill, the Customer must re-establish the security deposit or equivalent form of security before the Service Provider will reactivate or continue Service to the Customer.
- 6.8 Failure to Pay** – Failure to pay a security deposit or to provide an equivalent form of security acceptable to the Service Provider, in the Service Provider's discretion, may result in discontinuance or refusal of Service.

## **7. Terms Of Service**

- 7.1 Term for Residential and Commercial Service** – The term of the Service Agreement continues until the Service Agreement is terminated in accordance with the General Terms and Conditions.
- 7.2 Termination by Customer** – Subject to applicable local government laws, unless the Service Agreement specifies otherwise, a Customer may terminate the Service Agreement by giving the Service Provider at least 48 Hours notice and paying the applicable service disconnection fee set out in Schedule E.
- 7.3 Continuing Obligation** – The Customer is responsible for, and must pay for, all Water Service to the Premises until the Service Agreement is terminated.
- 7.4 Effect of Termination** – The Customer is not released from any previously existing obligations to the Service Provider under a Service Agreement by the termination of the agreement.
- 7.5 Sealing Service Connection** – After the termination of Water Service to Premises and after a reasonable period of time during which a new Customer has not applied for Water Service at the Premises, the Service Provider may seal off the Water Service Connection to the Premises.
- 7.6 Termination by the Service Provider** – Subject to applicable local government laws, unless the Service Agreement specifies otherwise, the Service Provider may terminate a Service Agreement by giving the Customer at least 48 Hours written notice if Service is discontinued under Section 5.2.

## **8. Water Service Connections**

- 8.1 Installation** – If a Water Service Main is adjacent to the Customer's Premises, the Service Provider will:
- (a) designate the location of the Water Service Connection to the Customer's Premises;
  - (b) install the Water Service Connection upon payment of the applicable fees and charges set out in Schedule C; and
  - (c) install the Water Service Connection from the Water Service Main to the Customer's Premises at no additional cost to the Customer provided the Water Service Connection follows the route which is the most suitable to the Service Provider.
- 8.2** Unless permitted by the Service Provider, a Water Service Connection will be made only to Premises fronting on a road or highway along which a Water Service Main is in place across the complete frontage of the Premises and in which the minimum pressures available are sufficient to provide a minimum water pressure of approximately 275 kiloPascals at peak hour demand at the Premises, and approximately 138 kiloPascals under fire flow, in accordance with provincial guidelines.

- 8.3** A Water Service Connection will not be made through private property in order to service Premises which have frontage on another road or highway, unless the Service Provider determines that it is not practical to provide the Service at the road or highway frontage because of the steepness of the slope from the Premises to the road or highway or other extenuating circumstances. In this case, Water Service may be provided through a statutory right of way (SRW) or easement over adjoining land. If the Service Provider does not have an SRW, the Customer must arrange for the deposit in the Victoria Land Title office of an SRW in favour of the Service Provider or the City in a form acceptable to the Service Provider or the City, prior to the installation of the Water Service Connection.
- 8.4** If Premises abut on two roads or Highways, the Service Provider will install a Water Service Connection from the road or highway that fronts the Premises or on which it will front when a building is constructed, or from the road or highway from which the Premises takes its civic address.
- 8.5** If the civic address of Premises has not been established, the Service Provider will install the Water Service Connection on the boundary having the shortest length adjacent to a road or Highway.
- 8.6** The Service Provider will not install a Water Service Connection in the panhandle access to Premises which also have frontage on a road or highway.
- 8.7** If a booster pump is required for any Water Service Connection to Premises located at an elevation that precludes it from being serviced at a minimum pressure of 275 kiloPascals, the Service Provider must first approve the proposed Water Service Connection.
- 8.8** All Water Service Connections, Water Service Pipes, and Private Water Service Pipes installed on the Premises must comply with the B.C. Plumbing Code.
- 8.9** No Private Water Service Pipes or Water Service Pipes or fittings on any Premises may be covered until they have been inspected by the Service Provider.
- 8.10** **Installation of Pressure Regulating Devices** - The Customer shall install any pressure regulating devices required by the BC Plumbing Code, in order to reduce the pressure of the Water Service within the Premises and to protect the Waterworks System and the Customer.
- 8.11** The Service Provider is not responsible for any damage that may occur from water pressures supplied by the Service Provider.
- 8.12** **Provision of Vacuum Relief for Fragile Equipment** - If any fragile domestic hot water tank is installed within the boundary of the Premises receiving Water Service, the Customer must supply each tank, at his or her own expense, with an automatic vacuum relief to protect against collapse from excessive inward pressure.
- 8.13** Any equipment supplied by the Customer must comply with the BC Plumbing Code.

## **9. Size Of Water Service Mains And Service Connections**

- 9.1** The minimum permitted size or diameter of a new Water Service Main is 150 mm; except within a cul-de-sac or other dead end road or street termination where future extensions are precluded, a 100 mm diameter pipe may be used.
- 9.2** Where application is made for a new Water Service Connection to a Water Service main less than 150 mm in diameter, the maximum pipe size permitted shall be 25 mm in diameter.
- 9.3** **Water Service Connections** may not be less than 0.30 m and no more than 1.00 m from a street or the boundary of an easement held by the City or the Service Provider.
- 9.4** If, in the opinion of the Service Provider, water demand at build out in a subdivision will be insufficient to maintain water flow in the pipes, the Service Provider may require installation of a dual pipe system, one pipe to provide fire flows and a smaller pipe to provide Water Service. The additional cost of installing a dual pipe system shall be the responsibility of the Customer.

## **10. Metering Of Connections To The Waterworks System**

- 10.1** The Service Provider will install a Water Meter for each new Water Service Connection, upon payment of the cost of the Meter set out in Schedule C.
- 10.2** **Minimum Allowable Size of Pipe** - The minimum size of Water Service and Private Water Service Pipes that may be used to serve any Premises is 19 mm, in diameter. If Premises are redeveloped, the size of the Water Service and Private Water Service Pipes must be upgraded, if necessary, at the cost of the Customer to meet the minimum requirements.
- 10.3** **Minimum Allowable Depth of Service Pipes on Premises** – The Customer must install all Private Water Service Pipes below ground surface at a minimum depth of 60 cm or below the maximum depth of frost penetration, wherever is greater.
- 10.4** **Connection for Premises** – The Service Provider will install a separate Water Meter and Water Service Connection from the Water Service Main to each Premises. The size of the Water Meter and Water Service Connection are determined by the Service Provider.
- 10.5** **Connection Policy for A Complex** - A Complex containing commercial units shall have individual Water Meters and Water Service Connections for each commercial unit, unless at the request of the Customer, the Service Provider agrees to provide an appropriately sized Water Meter and Water Service Connection to serve the entire Complex.
- 10.6** If two or more buildings or structures are owned or leased by the same Customer, those buildings designated by the Service Provider as ancillary buildings shall be connected to the Waterworks System by means of a joint Water Service Connection with another separate building or structure.

## **11. Conditions For Water Service Connections To A Subdivision**

**11.1** If the Service Provider installs a Water Service Main for a new subdivision, the Service Provider will provide each lot in the subdivision with a Water Service Connection at the same time as the Water Service Main is installed, with all costs being paid by the developer of the subdivision and the following requirements also apply:

- (a) If the developer installs the Water Service Main extension, the developer must also install the Water Service Connections, with materials approved by the Service Provider. The developer must supply legal plans, construction drawings, a survey layout and prepare the site as required by the Service Provider and pay the applicable fees in the Miscellaneous Fees and Charges schedule.
- (b) The developer is responsible for the cost of the supply and installation of the Water Service Connections. Upon completion of the installation, the developer must pressure test and disinfect the Water Service Connection. Installations failing to perform to the satisfaction and standards of the Service Provider must be repaired at the expense of the developer.
- (c) The Service Provider will complete the final connection to the Water Service Main, at the expense of the developer. All works installed by the developer become part of the Waterworks System. The Service Provider will install all Water Meters.
- (d) When a developer installs Water Service Main extensions and Water Service Connections, the developer must pay the charges specified in Schedule E for the Service Provider's Final Inspection and Construction Completion Certificate. The Customer must supply as-constructed drawings for review by the Service Provider.
- (e) When a developer installs Water Service Main extensions and Water Service Connections, the developer must warrant that the installation will be free from defects or deficiencies for one year from the final inspection of the installation by the Service Provider. For this purpose, the Service Provider may require a developer to post security in the amount estimated by the Service Provider, acting reasonably.

**11.2 Plumbing Regulations Compliance** - The Service Provider may require that a Customer for a new Water Service Connection submit to the Service Provider, prior to connection to the Waterworks System, a copy of the plumbing inspection certificate, demonstrating compliance with any applicable plumbing regulations in relation to the laying of pipes and their connections within the boundaries of the Premises to be connected.

**11.3 Fire Lines** – A Person who applies for a fire line connection must pay the connection fee prescribed in Schedule E. A fire line connection must be fitted with a detector check meter that is satisfactory to the Service Provider.

**12. Temporary Supply Of Water**

**12.1** A person who wants to obtain a temporary supply of water for construction purposes

- (a) may apply to the Service Provider for a connection to a fire hydrant or to an existing Water Service Pipe;
- (b) must pay the fee prescribed in Schedule E and a consumption charge based on the rates prescribed in Schedule D.

**12.2** Any permitted temporary connection to a fire hydrant must be installed and removed by the Service Provider. If an existing Water Service Pipe is available but is of an inadequate size for continued use, a Person wanting a temporary supply of water may apply for a reinstatement of that Water Service Pipe. A temporary service connection must be equipped with a cross connection control device installed by the Service Provider, in accordance with the CRD's Cross Connection Control Bylaw, at the cost of the Person applying. The Service Provider may discontinue a temporary water service when an application is made to establish permanent Water Service at the location.

**12.3 Temporary Supply Meter** – A permitted temporary service connection to an existing Water Service Pipe must be equipped with a Water Meter. If a Water Meter cannot be installed, the Person must pay a consumption charge based on the amount of water the Service Provider estimates will be consumed and any applicable fees prescribed in Schedule E.

**13. Emergency Connection Or Installation Of Water Service Connections**

**13.1** In an emergency, the Service Provider shall endeavor to provide or deliver water to Premises requiring Water Service, and any applicable charges shall be included in the next Water Service invoice or statement of account to the Customer.

**14. Charges And Payment For New Service Connections**

**14.1** At the time an application is approved for Water Service to Premises that front on a road or Highway in which a Water Service Main exists, from which the Water Service Connection will be made, and which has not previously been connected to the Waterworks System, the applicable Connection Charge shall be paid in full by or on behalf of the Customer prior to the commencement of any work by the Service Provider.

**15. Customer Responsibility For Additional Costs And Expenditures**

**15.1** A Customer who applies to the Service Provider for work that is not covered by the Schedules attached to this Schedule shall pay any additional costs incurred by the Service Provider.

**15.2** The costs shall include repayment of all monies expended by the Service Provider for gross wages and salaries, employee benefits, and materials, as calculated by the Service Provider, plus an administrative overhead charge of up to 20 percent.

- 15.3** The costs shall also include any expenditure for equipment rentals, at rates paid or set by the Service Provider for its own equipment, as well as any other costs that may reasonably arise during completion of the work.

**16. Payment Procedure For Additional Costs And Expenditures**

- 16.1** The Service Provider shall provide the Customer with a written estimate of the total cost of the work requested.
- 16.2** Prior to the commencement of any work, the Customer shall pay to the Service Provider the full amount estimated, including any and all Water Service Connection and Application charges.
- 16.3 Reconciliation of Paid Estimates and Actual Costs** – Upon completion of the requested work, the Service Provider shall provide the Customer with a calculation of the actual total cost.
- 16.4** If the total cost of the requested work is less than the advance payment deposited with the Service Provider, the Service Provider shall refund the difference, without interest.
- 16.5** If the total cost of the requested work including the applicable Connection Charges are more than the amount deposited, the Service Provider shall provide an invoice to the Customer for the difference, which is payable immediately upon receipt by the Customer.

**17. Rejection Of Application Where Service Connection Impossible**

- 17.1** The Service Provider may refuse the installation of a Water Service Connection if the City will not permit the cutting of pavement of a City street or if solid or blast rock or other impediment makes boring impractical or impossible.

**18. Engineering Services**

- 18.1** Where a request for technical information is received requiring engineering services by the Service Provider, the Customer requesting the services shall pay the applicable service charge for engineering services prescribed in Schedule E.

**WATER METERS**

**19. Supply And Maintenance Of Water Meters**

- 19.1** The Service Provider must supply, install and maintain all Water Meters, except as provided below.
- 19.2** The Customer may install a Water Meter supplied by the Service Provider in a mechanical room approved by the Service Provider.

**19.3** The Customer shall pay all applicable charges prescribed in the applicable Schedule for Water Meters. Where the Customer installs the Water Meter in a mechanical room, the Customer shall pay the actual cost of the Water Meter.

**20. Location Of Water Meter In Relation To Premises**

**20.1** The Service Provider will install the Water Meter approximately 30 cm outside the boundary line of the Premises street frontage, at the finished grade elevation established prior to installation of the Water Service Connection.

**20.2** If the street or road right of way is not of sufficient width or the installation of public works or other utilities precludes the installation of the Water Meter at the location specified in the preceding section, the Water Meter shall be set as near to the boundary line as reasonably possible.

**20.3** Where the relocation of a Water Service requires a new Water Service Connection to the Water Service Main the Customer shall pay all costs for the relocation of the Water Service Connection and Water Meter by the Service Provider as prescribed in Schedules C and E.

**20.4** If the relocation or adjustment of a 19 mm Water Meter service box located within 1.5 m of the original location is required, or if the Customer provides the trench and backfill required at the discretion of the Service Provider, the Water Meter service box may be located up to a maximum of 6 m from the original location. The Customer shall pay the charge prescribed in Schedules C and E for the required relocation or adjustment of the 19 mm Water Service Connection.

**20.5** Where a request is made to downsize or increase an existing Water Meter of 50 mm or less (inlet pipe diameter), the Customer shall make an advance, non-refundable payment to the Service Provider as prescribed in the applicable Schedule.

**20.6** If an underground Water Meter chamber is required and is to be installed on the Premises to be served, a statutory right-of-way must be registered in favour of the Service Provider or the City in priority to all financial charges against the Premises. The right-of-way shall be of sufficient area and dimensions to accommodate the Water Meter chamber and that portion of the Water Service Connection located on the Premises upstream of the chamber. The terms of the right-of-way agreement shall be subject to the approval of the Service Provider or the City.

**20.7** If it is not feasible or practical to install the Water Meter at the street boundary of the Premises to be served, the Service Provider may install the Water Meter within the Premises in a mechanical room if the location of the mechanical room within the Premises and the layout of the Private Water Service Pipes has been approved by the Service Provider.

**20.8** The Customer shall permit the Service Provider to access the mechanical room referred to in the preceding section at all reasonable times for the purposes of making connections or disconnections, reading Water Meters, and inspecting, maintaining and replacing the Water Meter.

**20.9** The Service Provider is responsible for the Water Service permitted under the preceding sections only to the boundary of the Premises, and for the Water Meter installed within

the mechanical room. The Customer is solely responsible for all other parts of the Waterworks System located within the boundaries of the Premises.

- 20.10** Water Meters may not be installed in the driveway, paved area, or similar finished areas of Premises without the prior approval of the Service Provider. Where a Water Meter must be installed in such an area, it must comply with the applicable Engineering Specifications. The Customer is liable for the costs of any relocation, alterations or driveway repairs required to meet the Engineering Specifications.
- 20.11** For parts of a Complex, the Service Provider will determine the location of Water Meters and Water Meters shall be installed as near as practicable to the frontage of each strata lot and not in the driveway. The Customer shall permit the Service Provider to access the Complex for the purpose of reading and servicing the Water Meters.
- 20.12** Where a Water Meter is damaged due to construction, the Customer must pay all costs for replacement of the meter and its apparent equipment.

## **21. Connection Of Water Meter To Waterworks**

- 21.1** Every Water Meter must connect to a Water Service Pipe.
- 21.2** Neither a shut off valve nor any other outlet, leading or connected to the Premises for the supply of which a Water Meter is fixed, may be attached to the Water Service Pipe.

## **22. Defective Or Inaccurate Water Meters**

- 22.1** If a Water Meter either fails to register or does not properly indicate the flow of water, the Service Provider shall estimate the amount of water consumed by the Customer according to the estimation procedures prescribed in Section 65.
- 22.2** The Service Provider may bill the Customer for the estimated amount of water consumed.

## **23. Willful Interference With Water Meters**

- 23.1** No Person may alter or cause to be altered any Water Meter placed upon any Water Service Pipe or Water Service Connection therewith, within or without any house, building, or other place or structure, so as to lessen or alter the amount or flow of water registered, unless authorized by the Service Provider for that particular purpose and occasion. The person or Customer responsible for the alteration must pay the charges prescribed in Schedules C and E, including any replacement costs.

## **24. Water Meter Access**

- 24.1** The Customer must maintain clear access to the Water Meter to a minimum of one m on each side of the Water Meter box and one and one-third m above. If the Service Provider must clear access to the Water Meter box to obtain a reading, these additional costs shall be added to the Customer's water account.

## **INTEGRITY OF WATERWORKS**

### **25. Responsibility For Cross Connection Control And Backflow Prevention**

- 25.1** The Customer is responsible for all aspects of cross connection control and backflow prevention on Premises in accordance with the applicable regional district regulations and the Engineering Specifications.
- 25.2** All service connections at Premises classified as high or moderate hazard by CAN/CSA B64.10 must be isolated using a backflow preventer as specified in the Engineering Specifications.
- 25.3** All new irrigation systems require the installation of a backflow preventer as specified in the Engineering Specifications.

### **26. Where A Contamination Of The Waterworks Has Occurred**

- 26.1** If in the opinion of the Service Provider, any condition is found to exist, which is or may be contaminating the Waterworks System, the Service Provider may take one or more of the following actions:
- (a) give notice to the Customer requiring correction of the condition within a specified time period;
  - (b) require installation of a backflow preventer on any pipe, at the Customer's expense; and
  - (c) temporarily discontinue any Water Service until the condition is corrected.

### **27. Responsibility For Correcting Contamination**

- 27.1** The Service Provider may discontinue all Water Service to any Premises that is or may be contaminating the Waterworks System, if the Customer responsible for the Premises fails to comply with any notice concerning potential contamination.
- 27.2** The Customer is responsible for and must pay the Service Provider for the costs of the Service Provider to remedy any contamination and any costs, claims, losses, and demands resulting from any third party claims as a result of the contamination.

### **28. Fire Hydrants And Standpipes**

- 28.1 Authorized Use of Hydrants and Standpipes** – A fire hydrant or standpipe may be used only for fire fighting, the training of fire fighting personnel, the maintenance and operation of the Waterworks System, or for any other purpose expressly authorized in writing by the Fire Chief.
- 28.2** A Person who uses water from a hydrant or standpipe without the authorization of the Service Provider must pay to the Service Provider the service charge for using the hydrant or standpipe without authorization as prescribed in Schedule E.

- 28.3** When a fire hydrant is required as part of a new development, the Customer must pay the applicable charge prescribed in Schedule E.

**29. Required Specifications For Fire Hydrants And Standpipes**

- 29.1** The size, type and installation of fire hydrants must conform to the Engineering Specifications.

**30. Relocation Of Fire Hydrants Or Standpipes**

- 30.1** If the Fire Chief requests the relocation of a fire hydrant or standpipe that has been in place for fewer than twenty years, the City shall pay any and all costs associated with the relocation of that fire hydrant or standpipe, as calculated by the Service Provider.

**DISCONNECTION OF WATER SERVICE**

**31. Withholding Of Water Service**

- 31.1** The Service Provider may withhold Water Service from any Person who is already indebted to it for water.

**32. Customer Requested Disconnection Or Discontinuance Of Water Service**

- 32.1** A Customer who requests a Water Service disconnection must pay the applicable service charge prescribed in Schedule E.
- 32.2** A Customer who wishes to discontinue Water Service for a period of not less than one month must give the Service Provider at least five clear days' written notice of the requested discontinuance, otherwise the Customer is responsible for the Water Rate and charges for payment for all Water Service until such notice has been received. After receipt of notice from the Customer, the Service Provider will not charge a water rate to the Customer during the time that the water service is discontinued.

**33. Unauthorized Water Connections**

- 33.1** Where a Water Service Connection has been made or where Water Service has been turned on without proper authority, the Service Provider may disconnect the Water Service and remove the Water Meter and thereafter refuse to replace or reinstall the Water Meter unless and until the applicable service charges have been paid in advance by or on behalf of the Person or Customer to defray the cost of the removal and replacement of the Water Meter.
- 33.2** The service charge shall be in addition to any other charges which are outstanding against the Premises, or which are required to be paid in order to receive Water Service pursuant to these Terms and Conditions.

**34. Charge For Unauthorized Water Connections**

- 34.1** A Person who installs a connection to the Waterworks contrary to this Schedule, or to the Water Service of any authorized Customer served by the Service Provider, or in any way obtains or uses water without the express written authorization of the Service Provider, shall pay the service charge prescribed in Schedule E for the unauthorized connection, plus the estimated Water Rate for each day that the connection remains in place.
- 34.2** In addition, anyone making unauthorized use of water delivered through a Water Meter shall be liable for the cost of the Water Service from and after the date of the last recorded Water Meter reading, or from and after the date of any previous Water Meter reading that may more nearly coincide with the actual day the Water Service was first used by such consumer.

**35. Charge For Unauthorized Multiple Use Of A Service Connection**

- 35.1** The connection of two or more dwellings to a Water Service is not permitted. The Service Provider may issue written notification to the Customer to have the dwellings disconnected or to apply for additional Water Service Connections in accordance with the provisions of this Schedule. The Customer shall be given a maximum of 90 calendar days to comply with the notice. If the Customer fails to comply with the notice from the Service Provider, the Service Provider may levy the prescribed charge for each dwelling found to be connected and add the charge to the Customer's account.

**36. Service Discontinuance For Non-Compliance**

- 36.1** The Service Provider may discontinue Water Service to any Customer for non-compliance with the terms and conditions of this Schedule, and any applicable regional district regulations, and need not resume the Water Service until proof of compliance is demonstrated, and until the applicable prescribed charges for disconnection and subsequent reconnection, and a security deposit in an amount equal to two times the highest invoice or statement in the previous three billing periods, or previous twelve months, whichever is greater, have been paid and provided to the Service Provider.

**37. Physical Disconnection Of Waterworks For Bylaw Violation**

- 37.1** The Service Provider shall effect a disconnection of Water Service by detaching the Water Service Connection from the Customer's Premises, and upon reapplication for Water Service the Customer must pay the Service Provider the cost of performing the disconnection and reconnection in addition to paying any other applicable rates and charges.

**38. Resumption Of Water Service**

- 38.1** Water Service shall not be turned on or reconnected until all outstanding charges for services rendered and charges accrued, including any applicable interest charges and penalties, for the Premises have been paid in full.

**38.2** These provisions apply when there has been a change in the Customer for Water Service.

**39. Charges For Water Service And Resumption Of Water Service**

**39.1** Where any applicable charges have been paid according to the requirements of this Schedule, and a Customer receives Water Service when the Service Provider turns on the water, or when a Customer becomes reconnected after Water Service has been shut off either for non-payment of rates, for violation of the terms and provisions of this Schedule or any bylaw, or at the request of the Customer, the Customer must pay the prescribed charges for any such turn on of Water Service.

**PAYMENT FOR SERVICES RENDERED**

**40. Billing**

**40.1** The Service Provider will calculate all Water Rates, fees, and charges in accordance with the applicable schedule, and the rates, fees and charges are due and payable within 30 days from the date of the invoice or statement, at the Service Provider's office or in any other manner authorized by the Service Provider.

**41. Billing Periods for Various Services**

**41.1** The Service Provider will issue invoices or statements for water rates, fees and charges at the time intervals it may determine.

**42. Payments**

**42.1** If a cheque issued to the Service Provider by a Customer is not honoured by a financial institution, be it a bank, credit union, trust company, or any other financial institution, the Customer must immediately pay the prescribed account service charge prescribed in Schedule E, in addition to any outstanding amount due to the Service Provider.

**42.2** Failure to pay either the outstanding amount or the account service charge may result in discontinuance of Water Service provided to that Customer, as indicated on the invoice or statement from the Service Provider.

**42.3** If Water Service is discontinued as the result of non-payment, the Service Provider will not permit the water to be turned on for any Customer, except upon payment of the entire amount due together with the prescribed charges for the expense of turning the Water Service off and on.

**43. Appeal of Calculation of Water Rates**

**43.1** Any Customer may formally register a complaint or dispute with the Service Provider regarding the amount of any water invoice or statement, no more than 30 days from the date of invoice or statement.

#### **44. Responsibility for Payment**

- 44.1** Where the ownership of Premises has changed, the new owner is encouraged to see that any outstanding Water Rates, fees or charges have been included in the statement of adjustments at the time of their purchase of the Premises, failing which the new owner is responsible for any amounts outstanding for the Premises.
- 44.2** The fee for a copy of a Customer's account, statements or payment history is prescribed in Schedule E.

#### **45. Water Consumption Charges Or Service Charges In Arrears**

- 45.1** The Service Provider must notify the City of any rates, fees and charges due and payable under this Schedule on December 31 and unpaid at that date so that they may be added to the real property taxes and collected as taxes in arrears, except for properties exempt from assessment for taxation. The City shall remit the charges to the Service Provider when they are paid, less the charge for transfer to taxes specified in Schedule E.

#### **46. Additional Charges For Delinquent Bill**

- 46.1** If the amount due for Water Service and charges on any invoice has not been received in full by the Service Provider or its agent on or before the due date specified on the invoice, and the unpaid balance is \$15 or more, the Service Provider may include in the next invoice to the Customer the late payment charge and interest as set out in Schedule D.
- 46.2** The Customer must pay any additional charges incurred in the collection of unpaid water accounts to the Service Provider prior to the reconnection of water service.
- 46.3** The additional charges may include, but are not limited to, charges incurred through the use of any collection agencies, or other methods employed in retrieving unpaid accounts.
- 46.4** The Service Provider may add a late payment charge of 2.5% of the past due amount per month, in addition to any interest which may have accrued.

### **WATER SYSTEM MAINTENANCE**

#### **47. Ownership of Services and Equipment**

- 47.1** All Water Service Pipes, Water Service Connections, Water Meters, used to carry water from the Water Service Main to the meter box or chamber for the Premises are solely owned by the Service Provider. The Service Provider is responsible for the operation, maintenance and repair of the Waterworks System up to and including the meter service box or chamber. The Customer is responsible for the Private Water Service Pipes including the detection and repair of all leaks.

**48. Policy on the Performance of Maintenance Work**

- 48.1** No Person who is not an agent or employee of the Service Provider may make any connections or alterations to or tamper with any of the Waterworks System, including any water meter belonging to the Service Provider.
- 48.2** No Person who is not an agent or employee of the Service Provider may turn on or off any valve or curb stop, without express written authorization from the Service Provider.

**49. Transfer of Water Service**

- 49.1** Where a Customer of Premises has changed as the result of a change in ownership or a change in the occupants in the Premises, the owner or occupant must request a transfer of Water Service.
- 49.2** Requests for a transfer of Water Service must be made to the Service Provider, by the owner or occupant of the Premises for which the transfer is requested, and are subject to the applicable service charge prescribed in Schedule E and the provisions of section 3 of these Terms and Conditions.

**50. Reasonable Access to Premises**

- 50.1** The Service Provider may enter the Customer's Premises at all reasonable times for the purposes of making connections or disconnections, reading Water Meters, inspecting its Waterworks System, or documenting or confirming the use, waste, or misuse of water provided by the Service Provider.
- 50.2** When a Customer who has requested a service call or who has been given advance notice of a required service will not permit the Service Provider to provide the service during the course of normal business hours of the Service Provider, the Customer must pay the applicable service charges prescribed in the Schedule E for the service plus a premium of one hundred percent.

**51. Special Meter Readings**

- 51.1** Upon either written or oral request of a Customer and payment of the applicable charge in Schedule E, the Service Provider shall perform a special meter reading within ten business days.

**52. Interruptions in Service**

- 52.1** The Service Provider is not liable for interruptions in Water Service not attributable to its own negligence or willful misconduct or the negligence or willful misconduct of its officers, employees or contractors.
- 52.2** The Service Provider may suspend or terminate the Water Service to any Premises without advance notice, in order to effect emergency repairs, replacements, alterations, or extensions to the Waterworks System as in the opinion of the Service Provider are deemed necessary.

- 52.3** Where possible, the Service Provider will provide a minimum of one business day's notice of any temporary discontinuation of Water Services.

**53. Liability for Damage Caused by Service Pipe Breakage**

- 53.1** The Service Provider is not liable for any damage caused, or appearing to be caused by the breaking of any Water Service Main, any portion of the Waterworks System, or for any losses caused by temporary interruption or permanent discontinuation of Water Service for the purpose of repairing, maintaining, or cleaning the pipes, or for the connection of a Water Service Main extension.

**54. Locking Mechanisms**

- 54.1** If a Customer is in default of any provision of this Schedule, or is indebted to the Service Provider either for Water Service or other fees or charges rendered under this Schedule, in addition to discontinuing the Water Service to the Customer's Premises, the Service Provider may physically place a locking mechanism on the Waterworks System within or immediately outside the Premises.

- 54.2** The locking mechanism may not be removed until the service charge for the removal prescribed in Schedule E, and all other charges accruing for the Water Service have been paid in full, including any applicable interest charges, and any required security has been deposited with the Service Provider.

**55. Physical/Mechanical Requirements of Customer's Pipes and Fixtures**

- 55.1** At their own risk and expense, all Customers must keep their Private Water Service Pipes, and other fixtures in good working order and protect them from frost and other damage.

- 55.2** If in the normal course of business, the Service Provider becomes aware of any evidence of leaking pipes or fixtures located on any Premises, the Service Provider must attempt to notify the Customer or Customers of the circumstances.

- 55.3** The Service Provider is not responsible for leaking pipes or fixtures located on any Premises, or for a failure to notify the Customer of any such circumstances.

**56. Leaking or Defective Customer's Pipes**

- 56.1** The Customer must provide a shut off valve in accordance with the BC Plumbing Code, inside each building, dwelling, or other structure on the Premises being served and in which water is used, in case of leaky or defective pipes or fixtures, or if the Premises are vacated for any period of time.

**57. Disturbance Causing Apparatus**

- 57.1** No Person, whether or not a Customer of the Service Provider, may connect or permit to remain connected to any apparatus, fitting, or fixture anything which may cause noise, pressure surges, or any other disturbance which, in the opinion of the Service Provider, might result either in annoyance to any Customer of the Service Provider or damage to any Private Water Service Pipe or to the Waterworks System.

**58. Time Frame for Repairs After Notification**

- 58.1** If repairs deemed necessary to the proper operation of damaged or leaking pipes are not completed by the Customer within two business days following Service Provider notification, or when the condition of the pipes or fixtures causes a serious loss of water, without providing further notice, the Service Provider may shut off the water.
- 58.2** The Service Provider will not turn on water until the repairs required by the Service Provider have been made to its satisfaction, and any applicable charges have been paid by the Customer.
- 58.3** No Person whose water is discontinued pursuant to this section has any claim whatsoever against the Service Provider or the City for discontinuance of water.

**59. Construction Policy**

- 59.1** The Service Provider may refuse to install or to permit the installation of Water Service if weather or other conditions make installation impractical.
- 59.2** Where Water Meters are damaged due to construction, the Customer must pay the Service Provider for a new Water Meter.
- 59.3** The Service Provider will not perform any work on Private Water Service Pipes.

**60. Call Out Charges**

- 60.1** A Customer is solely responsible for the satisfactory operation of Private Water Service Pipes within the boundaries of the Premises.
- 60.2** If the Service Provider is called out for a Customer complaint relating either to interrupted or diminished Water Service or low water pressure, and the Service Provider determines that the fault is not in the Waterworks System, the Customer must pay the hourly service charge prescribed in Schedule E, to cover any costs associated with the response to the Customer's complaint.
- 60.3** If the charges are not paid before the Customer's next regular water invoice or statement is rendered, the Service Provider will add the charges to the Customer's account.
- 60.4** If the Service Provider determines that the interrupted or diminished Water Service or low water pressure is caused by a fault in the Waterworks System, no charge for the call out or subsequent repair of the fault shall be levied.

**61. Frozen Pipes**

- 61.1 Customers are wholly responsible for clearing any frozen pipelines or fixtures located on or within the boundary of their Premises.
- 61.2 If the Service Provider is requested to clear a frozen connection or Water Meter , and the Service Provider determines that the affected pipeline or fixture is not located within the Waterworks System, the Customer or Customers who requested assistance must pay the applicable service charge prescribed in Schedule E, to cover any costs for examining or clearing any pipes or fixtures.
- 61.3 If the charges are not paid before the Customer's next regular water invoice or statement is rendered, the Service Provider will add the charges to the Customer's water account.
- 61.4 If a frozen connection or Water Meter is found to exist within the Waterworks System, no charge for examining or clearing any pipes may be levied against the Customer.

**62. Maintenance of Hydrants/Standpipes**

- 62.1 The Service Provider must inspect, test, and maintain each hydrant or standpipe, including those on strata or private developments where agreed to by the Customer. The costs for repair or replacement of private hydrants or standpipes are the responsibility of the Customer who owns the hydrant or standpipe.
- 62.2 The Fire Chief is responsible for painting each fire hydrant and standpipe, as required.

**63. Miscellaneous Charges for Other Services**

- 63.1 Any other Services not specifically addressed in this Schedule that may be provided by the Service Provider are subject to either a service charge or an hourly rate charge as prescribed in Schedule E, or at the discretion of the Service Provider, to a charge according to an estimated total cost.

**64. Adjustments to the Water bill for Leaks in the Waterworks**

- 64.1 The Service Provider, upon receiving an application for an adjustment in an account due to a water leak in the Waterworks System, may adjust the amount of any water account for Premises where the Service Provider determines that the recorded supply is abnormal and caused by leaks originating in the Private Water Service Pipes of the Customer.
- 64.2 If the Service Provider permits a water account adjustment, the Customer is responsible for the usual amount of water consumed at the current retail rate plus 50% of the current retail rate for the water consumed as a result of the leak.
- 64.3 The Service Provider shall absorb the remainder of the cost of water.
- 64.4 In order to qualify for an account adjustment, the leakage of water must have been caused by circumstances beyond the Customer's control, such as a break in the Private

Water Service Pipe, a mechanical malfunction, water theft, vandalism, or unusual or emergency conditions.

- 64.5 The Service Provider will not make any adjustment for leaks in internal plumbing systems and fixtures, including faucets and toilets, or leaks in an irrigation system on the Premises.
- 64.6 A determination of whether or not an account adjustment will be made is in the sole discretion of the Service Provider, which may take into consideration the cause of the water loss, the opportunity of the Customer to detect the leak, the possibility of Customer negligence or fault in connection with the leak, and the promptness with which the leak was discovered and stopped or repaired after discovery.
- 64.7 The Service Provider will not make any adjustment for leaking water that is recorded subsequent to Customer notification by the Service Provider that a leaking pipe or fixture exists within the Premises.
- 64.8 The Service Provider must make its best efforts to notify the Customer of abnormal water consumption but is not responsible for any failure to notify.
- 64.9 Despite the foregoing, the maximum amount for which a residential Customer may be held responsible is \$1,000, except that residential Customers on strata developments may be responsible for a maximum of \$2,000.
- 64.10 A Customer must provide tangible proof that all leaks have been repaired and the Service Provider may inspect the repair prior to considering an adjustment due to the leak.
- 64.11 Only one adjustment for leaking water on Premises will be made within any 12-month period.

## **65. Procedures on Estimating Water Meter Readings**

- 65.1 If for any reason the Service Provider is required to estimate the water consumption of Premises for any given period, the following procedures apply:
  - (a) The estimate must be based on the water consumption history and the application of the use by the Customer on the Premises for which a water estimate is required.
  - (b) If no sufficient history exists to produce a reasonable estimate, the estimate shall be calculated on the basis of an average of the water consumption for similar properties in the same area, subject to a minimum estimate of 10 Units of water per week.

**66. Charges for Alterations to Existing Water Supply Services**

- 66.1** The Customer of any Premises may request the removal, relocation, or other change to the Waterworks System including service pipes, Water Meters, valves, chambers, hydrants, or any other fittings or appurtenances, and the Service Provider, at its discretion, may affect such alterations. Where such alterations have been authorized or where a Water Service Connection is to be abandoned, the Customer must pay in advance any applicable costs of the removal, relocation, change or abandonment.

**67. Meter Accuracy Test**

- 67.1** A Customer may request that the Service Provider test a Water Meter for accuracy. If the test shows that the Water Meter is reading accurately the Customer must pay the applicable charge for Water Meter Accuracy Test prescribed in Schedule E. If the Water Meter is found to be defective there will be no charge to the Customer.

**68. Damage to Water Mains or Service Connections**

- 68.1** A Person who causes damage to a Water Service Main, Water Service Connection must pay to the Service Provider the charge prescribed in Schedule E or the actual cost of any necessary repairs, whichever is greater.

## COMPLIANCE

**69. Consequences for Failure to Comply**

- 69.1** Where a Customer fails to comply with these Terms and Conditions, the Service Provider, after having given 3 business days' notice to the Customer, may undertake any lawful action or actions that are deemed necessary to enforce compliance.
- 69.2** No Person shall interfere or meddle with a Water Service Main or any portion of the Waterworks System or interfere with any act, matter, or thing lawfully done by the Service Provider.
- 69.3** No Person shall tamper with, alter or cause another Person to tamper with or alter a Water Meter with the intent to alter the consumption measurement or for any other reason.

## SCHEDULE C

### CONNECTIONS AND CONNECTION CHARGES

#### Connections Installed by Service Provider

1. Upon receipt of the applicable Connection Charges listed below, the Service Provider will install a Water Service Connection in accordance with the Engineering Specifications and Standard Drawings:
2. **Connection Charges (excluding the meter):**

19mm (3/4 inch) connection	\$1,970.00
25mm (1 inch) connection	\$2,775.00
50mm (2 inch) connection	\$3,410.00
100mm (4 inch) and above	Actual Cost
3. **Meter Cost:**

19mm	Actual Cost
25mm	Actual Cost
50mm	Actual Cost
100mm	Actual Cost

#### Additional Costs and Expenditures for Water Service Connections

4. The Connection Charges listed in this Schedule include the cost of installation of a Water Service Pipe to the meter box, installation of the water meter, and apply to Water Service Connections installed by the Service Provider.
5. The Connection Charges are for a maximum length of 20 m, or 66 ft of Water Service Pipe and, where necessary, for crossing a paved roadway not more than 11 m or 36 ft wide, and include the cost for boring under a paved area or replacing pavement if it is necessary to cut an open ditch through a paved area. For Water Service Connections greater than 20 m in length, the Customer must pay the actual cost of installing a service pipe.
6. Where a request is made for a Water Service Pipe greater in size than that of the Water Meter for which an application has been made, the Customer must pay the Connection Charge applicable to the corresponding Water Service Pipe size and any increased cost for the meter. This applies to all Water Service Connections of 50mm (2 inches) or less in size.

7. The Customer must pay all additional costs for the following procedures where they are deemed necessary for the installation of the Service:
- (a) Boring or attempts to bore under that portion of pavement in excess of 11 m or 36 ft in width.
  - (b) Cutting and restoration of that section of pavement in excess of 11 m or 36 ft in width, or
  - (c) if the City requires asphalt restoration of a thickness in excess of 100 mm or for a width in excess of the trench width.
  - (d) Drilling and blasting of rock;
  - (e) Any other costs incurred by the Service Provider.

**SCHEDULE D**  
**CONSUMPTION RATES AND SERVICE CHARGES**

**Consumption Rates**

1. **Regular residential and park water rate** - The rate for the water supplied may not exceed \$1.4985 for each m<sup>3</sup>, or part of a m<sup>3</sup> in 2010. After 2010, the Service Provider may increase the rate in each year by up to 10% above the preceding year's rate. If in any year the permitted increase is not applied by the Service Provider, the percentage remaining may be added in the subsequent year.

**Service Charges**

2. **Monthly charge** - In addition to the above rate, a monthly charge for each connection is as follows:

Size	Monthly charge
19 mm	3.75
25 mm	6.95
37 mm	13.40
50 mm	21.40
75 mm	40.00
100 mm	66.70
150 mm	133.00
200 mm	213.00
250 mm	335.00

3. **Multi-family residential charge:** Where one Water Service Connection and Water Meter serve more than four self-contained dwelling units, an additional monthly charge for each connection in accordance with the following scale:

For a 25 mm connection	\$1.44 per unit in excess of 4 units served;
For a 37 mm connection	\$1.44 per unit in excess of 8 units served;
For a 50 mm connection	\$1.44 per unit in excess of 12 units served;
For a 75 mm connection	\$1.44 per unit in excess of 24 units served;
For a 100 mm connection	\$1.44 per unit in excess of 36 units served;
For a 150 mm connection	\$1.44 per unit in excess of 72 units served;
For a 200 mm connection	\$1.44 per unit in excess of 120 units served.

**4. Unpaid Accounts**

- (1) Where an account for water supplied is not paid in accordance with the applicable Terms and Conditions and the schedules, and the City or the Service Provider discontinue providing Water Services as permitted under this bylaw, the Water Service will not be resumed until the water account has been paid in full, together with a turn-on fee of \$50.00.
- (2) Where any account rendered for Water Service is not paid in accordance with the applicable Terms and Conditions or the schedules and remains unpaid on the 31<sup>st</sup> day of December in the current year, the Service Provider may request the City to add the amount to the tax roll to form part of the taxes payable in respect of the real property, as taxes in arrears.

**5. Interest on late payments**

The Service Provider may add interest equal to the prime rate plus 2% on any unpaid balance remaining on a Customer's account after 30 days from the due date on the Customer's invoice or statement.

**6. Consumer Price Indexing**

In each year, beginning in 2011, the Service Provider may increase the fees and charges in sections 2 and 3 of this Schedule by an amount not exceeding the increase in the Consumer Price Index for Household Operations published for the Greater Victoria Region.

## SCHEDULE E

### MISCELLANEOUS FEES AND CHARGES

Where applicable under this Bylaw, if the following services are rendered by the Service Provider the following charges are payable.

(References to sections of this Schedule in the third column of this Table do not form part of the Schedule, but have been provided for convenience of reference.)

Fee/Charge Description	Amount	Section Reference (information only)
Accounts in Arrears Transfer to Taxes	40.00	45.1, Schedule D
Additional Daily Charge for Unauthorized Water Connection	25.00/day	34.1
Adjustment/Relocation of a Meter Box	250.00	20.4, 66.1
New Hydrant/Fire Line Installation Connection	50.00	11.3, 28.3
New Water Service Connection Application	50.00	5.1, 14.1, 20.3
As-constructed Drawings	500.00	11.1
Backflow Preventer Rental	75.00/day	15.3
Billing or Account History per Property	15.00	44.2
Customer Requested Service Disconnection	100.00	32.1
Disconnect Unauthorized Connection to Waterworks System	300.00	34
Dishonoured Cheques	25.00	42.1
Engineering Services (minimum charge)	90.00/hour	18
Final Inspection and Construction Completion Certificate	500.00	11.1
Labour Charges for Miscellaneous Services	150.00/hour	63
Water Meter Accuracy Test	100.00	67
Water Meter Installation and Account Setup Fee	250.00	19.3
Minimum Charge for Repairing Damaged Water Service Connections	500.00	68
Damage to Waterworks System or Service Connection	500.00	68
Reconnection after Disconnection/ Turn On water	50.00	37.2, 5.2, 38.1, 39.1, 42.3
Removal of Locking Mechanism	50.00	54
Removal of Unauthorized Water Meter	100.00	33
Service Call to Examine, Fix, Clean or Thaw Customer's Pipes/Fixtures	100.00/hour	60, 61, 63
Special Meter Readings	50.00	51
Tampering with Waterworks System (investigation & restoration)	100.00	48.1
Tampering with or altering a Water Meter (investigation & restoration)	100.00	23, 69.3
Temporary Connection to a 19 mm Water Service Pipe	100.00	12
Temporary Connection to a 25 mm Water Service Pipe	130.00	12
Temporary Connection to a 50 mm Water Service Pipe	200.00	12

Temporary Water Connection to Hydrant or Standpipe	50.00	12
Transfer of Water Service (Change in Customer)	20.00	4.4
Unauthorized Multiple Use of a Water Service Connection (investigation & removal)	250.00	35
Unauthorized Use of a Fire Hydrant and/or Standpipe (investigation & restoration)	150.00	28.2
Unauthorized Water Connection (investigation & restoration)	200.00	33, 34
Water Meter Change/Replacement at Customer's Request	250.00 (plus cost of meter)	20
Waterworks System Extension Application	250.00 (plus 75.00 per lot)	11.1

### Consumer Price Indexing

In each year, beginning in 2011, the Service Provider may increase the fees and charges in the Schedule by an amount not exceeding the increase in the Consumer Price Index for Household Operations published for the Greater Victoria Region.

**SCHEDULE F**  
**ENERGY SERVICE TERMS AND CONDITIONS**

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**ADMINISTRATION**

1. Definitions

In this Schedule:

**“Commercial Service”** includes the provision of Energy Service to commercial, institutional and industrial Premises.

**“Conversion Factor”** means a factor, or combination of factors, which converts energy meter data to kilowatt-hours or BTUs for billing purposes.

**“Customer”** means a Person who is being provided Service or who has filed an application for Service with the Service Provider that has been approved by the Service Provider.

**“Day”** means any period of 24 consecutive Hours beginning and ending at 7:00 a.m. Pacific Standard time or as otherwise specified in the Service Agreement.

**“Delivery Point”** means the point at the property line where the valve of the in-going pipe is located unless otherwise specified in the Service Agreement.

**“Delivery Temperature”** means the Energy transfer temperature as determined by the Service Provider available to the Customer at the Delivery Point.

**“District Energy Sharing System (DESS)”** initially, means ground-sourced geo-exchange energy delivery in a Distribution System, and all equipment, including the pressure vessels, conduits, pipes, valves, lines, heat pumps, and meter sets, together with all ancillary appliances and fittings necessary to provide energy to Premises in the Service Area and all additions and replacements as the system is expanded, reduced or modified, from time to time.

**“Distribution System”** means the system of pipes, fittings and ancillary components used for distributing district energy for the purposes of providing Energy Service to Premises in the Service Area including all additions and replacements and the system of water pipes connecting the Distribution System to the Service Connection including all additions and replacements.

**“Energy Service”** means the delivery of energy through the Distribution System to a Delivery Point and through a Service Connection, a WHSP, and a Meter Set for use in residential, multi-family residential, commercial, institutional and industrial Premises.

**“General Terms & Conditions”** means these general terms and conditions as amended from time to time by the Council of the City.

**“Water Source Heat Pump (WSHP)”** means the equipment installed at the Customer's Premises, including all ancillary pipes, fittings, valves, meters, controls and other equipment as applicable, to transfer energy from the DESS to the Customer's Premises.

**“Hour”** means any consecutive 60 minute period.

**“Meter Set”** means an assembly of flow and temperature metering and ancillary equipment, whether mechanical or electrical, that measures the amount of energy consumed by a Customer.

**“Month”** means a period of time, for billing purposes, of 27 to 34 consecutive Days.

**“Other Service Charges”** means the charges for damages, alterations and repairs, financing, insurance, and late payment charges, Social Services Tax, Goods and Services Tax or other taxes related to these charges.

**“Person”** means a natural person, partnership, corporation, society, unincorporated entity or body politic.

**“Premises”** means a building, a separate unit of a building, or machinery together with the surrounding land.

**“Rate Schedule”** means a schedule attached to and forming part of the General Terms and Conditions, which sets out the rates and charges and certain other related terms and conditions for a class of Service.

**“Residential Service”** means the provision of Energy Service to residential Premises, including multi-family residential Premises.

**“Return Temperature”** means the maximum or minimum temperature, as determined by the Service Provider and measured at the Meter Set, at which water from the Customer’s Premises may be returned to the Distribution System.

**“Service”** means the provision of Energy Service by the Service Provider.

**“Service Agreement”** means an agreement between the Service Provider and a Customer for the provision of any Service, and may include a lease of equipment and rights of access for the Service Provider.

**“Service Area”** means that portion of the City designated by resolution of the Council from time to time for the provision of Energy Service.

**“Service Connection”** means that portion of the Energy Service extending from the Delivery Point to the Customer’s Premises and return to the Delivery Point.

**“Service Provider”** means the Person who provides Service to Customers in accordance with the General Terms and Conditions, including without limitation SSL and its successors, assigns, officers, employees, servants, agents and contractors.

**“Service Related Charges”** include, but are not limited to, application fees, Service Connection fees, disconnection fees and late payment charges, plus Social Services Tax, Goods and Service Tax, Harmonized Sales Tax, or other taxes related to these charges.

**“SSL”** means SSL-Sustainable Services Ltd., incorporated pursuant to the laws of the Province of British Columbia.

**“Standard Fees & Charges Schedule”** means Schedule G attached to and forming part of the General Terms and Conditions.

**“Year”** means a period of 12 consecutive Months.

## **SERVICE AREA**

2. These General Terms and Conditions refer to the provision of energy in the City or designated portions of the City and other areas as may be added from time to time by resolution of the City's Council. Except as explicitly stated, these provisions do not apply to Commercial Service.

## **APPLICATION REQUIREMENTS**

### **3. Requesting Services**

- 3.1 A Person requesting the Service Provider to provide Service, including:

- (a) providing Energy Services;
- (b) providing a Service Connection;
- (c) re-activating existing Service Connections;
- (d) transferring an existing account;
- (e) changing the type of Service provided; or
- (f) making alterations to existing Service Connections, WSHP, or Meter Sets,

must apply to the Service Provider in person, by mail, by telephone, by facsimile or by other electronic means.

- 3.2 **Required Documents** – An applicant for Service may be required to sign an application and a Service Agreement, which may include a lease and provision of access by the Service Provider to the WSHP provided by the Service Provider.
- 3.3 **Separate Premises/Businesses** – If an applicant is requesting Service from the Service Provider 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. For the purposes of this provision, the Service Provider will determine whether any building contains one or more Premises or any business is separately operated.
- 3.4 **Required References** – The Service Provider may require an applicant for Service to provide reference information and identification acceptable to the Service Provider.
- 3.5 **Refusal of Application** – The Service Provider may refuse to accept an application for Service for any of the reasons listed in Section 21 (Discontinuance of Service and Refusal of Service).
4. **Agreement to Provide Service**
- 4.1 **Service Agreement** – The agreement for Service between a Customer and the Service Provider will be:
- (a) the oral or written application of the Customer that has been approved by the Service Provider and that is deemed to include these General Terms and Conditions; or
  - (b) a Service Agreement signed by the Customer.
- 4.2 **Customer Status** – A Person becomes a Customer of the Service Provider when the Service Provider:
- (a) approves the Person's application for Service; or
  - (b) provides Service to the Person.
- 4.3 **Service Connections** – Subject to the following, the Service Provider will serve each parcel of land with one Service Connection. Additional Service Connections may be provided at the sole discretion of the Service Provider. In the case of buildings that have been subdivided by way of strata plan, unless the Service Provider decides otherwise, all strata lots and common property will be served by one Service Connection and the Customer will be the Strata Corporation.
- 4.4 **No Assignment/Transfer** – A Customer may not transfer or assign a Service Agreement without the written consent of the Service Provider, and if approved must pay the applicable charge in Schedule G.

**5. Conditions on Use of Service**

- 5.1 **Return Temperature** – A Customer will ensure that the temperature of the water returning from the Customer's Premises to the Distribution System does not exceed the maximum or minimum Return Temperature.
- 5.2 **Unauthorized Sale/Supply/Use** – Unless authorized in writing by the Service Provider, a Customer will not sell or supply energy supplied to it by the Service Provider to other Persons or use energy supplied to it by the Service Provider for any purpose other than as specified in the Service Agreement and the General Terms and Conditions. The Customer must pay any costs incurred to remedy the unauthorized sale, supply or use of the Energy Service as prescribed in Schedule G.

**6. Rate Classification**

- 6.1 Customers will be served under the Rate Schedule designated by the Service Provider based on the nature and/or use of the Customer's Premises.
- 6.2 **Periodic Review** – the Service Provider may:
- (a) conduct periodic reviews of the quantity of energy and the rate of delivery of energy to a Customer to determine which Rate Schedule applies to the Customer; and
  - (b) change the Customer's charge to the appropriate charge, or
  - (c) change the Customer to the appropriate Rate Schedule.

**7. Application and Service Connection Fees and Charges**

- 7.1 **Application and Service Connection Fees** – An applicant for Service must pay the applicable application and connection fees set out in Schedule G.
- 7.2 **Waiver of Application Fee** – The application fee will be waived by the Service Provider if Service to a Customer is reactivated after it was discontinued for any of the reasons described in Section 13.2 (Right to Restrict).
- 7.3 **Reactivation Charges** – If Service is discontinued or terminated:
- (a) for any of the reasons described in Section 21 (Discontinuance of Service and Refusal of Service); or
  - (b) to permit Customers to make alterations to their Premises,  
  
and the same Customer or the spouse, employee, contractor, agent or partner of the same Customer requests reactivation of Service to the Premises within one Year, the Customer for reactivation must pay the greater of:
    - (c) the costs the Service Provider incurs in de-activating and re-activating the Service; or
    - (d) the sum of the charges set out in the applicable Rate Schedule which would have been paid by the Customer between the time of termination and the time of reactivation of Service.

- 7.4 **Identifying Premises Served by Meter Sets** – If a Customer requests the Service Provider to identify the Meter Set that serves the Premises after the Meter Set was installed, the Customer will pay the cost the Service Provider incurs in re-identifying the Meter Set where:
- (a) the Meter Set is found to be properly identified; or
  - (b) the Meter Set is found to be improperly identified as a result of Customer activity, including,
    - (i) a change in the legal civic address of the Premises;
    - (ii) renovating or partitioning the Premises, or
    - (iii) rerouting or misuse of Energy lines after the Delivery Point.
8. **Security for Payment**
- 8.1 **Security for Payment of Accounts** – If a Customer or Person cannot establish or maintain credit to the satisfaction of the Service Provider, the Customer or Person may be required to provide a security deposit in the form of cash or an equivalent form of security acceptable to the Service Provider. As security for payment of accounts, all Customers who have not established or maintained credit to the satisfaction of the Service Provider may be required to provide a security deposit or equivalent form of security, the amount of which may not:
- (a) be less than \$50; and
  - (b) exceed an amount equal to the estimate of the total bill for the two highest consecutive Months consumption of energy by the Customer.
- 8.2 **Interest** – The Service Provider will pay interest to a Customer on a security deposit at the rate and at the times specified in Schedule G. Subject to Section 8.5, if a security deposit in whole or in part is returned to the Customer for any reason, the Service Provider will credit any accrued interest to the Customers' account at that time.
- 8.3 No interest is payable:
- (a) on any unclaimed deposit left with the Service Provider after the account for which security is closed; and
  - (b) on a deposit held by the Service Provider in a form other than cash.
- 8.4 **Refund of Deposit** – When the Customer pays the final bill, the Service Provider will refund any remaining security deposit plus any accrued interest or cancel the equivalent form of security.
- 8.5 **Unclaimed Refund** – If the Service Provider is unable to locate the Customer to whom a security deposit is payable, the Service Provider will take reasonable steps to trace the Customer; but if the security deposit remains unclaimed 5 Years after the date on which it first became refundable, the deposit, together with any interest accrued, becomes the absolute property of the Service Provider.

- 8.6 **Application of Deposit** – If a Customer’s account is not paid when due, the Service Provider 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 amount due. Even if the Service Provider applies the security deposit or calls on the equivalent form of security, the Service Provider, under Section 21 (Discontinuance of Service and Refusal of Service), may discontinue Service to the Customer for failure to pay for Service on time.
- 8.7 **Replenish Security Deposit** – If a Customer’s security deposit or equivalent form of security is called upon by the Service Provider towards paying an unpaid account, the Customer must re-establish the security deposit or equivalent form of security before the Service Provider will reconnect or continue Service to the Customer.
- 8.8 **Failure to Pay** – Failure to pay a security deposit or to provide an equivalent form of security acceptable to the Service Provider, in the Service Provider’s discretion, may result in discontinuance or refusal of Service as set out in Section 21 (Discontinuance of Service and Refusal of Service).

## 9. Term of Service Agreement

- 9.1 **Term for Residential and Commercial Service** – The term of the Service Agreement continues until the Service Agreement is terminated in accordance with the General Terms and Conditions.

## 10. Termination of Service Agreement

- 10.1 **Termination by Customer** – Subject to applicable local government laws, unless the Service Agreement or applicable Rate Schedule specifies otherwise, a Customer may terminate the Service Agreement by giving the Service Provider at least 48 Hours notice and paying the applicable disconnection fees set out in Schedule G.
- 10.2 **Continuing Obligation** – The Customer is responsible and must pay for all energy delivered to the Premises and is responsible for all damages to and loss of WSHP, Meter Sets or other equipment of the Service Provider on the Premises until the Service Agreement is terminated.
- 10.3 **Effect of Termination** – The Customer is not released from any previously existing obligations to the Service Provider under a Service Agreement by the termination of the agreement.
- 10.4 **Sealing Service Connection** – After the termination of the Energy Service to a Premises and after a reasonable period of time during which a new Customer has not applied for Energy Service at the Premises, the Service Provider may seal off the Service Connection to the Premises.
- 10.5 **Termination by the Service Provider** – Subject to applicable local government laws, unless the Service Agreement or applicable Rate Schedule specifies otherwise, the Service Provider may terminate a Service Agreement by giving the Customer at least 48

Hours written notice if Service is discontinued under Section 21 (Discontinuance of Service and Refusal of Service).

## **11. Service Connections**

**11.1 Installation** – If the Distribution System is adjacent to the Customer's Premises, the Service Provider will:

- (a) designate the location of the Service Connection, Meter Set and WSHP on the Customer's Premises and determine the amount of space that must be left unobstructed around them;
- (b) install the Meter Set and WSHP, if applicable, upon payment of the applicable connection fees set out in Schedule G, together with the equipment lease and servicing agreement, and
- (c) install the Service Connection from the Distribution System to the Delivery Point on the Customer's Premises at no additional cost to the Customer provided the Service Connection follows the route which is the most suitable to the Service Provider.

**11.2 Customer Requested Routing** – If:

- (a) the Distribution System is adjacent to the Customer's Premises;
- (b) the Customer requests that its piping or Service Connection enter its Premises at a different point of entry or follow a different route from the point or route designated by the Service Provider; and
- (c) the Customer requests that the WSHP or Meter Set be installed at a different location from the location designated by the Service Provider,

the Service Provider may charge the Customer for all additional costs as determined by the Service Provider to install the WSHP, Meter Set and Service Connection in accordance with the Customer's request.

- 11.3 **Additional Connections** – If a Customer requests more than one Service Connection to the Premises, on the same Rate Schedule, the Service Provider may install the additional Service Connection and may charge the Customer the Application Fee set out in Schedule G, as well as the full cost (including overhead costs) for the Service Connection installation in lieu of the Service Connection Fee set out in Schedule G. The Service Provider will invoice the additional Service connection from a separate Meter Set and account. If the additional Service Connection is requested by a contractor, employee, agent or partner of the existing Customer, the same charges will apply.
- 11.4 **Easement Required** – If an intervening property is located between the Customer's Premises and the Distribution System, the Customer is responsible for the costs of obtaining an easement in favour of and in a form specified by the Service Provider or the City, for the installation, operation and maintenance on the intervening property of all necessary facilities for supplying Energy Service to the Customer
- 11.5 **Ownership** – The Customer does not own any part of the Service Connection from the Delivery Point up to and including the Meter Set and, if applicable, the WSHP, whether it is located inside or outside the Customer's Premises.
- 11.6 **Maintenance** – The Service Provider will maintain the Meter Set and Service Connection and, if applicable, the WSHP.
- 11.7 **Supply Cut Off** – If the Energy Service to a Customer's Premises is cut off for any reason, the Service Provider may remove, but is not required to remove the WSHP, Meter Set or Service Connection from the Customer's property or the Premises.
- 11.8 **Damage Notice** – The Customer must advise the Service Provider immediately of any damage occurring to the WSHP, Meter Set or Service Connection.
- 11.9 **Prohibition** – A Customer must not construct any permanent structure that, in the opinion of the Service Provider, obstructs access to a Service Connection, WSHP or Meter Set.
- 11.10 **No Unauthorized Changes** – No changes, extensions, connections to or replacement of, or disconnection from the Distribution System or Service Connections will be made except by the Service Provider's authorized employees, contractors or agents or by other Persons authorized in writing by the Service Provider. Any change in the location of an existing Service Connection:
- (a) must be approved in writing by the Service Provider; and
  - (b) will be made at the expense of the Customer if the changes are requested by the Customer or necessitated by the actions of the Customer.
- 11.11 **Site Preparation** – The Customer will be responsible for all necessary site preparation including but not limited to clearing building materials, construction waste, equipment, soil and gravel piles over the proposed service line route, to the standards established by the Service Provider. The Service Provider may recover any additional costs for delays or site visits necessitated by inadequate or substandard site preparation by the Customer.

## 12. WSHPs, Meter Sets & Metering

- 12.1 **Installation** – For a Residential Service, not including multi-family residential, in order to provide Energy Service and invoice the Customer for Energy delivered, the Service Provider will install one or more WSHPs and Meter Sets on the Customer's Premises. The technical specifications of all WSHPs and Meter Sets will be determined by the Service Provider. Unless approved by the Service Provider, all WSHPs and Meter Sets will be installed at locations designated by the Service Provider
- 12.2 For Commercial Service and multi-family residential Service, in order to provide Energy Service and invoice the Customer for Energy delivered, the Service Provider will install a Meter Set on the Customer's Premises. The Commercial Service or multi-family residential Customer is responsible for the installation of any WSHP, which must meet the technical specifications determined by the Service Provider.
- 12.3 **Measurement** – The quantity of Energy delivered to the Premises will be measured using Meter Sets approved by the Service Provider. The amount of Energy registered by the Meter Set during each billing period will be converted to kilowatts and rounded to the nearest one-tenth of a kilowatt.
- 12.4 **Testing Meters** – If a Customer applies for the testing of a Meter Set and:
- (a) the Meter Set is found to be recording incorrectly, the cost of removing, replacing and testing the meter will be borne by the Service Provider subject to Section 22.4 (Responsibility for WSHP and Meter Set); and
  - (b) if the testing indicates that the Meter Set is recording correctly, the Customer must pay the Service Provider for the cost of removing, replacing and testing the Meter Set as set out in Schedule G.
- 12.5 **Defective Meter Set** – If a Meter Set ceases to register, the Service Provider will estimate the amount of energy delivered to the Customer according to the procedures set out in Section 15.6 (Incorrect Register).
- 12.6 Upon the written or oral request of a Customer, the Service Provider will perform a special meter reading within 10 business days of the request. The request must be accompanied by payment of the charge prescribed in Schedule G.
- 12.7 **Protection of Equipment** – The Customer must take reasonable care of and protect all WSHPs, Meter Sets and related equipment on the Customer's Premises. The Customer's responsibility for expense, risk and liability with respect to all WSHPs, Meter Sets and related equipment is set out in Section 22.4 (Responsibility for WSHP and Meter Set).
- 12.8 **No Unauthorized Changes** – No WSHPs, Meter Sets or related equipment will be installed, connected, moved or disconnected except by the Service Provider's authorized employees, contractors or agents or by other Persons with the Service Provider's written permission. If the Service Provider finds unauthorized changes in any part of a Customer's Energy Service equipment, the Customer must pay the reasonable charges of the Service Provider to remedy the unauthorized changes and not less than the charge prescribed in Schedule G.

- 12.9 **Removal of Service** – At the termination of a Service Agreement, the Service Provider may disable, disconnect or remove a WSHP and Meter Set on or from the Premises if a new Customer is not expected to apply for Service for the Premises within a reasonable time.
- 12.10 **Customer Requested WSHP and Meter Set Relocation or Modifications** – Any change in the location of a WSHP, Meter Set or related equipment, or any modifications to the WSHP or Meter Set, including automatic and/or remote meter reading:
- (a) must be approved by the Service Provider in writing; and
  - (b) 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 WSHP, Meter Set or related equipment require the Service Provider to incur ongoing operating and maintenance costs, the Service Provider may recover these costs from the Customer through a Monthly charge.
- 12.11 **Meter Set Consolidations** – A Customer who has more than one Meter Set at the same Premises or adjacent Premises may apply to the Service Provider to consolidate its Meter Sets. If the Service Provider approves the Customer's application, the Customer will be charged the value for all portions of the Energy Service abandoned except for Meter Sets that are removed to facilitate Meter Set consolidations. In addition, the Customer will be charged the Service Provider's full costs, including overheads, for any abandonment, Meter Set removal and alteration downstream of the new Meter Set. If a new Service Connection is required, the Service Provider will charge the Customer the Service Connection Fee and the Application Fee. In addition, the Customer will be required to sign a release waiving the Service Provider's liability for any damages if the Customer decides to re-use the abandoned plant downstream of the new Meter Set.
- 12.12 If the Service Provider is called out on the basis of a Customer complaint relating to Energy Service and the problem is determined to be in a portion of the Customer's equipment, the Customer must pay the hourly service charge specified in Schedule G, to cover the costs of the Service Provider responding to the Customer's complaint and these amounts may be added to the Customer's account.

### 13. **Interruption of Service**

- 13.1 **Regular Supply** - The Service Provider will use its best efforts to provide the constant delivery of energy and the maintenance of seasonally appropriate temperatures.
- 13.2 **Right to Restrict** - The Service Provider may require any of its Customers, at all times or between specified Hours, to discontinue, interrupt or reduce to a specified degree or quantity, the delivery of energy for any of the following purposes or reasons:
- (a) in a temporary or permanent shortage of energy, whether actual or perceived by the Service Provider;
  - (b) in a breakdown or failure of the supply of the DESS or Distribution System;
  - (c) to comply with any legal requirements;
  - (d) to make repairs or improvements to any part of the DESS,

- (e) in any fire, flood, explosion or other emergency, to safeguard Persons or property against the possibility of injury or damage; or
  - (f) in any event or occurrence not within the control of the Service Provider and which by the exercise of reasonable diligence, the Service Provider was unable to prevent or overcome.
- 13.3 **Notice** – The Service Provider, to the extent practicable, will give notice of its requirements and removal of its requirements under Section 13.2 (Right to Restrict) to its Customers by:
- (a) newspaper, radio or television announcement; or
  - (b) notice in writing that is,
    - (i) sent through the mail to the Customer's billing address,
    - (ii) left at the Premises where energy is delivered,
    - (iii) served personally on a Customer, or
    - (iv) sent by facsimile or other electronic means to the Customer, or
    - (v) oral communication.
- 13.4 **Failure to Comply** - If, in the opinion of the Service Provider, a Customer has failed to comply with any requirement under Section 13.2, the Service Provider, after providing notice to the Customer in the manner specified in Section 13.3 and subject to applicable local government laws, may discontinue Service to the Customer.

#### **14. Access to Premises and Equipment**

- 14.1 **Access to Premises** – The Service Provider may enter the Customer's Premises for the purposes of the Energy Service after giving reasonable notice (except in an emergency). The Customer must provide free access to its Premises at all reasonable times to the Service Provider's authorized employees, contractors and agents for the purpose of reading, testing, repairing or removing Service Connections, Meter Sets, WSHPs, and ancillary equipment, turning energy on or off, completing system leakage surveys, stopping leaks, examining pipes, connections, fittings and appliances and reviewing the use made of energy delivered to the Customer, or for any other related purpose which the Service Provider reasonably requires.
- 14.2 **Access to Equipment** – The Customer must provide clear access to the Service Provider's equipment including the equipment described in section 14.1. The equipment installed by the Service Provider on the Customer's Premises will remain the property of the Service Provider as between the Service Provider and the Customer and may be removed by the Service Provider upon termination of service.

#### **15. Invoicing**

- 15.1 **Basis for Billing** – The Service Provider will invoice the Customer in accordance with the Service Agreement, the Rate Schedule H under which the Customer is provided Energy Service, and the fees and charges contained in Schedule G.
- 15.2 **Meter Measurement** – The Service Provider will measure the quantity of energy 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.
- 15.3 **Multiple Meters** – Energy Service to each Meter Set will be billed separately for Customers who have more than one Meter Set on their Premises.
- 15.4 **Estimates** – For billing purposes, the Service Provider may estimate the Customer's meter readings if, for any reason, the Service Provider does not obtain a meter reading
- 15.5 **Estimated Final Reading** – If a Service Agreement is terminated, the Service Provider may estimate the final meter reading for final billing.
- 15.6 **Incorrect Register** – If any Meter Set has failed to measure the delivered quantity of Energy correctly, the Service Provider may estimate the meter reading for billing purposes, subject to Section 17 (Back-Billing).
- 15.7 **Invoices Issued** – The Service Provider may invoice a Customer as often as the Service Provider considers necessary but generally will bill on a bi-monthly basis.

#### **16. Payment**

- 16.1 **Due Dates** - The Customer must pay the Service Provider's invoice for Energy Service on or before the due date shown on the invoice which will be:
- (a) the first business Day after the twenty-first calendar Day following the billing date, or
  - (b) such other period as may be agreed upon by the Customer and the Service Provider.

- 16.2 **Responsibility for Payment** – The owner of Premises and subsequent owners of the Premises, including an Applicant, are responsible for payment of all energy rates, fees and charges prescribed and owing under this bylaw and all outstanding amounts are payable by an Applicant prior to obtaining Energy Service.
- 16.3 Where the ownership of Premises have changed, the new Applicant is encouraged to see that any outstanding energy charges and all additional charges have been included in the statement of adjustments at the time of the Applicant's purchase of the Property, failing which the new owner is responsible for any amounts outstanding for the Premises.
- 16.4 **Energy Consumption Charges or Service Charges in Arrears** – The Service Provider must notify the City of any rates, fees and charges (Charges) due and payable under this Schedule on December 31 and unpaid at that date so that they may be added to the real property taxes and collected as taxes in arrears, except for properties exempt from assessment for taxation. The City shall remit the Charges to the Service Provider when they are paid, less the charge for transfer to taxes specified in Schedule G.
- 16.5 **Historical Account Information** - Customers who request billing or account history or a statement of the account status must pay the fee prescribed in Schedule G.
- 16.6 **Engineering Services** – Where a request for technical information is received requiring engineering services by the Service Provider, the Customer requesting the services must pay the applicable service charge for engineering services prescribed in Schedule G.
- 16.7 **Miscellaneous Charges for Other Services** – The Customer must pay for any other services not specifically addressed in Schedule G and that are provided by the Service Provider at the request of the Customer.
- 17. Back-Billing**
- 17.1 **Definition** – Back-billing means the rebilling by the Service Provider for Energy Services rendered to a Customer because the original invoices are discovered by either the Customer or the Service Provider to be either too high (over-billed) or too low (under-billed). The cause of an invoicing error may include any of the following non-exhaustive reasons or a combination of them:
- (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) incorrect meter multiplier;

- (i) the application of an incorrect rate;
  - (j) incorrect reading of meters or date processing;
  - (k) tampering, fraud, theft or any other criminal act.
- 17.2 **When Required** – The Service Provider, in the circumstances specified above, may charge, demand, collect or receive from its Customers for Energy Service rendered a greater or lesser compensation than that specified in the Rate Schedule applicable to that Service.
- 17.3 A minor adjustment to a Customer's invoice, such as an estimated bill or an equal payment plan billing, does not require back-billing treatment to be applied.
- 17.4 Where metering or invoicing errors occur, the consumption and demand will be based upon the records of the Service Provider 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 Service Provider. Such estimates will be on a consistent basis within each Customer class or according to the Service Agreement with the Customer, if applicable.
- 17.5 **Tampering/Fraud** - If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Energy 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 Service Provider, 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 17.10 (Under-Billing) to 17.13 (Changes in Occupancy), below, do not apply.
- 17.6 In addition, the Customer is liable for the direct administrative costs incurred by the Service Provider in the investigation of any incident of tampering, including the direct costs of repair or replacement of equipment and subject to the minimum amount prescribed in Schedule G.
- 17.7 Under-billing resulting from circumstances described above will bear interest at the rate normally charged by the Service Provider on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.
- 17.8 **Remedying the 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.
- 17.9 **Over-billing** – In every case of over-billing, the Service Provider will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to the Service Provider on a Monthly basis, will be paid to the Customer.
- 17.10 **Under-billing** – Subject to Section 17.5 (Tampering/Fraud), in every case of under-billing, the Service Provider will back-bill the Customer for the shorter of
- (a) the duration of the error; or

- (b) six Months for Residential Service; and
  - (c) one Year for all other Customers or as set out in a special or individually negotiated Service Agreement with the Service Provider.
- 17.11 **Terms of Repayment** – Subject to Section 17.5 (Tampering/Fraud), in all cases of under-billing, the Service Provider 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 usual billing cycle. However, delinquency in payment of such instalments will be subject to the usual late payment charges and interest.
- 17.12 **Disputed Back-Bills** – Subject to Section 17.5 (Tampering/Fraud), if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, the Service Provider 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 undisputed portion of the bill will be paid by the Customer and the Service Provider may threaten or cause the discontinuance of Service if such undisputed portion of the bill is not paid.
- 17.13 **Changes in Occupancy** – Subject to Section 17.5 (Tampering/Fraud), in the case of back-billing in all instances where changes of occupancy have occurred, the Service Provider will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, the applicable over-billing or under-billing will be cancelled.

**18. Equal Payment Plan**

- 18.1 The Service Provider, at its discretion, may create and administer an Equal Payment Plan in which case Sections 18.2 to 18.7 apply
- 18.2 **Definitions** - “**Equal payment plan**” means a plan created and administered by the Service Provider whereby Customers may average their Energy Service costs over a specified period of time and “**equal payment plan period**” means a period of twelve consecutive Months commencing with a usual meter reading date at the Customer’s Premises.
- 18.3 **Application for Plan** - A Customer may apply to the Service Provider by mail, by telephone, by facsimile or by other electronic means to pay fixed bi-monthly instalments for Energy delivered to the Customer during the equal payment plan period. Acceptance of the application will be subject to the Service Provider finding the Customer’s credit satisfactory.
- 18.4 **Monthly Instalments** - The Service Provider will fix bi-monthly instalments for a Customer so that the total sum of all the instalments to be paid during the equal payment plan period will equal the total amount payable for the Energy Service which the Service Provider estimates the Customer will consume during the equal payment plan period.
- 18.5 **Changes in Instalments** - The Service Provider, at any time, may increase or decrease the amount of bi-monthly instalments payable by a Customer in light of new consumption information or changes to the Rate Schedules or the General Terms and Conditions.
- 18.6 **End of Plan** - Participation in the equal payment plan may be ended at any time:
- (a) by the Customer giving 5 Days’ notice to the Service Provider;
  - (b) by the Service Provider, without notice, if the Customer has not paid the bi-monthly instalments as required; or
  - (c) by the Service Provider if the Service Provider terminates the Equal Payment Plan.
- 18.7 **Payment Adjustment** - At the earlier of the end of the equal payment plan period for a Customer or the end of the Customer’s participation in the plan under Section 18.6 (End of Plan), the Service Provider will:
- (a) compare the amount that is payable by the Customer to the Service Provider for Energy Service actually consumed on the Customer’s Premises from the beginning of the equal payment plan period to the sum of the bi-monthly installments paid by the Customer from the beginning of the equal payment plan period; and
  - (b) pay to the Customer or credit to the Customer’s account any excess amount or invoice the Customer for any outstanding amount payable.

**19. Late Payment Charge**

**19.1 Late Payment Charge** - If the amount due for Energy Service or Service related Charges on any invoice has not been received in full by the Service Provider or by an agent acting on behalf of the Service Provider on or before the due date specified on the invoice, and the unpaid balance is \$15 or more, the Service Provider may include in the next bill to the Customer the late payment charge and interest as specified in Schedule G.

**19.2 Equal Payment Plan** – If the bi-monthly instalment, Service related Charges or any payment adjustment as defined under Section 18.7 (Payment Adjustment) due from a Customer invoiced under the equal payment plan set out in Section 18 have not been received by the Service Provider or by an agent acting on behalf of the Service Provider on or before the due date specified on the invoice, the Service Provider may include in the next invoice to the Customer the late payment charge and interest on the amount due, in accordance with Section 19.1 on the amount due.

**20. Dishonoured Cheque Charge** - If a cheque received by the Service Provider from a Customer in payment of an invoice or account is not honoured by the Customer's financial institution for any reason other than clerical error, the Service Provider may include a charge specified in Schedule G in the next invoice to the Customer for processing the returned cheque whether or not the Energy Service has been discontinued.

**21. Discontinuance of Service and Refusal of Service**

**21.1 Discontinuance With Notice and Refusal Without Notice** - Subject to applicable local government laws, the Service Provider may discontinue Energy Service to a Customer with at least 48 Hours written notice to the Customer or Customer's Premises, or may refuse Energy Service for any of the following reasons:

- (a) the Customer has not fully paid the Service Provider's invoice or account with respect to Services on or before the due date;
- (b) the Customer or Person has failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in it by the specified date;
- (c) the Customer or Person has failed to pay the Service Provider's account or invoice in respect of another Premises on or before the due date;
- (d) the Customer or Person occupies the Premises with another occupant who has failed to pay the Service Provider's invoice or account, security deposit, or required increase in the security deposit in respect of another Premises which was occupied by that occupant and the Customer at the same time;
- (e) the Customer or Person is in receivership or bankruptcy, or operating under the protection of any insolvency legislation and has failed to pay any outstanding invoices or accounts to the Service Provider; or
- (f) the Customer has failed to apply for Energy Service.

- 21.2 **Discontinuance or Refusal Without Notice** – Subject to applicable local government laws, the Service Provider may discontinue without notice or refuse the supply of Energy Service to a Customer for any of the following reasons:
- (a) the Customer or Person has failed to provide reference information and identification acceptable to the Service Provider, when applying for Service or at any subsequent time on request by the Service Provider;
  - (b) the Customer has defective pipes, appliances, or energy fittings in the Premises;
  - (c) the Customer uses energy in such a manner as in the Service Provider's opinion:
    - (i) may lead to a dangerous situation, or
    - (ii) may cause undue or abnormal fluctuations in the temperature of energy in the DESS,
  - (d) the Customer fails to make modifications or additions to the Customer's equipment which have been required by the Service Provider to prevent the danger or to control the undue or abnormal fluctuations described under paragraph (c);
  - (e) the Customer breaches any of the terms and conditions upon which Service is provided to the Customer by the Service Provider;
  - (f) the Customer fraudulently misrepresents to the Service Provider its use of energy or the amount delivered;
  - (g) the Customer vacates the Premises;
  - (h) the Customer's Service Agreement is terminated for any reason;
  - (i) the Customer stops consuming energy on the Premises; or
  - (j) the Customer fails to ensure that the Return Temperature from the Customer's Premises to the DESS does not exceed the permitted Return Temperature.

**22. Limitations on Liability**

- 22.1 **Responsibility for Delivery of Energy** - The Service Provider, and its employees, contractors or agents, 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, any discontinuance, suspension or interruption of, or failure or defect in the supply or delivery or transportation of, or refusal to supply, deliver or transport Energy Service, unless the loss, damage, costs or injury is directly attributable to the gross negligence or wilful misconduct of the Service Provider, its employees, contractors or agents.
- 22.2 **Responsibility Before Delivery Point** - If any loss or damage is caused by, contributed to or results from any action or omission of the Customer, the Customer is responsible for all expense, risk and liability for:
- (a) the use or presence of energy before it passes the Delivery Point in the Customer's Premises; and
  - (b) the Service Provider-owned facilities serving the Customer's Premises.
- 22.3 **Responsibility After Delivery Point** - The Customer is responsible for all expense, risk and liability with respect to the use or presence of Energy after it passes and before it returns to the Delivery Point.
- 22.4 **Responsibility for WSHP and Meter Set** - The Customer is responsible for all expense, risk and liability with respect to all Service Connections, WSHPs, Meter Sets or related equipment on the Customer's Premises unless any loss or damage is:
- (a) directly attributable to the negligence of the Service Provider, its employees, contractors or agents; or
  - (b) caused by or resulting from a defect in the equipment. The Customer must prove that negligence or defect.

- 22.5 For greater certainty and without limiting the generality of the foregoing, the Customer is responsible for all expense, risk and liability arising from any measures required to be taken by the Service Provider to ensure that the Service Connection, WSHPs, Meter Sets or related equipment on the Customer's Premises are adequately protected, as well as any updates or alterations to the Service Connection(s) on the Customer's Premises necessitated by changes to the grading or elevation of the Customer's Premises or obstructions placed on any Service Connection(s).
- 22.6 **Customer Indemnification** – The Customer will indemnify and hold harmless the Service Providers, its employees, contractors and agents from all claims, loss, damage, costs or injury (including death) suffered by the Customer or any Person claiming by or through the Customer or any third party caused by or resulting from the use of the Energy Service by the Customer or the presence of energy in the Customer's Premises, or from the Customer or Customer's employees, contractors or agents damaging the Service Provider's equipment.
- 23. Miscellaneous Provisions**
- 23.1 **Taxes** - The rates and charges specified in the applicable Schedules do not include any local, provincial or federal taxes, assessments or levies imposed by any competent taxing authorities which the Service Provider may be lawfully authorized or required to add to its normal rates, fees and charges or to collect from or charge to the Customer.
- 23.2 **Conflicting Terms and Conditions** - Where anything in these General Terms and Conditions conflicts with the provisions of a bylaw adopted by the City or conflicts with special terms or conditions specified under an applicable Schedules or Service Agreement, the terms or conditions under these General Terms and Conditions or the Service Agreement govern.
- 23.3 **Authority of Agents of the Service Provider** - No employee, contractor or agent of the Service Provider has authority to make any promise, agreement or representation not incorporated in these General Terms and Conditions or in a Service Agreement, and any such unauthorized promise, agreement or representation is not binding on the Service Provider.
- 23.4 **Additions, Alterations and Amendments** - The General Terms and Conditions and the attached Schedules may be added to, cancelled, altered or amended by the Council of the City from time to time.
- 23.5 **Headings** – The headings of the Sections used in the General Terms and Conditions are for convenience of reference only and will not be considered in any interpretation of the General Terms and Conditions.

**SCHEDULE G**  
**STANDARD FEES AND CHARGES**

- |  |            |
|--|------------|
| <b>1. Application Fee</b>  | \$50.00    |
| <b>2. Service Connection Fee</b>   | \$500.00   |
| <b>3. Service Disconnection Fee</b>  | \$ at cost |
| <p><b>4.</b> Because rates are established for each Customer based, in part, on recovery of capacity costs, where a Customer is permitted to disconnect from the Energy Service, and where the Service Provider determines that the disconnection will result in additional costs to the remaining Customers in respect of capacity, the Service Provider may require the disconnecting Customer to pay a contribution to the costs as determined by the Service Provider.</p> |            |

**Disputed Meter Testing Fees**

- 5.** If a Customer requests that a Meter Set be tested for accuracy, the Customer must provide a deposit of \$500.00 to the Service Provider, which will be returned to the Customer if the Meter Set proves inaccurate, as determined by the Service Provider. If the Service Provider finds the Meter Set to be recording accurately, the Customer requesting the testing of the Meter Set shall reimburse the Service Provider for the full cost of removing, replacing and testing the Meter Set.

**Interest on Cash Security Deposits**

- 6.** The Service Provider will pay interest on cash security deposits at the Service Provider's prime interest rate minus 2%. The Service Provider'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 Royal Bank of Canada as its "prime rate" for loans in Canadian dollars.
- 7.** Payment of any interest will be credited to the Customer's account in January of each Year.

**Late Payment Charge and interest on late payments**

- 8.** The Service Provider may add a late payment charge of \$25.00 as authorized under the Terms and Conditions. The Service Provider may add interest at the rate of the prime rate plus 2% on any unpaid balance remaining on a Customer's account after 30 days from the due date on the Customer's invoice or statement, including the due date under an equal payment plan.

**9. Consumer Price Indexing**

In each year, beginning in 2011, the Service Provider may increase the fees and charges set out in this Schedule G and Section 4 in Schedule H by an amount not exceeding the increase in the Consumer Price Index for Household Operations published for the Greater Victoria Region.

## 10. Unpaid Accounts

- (1) Where an account for energy supplied is not paid in accordance with the applicable Terms and Conditions and the schedules, and the City or the Service Provider discontinue providing Energy Services as permitted under this bylaw, the Energy Service will not be resumed until the account has been paid in full, together with a turn-on fee of \$50.00.
- (2) Where any account rendered for Energy Service is not paid in accordance with the applicable Terms and Conditions or the schedules and remains unpaid on the 31st day of December in the current year, the Service Provider may request the City to add the amount to the tax roll and to form part of the taxes payable in respect of the real property, as taxes in arrears.

## 11. Miscellaneous fees and charges

References to sections of this Schedule in the third column of this Table to not form part of the Schedule, but have been provided for convenience of reference only.

Fee/Charge Description	Amount	Section Reference
Accounts in Arrears – Transfer to Taxes	40.00	16.4
Adjustment/Relocation of a Meter Set	250.00	11.2, 12.10, 12.11
Administration of Energy Service Connection Application	50.00	7.1
As-constructed Drawings	500.00	
Billing or Account History per Premises	25.00	16.5
Customer Requested Service Discontinuance	50.00	10.1
Disconnect Unauthorized Connection to Energy System	300.00	5.2
Account Service Charge for Dishonoured Cheques	25.00	20
Engineering Services	90.00/hr	16.6
Labour Charges for Miscellaneous Services	150.00/hr	16.7
Meter Set Accuracy Test	50.00 or at cost	12.4
Meter Set Installation & Account Set Up Fee	450.00	12.2
Minimum Charge for repairing damaged Service Connections	500.00	10.2
Activation - Customer Request	50.00	7.3
Reactivation after Customer Request	50.00	7.3
Removal of unauthorized Meter Set	100.00	12.7
Service Call to Examine/Fix/ Customer's Pipes/Fixtures	100.00/hr	12.12
Special Meter Readings	50.00	12.6
Tampering with Energy System	100.00 or at cost	17.6
Tampering with or altering a Meter Set	100.00 or at cost	17.6, 12.8
Transfer of Energy Service (Change in Customer)	20.00	3.1, 4.4, 16.3
Unauthorized Energy Connection	200.00	11.10, 12.8
Meter Set Change/Replacement at customer's request	250.00 plus cost of meter	12.10
WSHP change/replace at Customer's request	250.00 plus cost of	11.2, 11.3, 12.10

	WSHP	
Unauthorized Energy Use	At cost	5.2
Changes to Distribution System requested by Customer	At cost	11.10, 12.10, 12.11

## SCHEDULE H

### STANDARD RATE SCHEDULE

1. The rates and charges payable in respect of the Energy Service are as set out below.
2. The rates payable for the provision of Residential Service are a combination of an energy usage charge calculated in kilowatt hours determined by the Meter Set and a service connection charge based on the size of the Service Connection.
3. RESIDENTIAL SERVICE
  - (1) The energy usage charge (rate) for residential Premises for 2010 may not exceed
    - (a) a conservation rate of \$0.0627 per kWh for usage from 0 – 1350 kWh;  
and
    - (b) a rate of \$0.0878 per kWh for usage over 1350 kWh;

during each two-month billing cycle.
  - (2) After 2010, the Service Provider may increase the rates in each year by up to 10% above the preceding year's rate. If in any year the permitted increase is not applied by the Service Provider, the percentage remaining may be added in the subsequent year.
4. The following monthly service connection charges apply:
 

(a) 1" Service Connection	\$ 6.95 per month;
(b) 1 ½" Service Connection	13.40 per month;
(c) 2" Service Connection	21.40 per month;
(d) 4" Service Connection	66.70 per month;
(e) 6" Service Connection	133.00 per month;
(f) 8" Service Connection	213.00 per month.
5. In addition to the foregoing, the fees and charges set out in Schedule G apply to the provision of Energy Service.

## SERVICES AGREEMENT

This Agreement dated for reference the 14<sup>th</sup> day of April, 2010 is

BETWEEN:

**CITY OF LANGFORD**  
2nd Floor 877 Goldstream Avenue  
Langford, B.C. V9B 2X8

("Langford")

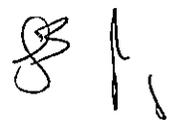
AND:

**SSL-SUSTAINABLE SERVICES LTD.** (Inc. No. 0822775)  
Suite 219, 957 Langford Parkway  
Victoria, B.C.  
V9B 0A5

("SSL")

WHEREAS:

- A. The Capital Regional District (CRD) and Langford, by an agreement made in 2007 (the "Water Supply Agreement"), have agreed that the CRD will provide bulk water to the CRD Connection Point as defined in this Agreement, to supply to customers in the Westhills Development, which agreement contemplates that Langford may enter into an agreement with other parties with respect to water distribution downstream of the CRD Connection Point; and
- B. Langford has entered into an agreement with CRD (the "Interim Operating Agreement") under which CRD continues to distribute water to customers in the Westhills Water Service Area pending the execution and performance of this Agreement; and
- C. On April 21, 2008 SSL was incorporated to, among other objects, operate the municipal services contemplated by this Agreement; and
- D. The parties entered into an agreement in principle on November 15, 2008 regarding the establishment of the Langford Green Utility and the establishment of further agreements between the parties to this Agreement, under which SSL will operate certain municipal services in respect of the Westhills Development lands; and
- E. SSL holds a statutory right of way over the Westhills Development lands for the purpose of providing water and energy services; and



- F. Langford wishes to enter into an agreement under which SSL will provide the water distribution and district energy services established by the Langford Multi Utility Bylaw; and
- G. Langford intends to adopt a bylaw (the "Multi Utility Bylaw") establishing water and energy distribution as municipal services and authorizing service agreements with service providers to deliver water and energy services in accordance with the bylaw;

NOW THEREFORE this Agreement is evidence that, in consideration of the terms and conditions set out in the Agreement and one dollar paid by each of the parties to the other parties, the receipt and sufficiency of which each of the parties acknowledges, the parties agree as follows:

### INTERPRETATION

1. In this Agreement:

**Business day** means a day that is not a Saturday, Sunday or holiday under the *Interpretation Act*.

**Bylaw 1000** means Langford Subdivision and Development Servicing Bylaw No. 1000, and any successor bylaw adopted pursuant to s. 938 of the *Local Government Act* or any successor legislation authorizing the establishment of standards for water distribution works, in each case as amended from time to time.

**CRD Connection Point** means the point in Langford to which the CRD supplies bulk water under the Water Supply Agreement, being the point on the CRD's right of way within the Westhills Development;

**Energy Service** means the service that SSL has agreed to provide under Section 8.

**SFE** means one detached single-family dwelling, and for this purpose one apartment dwelling unit is equivalent to 0.67 of a detached single-family dwelling and any other type of dwelling unit that is not a detached single-family dwelling or an apartment dwelling unit is equivalent to 0.85 of a detached single-family dwelling.

**Water Service** means the service that SSL has agreed to provide under Section 6 and includes the distribution of potable water through the distribution system.

**Westhills Water Service Area** means the area outlined in heavy black line on Schedule A or the Area as amended from time to time.

**Westhills Energy Service Area** means the area outlined in heavy black line on Schedule B and includes the City's recreation buildings in City Centre Park and the Glen Lake school site.

**NATURE OF AGREEMENT**

- 2. This is a partnering agreement as defined in the *Community Charter*. It is not an agreement granting an exclusive or limited franchise of any kind, and is not intended to make the City and any other party, or parties, joint venturers or partners with respect to any enterprise.

**TERM OF AGREEMENT**

- 3. The term of this Agreement shall commence on June 22, 2010 and continue until terminated in accordance with Sections 4 and 5.
- 4. Langford may terminate this Agreement in the circumstances described in Sections 40 through 42 [default] by giving written notice to SSL in accordance with those provisions.
- 5. SSL may terminate this Agreement by giving one year's written notice to Langford or as provided in Sections 43 and 44.

**SSL TO OPERATE WATER SERVICE**

- 6. During the term of this Agreement, SSL shall construct, own, operate and maintain as a municipal service a domestic water distribution system in the Westhills Water Service Area to provide Water Service, in accordance with the terms of this Agreement and the Multi Utility Bylaw.
- 7. SSL acknowledges that the CRD has enacted the following bylaws applicable in the Westhills Water Service Area, and agrees to co-operate with the CRD, in the same manner as it would if it were a member municipality of the CRD, in the administration and enforcement of the bylaws and such replacement bylaws as the CRD may enact from time to time, including by terminating the supply of water in appropriate cases:
  - (a) Capital Regional District Water Conservation Bylaw No. 1, 2008 (Bylaw No. 3061)
  - (b) Capital Regional District Cross Connection Control Bylaw No. 1, 2008 (Bylaw No. 3516)

**SSL TO OPERATE DISTRICT ENERGY SERVICE**

- 8. During the term of this Agreement, SSL shall construct, own, operate and maintain as a municipal service an energy distribution system in the Westhills Energy Service Area to create, obtain and distribute energy, and may also include the distribution of non-potable water, in accordance with the terms of this Agreement and the Multi Utility Bylaw.



## PERFORMANCE STANDARDS

9. SSL shall construct, operate and maintain the Water Service and the Energy Service in accordance with the performance standards set out in Schedule C.
10. SSL shall operate a business office in Langford including a customer reception area and staff authorized to accept water and energy service connection applications, and shall make available for use outside business hours a 24-hour emergency service telephone number which shall be posted at the business office and on SSL's website.
11. When engaged in activities within Langford pursuant to this Agreement, whether on Langford highways or on private property, all employees of SSL shall carry proper identification and all vehicles owned by SSL shall display appropriate exterior signage. No employee or contractor of SSL shall enter any private property to engage in any such activity without providing reasonable identification, if requested to do so by the owner or occupier.
12. SSL shall co-operate with the CRD and Langford in making available to members of the public information on their respective responsibilities as service providers in Langford, including permitting the CRD and Langford to provide SSL's telephone number and website address in its written publications and on its website.
13. SSL shall throughout the term of this Agreement be and remain a member in good standing of B.C. One Call or such successor organization as may be established to provide a uniform means of inquiry as to the location of underground services for parties undertaking excavation work.

## RATES AND RATE REVIEW

14. SSL may impose on customers of the Water Service and the Energy Service in the Westhills Service Areas such water and energy user charges, rates, and other fees and charges as are authorized by the Multi Utility Bylaw. The parties agree that the rates set will not exceed the rates set by the CRD for the Juan de Fuca region for the Water Service, and will not exceed the residential rate set by BC Hydro for the residential customers of the Energy Service. SSL must annually publish its current rate for water and energy on its website and at its offices.
15. From time to time, but not more than once in any calendar year for Water Service or in the case of rates related to the Energy Service not before an initial period of 5 years, SSL may propose to Langford changes in the rates and user charges above those authorized by the Multi Utility Bylaw, in accordance with the procedure set out in Schedule D, and Langford shall cause such proposals to be placed before the Council for its consideration.

16. No rate changes approved by the Council under Schedule D shall take effect until the Council amends the Multi Utility Bylaw or as otherwise provided under that bylaw.
17. SSL may render customer accounts for water and energy user charges and other charges imposed under this Agreement and the Multi Utility Bylaw jointly with other service charges in respect of which SSL or any related entity is the service provider.
18. SSL may request Langford to exercise its powers under the *Community Charter* to collect unpaid water or energy service user rates, fees and charges as taxes in arrear if, by December 31 of the year preceding the year in which Langford is to include the fees on a tax notice, SSL has provided to Langford the name and civic address of the owner of, and the legal description of, the parcel of land in respect of which the charges have been charged and remain unpaid, and the amount unpaid as of December 31 of the year in respect of which the information is being provided.
19. Langford shall remit such rates, fees and charges to SSL, net of any collection charges authorized by the Multi Utility Bylaw, within five business days of receipt, and for that purpose Langford shall be deemed not to have received any amounts paid by cheque until the cheque has cleared the bank on which it is drawn and shall be deemed not to have received any amounts in relation to tax sale proceedings until the expiry of the tax sale redemption period.
20. SSL will charge Langford as a customer at the retail water rate for water provided to any park, or water provided for the irrigation of any Langford property, but not for water provided for firefighting purposes or hydrant testing or flushing.

#### **DRINKING WATER PROTECTION ACT REQUIREMENTS**

21. SSL, in constructing, owning, operating and maintaining water distribution works so as to provide potable water, is responsible for compliance with the applicable provisions of *Drinking Water Protection Act* as they apply to a distributor of water, subject to the provision of Section 22.
22. The parties acknowledge that the CRD is responsible under the applicable *Drinking Water Protection Act* for the quality of water provided under the Water Supply Agreement to the CRD Connection Point, and SSL agrees to co-operate with the CRD in implementing water quality monitoring and reporting measures to the extent that such measures reasonably involve monitoring and reporting at or in respect of points downstream of the CRD Connection Point.

#### **BULK WATER SUPPLY**

23. SSL, on behalf of Langford, must make payments to the CRD required under Article 4.4 of the Water Supply Agreement for bulk water supplied under that agreement, within the time specified in that agreement, provided that Langford has either caused the CRD to

render the monthly invoices referred to in that Article directly to SSL or has provided copies of such invoices to SSL.

24. SSL shall not install any Water Service outside the boundaries of the Westhills Water Service Area, or provide or enter into any agreement or other arrangement to supply water to any parcel of land any portion of which lies outside the Westhills Water Service Area without the prior written approval of Langford.
25. SSL acknowledges that the restriction in Section 24 is a requirement of the Water Supply Agreement, and without limiting the generality of Section 54 [general indemnity] specifically agrees to indemnify Langford in respect of any claim by the CRD or any other party; arising from any breach of Section 24 by SSL or those for whom it is responsible in law.

#### **PAYMENTS TO LANGFORD**

26. SSL shall pay to Langford \$100,000 on each of the following dates:
  - (a) The date of execution of this Agreement;
  - (b) The date of issuance of an occupancy permit in respect of the 100<sup>th</sup> SFE connected to the Energy Service; and
  - (c) The date of issuance of an occupancy permit in respect of the 200<sup>th</sup> SFE connected to the Energy Service.
27. SSL shall pay to Langford an amount equal to 10% of its gross revenues from Water Service customers for the provision of the Water Service, as an expense of the Water Service, including all water user charges and other charges of whatsoever nature, on a quarterly basis calculated on the basis of actual revenues received in the previous quarter, as such revenues are certified by statutory declaration made by an officer of SSL and accompanying each payment. No such payment is required during the first quarter of the term of the Agreement. For the purposes of this section, gross revenues do not include any amount which SSL may recover for capital costs. For the purposes of this section, quarters shall be from January 1 to March 31; April 1 to June 30; July 1 to September 30; and October 1 to December 31 of each year, and the first quarter of the term of this Agreement shall commence on July 1, 2010.
28. SSL shall pay to Langford an amount equal to 3% of its gross revenues from Energy Service customers for the provision of the Energy Service, as an expense of the Energy Service, including all energy user charges and other charges of whatsoever nature, on a quarterly basis calculated on the basis of actual revenues received in the previous quarter, as such revenues are certified by statutory declaration made by an officer of SSL and accompanying each payment. No such payment is required during the first quarter of the term of the Agreement. For the purposes of this section, gross revenues do not

include any amount which SSL may recover for capital costs. For the purposes of this section, quarters shall be from January 1 to March 31; April 1 to June 30; July 1 to September 30; and October 1 to December 31 of each year, and the first quarter of the term of this Agreement shall commence on July 1, 2010.

29. At its cost, Langford may require an audit of the calculation of the amounts paid under this Agreement, and in that event SSL shall permit the auditor access to its business records at mutually convenient times. In the event that any audit determines that SSL has paid more than 5% less than it is obliged to pay under the Agreement, SSL shall reimburse Langford for the cost of the audit.
30. Langford may require an audit no more frequently than once every three years, unless a previous audit disclosed that the amounts in respect of which the audit was required had been incorrectly calculated, in which case this provision shall be suspended until an audit has disclosed that the amounts in respect of which the audit was required have been correctly calculated.
31. If SSL is subject to utility company property taxation in respect of specified improvements, as defined in s. 353 of the *Local Government Act*, in place of tax that might otherwise be imposed under s. 197(1)(a) of the *Community Charter*, the amount of any utility company property tax paid in any calendar year may be deducted from an amount payable to Langford under Section 27 or 28 (% of revenues).

#### **CONSTRUCTION AND OWNERSHIP OF WATER DISTRIBUTION WORKS**

32. Prior to the construction of any Water Service works that are intended to be used to supply potable water pursuant to this Agreement, SSL shall provide to Langford a copy of any required construction permit issued under the *Drinking Water Protection Act* to authorize the construction of the works.
33. On completion of construction of the Water Service works described in Section 32, the works, notwithstanding the law of fixtures, remain the property of SSL during the term of this Agreement.
34. SSL shall maintain the Water Service works comprising the Water Service it operates pursuant to this Agreement in accordance with, at a minimum, generally accepted municipal engineering standards.

#### **LICENCE TO USE HIGHWAYS**

35. Langford will grant to SSL pursuant to the *Community Charter* a licence to use Langford's highways and utility statutory rights of way for the operation of the Water and Energy Services, provided in the case of utility statutory rights of way that the terms of the instrument permit the use of the land for water distribution works and permit licensees of the grantee to exercise the grantee's rights. Langford also acknowledges

SSL's right in, and will grant a license, for any works SSL has installed in Langford's highways and rights of ways prior to their dedication.

### STATUTORY RIGHTS OF WAY FOR WORKS

36. If SSL installs Water or Energy Service works on land that is not a highway or subject to a statutory right of way in favour of Langford or SSL, it must cause the owner of the land to grant to SSL, for nominal consideration, a right of way under s. 218 of the *Land Title Act*, granting in perpetuity a right to operate and maintain the Water and Energy Service works and replace them from time to time.

### DISPOSITION OF WORKS ON TERMINATION OF AGREEMENT

37. (1) The title to and interest in the infrastructure and business operation of the water distribution works shall pass as indicated below:
- (a) if a termination occurs as a result of the operation of section 40-42, the title to and interest in the water distribution system will pass to Langford;
  - (b) if SSL terminates this Agreement within the first 5 years, as a result of the operation of sections 43 and 44, Langford must pay compensation to SSL equal to the actual costs of the infrastructure, less any depreciation, plus the market value of the business operation and title to and interest in the water distribution system will pass to Langford. If SSL terminates this Agreement after the 5<sup>th</sup> year, SSL may transfer its rights, title to and interest in the water distribution system and business operation to a third party at fair market value as a going concern, provided that Langford shall have a right of first refusal to acquire the water distribution system and business operation on the same terms and conditions as the third party.
- (2) If the agreement is terminated, Langford and SSL agree that SSL will continue to provide the Water Service in accordance with the Multi Utility Bylaw until Langford notifies SSL that it or a third party is able to assume the operation of the service.
- (3) On termination of this Agreement, the title to and interest in any and all works comprising the Energy Service shall remain with SSL and Langford agrees to permit the continued operation of the Energy Service and to regulate the energy rate and terms of services under the Multi Utility Bylaw until SSL has made application for and obtained authorization from the applicable regulatory authority for the operation of the Energy Service, if necessary.

### ASSIGNMENT AND CHANGE IN CONTROL OF SSL

38. SSL shall not assign this Agreement to any party without the prior written consent of Langford which consent must be exercised reasonably. A change in control of SSL shall

be deemed to be an assignment of this Agreement. For the purposes of this section, change in control means the voting control exercised directly or indirectly through beneficial ownership of more than 50% of the voting shares in the capital of the corporation, but does not include a change whereby the control of the corporation is transferred or assigned to another corporation controlled by SSL or affiliated with SSL, or a corporation which controls SSL.

39. EVENTS OF DEFAULT AND TERMINATION OF AGREEMENT

40. Breaches by SSL of any of the following provisions constitute a default under the Agreement, entitling Langford to serve notice of termination under section 41:

- (a) Failure to make a payment to Langford under section 26, 27 or 28;
- (b) Failure to make a payment to the CRD under section 23;
- (c) Imposing water charges in excess of those permitted by section 14;
- (d) Permitting a connection to the waterworks that is prohibited by section 24;
- (e) Failure to comply with any drinking water protection order under the *Drinking Water Protection Act*;
- (f) Failure to maintain insurance required by section 51;
- (g) Assignment of this Agreement without Langford's consent;
- (h) Failure to meet the performance standards set out in Schedule C for two consecutive calendar years;

41. If SSL breaches this Agreement as described in section 40, Langford may serve notice on SSL in accordance with this Agreement describing the breach and giving SSL the time specified in the notice to remedy the breach, which notice period shall be at least 30 Business days, or other such specific notice period greater than 30 Business days, which time period is commensurate with the nature of the breach, except that, in the case of a breach creating a public health or environmental hazard, Langford need give only such notice as is prudent in the circumstances. If SSL fails to remedy the breach within the time specified in the notice, Langford may terminate this Agreement by providing SSL further written notice, specifying a termination date.

42. Langford may serve notice of termination of this Agreement on SSL in the event of bankruptcy or the making of any order for the winding-up or other termination of the corporate existence of SSL. In this section, "bankruptcy" includes the making of any arrangement with creditors under the *Companies' Creditors Arrangement Act* (Canada) and the receipt of any notice from a secured creditor under the *Bankruptcy and*

*Insolvency Act (Canada)* advising that the secured creditor intends to realize upon any asset of either party used for the provision of the Water Service.

43. Breaches by Langford of any of the following provisions constitute a default under the Agreement, entitling SSL to the remedies described below and the ability to serve notice of termination under section 44:
- (a) If Langford fails to place a rate change proposal before the Council in accordance with Schedule D, SSL may withhold payments due to Langford under sections 27 and 28 and use funds in an amount equal to the maximum incremental amounts SSL would have been able to bill to customers had the rate change proposal been placed before the Council and Council's decision been rendered. SSL may continue to withhold payments to Langford until the rate change has been placed before the Council and Council's decision rendered.
  - (b) If Langford fails to pay any Water or Energy Service account by the due date and the amount remains outstanding for more than 30 days, SSL may withhold payments due to Langford under sections 27 and 28 and deduct from the withheld payments and use the funds to pay the unpaid account, including interest and late payment charges, remitting any balance to Langford.
  - (c) If Langford Council fails to amend the Multi Utility Bylaw to implement a rate change approved in accordance with Schedule D, SSL may withhold payments due to Langford under sections 27 and 28 and use that portion of payments that is equivalent to the maximum incremental amounts SSL would have been able to bill to customers had the rate change been authorized by bylaw amendment, until the Multi Utility Bylaw is amended.
  - (d) Nothing in this section shall limit other remedies available to SSL under this Agreement.
44. If Langford breaches this Agreement as described in section 43, SSL may serve notice on Langford in accordance with this Agreement describing the breach and giving Langford the time specified in the notice to remedy the breach, which notice period shall be at least 30 Business days. In the event of failure of Langford to remedy the breach within the time specified in the notice, SSL may terminate this Agreement by providing to Langford further written notice, specifying a termination date.

## **DISPUTE RESOLUTION**

45. Langford and SSL shall attempt in good faith to resolve any disputes relating to this Agreement informally. Upon the request of either party, a dispute shall immediately be referred for resolution to the Clerk/Administrator on behalf of Langford, and the President of SSL.

46. If the dispute has not been resolved within 15 business days of being referred under section 45, the parties to the dispute shall attempt in good faith to resolve the matter through mediated negotiation administered under the Mediation Rules of the B.C. International Commercial Arbitration Centre (BCICAC) with the assistance of a neutral person appointed as mediator by Langford and SSL. If Langford and SSL cannot agree on the mediator, the mediator shall be appointed by BCICAC.
47. If the dispute has not been resolved within a further 15 business days, any party to the dispute may refer the matter to arbitration to be conducted in Victoria, B.C. pursuant to the *Commercial Arbitration Act*, with the arbitration to be concluded and an arbitral award made within 45 business days of such submission. The arbitration must be conducted by a single arbitrator and the parties will bear the costs of arbitration equally.
48. Notwithstanding any dispute between the parties, this Agreement shall continue and be binding on the parties until the dispute has been resolved, mediated or arbitrated.

#### **REPRESENTATIONS AND WARRANTIES**

49. SSL represents and warrants that:
- (a) SSL is skilled and knowledgeable in the construction, maintenance and operation of municipal services and has the expertise, skill and judgment required to discharge its obligations pursuant to this Agreement in a manner consistent with good engineering and public health standards;
  - (b) SSL is a company, duly organized, validly existing and legally entitled to carry on business in British Columbia and is in good standing with respect to filings of annual reports according to the records of the Registrar of Companies of British Columbia;
  - (c) all necessary proceedings have been taken to authorize the execution and delivery of this Agreement by SSL;
  - (d) this Agreement has been properly executed by SSL and is enforceable against SSL in accordance with its terms;
  - (e) all representations by SSL are materially correct and accurate;
  - (f) SSL has no knowledge of any specific fact that materially adversely affects or, so far as is it can be foreseen, would materially adversely affect either its financial condition or its ability to fulfill its obligations under this Agreement;
  - (g) the observance and performance of the terms and conditions of this Agreement will not constitute a breach by SSL or a default by it under any statute, regulation or bylaw of Canada or of the Province of British Columbia applicable to or

binding on it, its incorporating documents, or any contract or agreement to which it is a party;

- (h) SSL has obtained and holds all permits, licenses, consents, and authorities issued by any level of government or any agency of government, to conduct business and carry on the duties and activities which it is required to do under this Agreement;
- (i) the making of this Agreement and the completion of the transactions contemplated and the performance of and compliance with the terms of this Agreement do not conflict with or result in a breach of any judgment, decree, order, rule or regulation of any court or administrative body by which SSL is bound or, to the knowledge of SSL, any statute, regulation or bylaw applicable to SSL;
- (j) SSL is unaware of any untrue or incorrect representation or assurance, whether verbal or written, given by SSL, its directors or officers to Langford in connection with this Agreement;
- (k) SSL has sufficient trained staff, facilities, materials, appropriate equipment and approved sub-contractual agreements in place and available to enable it to fully perform its obligations under this Agreement;
- (l) SSL has investigated and satisfied itself as to conditions affecting the performance of its obligations under this Agreement; and
- (m) SSL's investigation has been based on its own examination, knowledge, information and judgment.

50. Langford represents and warrants that:

- (a) all necessary proceedings have been taken to authorize the execution and delivery of this Agreement by Langford;
- (b) this Agreement has been properly executed by Langford and is enforceable against Langford in accordance with its terms; and
- (c) all representations herein by Langford are materially correct and accurate.

#### **INSURANCE AND INDEMNITY**

51. SSL shall obtain and maintain in force during the term of this Agreement:

- (a) comprehensive general liability insurance providing coverage of not less than ten million dollars inclusive per occurrence for bodily injury, death and property damage and including loss of use of property, which may arise directly or



indirectly out of the acts or omissions of SSL under this Agreement, such insurance to include Langford as an additional insured;

- (b) automobile liability insurance in an amount not less than five million dollars and automobile physical damage insurance including collision and comprehensive coverage, covering all automobiles owned, rented or leased by SSL, that are required by law to be licensed; and
- (c) equipment insurance covering all equipment owned, rented or leased by SSL and utilized in performance of the services contemplated by this Agreement against "all risks" of loss or damage,

all in form and content and with an insurer acceptable to Langford acting reasonably.

- 52. Evidence that the insurance required under section 51 has been obtained must be submitted by SSL to Langford on the effective date of this Agreement and SSL, at the request of Langford, must provide evidence satisfactory to Langford that the insurance remains in force and effect.
- 53. SSL shall ensure that the insurance required under section 51 may not be cancelled or materially changed in any way whatsoever without the insurer giving not less than 30 days' prior written notice to Langford.
- 54. SSL shall indemnify and save Langford harmless from and against any claims, liabilities, demands, losses, damages, costs and expenses, fines, penalties, assessments and levies made against or incurred, suffered or sustained by Langford at any time, whether before or after the expiration or other termination of this Agreement, where the claim or other matter is based on or arises out of or from anything done or omitted to be done by SSL pursuant to this Agreement, including any claim against Langford for failure to supervise or inspect the work performed by SSL pursuant to this Agreement, which indemnity shall survive the expiration or other termination of this Agreement for a period of two years.
- 55. Langford shall indemnify and save SSL harmless from and against any claims, liabilities, demands, losses, damages, costs and expenses, fines, penalties, assessments and levies made against or incurred, suffered or sustained by SSL at any time, whether before or after the expiration or other termination of this Agreement, where the claim or other matter is based on or arises out of or from anything done or omitted to be done through the negligence or wilful misconduct of Langford, its officers or employees, which indemnity shall survive the expiration or other termination of this Agreement for a period of two years.
- 56. SSL, at its expense, must cooperate with Langford and its counsel in the investigation, settlement and judicial determination of any claims made against either party relating

directly or indirectly to this Agreement; and Langford and its counsel will cooperate fully with SSL and its counsel.

**FREEDOM OF INFORMATION LEGISLATION**

- 57. SSL acknowledges that this Agreement and all records of Langford obtained in connection with and pursuant to this Agreement, including all information provided to the City pursuant to Schedules C and D, are subject to the *Freedom of Information and Protection of Privacy Act* and the protection it affords to third party private and confidential and business information.

**TIME OF THE ESSENCE AND FORCE MAJEURE**

- 58. Time is of the essence in this Agreement.
- 59. If either party is unable or fails by reason of *force majeure* to perform in whole or in part any obligation set out in this Agreement, with the exception of unpaid financial obligations, such inability or failure shall be deemed not to be a breach of the Agreement and the obligation shall be suspended to the extent necessary during the continuation of any inability or failure so caused.
- 60. For the purposes of section 59, "*force majeure*" includes any event or occurrence not within the control of the party and which by the exercise of reasonable diligence the party claiming *force majeure* is unable to prevent or overcome, including any act of God, including earthquakes, storms, lightning, washouts, landslides, avalanches, fires, epidemics and floods; strikes, lockouts, and other industrial disturbances including those directly involving the party claiming *force majeure*; acts of the Queen's or public enemies, wars, blockades, insurrections, riots or civil disturbances; fires, explosions, breakages of or accidents to machinery or lines of pipe; and the laws, orders, rules, regulations, acts or restraints of any court or governmental or regulatory authority, and a party is deemed to have control over the actions or omissions of those persons to which it, its agents, contractors or employees have delegated, assigned or subcontracted obligations or responsibilities.
- 61. No party shall be entitled to the benefit of section 59 in any of the following circumstances:
  - (a) to the extent that the inability or failure was caused by the negligence or contributory negligence of the party claiming *force majeure*;
  - (b) to the extent that the inability or failure was caused by the party claiming *force majeure* having failed to diligently attempt to remedy the situation by taking reasonable steps and to resume the performance of such obligations with reasonable dispatch;

- (c) if the inability or failure was caused by lack of funds; or
- (d) if the party claiming *force majeure* has not, as soon as possible after the occurrence relied upon as *force majeure* or as soon as possible after determining that the occurrence was in the nature of *force majeure* and would affect the claiming party's ability to observe or perform any of its obligations under this Agreement, given to the other party notice to the effect that the claiming party is unable by reason of *force majeure* (the nature of which shall be specified in the notice) to perform the particular obligation.
- (e) to the extent that the inability or failure is due to a lack of legislative or regulatory authority on the part of Langford.

62. The party claiming *force majeure* shall give notice to the other party, as soon as possible after the condition is remedied, to the effect that it has been remedied and that the party has resumed, or is then in a position to resume, the performance of its suspended obligation either in whole or in part.

**GENERAL PROVISIONS**

- 63. **Further assurances.** Each of the parties shall execute such further documents and perform or cause to be performed such further and other acts as may reasonably be necessary from time to time in order to give full effect to this Agreement.
- 64. **Waivers and amendments.** None of the terms, conditions, or provisions of this Agreement shall be held to have been changed, varied, waived, modified or altered by any act or knowledge of any party, their respective agents, servants or employees unless done in writing signed by the party intending to give a waiver, in the case of an asserted waiver, and signed by each party in the case of any asserted change, variation, modification or alteration of the Agreement.
- 65. **Entire Agreement.** This Agreement constitutes the entire understanding among the parties regarding its subject and supersedes all prior discussions, negotiations and understandings among the parties or between Langford and either of the other parties with respect to those matters. Unless the Council of Langford has adopted the Multi Utility Bylaw on or before June 22nd, 2010, this Agreement will become null, void and of no further force and effect.
- 66. **Transition.** The City must maintain the Interim Operating Agreement for not more than six months from the date this Agreement becomes effective. Within six months of that date, SSL must commission and begin to provide Water Service within the Westhills Water Service Area; and the City, after notice from SSL, must terminate the Interim Operating Agreement.



67. **Notices.** All notices provided for or permitted or required to be given under this Agreement shall, unless otherwise specified, be in writing and in that regard:

- (a) all notices to be sent to either party shall be deemed to have been properly given if delivered by hand, sent by fax transmission to the numbers specified below for each party, or sent by registered mail addressed to the party intended at the address set out on the first page of the Agreement or such replacement address as any party may provide to the other parties on four days' notice in accordance with this section;
- (b) all notices shall be deemed to have been given on the date of delivery if delivered by hand, on the date of fax transmission if that date is a business day and on the first business day thereafter otherwise; and on the fifth business day after the date of deposit in the mail if sent by mail;

Langford: (250) 478-7864

SSL: (250) 391-7268

68. If any part of this Agreement is found to be invalid, the balance of the Agreement remains valid and binding. Where possible, the parties will amend this Agreement to render valid those parts which had been found to be invalid. If any invalidity is due to a lack of authority on the part of Langford or if it is found that Langford exceeded its authority, the parties will amend this Agreement in accordance with Langford's actions to resolve its lack of authority or to restore its actions consistent with its authority.

The Parties have executed this Agreement as of July 27, 2010

**SSL – SUSTAINABLE SERVICES LTD.**

  
 \_\_\_\_\_  
 Authorized Signatory

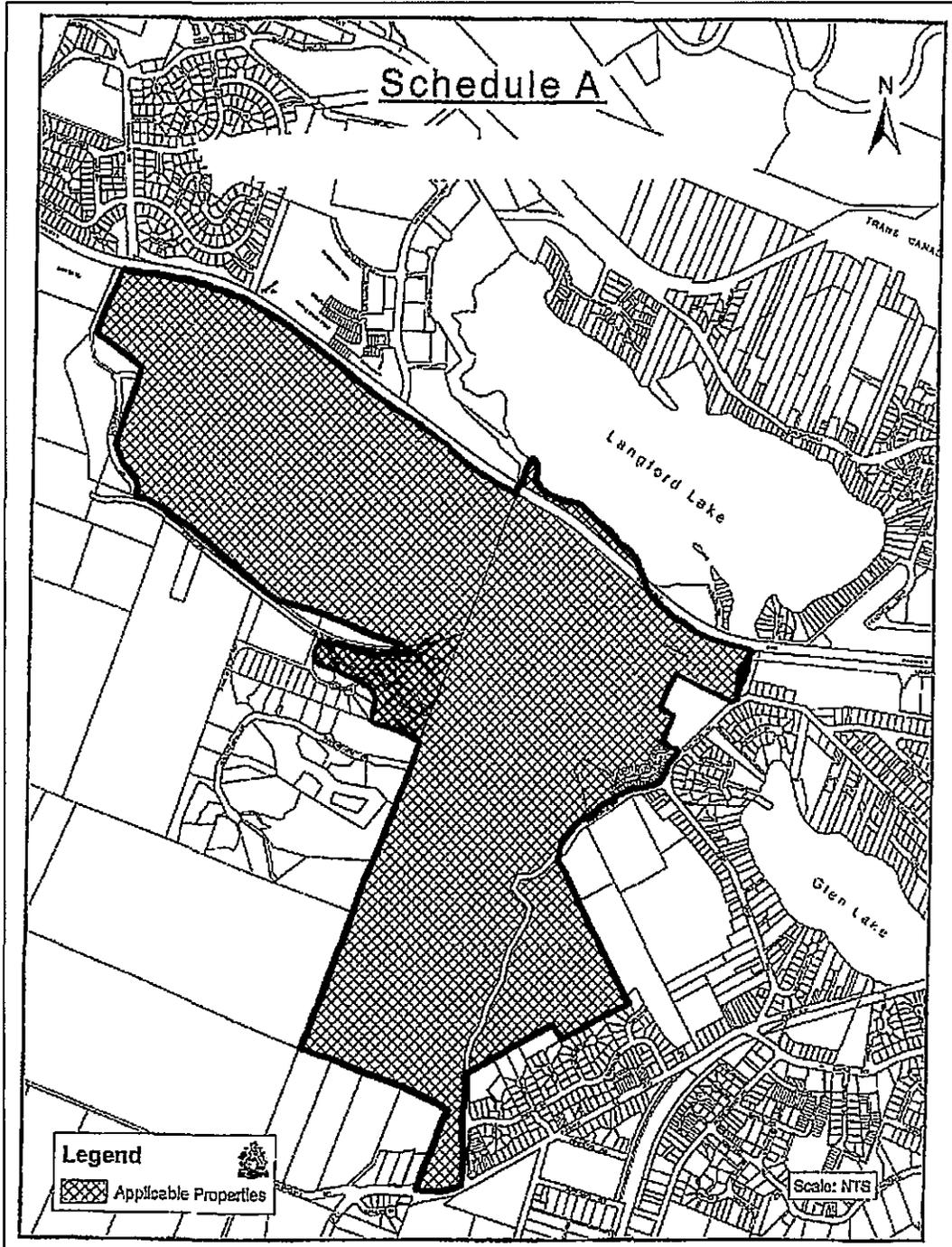
  
 \_\_\_\_\_  
 Authorized Signatory

**CITY OF LANGFORD**

  
 \_\_\_\_\_  
 Authorized Signatory  
 STEWART YOUNG  
 MAYOR

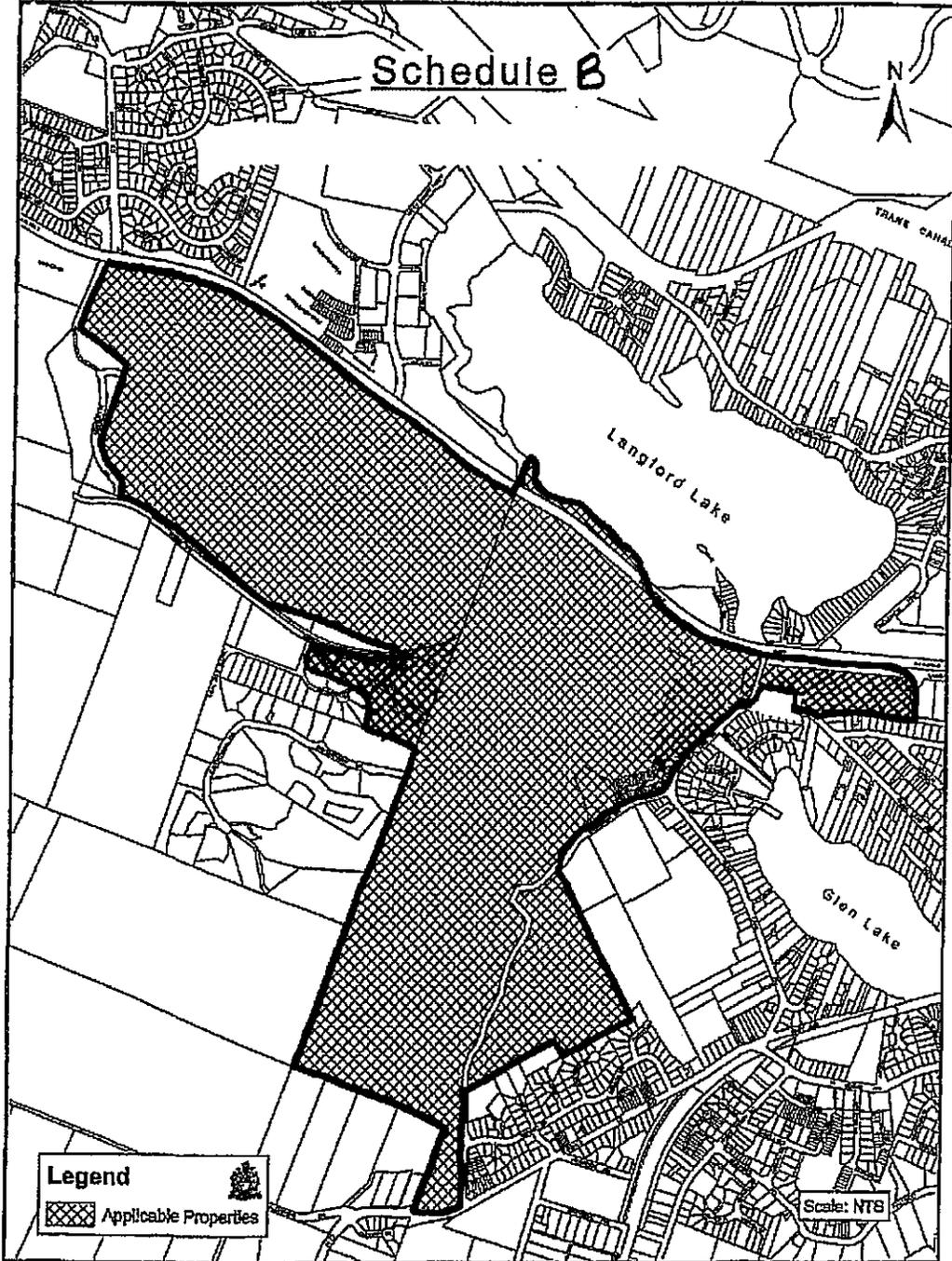
  
 \_\_\_\_\_  
 Authorized Signatory  
 Jim Bowden  
 Corporate Officer

**SCHEDULE A**  
**WESTHILLS WATER SERVICE AREA**



JB

**SCHEDULE B  
WESTHILLS ENERGY SERVICE AREA**

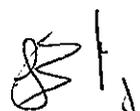


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**SCHEDULE C**  
**PERFORMANCE STANDARDS**

Unless otherwise indicated, response times are maximum average response times and generally refer to the time taken, after notification, to assess the issue, inquiry or request, and establish a reasonable timeframe for resolution. SSL shall maintain records of response times based on records of service personnel, report average response times to Langford at least once annually, and maintain the service personnel records on which such reports are based for at least one year following the submission of the report to Langford.

1. Minimum business hours per week for local Water and Energy Services office - **35 hours**
2. Water service connection response time - **5 business days**
3. Response to inquiry regarding water or energy billing - **5 business days**
4. Response to request for special water or energy billing - **7 business days**
5. Response to request for special water meter reading - **7 business days**
6. Response to request for water meter test - **5 business days**
7. Response to customer request for termination of Water Service - **3 business days**
8. Response to customer request for disconnection of Water Service connection - **5 business days**
9. Response to CRD request to disconnect Water Service (bylaw infraction) - **2 business days**
10. Response to water main leak - **2 calendar days**
11. Response to frozen customer service pipe - **3 calendar days**
12. Response to hydrant service request from Langford Fire Rescue - **24 hours**
13. Response to hydrant relocation request from Langford Fire Rescue - **5 business days**
14. Response to request to locate water main (BC One Call) - **24 hours**



**SCHEDULE D**  
**RATE REVIEW AND APPROVAL PROCEDURE**

The parties agree that the rates and charges are those established under the Multi Utility Bylaw. The rates and charges are subject to the rate review and approval procedure set out below.

1. On or before September 1<sup>st</sup> of the year prior to the calendar year in which SSL wishes new rates to apply in respect of either the Water Service or the Energy Service or both, SSL shall file with the Langford's City Administrator a rate proposal that includes, in addition to any other information that SSL wishes the Council to consider in relation to its proposal, the following:
  - (c) audited financial information on all revenues and expenditures of SSL in relation to the provision of the Water or Energy Service in prior years, unless SSL has previously provided that information to Langford;
  - (d) information on historical and projected rates of inflation including any information SSL wishes the Council to consider related to differential rates of inflation for different classes of expenditure in relation to the provision of the service;
    - a) historical and projected changes in bulk water rates charged by the CRD, and in residential energy rates charged by BC Hydro;
  - (e) the financial consequences of any decision of the Council to withhold approval of disconnection of any water or energy service under this Agreement; and
  - (f) changes in legislation or taxation, including without limitation the *Drinking Water Protection Act*, that are relevant to the cost of providing the service.
2. No information provided to the City for the purposes of this Schedule may be provided in confidence. SSL may advise Langford of any information for which it invokes the provisions of the *Freedom of Information and Protection of Privacy Act* for protection of confidential or private information and its business interests or to which the provisions of Section 90 of the *Community Charter* apply.
3. The City Administrator, within four weeks of receipt of SSL's proposal, may request SSL to provide additional relevant information substantiating its request for changes, which information SSL must provide within two weeks of receiving Langford's request.
4. The City's Administrator shall cause SSL's proposal to be put before the Council in an open meeting prior to December 31st of the year in which SSL's proposal is submitted, and shall provide to SSL at least two weeks in advance of the meeting a copy of any staff

report or recommendation that the Council will be asked to consider along with SSL's proposal.

5. SSL shall be afforded an opportunity to be heard at any Council meeting at which its proposal is considered.
6. In considering SSL's proposal, the Council may accept or reject it in its entirety or approve charges that are lower than those proposed by SSL, but not so as to reduce the charges below the level then in effect.
7. Within three months of its receipt by Langford, Langford shall advise SSL in writing of the Council's decision on SSL's proposal, which decision SSL acknowledges is final and not subject to the dispute resolution process in this Agreement.
8. If Langford delegates to any Committee or Commission authority to deal with utility rates, either alone or jointly with any other municipality, the references in this Schedule to the Council may be interpreted as references to such Committee or Commission in relation to the exercise of the delegated authority. If Langford delegates to any Committee or Commission as provided in this section, SSL may appeal to the Council of Langford any decision of the Committee or Commission.

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