Section 1  Organizational Structure

1.0  General

Your Organization should implement rules and regulations that follow The Municipalities Act especially if you are formed through a Rural Municipality (R.M.).


(Appendix VII - A) is a condensed portion of The Municipalities Act. It has portions pertaining to Utility Boards, Audit, and Board Member Remuneration. For the complete Act, please click on the link above.

Once the Organization has completed the initial project, it is very important to keep up with the administration of the pipeline. Engage the services of a dependable solicitor whose services can be accessed for any assistance regarding the Organization. A good rule-of-thumb is to have your solicitor review your agreements and bylaws at least every other year.

1.1  Corporate Bylaw

In order to form a Public Utility Board through participating R.M.’s, a Corporate Bylaw must be passed by all R.M.’s in which subscribers are a part of. You can operate as a steering committee but once formal documents require endorsement, you must officially form as a Utility Board.

Your originating R.M.(s) must first pass a Bylaw to provide for the establishment of a Public Utility Board pursuant to Sections 23 and 33 of The Municipalities Act. This Bylaw creates the Utility as a Body Corporate.

(Appendix VII - B)  (Appendix VII - C)

Your Corporate Bylaw should list all basic information such as:

- Definitions
- Fiscal year
- Signing Officers
- Borrowing Powers and Delegation of Powers
- Annual Meeting Information
- Auditors
- Board Membership
- Board Duties and Powers
- Annual Board Appointments
- Bylaws and Rules
- Effective Date

A very important factor to realize when presenting the Corporate Bylaw to participating R.M.’s to pass, is the point on adding outstanding debts to the tax roll. Typically,
corporate bylaws that have been passed by previous Utility Boards have stated that Member Municipalities “MAY” add to the tax roll the outstanding debts of the Utility. Please ensure that your participating Member Municipalities know that this word has now been changed to “SHALL”.

Under *The Rural Municipality Act, 1989*, Utility Boards had to present a list of outstanding debt to be added to the tax roll by December 31, annually.


Once a Utility Board or *Pipeline Organization* has been established by an R.M., it is not uncommon for other R.M.’s to become a part of the Utility Board. When this happens, it is very important to remember that the original Corporate Bylaw must not be repealed, but instead amended.

### 1.2 Business Plan

Your Financial Institution will likely request that you submit a Business Plan before they will confirm any financing with your *Organization*. If you have not completed one by this time, you should now consider doing so. Your Business Plan should include at least the following information:

- Executive Summary
- Business Overview
- Products and Services
- Industry Overview
- Management and Staffing
- Regulatory Issues
- Implementation Plan
- Financial Information

Please see *(Appendix VII - D)* for more detailed information.
Section 2  Personnel and Contacts

2.0  General

Your Organization should have a complete listing of all personnel and other contacts that may be pertinent to your Utility. A complete list of contact information may prove to be invaluable in the event of an emergency. Please see (Appendix VII - KK) for more detailed information.

2.1  Personnel

Personnel listings should include the following information:

- Full Name
- Position held
- Mailing Address
- Physical Street Address
- Home Phone Number
- Cell Phone Number
- Fax Number (if applicable)

2.2  All Other Contacts

The Contact Information on your List should include the following:

- Board of Directors (all)
- Government Agencies
- Emergency Contacts
- Priority Contacts
- All Other Utility Contacts
- Equipment Supplier
- Chemical Suppliers
- Maintenance Contractors
Section 3  Meetings

3.0  General

Your Organization will have many meetings when first planning your waterworks project and pipeline routing. These meetings will likely not follow any routine but instead will be held when planning for the distribution of water to subscribers and when issues arise. Once your project is near completion, a regular structure should be in place.

3.1  Regular Board Meetings

Once you are established as a Pipeline Organization, the Board of Directors should set regular board meetings. When you are first starting out, these meetings may be set as regular weekly or bi-weekly meetings, but for sure at least monthly.

A typical agenda may include:

- Approval of Agenda
- Reading of Minutes and Business Arising from Minutes
- Financial Report
- Accounts to Pay
- Operational Report from Maintenance
- Correspondence
- Subscriber Correspondence
- Other Business

Your Board must be kept informed of all inquiries that occur outside of the normal day to day routine.

3.2  Working Committee Meetings

During your regular Board meeting, you may find that a great amount of time is being spent on certain topics. To avoid taking too much time from your regular meetings, it is suggested that your Board adjourn these topics to a Working Committee Meeting. These meetings are held to discuss certain topics only and are not meant for regular meeting items such as Reading of Minutes, Financial Reports, Correspondence, etc. Your Board should hold a minimum of four (4) Working Committee Meetings in a year.

3.3  Budget Meetings

Your Board should plan to have a minimum of one (1) Budget meeting each year. The administrator should prepare the budget using an estimate for the first year of operation and then using the previous year’s income/expenses as a guideline for each year thereafter. If preferred, the Board can review the Budget at the first Budget meeting. At the second Budget meeting, all income, expenses and changes to the Budget can receive final approval.
Your administrator can present one or more different scenarios that the Board can review.

### 3.4 Annual Meeting

Your Corporate Bylaw should state if and when your *Organization* should hold an Annual Meeting.

A *Pipeline Organization* fiscal year should follow the same format as a Rural Municipality which is January 1 to December 31. The Annual Meeting of the Subscribers of the *Organization* should be held no later than ninety (90) days following January 1 of each year or such later date that the Board may determine by resolution.

The agenda of your Annual Meeting should include:

- Reading of the Minutes from the last annual meeting
- Report from the Chairman
- Approval of the Annual Financial Statement (Auditor’s report)
- Appointment of the Auditor
- Elections (if required)
- Other Business

### 3.5 First Organizational Meeting

Immediately following the Annual Meeting or such later date that the Board may determine by resolution, the Board should hold their First Organizational Meeting. *The Municipalities Act* states that this meeting should be held within 31 days following the Annual Meeting.

The agenda of your First Organizational Meeting should include:

- Call to Order
- Approval of Agenda/Changes to Agenda
- Nominations for Board Chairman
- Nominations for Vice-Chairman
- Signing Authorities
- Rules of Order for Meetings
- Committee Appointments
- Set Regular Meeting Date
- Next Meeting Date
- Other Business
- Adjournment
Section 4  Meeting Structure

4.0  General

Your Organization will have many meetings when first planning your waterworks project and pipeline routing. It is important to develop proper meeting structure.

4.1  Rules of Order

At your First Organizational Meeting, your Board should have decided what guideline to use for Rules of Order for your meetings. Following parliamentary procedure rules during your Board meetings will help in the decision making process for Boards. The main objectives of parliamentary procedure rules are to guard against hasty, ill-considered actions, to give each member an equal right to be heard, to determine the will of the majority and to protect the rights of the minority. For further information about parliamentary procedures, you may wish to obtain one of the following publications:

- Robert’s Rules of Order
- Beauchesne’s Parliamentary Rules and Forms
- Bourinot’s Rules of Order
- Auer’s Essentials of Parliamentary Procedures
- Kerr and Kings Procedures for Meetings and Organizations

The following link provides the entire “Municipal Council Member’s Handbook” as prepared by Advisory Services Unit of Grants Administration & Provincial-Municipal Relations. Please refer to (Appendix VII - E).


The following link provides the entire “Municipal Council Meeting Guide” as prepared by Advisory Services Unit of Grants Administration & Provincial-Municipal Relations. Please refer to (Appendix VII - F).


4.2  Board Member Structure and Remuneration

Your Corporate Bylaw will determine what your Board Member Structure will consist of. You will need to choose one of the following:

- that all Board members will be appointed by your participating R.M.’s
- that some of your Board members will be appointed by your participating R.M.’s and some will be elected at the Annual Meeting
- that all Board members will be elected at the Annual Meeting
When your R.M. is preparing the Corporate Bylaw, they may determine themselves, how they would like the Board structure to be.

Your Corporate Bylaw will further state what the Board Duties and Powers consist of.

The Board of Directors may, at any time, determine that remuneration will be paid for attending meetings or any other work as determined by the Board. Each Board member should be paid any remuneration and benefits and any reimbursement or allowances for expenses that may be determined by the Board. A suggested Board meeting remuneration would be $100.00 per full-day meeting and $75.00 per half-day meeting.

Board members may want a 'sign-in' sheet to confirm attendance. (See example in (Appendix VII - G). Board members may fill in an expense report stating all work completed relating to the Utility Board. See example in (Appendix VII - H).

Section 82 (2) of The Municipalities Act states that one-third of the total remuneration paid to a member of Council (or Board Member of the Public Utility) is deemed to be paid with respect to general expenses incurred that are incidental to the discharge of the duties of a member of Council (or Board). It goes on to say that a Council (or Board) may include any or all members in an existing plan of superannuation or a benefit fund maintained for the benefit of its employees.
Section 5   Subscriber Agreements

5.0  General

Once the Organization has formed a steering committee, and the work has moved beyond the preliminary design stage, the committee should undertake steps to confirm subscribers’ commitment to the project. This will be beyond the Expression of Interest Form as mentioned in Unit III Section 1 - 1.2.

Once conceptual designs including costs have been completed, the Consulting Engineer, along with the Organization, should establish a Capital Cost for a rural water connection. If the Organization prefers, a set cost can be implemented into the Subscriber Agreement or a +/- cost can be incorporated along with the set cost.

Any Water Supply Agreement must be completed in duplicate. One copy will be retained by the office and the other will be returned to the Subscriber once it has been executed by the Board and Administrator. When the agreements have been prepared and signed by the subscribers, a financial deposit from the subscribers should be collected. Most Pipeline Organizations use $500.00 as a base subscription deposit towards the Capital Cost of the rural water connection. If preferred by the Board of Directors, this amount can be changed.

5.1   Subscriber Water Supply Agreement

5.1.1  Typical Subscriber Agreement

Your typical Subscriber’s Agreement must contain specific information for the benefit of the Utility. It should be precise when listing Water Works System Services. One point to consider is that your Subscriber agrees to provide a water holding tank which should be a minimum capacity of 100 gallons. Your agreement with your Subscriber should also include the following information:

✓ Access to Property
✓ Connection to the System
✓ Utility Service Conditions
✓ Service Water Charges and Other Provisions
✓ General Information
✓ A schedule requesting a sketch for the house location and preferred pipeline routing
✓ A schedule stating indebtedness of subscriber
✓ A repayment schedule
✓ A drawing showing proper installation requirements
✓ A schedule for a Utility Easement and Right of Way
✓ Ensure there is a place for all required signatures (& seals)

A typical Subscriber’s Agreement is shown in (Appendix VII - I).

5.1.2  Long-line Agreement
Your Organization may receive a request for a rural water connection far beyond your current water line that is not feasible for you to install the water to. If this potential new subscriber is determined to receive the water, your Utility may offer him a Long-line connection. The potential subscriber must be willing to pay the actual cost of the connection plus an administration fee. In these special cases, you will need to sign a “Long-line Agreement”. This agreement will be very similar to your typical Subscriber’s Agreement but will have the following changes to it:

- Your “Long” Subscriber will have to pay a deposit that will bring the balance to the same amount that your typical Subscriber is allowed to finance.
- Your installation should follow a public right-of-way to the greatest extent possible so that others may connect to this line (if possible).
- The Long-line agreement should also state that if within five (5) years from the date of the signing of the agreement, any new Subscriber who connects to the Long-line, then the “Long” Subscriber may be entitled to receive a credit which would be credited as decided by the Board.
- For any new Subscribers connecting to the Long-line Subscriber water line, the maximum amount of all such credits to the Long Subscriber shall not exceed the extra cost paid by the “Long” Subscriber over the Organization’s usual connection fee.
- Remember that the Capital Cost of the Connection and extra deposit amounts must be listed on the agreement.

An example of a Long-line Subscriber’s Agreement is shown in (Appendix VII - J).

### 5.1.3 Pasture Connection Agreement

Some producers may request a Pasture Agreement to be used strictly for livestock. The Subscriber’s Water Supply Agreement for a Pasture Connection will also follow a typical Subscriber’s Agreement. One major difference between a Pasture Connection Agreement and a typical Subscriber’s Water Supply Agreement or Long-line Agreement is that once the pasture connection project has been completed, the balance of the cost is a debt incurred by the Subscriber and is owing to the Utility Board upon completion of the pasture connection project. The deposit will remain the same, which is typically set at Five hundred ($500.00) dollars. It is suggested that the cost of a pasture connection is cost plus 25%.

If a subscriber requests a Pasture connection only, it is recommended that they are not financed by the Utility Board. If a subscriber requests a pasture connection at the time his main connection is completed, the pasture connection may be financed along with the main connection at the discretion of the Board.

A pasture connection is generally buried three (3) feet deep. The meter is installed in the spring and removed by September 30th of each year.

The Agreement should state:
✓ that the Subscriber will assume all responsibility for costs of construction and maintenance of the distribution system beyond twenty (20) meters from the installation of the curb stop which is referred to as "point of delivery".
✓ that the Subscriber agrees that the meter for the pasture connection will be removed by September 30th or at the discretion of a representative of the Organization and further agrees to pay a connect and disconnect fee each year as per the Organization's bylaws.
✓ that at a specific Board meeting, a motion was made to charge a said amount for the installation of the pasture connection at a specific location and that your Pasture Connection subscriber accepts the cost and agrees to pay the balance in full upon completion.

An example of a Pasture Connection Agreement is shown in (Appendix VII - K).

### 5.2 Penalty for Late Hook-up

Once pipeline installation has begun, your Organization may decide to implement a Late Hook-up penalty. A set amount may be levied against latecomers who wish to connect to an existing pipeline branch once the installation has started or once the installation has gone past the latecomer’s residence. The amount of the penalty is determined by the Pipeline Organization. Some Organizations use $1,000.00 while others will be as high as $2,500.00.

*Pipeline Organizations* may choose to have those potential subscribers who decide against connecting to the project, sign a letter stating they have declined a water connection at this time. This letter states that the potential subscriber agrees to pay the current installation price as well as the current penalty charge, if and when they decide to connect to the project. See an example in (Appendix VII - L).
Section 6  Other Agreements

6.0  General

You may find that you will have situations involving other people or Organizations that are not within the scope of your typical Subscribers.

6.1  Renter’s Agreement

Your typical Subscriber may decide that he would like to rent his property and therefore the water bill will now go to a renter instead of the original Subscriber. The renter should sign a form stating they will pay a deposit and will be liable for any charges. Along with the form, a Renter’s Deposit should be submitted. This amount will be determined by the Board. As renter’s Utility bills cannot be added to the taxes of the land owner, and if the Renter leaves unexpectedly, your Organization may be left with an unpaid water bill. Some Organizations use a (refundable) deposit of $150.00 to $250.00. This amount should cover a typical water bill from any given billing period. Please see (Appendix VII - M).

6.2  Sub-Division/Developer Agreement

Your Organization may receive requests to have water installed to sub-divisions. Remember to check with your Planning Commission and/or R.M. to ensure this sub-division has their approval. You will need to decide who will be in charge of what costs and where your responsibility will end for the installation.

Your developer or company should agree to the following points:

- that the company will inform the Utility as each lot is sold
- that they will construct and install all infrastructure suitable to supply water from the point of delivery as identified by the Utility or Organization. If this infrastructure is only to the curb stop, you should have another statement in the agreement that the Developer will be responsible for all water line installation costs from the curb stop to each house as it is built
- That the water will be installed to all lots in the development but to no other property
- That the company agrees the construction will be in accordance with the standards and requirements of the Utility
- That the company agrees to pay the amount as determined by the Board for each lot
- Your Organization should determine an interest rate on amounts owed
- Your Organization may discontinue the supply of water to the sub-division if any sum of money agreed to be paid is not paid
- Your homeowners in the sub-division must sign a current Water Subscriber’s Agreement
Your developer agrees that after the warranty period is over, he will transfer and assign to the Organization, all his right, interest and title of the infrastructure.

The Agreement must be completed in duplicate and signed and sealed by both parties.

An example of a Sub-Division/Developer Agreement is shown in (Appendix VII - N).

6.3 Mobile Home Park Owner’s Agreement

If you are supplying water to a Mobile Home Park, you have two options:

- The Mobile Home Park will be treated as one typical subscriber
- The Mobile Home Park will be treated as individual subscribers

If the Mobile Home Park is treated like a typical subscriber, you will have an agreement in place and will forward a water bill to the Mobile Home Park owner in the same manner as any typical subscriber.

If the Mobile Home Park is to be treated as individual subscribers, you will need an agreement between your Organization and the owners of that Park.

That agreement should include the following information:

- Your Organization will agree to purchase and install all infrastructure suitable to supply water from the point of delivery to the meter at each lot
- The Mobile Home Park owners will agree to pay your Organization a set amount for each trailer connected
- The Mobile Home Park owners agree that the installation will be in accordance with the standards and requirements of the Organization.
- The Mobile Home Park owners agree that all meters and appurtenances will remain the property of the Organization
- Any default of payment will have interest accrued until payment is received
- The Organization may discontinue the supply of water if any sum of money agreed to is not paid or if any homeowner in the Park fails or refuses to sign a Renter’s Agreement and a Typical Subscriber’s Agreement
- Both parties will agree that an easement or interest will be registered against the land
- The agreement will have an effective date
- The Agreement must be completed in duplicate and signed and sealed by both parties

An example of a Mobile Home Park Agreement is shown in (Appendix VII - O).

6.4 Mobile Home Park Renter’s Agreement
If you are supplying water to a Mobile Home Park and will be installing a meter at each residence of the Mobile Home Park, you will need a Mobile Home Park Renter’s Agreement.

That agreement should include the following information:

- The Mobile Home Park Resident agrees to pay the current service charge as set by the Board
- The Mobile Home Park Resident agrees to pay a deposit on water consumption and service charges in the amount as set by the Board
- The Mobile Home Park Resident agrees the installation shall be in accordance with the standards and requirements of the Organization.
- The Mobile Home Park Resident agrees that any representative of the Organization may access the property for repairs/replacements/monitoring, etc. of the Organization equipment
- The water may be turned off and not reconnected until the deposit is brought back to the originating amount
- The agreement will have an effective date
- The Agreement must be completed in duplicate and signed and sealed by both parties

An example of a Mobile Home Park Renter’s Agreement is shown in (Appendix VII - P).
Section 7  Water Rates

7.0  General

All Organizations will need to establish a water use fee structure to offset the costs of water, insurance, staffing, operation and maintenance of pumping equipment, power, pipeline repairs, meter reading and other items.

Rates should be calculated based on the price you pay to purchase the water and the cost to deliver the water to your subscribers. Every Organization will be different when it comes to charging subscribers for water consumption.

7.1  Establishing Water Rates

Your Organization will need to determine the water rates (and/or sewer rates if applicable) to charge to your subscribers. It is very important to review your cost on an annual basis and then determine your charge to subscribers based on your cost. Your rate may be subject to change depending on the agreement reached between the two parties involved. Generally, the water is metered and a charge is levied to the Organization based on a certain unit rate per thousand imperial gallons or a set number of cubic meters. Your Organization may have to renegotiate this rate at specified intervals as set out in the agreement between the Organization and the water purveyor. You can either use a fixed percentage rate or use a different calculation based on your charge from your supplier. Your subscribers will be billed according to their own consumption.

The Organization should meter its individual members and bill each member according to consumption. Water meters should be read at least annually. See Section 8.2 of this Unit for more information.

7.1.1  Typical Subscriber Rate

Your typical Subscriber Rate for water should be based on your initial costs for the water. You will have to determine what type of revenue your Board should receive from a typical billing period. The difference between what you pay and what you charge may vary from year to year and will be based on your Budget projections. Your rate should be a minimum of 25% more than what you pay.

7.1.2  High Use Consumer Rate

Your Organization may have consumers who will use more water than a typical subscriber. You will need to determine what type of rate will be charged to the high use consumers. When you pay for water from your supplier, you may receive a discount rate based on certain amounts of water purchased. These same discount rates may be passed on to your high use consumers. If you do not receive a discount from your supplier, you will have to determine what a typical Subscriber rate for water will be and then base your high use consumer rate on that amount.
Section 8  Service Charges

8.0  General

The *Organization* will need to establish a monthly service charge to offset the costs incurred to deliver water to your subscribers. These costs include, but are not limited to: insurance, staffing, operation and maintenance of pumping equipment, power, pipeline repairs, meter reading and other items.

8.1  Establishing Monthly &/or Other Service Charges

*Organizations* may charge a set administration and maintenance fee in addition to water charges. This may vary from $5.00 per month to $50.00 per month (or more).

Your *Organization* will need to determine from the Budget what expenses will have to be paid over the current and/or future years. Your monthly service charge income will then be established based on the Budget expenses.

8.1.1  Typical Subscriber Service Charge

A typical Monthly Service Charge may be set at $25.00 or $30.00 per month.

8.1.2  High Use Consumer Service Charge

If you have any high use consumers on your pipeline, you may consider charging a high use consumer service charge. This charge can be based on their consumption from the previous year’s usage. Please see (*Appendix VII–Q*).

8.1.3  Contingency Charge

Some Utility Boards also charge a minimal amount (i.e. $2.50/month) to be put into a “Repair and Maintenance Contingency Fund” to be used for the long-term replacement of equipment and/or pipeline upgrades.

8.1.4  Other Service Charges

- Transfer of Ownership

Once your subscriber base has been established, it is not out of the ordinary to have a subscriber sell their property. When this happens, there are some steps your *Organization* should follow:

Fill out a Transfer of Ownership Form. See example at (*Appendix VII–R*).

- The form should contain the date of transfer, both names, addresses and phone numbers of the original owner and the new owner
- It should also show where your Maintenance Manager has inspected the water line and connection to ensure it conforms to your Board regulations
When the new owner comes to the office and the new form is filled out, a “New Subscriber Connection Fee” should be paid along with the signing of two (2) new Subscriber Agreements. Your Board will need to determine what this fee will be, but a suggested fee could be $50.00.

- Water Connection Compliance

You may find that upon inspection, your subscriber’s connection does not conform to your Organization’s policies. If this is the case, a Water Connection Compliance Form should be filled out by your Maintenance Manager. See example in (Appendix VII–S).

- Other – Custom Work

Once your Maintenance Manager has completed his final inspection due to a Transfer of Ownership, some custom work may need to be completed. This could include the installation of an overflow on the water holding tank.

- The custom work charge may be invoiced separately or may be added to the final water bill for the subscriber.
Section 9   Establishing Billing Cycles

9.0  General

The Organization will need to follow regulatory issues that are also detailed in other areas of this manual. At one time, it seemed that an agreement could be made by a handshake. Now, due to the Walkerton and North Battleford disasters, new rules and regulations are reviewed and/or amended continually. Organizations need to remain current with the regulatory requirements that are currently in force.

9.1  Water Billing Cycle

The Organization will need to determine what type of billing cycle to use. There are many options, which include:

- Monthly
- Bi-Monthly
- Quarterly
- Semi-Annually
- Annually

Cash flow, ease of billing and collections will help you determine what cycle works best for your Organization. Monthly and Bi-monthly cycles work better if you require good control with cash flow. Quarterly billings are common amongst pipeline Organizations; however, if you do not receive payment from your subscriber until the next billing, they have now not paid for water consumed over a six-month period.

9.2  Water Meter Readings and Records

Your Board will have to determine if and when meters will be read for billing periods. This is dependent on the size of your Organization. If you are a smaller Utility, you may want to have your meters read for each billing period. This can be completed with a walksheet. If you choose to purchase the Utility Billing Program through Munisoft, one option included is to print walksheets from your customer listing. This report includes the last actual meter reading, which is good information for your meter reader as he can then determine if there is a problem with the meter by the readings.

If you are a larger Utility and it is not feasible to have someone read the meters, you may choose to mail out self-read meter cards. You are now relying on your Subscriber to submit their meter reading for the billing. If some of your subscribers do not submit a reading for more than two billings, then this should be noted and those meters should be read by your Maintenance staff. An example of a meter read is shown in (Appendix VII - T).

Depending on the project, water meters may be installed by the contractor or by the Utility. A record should be kept on the Meter Installation. This will also help determine the starting date for billing of the subscriber. (See an example in (Appendix VII - U).
9.3 Completion of Billing

Whatever billing cycle is chosen, your *Pipeline Organization* should follow a routine for billing and collections. Consistency is important and if you have chosen to send bills quarterly, use a specific date for every billing.

i.e. January, February, March billing
- mail out bills by March 27
- collection of bills due by April 27

File the water bills in a separate binder for each year.

9.4 Reminder Notices

If payment is not received by the due date, you may have to mail out reminder notices to your Subscribers. Your first notice should be just that – a reminder. Do not use harsh, negative words. See example in *(Appendix VII - V)*.

If you use the dates above for your billing, reminder notices should be mailed out on or near April 27th. With this reminder, you can give them about 2 to 3 weeks to pay the past-due water bill.

9.5 Shut-off Notices

Once the second notice has been sent and if payment is still not received, it is time to send a shut-off notice. See Example in *(Appendix VII - W)*.

Make arrangements with your Maintenance Manager on a suitable date for possible shut-offs for subscribers. Do not make this date a day that is scheduled for water sampling or a scheduled day off. If your *Pipeline Organization* does not have a bylaw in place regarding rate charges for shut-off notices, then do not schedule the shut-off for a Friday. If you are sending out shut-off notices to subscribers, it is important to follow through with the shut-off.
Section 10  Administration of Regulatory Issues

10.0 General

The *Organization* must follow regulatory issues as directed by Government agencies. Although the following are mentioned in other areas of this manual, the actual forms or notices are shown here.

10.1 Permits and Forms for the Utility

10.1.1 Permit to Operate

Every *Pipeline Organization* must have a “Permit to Operate”. There are two types of applications for Permits to Construct used for rural water pipelines that are designated Human Consumptive use. They are:

- Application for Permit to Construct and/or Operate Waterworks
- Application for Permit to Construct, Extend or Alter Existing Works

These applications can be found at [http://www.saskh2o.ca/foroperators.asp](http://www.saskh2o.ca/foroperators.asp) (Scroll down to Forms)

- Permit to Construct and/or Operate a Waterworks ([Appendix III – K](#)),
- Permit to Construct, Extend or Alter Existing Works ([Appendix IV – B](#)).

See Unit IV – Regulatory Requirements for more information or contact your MOE EPO.


All *Pipeline Organizations* are required to have a QA/QC policy manual prepared and kept on file. The QA/QC policy manual is a written statement of intent to provide safe drinking water – water that meets all the quality and production related requirements of *The Water Regulations, 2002.*

A template for your QA/QC Manual can be found at:

[http://www.saskh2o.ca/DWBinder.asp](http://www.saskh2o.ca/DWBinder.asp)

Scroll down to Point #11.

10.1.3 Emergency Response Manual

Just as the QA/QC Manual is a requirement, all *Pipeline Organizations* must also have an Emergency Response Plan (ERP) manual. It is important that this manual is updated regularly as contact personnel may change.

A template for your Emergency Response Manual can be found at:

[http://www.saskh2o.ca/DWBinder.asp](http://www.saskh2o.ca/DWBinder.asp)
Scroll down to Point #11 and click on Waterworks Emergency Response Planning Template.

10.1.4 Monthly Notice to Board of Directors

All Pipeline Organizations must present monthly notice to the Board of Directors. As stated in Section 43(2) of The Water Regulations, 2002 Act, “…every permittee of a waterworks shall review the records and logs kept pursuant to Section 42 on a monthly basis to ensure that operating parameters and water quality parameters applicable to the operation of the waterworks are being achieved”.

In MOE’s “Monthly Review of Waterworks Operation Records by Permittee”, it also states: “Persons reviewing waterworks operational records in a municipal setting should report and document their findings at a monthly council meeting”.

More information can be found at:

http://www.saskh2o.ca/DWBinder.asp

Scroll down to Point #11 and click on Monthly Review of Waterworks Operational Records by Permittee.


10.1.5 Annual Notice to Consumers

Your “Permit to Operate” will state that annual notification must be presented to every Subscriber. A template for your Annual Notice can be found at:

http://www.saskh2o.ca/DWBinder.asp

Scroll down to Point #7 and click on Annual Notification to Consumers Guidelines for Compliance and Templates.
Section 11  General Office Procedures

11.0 General

The Organization will need to establish proficient general office procedures. Preparation of a good office procedure manual, bylaws, capital loan program and an accounting program will need to be determined early.

11.1 Office Procedure Manual

An Office Procedure Manual should provide everything needed to set policies and establish procedures that will keep the office operating efficiently and productively. The manual should be a step-by-step guide that is right for your Organization. It should present a clear and accurate statement of your Organization’s purpose and goals as well as billing and record keeping. An Office Procedure Manual requires a great deal of preparation but also requires someone to continually keep the manual up to date.

Policies and Procedures Manual

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<thead>
<tr>
<th># and Title of Policy or Procedure (Generalized)</th>
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<td>Policy Number:</td>
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<td>Name:</td>
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<td>Approval Process:</td>
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<td>Revision Date(s):</td>
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</tbody>
</table>

11.2 Employee Policies Manual

Some Pipeline Organizations may decide they would also like to maintain an Employee Policies Manual. This can be a simple manual or a much more complex manual. You may want to include such policies as:

- Welcome
- Introduction to your Organization
- Overview of Organization
- Employment Policies
- Hiring Procedures
- Employee Information
- Starting to Work
- Compensation (including Wage & Salary policies)
- Performance Management
- Professional Standard
- Benefits
- Paid Time-Off
11.3 Insurance

Before your Organization begins to provide water to its subscribers, it is very important that your insurance policies are in place. This section will describe the various types of insurance your Organization should consider.

11.3.1 General Liability Insurance

The Organization should carry adequate Commercial General Liability insurance on a continuing yearly basis. This insurance may be required for incidents such as: broken pipeline causing bodily injury or property damage to persons or property or water source contamination caused by cross connection control failure. The amount of insurance required will depend on the damage potential. Information on rates and possible levels of insurance required may be obtained from an insurance broker. It is suggested that Utility Boards carry a minimum of $2,000,000 in liability. Some provincial Utility Boards carry up to $5,000,000 in liability insurance.

It has been reported that Walkerton has exceeded $50 million (with no end in sight) in liability losses following the contaminated water scandal in 2000. Can you imagine if they did not have any General Liability Insurance?

11.3.2 Property Insurance

The Organization should carry adequate property insurance on all property including all pumphouses and/or booster stations. Your insurance should include buildings and contents. You will need to decide if you want a Replacement Cost Clause for Buildings and Equipment or an Actual Cash Value clause. Replacement Cost is recommended as in the event of an insured loss, the Organization will receive new for old.
Your Organization may want to insure items as per the check list in (Appendix VII - X).

11.3.3 Directors’ and Officers’ Liability Insurance

Rural Water Pipeline Organizations should strongly consider having a Directors’ and Officers’ Liability Policy for Non-Profit Organizations. The policy should afford coverage for Claims for the Wrongful Acts of Insured Persons made against their estates, heirs, legal representatives or assigns of such insured persons. This is a very important insurance coverage.

Most liability suits are the result of someone suffering a physical injury, either to person or property, or some income loss, as a result of another party’s actions or inactions. These types of actions usually fall into the domain of the General Liability or Automobile Liability policies.

The operation of a business, either profit or non-profit orientated, may attract actions which surface out of disagreements over the management or management direction of the operation. The question of injury and value of that injury is more difficult to determine than the defendant’s negligence in an operations claim.

The Non-Profit Corporation Act outlines the duties and responsibilities of the directors. The Directors can be held accountable for wrongful actions, jointly and severally. The Non-Profit Corporation Act makes provisions for the Corporation to reimburse the director for certain costs the director may face as a result of actions that may not have been the best. The test is largely that the director(s), while erring, did so in good faith.

Directors’ and Officers’ Insurance is intended to respond to good faith errors and will reimburse the Non-Profit Organization for payment it is called upon to make to its directors under the Act or bylaws. It is important to know, though, that the insurance will not respond to criminal or fraudulent type actions of the directors. Those types of errors will rest with the director(s).

Your Director’s and Officers Liability Insurance Policy should include the following:

- Insuring Clause
- Extensions of Coverage
  - Estates and Legal Representatives
  - Spousal Liability
  - Discovery Period
- Defence, Settlement and Co-operation
- Exclusions
- General Conditions and Limitations
- Definitions

It is recommended that the Limit of Liability be a minimum of $2,000,000. In today’s litigious society, higher limits on Commercial General Liability and Directors’ and Officers’ Liability is highly recommended.
11.3.4 Commercial Auto Insurance

*Pipeline Organizations* should take note that the $700.00 deductible on your SGI plates can be reduced through your broker on a package policy. Also, higher liability limits are available and highly recommended. Presently, there is only $200,000 on your plates. For complete information, speak to your local insurance broker and your licence insurer.

11.4 Bylaws

Laws that your *Organization* is permitted to pass are called Bylaws, meaning “municipal laws”. Your *Organization* can take only such action as is authorized by the provincial legislature through Provincial Acts. Please ensure that your bylaws are consistent with the Provincial Acts.

Your *Organization* may wonder if they should be passing a bylaw or should it be a resolution only. Try to remember that a resolution is primarily used for the day to day business. A resolution generally expresses the will of the Board on a certain occasion that is not likely to recur.

If the use of a bylaw or resolution is optional, the general rule of thumb is to use a bylaw for on-going matters that have general application or involve a penalty.

A bylaw is passed by reading it three separate times at Board meetings, with the motion for each reading passed by a majority vote. Sometimes because of the pressing nature of a problem or because of a consensus on an issue, it may be appropriate to give a bylaw three readings at one meeting. If this is done, your Board must also give unanimous consent by resolution to give the bylaw three readings at any one meeting.

11.4.1 Operating Bylaws

One of the first bylaws that Utility Boards may want to incorporate is a bylaw to install, operate and maintain a Rural Waterworks System. This Bylaw may contain information on the Installation of a Rural Waterworks System including installation costs, terms and conditions of installation and Withdrawal from a Utility’s Waterworks System. It will go on to provide terms and conditions for the provision of Public Utility Waterworks System Services. Water Rates and the Collection and Enforcement of Fees can be included in this bylaw. It may also list Enforcement of Terms of Service and Collection of Fees and information on supplying water outside of the boundaries of the Utility Board. See example in *(Appendix VII · Y)*.

11.4.2 General Bylaws

Utility Boards may want to incorporate a bylaw to implement penalties known as “The General Penalty Bylaw”. This will be typical of an R.M. General Penalty Bylaw. See example in *(Appendix VII · Z)*.
11.5 Accounting Program

Your Organization should purchase a good dependable accounting program to use for your Utility Billing Program along with your General Ledger Program.

Some suggestions are:

✓ Munisoft
✓ Simply Accounting
✓ Quick Books
✓ Microsoft Excel

Whatever type of program you will be using, your Board will determine what type of information it will want to review at each monthly Board meeting. Generally, the following information must be presented to the Board each month:

✓ Balance Sheet
✓ Income and Expense Report or
✓ Statement of Receipts and Payments
✓ Monthly Bank Statement and Bank Reconciliation
✓ Accounts to Pay for Approval

11.5.1 Vendor Forms

If you will be using Munisoft, it is programmed to print vendor forms for each invoice entered into the program.

If you will not be using Munisoft, it is important that you have Vendor Forms for each invoice your Board will be approving for payment at meetings. (See example in (Appendix VII - JJ)).

11.6 Capital Loan Program

All Pipeline Organizations should set up a Capital Loan Program to use for every Subscriber who chooses to finance their rural water connection through the Organization. Although most Pipeline Organizations are “Not-for-Profit”, it is recommended that the Organization should charge a minimum of 1% over whatever rate your bank loan(s) are at, to cover bank fees, loan fees, etc. You may choose to purchase a program for your Capital loans or you may develop your own program in Microsoft Excel.

11.7 Bank Reconciliations

All Pipeline Organizations must reconcile their General Ledger to the Monthly Bank Statement received from the Financial Institution. There are many options for the type of form to use for your Bank Reconciliation. An example of one is shown in (Appendix VII - AA).
11.8 Petty Cash

All *Pipeline Organizations* should have “Petty Cash” to be used for change if subscribers pay their bills in cash. It can also be used for paying for small purchases that do not warrant an issuance of a cheque. When an invoice is handed in for reimbursement, have the person who made the purchase sign the receipt prior to reimbursing the payment. A suggested amount for Petty Cash is between $100.00 to $200.00. When deposits are made, make sure and balance the Petty Cash and receipts to your total amount required in your cash box. If you need to replenish the Petty Cash, complete a Petty Cash Report and issue a cheque payable to “Petty Cash” at your next regular Board meeting. See example in *(Appendix VII - BB).*
Section 12 Subscriber Records

12.0 General

The Organization must maintain good, reliable Subscriber records. It is important to keep accurate, historical information so that new staff and/or board members may review relevant information as required. Lack of records or loss of records makes decision-making almost impossible. Keeping a copy of Subscriber records off-site is also recommended.

12.1 Signing of Agreements

Whether you are starting a brand new Rural Waterworks project or only adding one or two new subscribers, it is imperative that all interested subscribers sign two Subscriber’s Water Supply Agreements. Along with the agreements, a deposit should be given as explained in Section 4 of this Unit.

12.2 Information Services Corporation of Saskatchewan (ISC)

Information Services Corporation of Saskatchewan (ISC) is the provincial Crown Corporation formerly known as “Land Titles.” ISC is responsible for the administration of land titles, survey and personal property registries, as well as related geographic information and mapping systems.

Through the ISC website (www.isc.ca), you are able to obtain title information instantly, and you can also register a title (and interests against that title such as mortgages and easements) at your convenience, 24-hours a day. In addition, since all land and interest transactions may be conducted through the website, ISC helps to protect its customers from fraudulent acts by notifying them of any transaction that affects their land or interests. You will need an account to access ISC Online Services. Registering an account is an easy process that can be done at any time on the website. You will then be able to access your account from any computer.

It is imperative that your Organization register all pieces of land that have the water pipeline running through them.

If ISC is notified of a transfer or any other instrument affecting the land, you will in turn be notified. If you receive a transfer from one subscriber to another, make a copy of the transfer notice and file one copy with the original owner and another copy with the new owner.

The best way to register your interest with ISC is to input each Subscriber separately. If you are crossing land only, this should also be completed in a separate registration. Every registration (or discharge) application with ISC requires a Packet Cover Page. (See example in (Appendix VII - CC)). This page can be downloaded from the Packet Cover Pages link found under the Forms tab. You do not need to be logged in to get this form. Please note that the bar-code number in the top left corner of each Packet Cover
Page is unique and that it can only be used once. If your registration is rejected, you must obtain a brand new Packet Cover Page and the original one cannot be re-used. If you call ISC about any registration, giving them the bar code number will direct them to your original registration of that packet.

Once the Packet Cover Page is completed, the next step is to complete an Application for Interest Registration. On the ISC Site, click on forms and then click on Interest Transactions. Choose Application for Interest Registration. See example in (Appendix VII - DD). Choose the interest type that best protects your interest (from the drop-down menu). Complete the two page form and you are ready for the next step.

Your next step is to print a “Begin Attachment Sheet” if you will be adding a copy of your subscriber’s agreement. See Example in (Appendix VII - EE). Again, while under Interest Transactions on the ISC site, choose Begin Attachment Sheet.

At this point, you may insert a Caveat Claiming an Interest in a certain parcel of land. You should then have this Caveat notarized by a Commissioner for Oaths.

And finally, you will attach a copy of your Subscriber’s agreement.

**VERY IMPORTANT NOTES:**

- All ISC forms are published in Adobe PDF or Microsoft Word formats
- The new ISC only uses letter size paper or 8 ½ x 11” size. If your agreements are on legal paper, you will have to reduce them when copying them for registering with ISC. Also, only use one side of the paper - do not double side your submission.
- **Map Search**, ISC’s new online search service, provides the opportunity to view and search all land records, including titles and plans, in one easy-to-use, interactive map.
- **ISC** offers many courses throughout the year to learn more about the new computerized “Land Titles” system.

### 12.3 Setting up a Bill Card or Account

Every subscriber should have their own bill card or account. This bill card will show all charges, payments, interest and any adjustments made for the rural water service provided. The new Windows version of the Utility Billing System through Munisoft has many unique features including meter information, consumption history, automated meter read system information, etc.

### 12.4 Setting up Automatic Payments

Your Organization should give each Subscriber the opportunity to pay water bills and capital loan payments through an automatic payment method. Your financial institution may be able to help set up automatic payments that will be deposited directly into your
bank account. Once your bank has contacted all other banks that your Organization is willing to deal with, you will have to fill out Creditor Enrollment forms for each bank. Each bank will then contact you directly when you will be able to access the internet payments.

If you choose to have Subscribers pay a regular monthly payment on their capital loan, you can have them fill out an Automated Funds Transfer Authorization. See example in (Appendix VII - FF). This form could also be used if a Subscriber wants to pay the same consistent amount on their water bill each month.

If you choose to have your Subscriber's pay their water bills at each billing through a "Business and/or Personal Pre-Authorized Debit Plan", you will have to have your Bank assist you with this. Notification to your Subscribers is easily accomplished because you will still send them their water bill as the notification and the water bill payment will come out on the scheduled date as set by your Organization.

12.5 Setting up a Capital Loan Card

Every Subscriber should have their own capital loan card or account. This card will show all entries by the Pipeline Organization as well as record all payments received on the Capital loan.

On each card, list Name, Address, Phone Number, Starting Balance of Loan, Deposit Date and Amount, Term and Interest Rate of Loan, and then all payments and adjustments made by the Subscriber.

12.6 Individual As-Built Drawings

It is recommended that tracer wire is installed along the pipeline. Some Pipeline Organizations may choose or have chosen to not install tracer wire with the installation of the pipeline. If this happens, it becomes difficult to locate the pipeline in years to come. Every Subscriber’s route of installation should therefore be recorded on paper as an individual as-built drawing. Some engineering firms will provide professional to-scale drawings or you may choose to complete your own as shown in (Appendix VII - GG) and (Appendix VII - HH).

Whatever choice you make, please ensure that good accurate drawings are maintained. Staff and/or Board member changes, property changing hands, Subscriber and/or RM requests for water line locates, etc. are some of the reasons why accurate drawings are necessary.

12.7 Transfer of Ownership Form

The Transfer of Ownership Form is a method or retaining record information when property changes hands. The Transfer of Ownership Form, as explained on page 14 of this Unit, should be completed in duplicate or triplicate.
Once the form is completed, one part should be filed with the original owner, one part with the new owner and the third copy to be kept on file in a Transfer of Ownership binder (if desired).

12.8 Other Subscriber Correspondence

Any correspondence with a particular Subscriber should be kept on record in the Subscriber’s individual file.
Section 13  Utility Records

13.0 General

The Organization must maintain good, reliable, accurate Utility records. While maintaining accurate and complete Subscriber records is important, it is also very important that all Utility Records are maintained in chronological order for ease of access. Auditor’s Financial Statements, Deposit Books, Cheque Stubs, General Ledger entries, etc. must be filed in a way that they can be easily retrieved from a previous year.

13.1 Filing System

The Organization will need to determine what type of filing system will best work for them. You can choose to have new files for each new year or you may want to have a continual filing system for vendor information, correspondence, regulatory requirements, etc.

13.2 Record Retention Listing

The Rural Municipalities (R.M.) of Saskatchewan follow several pieces of legislation that work together to ensure that they are accountable for the way in which they dispose of records created in their daily professional duties. Because Pipeline Organizations follow in the steps of R.M.’s, this section will review the Records Retention and Disposal Guide as used by an R.M.

What is a Record?

A record is defined by The Archives Act, 2004 and The Local Authority Freedom of Information and Protection of Privacy Act as:

“a record of information in any form and includes information that is written, photographed, recorded and stored in any manner, but does not include computer programs or other mechanisms that produce records.”

Not all material requires filing, retention and authorization from the Government before its destruction. The following are considered to be non-government records and can therefore be destroyed when no longer needed:

✓ The Transitory Records

Transitory records have no long-term value and are typically produced for convenience or short-term reference. With some exceptions, transitory records can be destroyed once they are no longer referenced.
✓ Publications

Publications are widely distributed and available from various sources. With some exceptions, publications can be destroyed once they are no longer referenced.

✓ Non-work-related Records

Non-work related records are employees’ own records. Disposal of employees’ non-work related records remains at the discretion of the employers. It is recommended that non-work-related records be kept separate from government records and that those in electronic format be frequently removed/deleted from the system.

In 2001, provincial legislation was amended regarding the retention of records by municipalities. Pipeline Organizations may adopt their own retention schedule; however, it is recommended that they adopt the Records Retention and Disposal Guide as developed by UMAAS, RMAA, SUMA and SARM along with the assistance of the Saskatchewan Archives Board. This guide is available on the Government Relations website at:


see (Appendix VII - II).

Pipeline Organizations should use the following disposal procedures:

✓ Prepare a records inventory listing
✓ Relate records to the schedule in the Records Retention and Disposal Guide
✓ Receive approval from your Board of Directors (if required)
✓ Forward information to the Saskatchewan Archives Board (if required)

If you have any questions concerning the management of records belonging to local authorities, which includes rural water Pipeline Organizations, please contact the Inquiry Line of the Government Records Branch, Saskatchewan Archives at (306) 787-0734. You can also email them at recordhelp@archives.gov.sk.ca