

M A N I T O B A) Order No. 140/10
)
THE PUBLIC UTILITIES BOARD ACT) December 23, 2010

BEFORE: Graham Lane, CA, Chairman
 Monica Girouard, CGA, Member
 Susan Proven, P.H.Ec., Member

RURAL MUNICIPALITY OF WHITEMOUTH
WATER AND SEWER RATES

Executive Summary

By this Order, the Public Utilities Board (Board) varies an application by the Rural Municipality of Whitemouth (RM or Whitemouth) for water and sewer rates.

The rates, as set out below, are to be applied to customers serviced by the RM's Rural Waterline (Waterline), the Whitemouth Sewer System (Whitemouth Sewer), and the Seven Sisters Sewer System (Seven Sisters Sewer).

Revised rates are effective January 1, 2011, 2012 and 2013:

Rural Waterline

Water Rates \$/m ³	Rural Pipeline Current (1993)	Whitemouth Water Co-op	2011	2012	2013
First 68 m ³ (domestic)	\$1.00	\$1.75	\$2.54	\$2.63	\$2.73
Over 68 m ³ (wholesale)	\$0.39	-	\$1.18	\$1.26	\$1.33
Bulk Water - all consumption	\$1.54	-	\$3.01	\$3.11	\$3.22
Quarterly Service Charge	Included in minimum bill	\$24.00	\$17.96	\$18.63	\$19.17
Minimum Quarterly Bill- small volume user ⁽¹⁾	\$37.65	-	\$52.25	\$54.14	\$56.03
Average Quarterly Bill using 40 m ³	\$64.15	\$94.00	\$119.49	\$123.98	\$128.39
Minimum Quarterly Bill- large volume user ⁽²⁾	\$108.25	-	\$190.68	\$197.47	\$204.83
Large volume user - using 2025 m ³	\$861.62	-	\$2,496.20	\$2,653.84	\$2,813.07
Large volume user - using 111 m ³	\$124.72	\$218.25	\$241.22	\$251.68	\$262.14

(1) Includes 13.5 m³, (2) Includes 68 m³, (3) Formerly a flat rate, (4) Based on 40 m³ usage per quarterly, (5) Seasonal Customers/vacant lots

Whitemouth Sewer

Based on water consumption	Current (1994)	Revised
Commodity /m ³		\$0.47
Quarterly Service Charge	\$6.80	\$8.79
Minimum Quarterly Bill	v\$16.30 ⁽³⁾	\$15.14 ⁽²⁾
(4) Unmetered customers quarterly charge		\$27.59
Lagoon Tipping Fee per 3,000 gallon load	\$15.00	\$15.00

(1) Includes 13.5 m³, (2) Includes 68 m³, (3) Formerly a flat rate, (4) Based on 40 m³ usage per quarterly, (5) Seasonal Customers/vacant lots

Seven Sisters Sewer

based on water consumption	Current (2005)	Revised
Commodity /m ³	\$ 9.60 ⁽³⁾	\$0.37
Quarterly Service Charge	\$ 6.80	\$8.62
Minimum	\$16.40	\$13.62 ⁽²⁾
Unmetered Quarterly Bill ⁽⁵⁾		\$13.62
Lagoon Tipping Fee per 3,000 gallon load	\$15.00	\$15.00

(1) Includes 13.5 m³, (2) Includes 68 m³, (3) Formerly a flat rate, (4) Based on 40 m³ usage per quarterly, (5) Seasonal Customers/vacant lots

This order follows a public hearing held on November 30, 2010 in the RM, with approximately 20 persons in attendance.

As well, the Board approves the RM meeting the 2009 deficit incurred for the Whitemouth sewer through that utility's accumulated surplus and its projected incurrence of a 2010 operating deficit of up to \$10,000, to be offset by a transfer from the Whitemouth sewer reserve fund.

Application

The RM applied to the Board for approval of its rate By-law No. 539/10, read the first time on April 28, 2010. The RM's application was accompanied by an April 2010 rate study (revised in November 2010) and other supporting information.

The application and by-law included revised rates for the three utilities: the Rural Waterline, the Whitemouth sewer and the Seven Sisters Sewer.

Since its application, and following the RM circulating the Notice of Public Hearing, the RM's financial information was revised; what follows is a summary of the revised information, (which differs from the RM's original application and by-law).

All three utilities are affected by the implementation of the revised requirements of the Public Sector Accounting Board (PSAB). PSAB's new accounting standards are discussed in more detail later in this order.

Waterline

The current waterline is the result of the merger of the Whitemouth Water Co-op, the Seven Sisters Falls Water Co-op, the Manitoba Hydro townsite water system and the RM's Rural Waterline. Order 166/08 approved the merger of these utilities and is available for review on the Board's website (www.pub.gov.mb.ca).

The original distribution system of the rural waterline began in 1993 and included the construction of a pumphouse. In 2006,

Provincial guidelines for water quality changed and the RM constructed a new water treatment plant (WTP) in 2010. The Whitemouth Water Co-op was constructed in the 1970's and the Seven Sisters Falls Water Co-op in the early 1990's. With the completion of the WTP, both co-ops will turn over their assets to the RM.

The new WTP is now providing water that meets water quality standards to all customers, and the boil water advisory previously imposed on the municipal water systems (not including the Whitemouth Water Co-op) was rescinded as of November 26, 2010. The waterline provides services to 389 customers (334 residential and 55 large volume users).

The final costs of the WTP are now estimated at \$3.9 million (originally estimated at \$4.5 million) although not all of the bills have been submitted. Of this amount, 2/3 will be funded by grants; of the remaining 1/3, Manitoba Hydro, the Co-ops and the RM will make contributions on behalf of customers and from reserve funds, reducing the final amount to be borrowed to \$150,000. The RM then expects a portion of that amount to be prepaid by customers.

There are no other outstanding capital debts related to the water utility.

Existing and proposed rates were:

Water Rates \$/m ³	Rural Pipeline Current (1993)	Whitemouth Water Co-op	Proposed
Minimum	\$37.65 ⁽¹⁾	-	\$ 53.44 ⁽²⁾
Commodity	\$ 1.00 (\$4.55/1,000 gallons) ⁽³⁾	\$1.75	\$ 2.63 ⁽⁴⁾

	\$ 0.39 (\$1.75/1,000 gallons) ⁽⁵⁾	-	\$ 1.27 ⁽⁶⁾
Service Charge	Included in min. not set apart	\$8.00/month	\$ 17.96
Bulk Water	\$ 1.54 (\$7.00/1,000 gallons)	-	\$ 3.10
Hydrant Rental	-	-	\$100.00 ⁽⁷⁾

(1) - Includes 3,000 gallons, (2) - Includes 13.5 m³, (3) - Over 3,000 but less than 15,000, (4) - Up to 68 m³, (5) - Over 15,000 gallons (6) - Over 68 m³, (7) - There are 15 hydrants that the RM will be taking over from the Whitemouth Co-op

Whitemouth supported its application by indicating that the existing water rates were inadequate and unable to support the current cost of operations. With the completion of a new WTP, operational costs would be significantly higher and current rates do not provide for PSAB requirements.

The RM included a special rate in its schedule, intended to make treated water an affordable option for large volume users, predominantly farmers. The RM stated that without the discount, these users may seek alternative sources for uses that do not require treated water. With the loss of these customers, the RM estimated that approximately \$76,000 in lost revenues may have to be made up by the domestic users (the RM estimated 50% of water sales are to large volume customers).

The rates have been structured so that all customers, both large and small users, pay the same rate for the first 68 m³. For the large users, this amount would be considered the residential portion of their consumption.

The RM has two bulk fill stations; one in Seven Sisters and the other in Whitemouth. Combined sales are estimated to be 1,150 m³ annually.

The RM provided the following estimated expenses:

	2010	2011	2012
General			
Expenses	\$29,916	\$31,027	\$31,927
Revenues	-\$1,467	-\$1,511	-\$1,556
General Revenue Requirements	\$28,449	\$29,516	\$30,371
Water			
Expenses	\$216,196	\$222,681	\$229,362
Amortization	\$141,871	\$141,871	\$141,871
Reserves	\$515	\$515	\$515
Interest on Long Term Debt	\$10,500	\$10,082	\$9,635
Contingency	\$38,344	\$38,344	\$38,344
Revenues	-\$198,756	-\$199,812	-\$200,591
Water rate requirements	\$208,669	\$213,681	\$219,136

Included in the offsetting revenues, is \$17,864 that the RM sought approval from the Board to build into the water rate requirements. This amount is derived from amortizing, over 50 years, financial contributions made from the Whitemouth Water Co-op, Seven Sisters Water Co-op and Manitoba Hydro towards the capital costs of the WTP, as follows:

Manitoba Hydro -	84 x \$2,800 =	\$235,200
Seven Sisters -	93 x \$2,800 =	\$260,400
Whitemouth -	142 x \$2,800 =	\$397,600
Total -		<u>\$893,200</u> /50 = \$17,864

A new reserve fund is to be created with the merged water utility, and each separate utility is to contribute 15% of their 2009 operating expenses into this fund. The balance in this fund should be about \$33,000 when all matters are finalized.

Pre-merger, the RM's rural water line experienced a \$15,209

deficit in 2007, which was approved by Order 64/08 to be recovered from the utility's reserve fund.

The water utility has been experiencing unaccounted for water losses of 30%. To date, the origin of these losses has yet to be identified and may be a result of meter errors or actual losses. New remote read meters have been installed at the WTP and for all customers, which will allow the RM to better match consumption with output from the WTP. The RM advised that with the new remote read system, all readings can be taken in four to five hours and an assessment made to help pinpoint where and how these losses are occurring.

The historical capital cost of the water system is recorded at \$6.3 million and includes the assets of the merged utility (value is recorded as at the time of the merger) and the estimated cost of the new WTP.

Whitemouth Sewer

The Whitemouth sewer system was originally developed in the early 1970's with the construction of a lagoon and a piped network. A major expansion occurred in 1979 and a second cell was added to the lagoon in 1995; pipe extensions have been added more recently. In 2008, the main lift station was rebuilt. The system provides sewer services to 153 customers, of which nine are unmetered.

Rates for this utility have not been revised since 1994, and the RM proposed the following rates for the Whitemouth sewer:

Whitemouth Sewer

Based on water consumption	Current (1994)	Proposed
Minimum Quarterly	\$16.30	\$ 15.14 ⁽¹⁾
Commodity / m ³	\$9.50 ⁽²⁾	\$ 0.47
Quarterly Service Charge	\$6.80	\$ 8.79
Unmetered quarterly rate ⁽³⁾	\$9.50	\$ 27.59

(1) Includes 13.5 m³ (2) Formerly a flat rate (3) Based on 40 m³

Whitemouth applied for approval to meet the 2009 deficit in the Whitemouth Sewer of \$2,562 and to budget for a \$10,000 deficit in 2010.

The RM indicated the 2009 deficit was a result of PSAB and the requirement to record amortization. The RM advised that no action was required to meet this deficit as there was no cash flow deficit, and the new rates would address meeting PSAB requirements in the future.

The 2010 budgeted deficit is to allow for additional maintenance work of the sewer lines and to evaluate the condition of the lines for future planning. The RM proposed to recover this deficit through a transfer from the Whitemouth Sewer reserve fund. As at December 31, 2009 the balance in the reserve fund was \$40,670.

The RM provided the following three year estimates for the Whitemouth sewer:

	2010	2011	2012
General			
Expenses	\$5,963	\$6,131	\$6,306
Revenues	- 515	- 530	- 546
General Revenue Requirements	\$5,448	\$5,601	\$5760

Sewer			
Expenses	\$10,456	\$10,770	\$11,093
Amortization	10,140	10,140	10,140
Reserves	500	500	500
Interest on Long Term Debt	2,919	2,558	2,165
Contingency	5,034	5,034	5,034
Revenues	-14,226	-14,226	-14,226
Sewer rate requirements	\$14,823	\$14,776	\$14,706

The capital costs of the Whitemouth sewer were recorded at \$503,000. The Whitemouth sewer has outstanding debentures as at December 31, 2009 of \$65,392, serviced by an annual payment of \$10,278 which amount is raised through taxes. This debenture will mature in 2017.

Seven Sisters Sewer

The original pipe network in the Seven Sisters Sewer system was installed in the early 1990's, with additional extensions and connections to the newly built lagoon in 2007. The system provides services to 92 customers, 17 of which are not metered. Original construction costs amounted to \$980,000.

The Seven Sisters sewer has three outstanding debentures totalling \$205,391 as of December 31, 2009. Annual debenture payments total \$32,298, raised through taxes, and all will mature in 2017.

The current sewer rates and those proposed by the RM are noted below:

Seven Sisters Sewer

Based on water consumption	Current (2005)	Proposed
Minimum Quarterly Bill	\$ 16.40	\$ 13.62 ⁽¹⁾
Minimum Quarterly Bill - Unmetered	\$ 16.40	\$ 13.62
Commodity /m ³	\$ 9.60 ⁽²⁾	\$ 0.37
Quarterly Service Charge	\$ 6.80	\$ 8.62

(1) - Includes 13.5 m³, (2) Formerly a flat rate

The RM advised that the unmetered customers are mostly seasonal or vacant building lots. Because of this, the RM proposed to assess these properties the basic minimum quarterly amount.

The proposed rates are intended to provide revenues to address the following anticipated expenses:

	2010	2011	2012
General			
Expenses	\$ 3,823	\$ 3,920	\$ 4,014
Revenues	- 515	- 530	- 546
General Revenue Requirements	\$ 3,308	\$ 3,390	\$ 3,468
Sewer			
Expenses	\$ 8,854	\$ 9,120	\$ 9,394
Amortization	19,593	19,593	19,593
Reserves	500	500	500
Interest on Long Term Debt	9,168	8,034	6,798
Contingency	9,796	9,796	9,796
Revenues	- 44,080	- 44,080	- 44,080
Sewer rate requirements	\$ 3,831	\$ 2,963	\$ 2,001

Although the operating expenses do decline in years two and three, the RM did not propose to reduce the rates as, if surpluses do occur, these excess funds will be used to help rebuild the reserve fund. The balance in the reserve fund was \$1,002 as of December 31, 2009.

Lagoons

Both Whitemouth and Seven Sisters sewer utilities allow dumping into their respective lagoons. The RM submitted its Bylaw No. 509/08 which requires septic haulers to register with the RM if they plan on using either of the lagoons to discharge sewage from customers located within the RM but outside of Whitemouth and Seven Sisters, as the case may be. Three septic haulers are currently registered with the RM.

The current charge to dump into the lagoons is \$15.00 per load, this amount to be paid quarterly. This rate was based on research on practices in other municipalities. The RM did not seek to increase this charge.

Cost Allocation Policy

With respect to shared costs, the RM assesses a flat fee to each utility for shared administration costs such as wages, legal, and audit expenses.

Public works employees, record time spent on each utility and at year end the percentage of total public works hours is calculated for each utility and the general operations. This percentage is then applied to equipment costs, including insurance and fuel, and allocated to each utility.

Capital Projects

The RM advised that any future capital projects would be subject to the availability of funding, including grants. All three utilities may need to expand their systems depending on future

development.

The waterlines may require looping in the future, and the Whitemouth lagoon may need to be expanded.

Public Sector Accounting Board (PSAB) and other changes

Effective January 1, 2009, PSAB accounting standards became applicable for municipalities, including utility operations.

The implications for the RM's annual audited financial statements are significant: remove capital expenditures and principal debt payments - that is, no longer treat such expenditures as accounting costs; remove reserve transfers - transfers would not affect the net income or loss of the Utility; and, add amortization expense (which would increase Utility annual costs). As well, PSAB requires the consolidation of all funds, which will include the utilities.

In addition to the required PSAB changes, there are implications for the development of rate proposals. The Board has determined that, contrary to PSAB, capital grants related to the utility are to be amortized at the same rate that the capital asset is amortized. In the RM's case they advise of no grants. However, any water and sewer infrastructure that has been transferred by developers is required to be treated as a donation and recorded similarly to how a grant would be recorded.

Public Hearing

Following the PUB Acting Chair's opening comments, the RM's Chief Administrative Officer, Mr. S. Spicer and Assistant

Administrator, Ms. W. Kozmak and Mr. K. Mills, the RM`s consultant summarized the application.

The RM indicated that the change in their application, resulting in the need for higher water rates, is because:

- The RM did not need to borrow as much for the remaining costs of the new WTP (this ultimately reduces offsetting revenues to the utility).
- The grants realized were less than anticipated since the final cost of the WTP was lower.
- The annual amortization expense was more refined since the application was filed.

The RM advised that all three utilities will likely end 2010 with deficits, however final results will not be known until after the year end.

The RM believes the increases to be high, largely because of PSAB and the need to record amortization as an expense. Other contributing factors to the significant increases are operating costs (including wages and costs to operate the water utility) and contingencies need for the `what ifs`.

Approximately 20 people attended the public hearing.

A few people present asked questions about the RM`s application and sought clarification. Many expressed concern about the significant increases proposed, and the effects to those on fixed incomes and large volume users.

Following the Public Hearing, the RM submitted a letter (dated

December 10, 2010) requesting consideration be given to phasing in the rates. The RM advised of the possibility of expansion of the system in the next few years. The RM again expressed concern with respect to the large increase in water rates to the large volumes users (some agriculture users).

The RM asked that consideration be given to phasing in the water rates over five years.

Board Findings

The Board commends the RM in its efforts to attend to the construction of a new WTP, before serious issues arise. The Board notes that those attending the hearing brought forward concerns and views that were helpful to the Board's consideration.

The Board will approve the revised rates as proposed by the RM for the Whitemouth and Seven Sisters sewer systems at the public hearing. The Board deems the anticipated expenses to be reasonable. The Board agrees with the RM that the reserve fund in the Seven Sisters sewer is inadequate and will require any surpluses to be transferred to build this reserve fund.

The Board will agree to phase in the water rates, but only over a three years. The Board understands the RM's concern over the sharp increase to the rates as a result of PSAB, especially to the large volume agricultural users noting that their quarterly bills may triple depending on usage.

The Board will accept the RM's proposal to offset revenue

requirements with funding received from Manitoba Hydro, Whitemouth Water Co-op and Seven Sisters Water Co-op towards the costs of the newly constructed WTP. By including these revenues as well as the amortized grants and the debenture debt revenues (with only the interest portion to be expensed), the amortization expense is virtually eliminated from the water production costs of the utility. The production costs of the utility are the costs used to calculate the wholesale rate.

This, then, only leaves the operating expenses and contingencies to recover through rates; the RM included no provision for reserves on the production side. As municipal utilities are required to breakeven in their annual operations, this only leaves the contingency portion of the water production expenses to be phased-in. Because the WTP is new, the Board will approve phasing-in the \$11,384 contingency provision over three years (no provision in 2011, 50% in 2012 and the full amount in 2013).

This, then, reduces both the wholesale rate and the domestic rate, albeit only minimally. The Board is of the view that users need to be aware of the true costs of providing water, recognized as a precious commodity. The Board notes that with the water utility, because of the offsetting revenues PUB currently allows through amortizing grants and other financial contributions in calculations, the water rate increases are significantly `softened`.

The Board notes that, except for the Seven Sisters sewer, rates have not been revised in over 15 years.

The Board will require the RM to again review its rates for adequacy after three full years of operations with the revised rates. Following the 2013 year end operations, the RM is to file its 2013 financial statements, a report as to the adequacy of rates, and if required, an application for revised rates.

The Board will also approve the other charges, including tipping fees, hydrant rental charges, and terms and conditions proposed by the RM and noted in this order and the attached schedule. The RM will need to amend its by-law prior to second reading to agree with the provisions in this order. The RM is reminded that tipping fees are utility related and require approval of the Board.

The Board approves the 2009 Whitemouth Sewer operating deficit of \$2,562 to be addressed through the utility's accumulated surplus.

The RM may incur a deficit in the Whitemouth sewer in 2010 of up to \$10,000 to be recovered from that utility's reserve fund. If, at the end of the year, the actual amount of the deficit exceeds the amount approved, the RM is to apply to the Board by no later than April 1, 2011 for the difference.

The Board will approve the RM's Shared Allocation policy which is based on flat fee to each utility of the municipality's proportionate costs of providing administrative services, and tracked time for the public works/utility operations costs. The RM is reminded that if this policy changes, prior Board approval is required.

The Board is concerned with the high unaccounted for water (30%) as noted in the RM's application. The RM did confirm at the hearing that they believe some of the issues have been or will be resolved with full metering. The Board was pleased to hear that with the remote meter read system, the RM will have the ability to pinpoint an area as to where the water distribution system may be leaking. The Board encourages to RM to continue to investigate.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS THEREFORE ORDERED THAT:

1. The Rural Municipality of Whitemouth amends By-law No. 539/10 prior to second reading to be consistent with the provisions of this order and the attached Schedule "A".
2. The Rural Municipality of Whitemouth file a certified copy of By-law No. 539/10 once it has received third and final reading.
3. The actual deficit of \$2,562 incurred in the Whitemouth Sewer Utility of the Rural Municipality of Whitemouth during the year 2009 BE AND THE SAME IS HEREBY APPROVED to be recovered from utility's accumulated surplus.
4. The budgeted deficit proposed for the Whitemouth Sewer Utility during the year 2010 estimated at \$10,000, BE AND THE SAME IS HEREBY APPROVED to be recovered from utility's reserve fund. If, at the end of the year, the actual amount of the deficit exceeds the amount approved, the Rural Municipality of Whitemouth shall advise the Board by no later than April 1, 2011 and seek the Board's approval for recovery thereof.
5. The Public Utilities Board approves the Shared Cost Allocation Policy as submitted by the Rural Municipality of Whitemouth, for shared costs associated with the utilities.
6. The Rural Municipality of Whitemouth files a copy of its 2013 financial statements with the Public Utilities Board

within three months following year end, and include a reports as to the adequacy of rates.

Fees payable upon this Order - \$750.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"
Chairman

"KRISTINE SHIELDS"
Acting Secretary

Certified a true copy of Order No.
140/10 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 140/10
THE RURAL MUNICIPALITY OF WHITEMOUTH
WATER & SEWER RATES
BY-LAW NO. 539/10

WATER RATES:

1. Commodity Charge \$/cubic metre (m³)

	<u>January 1, 2011</u>	<u>January 1, 2012</u>	<u>January 1, 2013</u>
First 68 m ³	\$2.54	\$2.63	\$2.73
Over 68 m ³	\$1.18	\$1.26	\$1.33
Bulk Rate	\$3.01	\$3.11	\$3.22
Quarterly Service Charge	\$17.96	\$18.63	\$19.17

2. Schedule of Quarterly Rates:

Effective January 1, 2011

User type	Water Included m ³	Quarterly Service Charge	Commodity Charges	Minimum Quarterly Bill
Small User	13.5	\$17.96	\$ 34.29	\$ 52.25
Large User	68	\$17.96	\$172.72	\$190.68

Effective January 1, 2012

User type	Water Included m ³	Quarterly Service Charge	Commodity Charges	Minimum Quarterly Bill
Small User	13.5	\$18.63	\$35.51	\$ 54.14
Large User	68	\$18.63	\$178.84	\$197.47

Effective January 1, 2013

User type	Water Included m ³	Quarterly Service Charge	Commodity Charges	Minimum Quarterly Bill
Small User	13.5	\$19.17	\$36.86	\$ 56.03
Large User	68	\$19.17	\$185.64	\$204.81

SEWER RATES:

WHITEMOUTH

1. Commodity Charge \$0.47/ m³ of water consumption

2. Schedule of Quarterly Rates:

	<u>Water Cons. Included</u>	<u>Fixed Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered users	13.5 m ³	\$8.79	\$ 6.35	\$15.14
Unmetered users based on 40 m ³		\$8.79	\$18.80	\$27.59

Lagoon tipping fees shall be \$15.00 per 3,000 gallon load

SEVEN SISTERS

1. Commodity Charge \$0.37/ m³ of water consumption

2. Schedule of Quarterly Rates:

	<u>Water Cons. Included</u>	<u>Fixed Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered users	13.5 m ³	\$8.62	\$5.00	\$13.62
Unmetered users (seasonal and vacant lots)		\$8.62	\$5.00	\$13.62

Lagoon tipping fees shall be \$15.00 per 3,000 gallon load

OTHER:

1 Billings and Penalties

Accounts shall be billed quarterly, and shall be due and payable no less than 14 days after the date of billing. A late payment charge of 1.25% shall be charged on the dollar amount owing after the billing due date, and on the first day of each month thereafter until such billings are paid.

2. Outstanding Bills
Overdue accounts shall be transferred to the tax roll and charged against the property concerned, and subject to the same penalties as tax arrears.
3. Disconnection
The Public Utilities Board, with its Board Order No. 39/09, has approved the Conditions Precedent to be followed by the municipality with respect to the disconnection of service for non-payment including, such matters as notice and the right to appeal such action to the Public Utilities Board. A copy of the Conditions Precedent is available for inspection at the Municipality's office.

A service disconnection requested by the customer will be subject to a disconnection fee of \$50.00. The disconnection will take place once the fee has been paid.
4. Reconnection
Any service disconnected due to non-payment of accounts shall not be reconnected until all arrears, penalties and a reconnection fee of \$50.00 have been paid. Any service disconnected at the request of the customer will not be reconnected until a reconnection fee of \$50.00 has been paid.
5. Water Allowance due to Line Freezing
That in any case where, at the request of the Council, a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to that customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.
6. Definitions
Large User: A user that consistently uses at least 68 m³ of water/quarter. The user will revert to small user if consumption does not meet this criterion for two consecutive quarters.