

MANITOBA) Order No. 02/13
THE PUBLIC UTILITIES BOARD ACT) January 04, 2013

BEFORE: Susan Proven, P.H.Ec, Acting Chair
Marilyn Kapitany, B.Sc. (Hons.), M.Sc., Member

CITY OF PORTAGE LA PRAIRIE
WATER AND SEWER RATES
2013, 2014 and 2015

Executive Summary

By this Order, the Public Utilities Board (Board) sets revised water and sewer rates for the City of Portage la Prairie (City) for the years 2013, 2104 and 2015.

Revised rates, effective the date of issue of this Order and on January 1 of 2014 and 2015, are set out below:

	Current	2013	inc(dec)	2014	inc(dec)	2015	inc(dec)
Quarterly Service Charge	\$16.54	\$17.37	5.02%	\$18.24	5.01%	\$19.15	4.99%
Water (Gallons per quarter) \$/1,000 gal.							
50,000 and less	\$4.68	\$4.91	4.91%	\$5.16	5.09%	\$5.42	5.04%
50,001 to 500,000	\$3.78	\$3.97	5.03%	\$4.17	5.04%	\$4.38	5.04%
500,001 to 4,000,000	\$3.43	\$3.67	7.00%	\$3.93	7.08%	\$4.21	7.12%
Over 4,000,000	\$1.41	\$1.51	7.09%	\$1.62	7.28%	\$1.73	6.79%
Sewer (Gallons per quarter) \$/1,000 gal.							
50,000 and less	\$7.06	\$7.41	4.96%	\$7.78	4.99%	\$8.17	5.01%
50,001 to 500,000	\$7.06	\$7.41	4.96%	\$7.78	4.99%	\$8.17	5.01%
500,001 to 4,000,000	\$4.55	\$4.87	7.03%	\$5.21	6.98%	\$5.57	6.91%
Over 4,000,000	\$4.55	\$4.87	7.03%	\$5.21	6.98%	\$5.57	6.91%
Bulk Water (\$/1,000 gal.)	\$6.98	\$7.33	5.01%	\$7.70	5.05%	\$8.09	5.06%
Hydrant Rental (annual)	\$125.00	\$125.00	0.00%	\$125.00	0.00%	\$125.00	0.00%

Details of other rates and charges can be found on the attached Schedule "A".

Introduction

The City applied on June 13, 2012 for revised rates to be effective for January 1, 2013, 2014 and 2015. The City of Portage la Prairie's Utility rates were last set in 2010, affecting the years 2010, 2011 and 2012.

A Public Notice of Application was issued on July 17, 2012 affording customers the opportunity to comment to both the Board and the Utility with respect to the proposed increases.

The Board has at its disposal two alternative processes to deal with rate applications. It may determine that an oral hearing is warranted or that a paper review process is sufficient. Based on customer response to the Public Notice (no comments were received), the Board concluded that a paper review process, one that helps restrain regulatory costs, was in the best interest of all concerned.

Background

The City projects its customer base to be as follows:

	2013	2014	2015
Water and sewer customers	4,593	4,639	4,685
Water only customers	89	89	89
Sewer only customers	4	4	4
Total	4,686	4,732	4,778

In addition to the City itself, water service is extended to the Rural Municipality of Portage la Prairie, the Cartier Regional Water System, and the Yellowhead Regional Water System.

The City's original water treatment plant was constructed in 1978 and received a substantial upgrade and expansion in 2001-2002. The plant is deemed to be in good condition with adequate capacity to meet future growth.

The water produced by the Plant meets Canadian drinking water guidelines and Manitoba regulations, with the exception of the trihalomethane standard, according to a report from the Water Stewardship Office of Drinking Water dated February 1, 2012. The City has been directed to submit a corrective action report.

The water distribution system was constructed in the early 1900s and has been added to and upgraded in the ensuing years. As can be expected, the condition of the system varies from poor to new. It is deemed to have adequate capacity for residential water supply and meets guidelines for firefighting in most areas.

The City is in compliance with its water treatment licenses and its wastewater treatment license.

Unaccounted-for water is between 10 and 11%, only slightly in excess of the industrial standard of 10%.

The water pollution control facility was originally constructed in 1996 with substantial upgrades to solids handling and expansion in 2002. It is deemed to be in good condition with adequate capacity for future growth.

Water treatment consists of discharge from lime sludge dewatering/drying beds to the Assiniboine River.

The wastewater collection system was also originally built in the early 1900s with additions and upgrades throughout. Again, the condition is deemed to be poor to new with underground infiltration and overland flooding concerns for some areas with flows that exceed capacity on occasion. The system's capacity is deemed to be sufficient for residential and industrial flows.

The plant manager and four operators are conditionally certified to level IV, with two additional operators in training.

Over the next 10 years, the City is planning to spend \$57 million on capital projects, with approximately \$38 million to be funded from both reserves and borrowing, with the remainder expected to be supported by grants.

The most significant capital project is the removal of nutrients from the wastewater effluent. The cost of this project is estimated at \$29 million, of which the City expects to have to fund \$9.7 million (\$6.7 million from reserves; \$3 million from debentures). The project is scheduled to take place over the next five years, with engineering and design work in 2013 to 2016, with construction from 2015 through 2017.

The nutrient removal project, including its design and cost, has been challenged by one of the City's major industrial customers, McCain Foods Ltd. The City and McCain have been involved in an active exchange of information concerning the project. While the Board accepts that the City will make the final decisions, it continues to encourage dialogue between the City and McCain.

Application

The City submitted its application on June 13, 2012 accompanied by a Water and Sewer Utility Rate Study prepared by City staff, as well as By-law No. 12-8562 read for the first time on June 11, 2012.

The City projects its rate revenue requirements to be as follows:

	2013	2014	2015
Administration:			
Administration (building, office, staff, etc.)	734,504	748,353	762,615
Billing and collection	109,825	111,596	113,418
Total general expenses	844,329	859,949	876,033
<i>Revenue:</i>			
Service charges	14,400	14,400	14,400
Surcharges	500	700	700
Penalties	7,800	7,800	7,800
Total general revenue	22,700	22,900	22,900
Net revenue general	821,629	837,049	853,133
Water			
<i>Expenses:</i>			
Staffing	1,379,013	1,420,092	1,575,402
Purification and treatment	1,541,257	1,574,546	1,608,784
Service of Supply	277,400	277,400	277,400
Transmission and Distribution	691,075	576,075	586,075
Amortization/ depreciation	973,623	994,640	1,075,823
Interest on long term debt	120,784	100,560	78,935
Reserves ⁽¹⁾	163,589	229,442	342,504
Sub-total- water expenses	5,146,741	5,172,755	5,544,923

<i>Revenue:</i>			
Connection Revenue	3,000	2,400	2,400
Hydrant rentals	57,700	57,700	57,700
Investment Income	15,000	15,000	15,000
Amortization of capital grants	535,186	535,186	563,623
Taxation revenues	73,500	73,500	73,500
Other revenue	296,736	253,336	255,086
Total non-rate revenue - water	981,122	937,122	967,309
Net rate revenue requirement - water	4,165,619	4,235,633	4,577,614
Sewer			
<i>Expenses:</i>			
Staffing	1,001,352	1,031,350	1,162,242
Sewage Collection System		-	-
Sewage Lift Station	161,444	125,500	125,500
Sewage Treatment and Disposal	353,902	324,164	317,811
Other Sewage Collection & Disposal Costs	133,488	133,488	133,488
Consulting		-	-
Amortization/ depreciation	1,808,157	1,847,189	1,997,957
Interest on long term debt	224,699	186,953	146,594
Reserves ⁽¹⁾	1,636,862	1,759,160	1,969,132
Total sewer expenses	5,319,904	5,407,804	5,852,724
<i>Revenue</i>			
Investment Income	15,000	15,000	15,000
Amortization of capital grants	993,917	993,917	1,046,729
Taxation revenues	77,001	77,001	73,500
Other Revenue	657,196	448,496	451,746
Total non-rate revenue- sewer	1,743,114	1,534,414	1,586,975
Net rate revenue requirement - sewer	3,576,790	3,873,390	4,265,749

⁽¹⁾The annual transfer to reserves includes an \$18,000 contribution to the general computer reserve, in addition to the contributions to the Utility Reserves.

The requirement for annual rate increases of 5% for the domestic and intermediate customers and 7% for wholesale and variable customers is attributed in part to increasing operating costs but mostly in relation to the need to raise funds for the major capital projects being undertaken by the Utility.

The reserve funds are projected as follows:

	Utility General Reserve	Nutrient Removal Reserve	Total Utility Reserves
Balance, December 31, 2010	\$6,562,389	\$1,266,068	\$7,828,457
Transfers in	\$ 936,010	\$1,091,112	\$2,027,122
Transfers out	\$ 522,915		\$ 522,915
Balance, December 31, 2011	\$6,975,484	\$2,357,180	\$9,332,664
Transfers in	\$ 799,610	\$1,333,054	\$2,132,664
Transfers out	\$1,258,900		\$1,258,900
Balance, December 31, 2012	\$6,516,194	\$3,690,234	\$10,206,428
Transfers in	\$ 449,397	\$1,333,054	\$1,782,451
Transfers out	\$1,885,000	\$ 300,000	\$2,185,000
Balance, December 31, 2013	\$5,080,591	\$4,723,288	\$9,803,879
Transfers in	\$ 637,548	\$1,333,054	\$1,970,602
Transfers out	\$1,330,000	\$ 300,000	\$1,630,000
Balance, December 31, 2014	\$4,388,139	\$5,756,342	\$10,144,481
Transfers in	\$ 960,582	\$1,333,054	\$2,293,636
Transfers out	\$1,590,000	\$3,550,000	\$5,140,000
Balance, December 31, 2015	\$3,758,721	\$3,539,396	\$7,298,117

The City has indicated that it has not followed the Board guidelines in calculating rates and has not done so for some time. In 2002 the City filed a proposal to the Board to increase rates, not calculated as set out in the Board guidelines, but rather by a defined increase for each step and service charges.

Service charges calculated according to Board guidelines would have doubled, but the City believed that it would be more manageable to the customers to increase the service charge by 3.7% per year for the following 3 years. Approximately 50% of the City's customers are residential and the City is sensitive about the impact of rate increases and how they compare to neighbouring municipalities. These rates (and this approach) were approved by the Board at that time.

All rate proposals submitted from the City thereafter were on the basis of percentage increases (rather than using the Board guidelines) and were all approved by the Board. The 2012 rate proposal sent to the Board is based on the same approach used by the City in the last 10 years.

The City has taken note of the Board's previous recommendations to "narrow the gap" between the rates charged at the various step levels in order to encourage water conservation. To this end, the City is proposing to increase rates for the Wholesale and Variable levels at 7% while increasing domestic and intermediate rates at 5%. By 2015, the large user rate will be 54% of the domestic user rate; currently it is 51%.

The City's shared cost allocation methodology is as follows:

Mayor and Council related costs	35%
City Manager and related costs	35%
Administration and related costs	35%
Finance and related costs	35%
Human Resources salaries and benefits	35%
Operations Administration-salaries and benefits	45%
Operations Administration-other expenses	50%
Engineering staff	50%
Public works Administration	50%

Capital projects and customer relations

The City, in accordance with recommendations made by the Board in its Order number 110/11, has continued its dialogue with industry. The City met several times, either in person or by conference call, with each of its major industrial customers throughout 2011 and 2012.

In recent discussions with McCain Foods, the next major decision point is for McCain to make a decision on an anaerobic sewage treatment facility. The estimated cost for this is \$20 Million and McCain's Engineering Division is reportedly recommending to their Board of Directors to proceed with this project.

The City and the Manitoba Water Services Board have entered into a 50/50 cost share agreement for a nutrient removal study (preliminary design, functional design and environmental approval) estimated at \$1 million.

With respect to "Value engineering" an exercise that the Board suggested that the City consider, the City has concluded that, while it does not dismiss the suggestion, it is too early in the design process to proceed at this time.

Board Findings

The Board has reviewed the projected operating expenses submitted by the City and, for the most part, finds them to be reasonable and consistent with historical expenses.

The Board notes that the City's expense projections include no provision for contingencies. Unexpected expenditures may affect the operating results over the course of the three-year rate period. However, the Board also notes that the provisions included for reserves are significant.

Furthermore, based on the rates requested, the Utility is projected to generate surpluses in each of the three rate years as follows:

		2013	2014	2015
Rate Revenue Requirements				
	Administration	\$821,629	\$837,049	\$853,133
	Water	\$4,165,619	\$4,235,633	\$4,577,614
	Sewer	\$3,576,790	\$3,873,390	\$4,265,749
Total rate revenue requirement		\$8,564,038	\$8,946,072	\$9,696,496
Revenue projections based on requested rates				
	Service charges	\$325,527	\$345,154	\$365,965
	Bulk water sales	\$22,225	\$22,225	\$22,225
	Sewer surcharges	\$12,400	\$12,400	\$12,400
	Domestic (water only)	\$24,755	\$26,015	\$27,394

	Domestic water & sewer	\$1,983,520	\$2,109,220	\$2,242,350
	Intermediate (water only)	\$38,160	\$40,483	\$42,947
	Intermediate water & sewer	\$1,060,269	\$1,113,375	\$1,169,277
	Wholesale (water only)	\$223,362	\$245,611	\$263,110
	Wholesale water & sewer	\$1,101,746	\$1,179,153	\$1,261,719
	Variable (water only)	\$97,697	\$104,814	\$111,931
	Variable water & sewer	\$4,049,383	\$4,334,998	\$4,633,307
Total projected rate revenue		\$8,939,044	\$9,533,448	\$10,152,625
Net projected surplus		\$375,006	\$587,376	\$456,129

Should unexpected expenses arise beyond the level of the projected surpluses, the Utility may be required to reduce its expected reserve contributions.

With respect to the Nutrient Removal Reserve specifically, the City has indicated that it expects to use \$6.7 million from this Reserve to fund the Nutrient Removal Project.

However, the total funds projected to be contributed to that Reserve is projected to be \$7.7 million by December 31, 2015. The Board recognizes that costs may vary from now until completion date, but expects the City to closely monitor this and ensure that contributions to that Reserve do not exceed requirement. If there are over-contributions, the City will be required to return to the Board with a proposal to deal with that situation.

The Board notes that the City has not used the recommended guidelines for determining rates for some time. The Board has approved this divergence in rate orders for the City of Portage la Prairie for approximately 10 years and will continue this approval in this Order. However, to ensure that this variance continues to be relevant, the Board will direct that the City prepare a rate submission for 2016 that includes the use of the Board recommended methodology, if only for comparative purposes. Should the City continue to recommend an alternative methodology, the Board will expect that an appropriate comparative analysis and justification will accompany that submission.

The Board acknowledges the City's progress in narrowing the gap between various step rates, and encourages continued efforts in that direction.

Using the City's methodology, the quarterly service charges are significantly less than would otherwise be dictated under Board recommended methodologies.

This results in revenue requirements being achieved through commodity rates rather than through fixed charges. While this reduces revenue certainty for the Utility, it provides customers with the flexibility to affect their costs by more judicious consumption habits. The Board accepts that this is directionally consistent with its objective of water conservation.

The Board is pleased with reports that the City has engaged in continued dialogue with its major industrial customers concerning the proposed capital projects and specifically the nutrient removal project. The Board also notes that the City is still considering the use of "a value engineering process" at some point and directs that the City provide the Board with annual progress reports.

The Board has reviewed the cost allocation methodology being used by the City to allocate to the Utility its appropriate portion of shared expenses. The methodology is approved with the understanding that this methodology will be used consistently unless altered in future by appropriate approval by this Board.

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 rates, charges and conditions for the City of Portage la Prairie's water and sewer Utility as shown in the attached Schedule "A" BE AND ARE HEREBY APPROVED.
2. The City of Portage la Prairie file a copy of By-law No. 12-8562 after it has received third and final reading.
3. The City of Portage la Prairie's shared cost allocation methodology BE AND IS HEREBY APPROVED as submitted.
4. The City of Portage la Prairie provide annual progress reports to the Board with respect to the nutrient removal project beginning with 2013 until completion, to be submitted by February 15 of the following year.
5. The City of Portage la Prairie file a rate submission for 2016 and forward, on or before June 30, 2015, in accordance with the Board Findings stated in this Order.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"Susan Proven, P.H.Ec"
Acting Chair

"Jennifer Dubois, CMA"
Acting Secretary

Certified a true copy of Order No.
02/13 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 02/13
CITY OF PORTAGE LA PRAIRIE
WATER AND SEWER RATES

1. Rates:

1.1 Schedule of Rates: January 1, 2013

	Gallons per quarter		Water \$/1,000 gal.	Sewer \$/1,000 gal.	Total \$/1,000 gal
	Minimum	Maximum			
Domestic		50,000	\$4.91	\$7.41	\$12.32
Intermediate	50,001	500,000	\$3.97	\$7.41	\$11.38
Wholesale	500,001	4,000,000	\$3.67	\$4.87	\$8.54
Variable	4,000,001	-	\$1.51	\$4.87	\$6.38
Bulk Sales	-	-		-	\$7.33
Service Charge*	-	-	-	-	\$17.37

* Assessed quarterly

Minimum quarterly charges

Meter size	Group Capacity Ratio	Water Included (gallons)	Service Charge	Water	Sewer	Water & Sewer Minimum Quarterly	Water Only Minimum Quarterly
5/8 "	1	3,000	\$17.37	\$14.73	\$22.23	\$54.33	\$32.10
3/4 "	2	6,000	\$17.37	\$29.46	\$44.46	\$91.29	\$46.83
1 "	4	12,000	\$17.37	\$58.92	\$88.92	\$165.21	\$76.29
1 1/2 "	10	30,000	\$17.37	\$147.30	\$222.30	\$386.97	\$164.67
2 "	25	75,000	\$17.37	\$344.75	\$555.75	\$917.87	\$362.12
3 "	45	135,000	\$17.37	\$582.95	\$1,000.35	\$1,600.67	\$600.32
4 "	90	270,000	\$17.37	\$1,118.90	\$2,000.70	\$3,136.97	\$1,136.27
6 "	170	510,000	\$17.37	\$2,068.70	\$3,753.70	\$5,839.77	\$2,086.07

1.2 Schedule of Rates: January 1, 2014

	Gallons per quarter		Water \$/1,000 gal.	Sewer \$/1,000 gal.	Total \$/1,000 gal
	Minimum	Maximum			
Domestic		50,000	\$5.16	\$7.78	\$12.94
Intermediate	50,001	500,000	\$4.17	\$7.78	\$11.95
Wholesale	500,001	4,000,000	\$3.93	\$5.21	\$9.14
Variable	4,000,001	-	\$1.62	\$5.21	\$6.93
Bulk Sales	-	-			\$7.70
Service Charge*	-	-	-	-	\$18.24

* Assessed quarterly

Minimum quarterly charges

Meter size	Group Capacity Ratio	Water Included (gallons)	Service Charge	Water	Sewer	Water & Sewer Minimum Quarterly	Water Only Minimum Quarterly
5/8 "	1	3,000	\$18.24	\$15.48	\$23.34	\$57.06	\$33.72
3/4 "	2	6,000	\$18.24	\$30.96	\$46.68	\$95.88	\$49.20
1 "	4	12,000	\$18.24	\$61.92	\$93.36	\$173.52	\$80.16
1 1/2 "	10	30,000	\$18.24	\$154.80	\$233.40	\$406.44	\$173.04
2 "	25	75,000	\$18.24	\$362.25	\$583.50	\$963.99	\$380.49
3 "	45	135,000	\$18.24	\$612.45	\$1,050.30	\$1,680.99	\$630.69
4 "	90	270,000	\$18.24	\$1,175.40	\$2,100.60	\$3,294.24	\$1,193.64
6 "	170	510,000	\$18.24	\$2,173.80	\$3,942.10	\$6,134.14	\$2,192.04

1.3 Schedule of Rates: January 1, 2015

	Gallons per quarter		Water \$/1,000 gal.	Sewer \$/1,000 gal.	Total \$/1,000 gal
	Minimum	Maximum			
Domestic		50,000	\$5.42	\$8.17	\$13.59
Intermediate	50,001	500,000	\$4.38	\$8.17	\$12.55
Wholesale	500,001	4,000,000	\$4.21	\$5.57	\$9.78
Variable	4,000,001	-	\$1.73	\$5.57	\$7.30
Bulk Sales	-	-			\$8.09
Service Charge*	-	-	-	-	\$19.15

* Assessed quarterly

Minimum quarterly charges

Meter size	Group Capacity Ratio	Water Included (gallons)	Service Charge	Water	Sewer	Water & Sewer Minimum Quarterly	Water Only Minimum Quarterly
5/8 "	1	3,000	\$19.15	\$16.26	\$24.51	\$59.92	\$35.41
3/4 "	2	6,000	\$19.15	\$32.52	\$49.02	\$100.69	\$51.67
1 "	4	12,000	\$19.15	\$65.04	\$98.04	\$182.23	\$84.19
1 1/2 "	10	30,000	\$19.15	\$162.60	\$245.10	\$426.85	\$181.75
2 "	25	75,000	\$19.15	\$380.50	\$612.75	\$1,012.40	\$399.65
3 "	45	135,000	\$19.15	\$643.30	\$1,102.95	\$1,765.40	\$662.45
4 "	90	270,000	\$19.15	\$1,234.60	\$2,205.90	\$3,459.65	\$1,253.75
6 "	170	510,000	\$19.15	\$2,284.10	\$4,140.70	\$6,443.95	\$2,303.25

1.4 Water Only Customers

The Quarterly minimum charge is the same for each meter size as shown in table above, except that the Sewer Commodity charge is excluded.

1.5 Sewer Only Residential Customers

For most customers, the quarterly charge will be based on the average quarterly consumption in gallons of water used for residential customers at the domestic sewer rate plus the quarterly service charge.

Where an exception to this occurs, there is a water meter installed at locations such as these and charged per quarter on measured consumption.

2. Accounts Due – Penalties, Disconnect and Reconnect

All water accounts shall be filed within 15 days following the end of the quarter in which the water was used, and shall be payable at par on the first day of the month, next following the date of billing, called hereafter the due date, and for 21 days thereafter. A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date.

One month after the due date for the payment of the account, the water may be shut off at the discretion of the City, and may be turned on only after all arrears and penalties have been paid together with the sum of \$40.00 for the turning on of the water, during the normal working hours of the City Employees.

The Public Utilities Board has approved the Conditions Precedent to be followed by the City 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.

3. Outstanding Charges Form a Lien on the Land

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and sewer service are a lien and charge upon the land serviced and shall be collected in the same manner in which ordinary taxes upon the land are collected, and with like remedies.

4. Service to customers Outside the City Limits

The Council of the City may sign agreements with customers for the provision of water and sewer services to properties outside the legal boundaries of the City. Such agreements shall provide for payment of the appropriate rates set out in this schedule herein, as well as a surcharge set by resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for Utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries. In addition, all costs of connecting to the utilities mains and installing and maintaining service connections will be paid by the customer.

5. Fire Hydrant Rental and Connections

The City shall pay to the water Utility an annual rent of \$125.00 per hydrant for fire hydrants situated within the corporate limits of the City, which annual rental amount shall include charges for all water used through such hydrants for firefighting purposes.

Privately owned hydrants that are direct extensions of the City's internal water distribution system shall be subject to an annual connection fee as follows:

	Location of hydrant	
	In City	Rural
Metered	\$50.00	\$125.00
Unmetered	\$125.00	\$200.00

6. Bulk Sales

All water sold in bulk sales shall be charged for at the rate as identified in this schedule per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons.

7. Water Service Activations

A rate for a construction turn-on is created for the purpose of providing a Contractor with construction water. This rate would be a flat rate of \$45.00 per construction turn-on for a period up to the date of substantial completion of the project as defined by the Builders Liens Act. The Contractor will also be responsible to pay the City the cost of any water consumed during this period at the applicable sewer and water rates. There would be a maximum of one construction turn-on per building allowed.

That the rate for either construction turn-on performed outside of normal working hours be fixed at \$95 per construction turn-on.

8. Oversize Meter Charges

An oversize meter charge shall be levied on every water meter installed larger than the basic 5/8" water meter. The oversize meter charges shall be as follows:

Meter Size	
5/8 inch	\$ 0.00
3/4 inch	50.00
1 inch	115.00
1 1/2 inch	295.00
2 inch	400.00
3 inch	1,455.00
4 inch	2,355.00
6 inch	4,170.00

9. Calibration Fee

A calibration fee shall be charged on each water meter removed to check the meter calibration. That calibration shall be \$75.00 per calibration, which represents the cost of removing the water meter, checking the calibration and installing of a water meter. When the calibration of the water meter is found to be reading incorrect, the calibration fee shall be returned to the water meter user.

10. Change of Water or Water & Sewer

A charge for change of water or water and sewer shall be \$40.00 per meter per turn on, performed during normal working hours, for a service that has changed users or service, the fee to recover the cost of completing the change of user or service.

The charge for a change of water or water and sewer user shall be \$95.00 per meter per turn-on, performed outside of normal working hours, for a service that has changed users, the fee to recover the cost of completing the change of user.

11. Inspection Fee

The inspection fee for a new sewer and water installation shall be \$50.00 per inspection per service installation between the street property line and the buildings. The inspection fee recovers the cost of the inspection and the completion of the records.

12. Reconnection Fee

That the reconnection fee shall be \$40.00 per meter per reconnection performed during normal working hours. That the charge be services that are discontinued due to unpaid accounts.

That the reconnection fee shall be \$95.00 per meter per reconnection performed outside of normal working hours. That the charge be for services that are discontinued due to unpaid accounts.