

Order No. 76/16

**RURAL MUNICIPALITY OF LAC DU BONNET
WATER AND WASTEWATER RATES
APRIL 1, 2016, JANUARY 1, 2017, 2018 AND 2019**

June 12, 2016

REVISED JUNE 16, 2016

**BEFORE: Régis Gosselin, B ès Arts, MBA, CPA, CGA, Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member**

Summary

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates for the Rural Municipality of Lac du Bonnet (RM) water and wastewater utility (Utility) reflecting the increased cost of purchasing water and wastewater services from the Town of Lac du Bonnet (Town), approved in Board Order No. 36/16.

The Board will also direct the RM to submit a rate application, completed using the Board's guidelines and minimum filing requirements. This is to be submitted on or before December 13, 2016.

The rates are effective April 1, 2016; January 1, 2017; January 1, 2018 and January 1, 2019.

	2016	2017	2018	2019
Quarterly Service Charge	\$24.55	\$25.29	\$26.05	\$26.83
Water \$/cubic meter	\$1.96	\$2.02	\$2.08	\$2.14
Wastewater \$/cubic meter	\$1.38	\$1.42	\$1.46	\$1.51
Minimum Quarterly - water and wastewater*	\$71.31	\$73.45	\$75.61	\$77.93
Tanco annual charge - wastewater only**	\$317.11	\$326.33	\$335.57	\$346.95
Hydrant Rental (Annual)	\$100.00	\$150.00	\$150.00	\$150.00
Reconnection Fee	\$25.00	\$25.00	\$25.00	\$25.00

*Based on 14 cubic meters

**Tanco Only Customers - based on 53 cubic meters at the sewer rate plus service charge (one time only) SC+ (53m³ x 4 x sewer rate)

Details of other rates may be found in the attached Schedule "A".

Rationale for the Board's decisions may be found under "Board Findings".

Background

The RM of Lac du Bonnet water and wastewater utility is a customer of the Town of Lac du Bonnet utility. Services provided by the RM originate with the Town's distribution and collection systems.

The last Board Order issued for the RM was Board Order No. 74/06, dated May 15, 2006. At the time that Order was issued, the RM utility had only one customer, the Glenn Howard Inn (GHI). It was anticipated that there would be an expansion of approximately 27 customers connecting to the system relating to the Bilan project.

Information provided by the RM indicates that GHI remains a customer, and that there are twenty RM residents in Tanco Crescent who receive wastewater only services from the RM Utility. The Town bills the RM for an annual commodity charge, based on the quarterly flat rate of 53m³, plus a service charge. The RM then invoices those residents the same charge, without any mark up. The residents of Tanco Crescent are supplied with water from a privately operated cooperative.

There are also eight RM residents along provincial highway #11 who receive water and wastewater services from the Town. The Town has agreements signed with these property owners and they pay the Town directly for the services received. These customers are therefore customers of the Town utility, rather than the RM utility, and as such are not a party to this Order.

Application

In February 2015, the RM verbally advised the Board that the current administration did not realize that they met the definition of a public utility, and were unaware they needed Board approval to revise their rates. The RM was under the misconception that since the rates being charged were the same as those approved by the Board for the Town of Lac du Bonnet, they required no further review or approval. The Board was advised the RM was seeking to revise the rates to align with those being charged by the Town of Lac du Bonnet.

On October 7, 2015 the RM sent an application to revise the water and wastewater rates for their Utility. The application consisted of by-law No. 4-15, having had first reading September 15, 2015. This by-law included revised water and wastewater rates for the RM's utility for January 2014, 2015 and 2016, some of which were retroactive increases that had already been implemented without Board approval or a by-law. In response to questions from the Board, the RM amended the by-law to include clauses that had been removed in error, and the amended by-law was submitted for the Board's review on December 21, 2015.

With this application, the RM proposed no changes except for those to reflect Board-approved commodity rates for the Town, which can be found in Board Order No. 36/16. The RM is obligated to charge at least the same rates as the Town, as per the Water Agreement between the Town and the RM, though it appears that whether or not the Water Agreement remains in effect is open to interpretation. Regardless, the Town's approved rates do represent a true cost to the RM's utility.

Board Findings

The Board is very concerned about the lack of compliance from the RM of Lac du Bonnet utility. The RM advised that they were not aware that they were considered a utility; however there is strong evidence that they reasonably should have been. Annual regulatory fees labeled “Water/Sewer Utilities” from the Public Utilities Board were invoiced to, and paid for by, the RM. The 2014 audited financial statements include a Schedule 9 “Schedule of Utility Operations – Lac du Bonnet Utility”. The most compelling of all is the existence of Board Order Nos. 74/06 and 120/07, which had previously approved rates for the RM’s utility.

The Board is sensitive to the challenges facing municipal government and understands that some experience high levels of turnover in staff as well as Council; however this does not remove the responsibility of the municipality in general to be knowledgeable about their operations and obligations under the law. The RM requested the Board’s approval to implement “pass through” rate increases from the Town automatically and without additional Board approval. The Board denied this request in Board Order No. 74/06, but did agree to review these types of increases using a paper based review and an expedited process as detailed in the Order. The RM has only complied with this requirement once, resulting in Order No. 120/07, dated September 21, 2007. All subsequent rate increases from the Town have been passed on to the RM’s ratepayers without the knowledge or approval of the Board.

The Board will approve the rate changes effective April 1, 2016 and January 1, 2017, 2018 and 2019. The Board will not grant retroactive approval to the rates that were charged and collected without Board approval. The Board will not sanction the actions of the RM in implementing those rates.

The RM provided the Board with a copy of the 2014 audited financial statements on April 13, 2015 in response to a request from the Board. The accompanying letter advised that the Utility had not experienced any deficits; however, Schedule 9 shows that the Utility experienced deficits in both 2014 and 2013. No applications have been filed for the Board to approve these deficits.

The same audited statements include a reserve called “Liquid/Solid Waste Reserve” with a balance of \$977,404. It’s unclear if this reserve is a utility reserve, or what its purpose is. Without more information, it’s impossible to determine whether or not the Utility is compliant with the Board’s working capital surplus requirements, but given the RM’s practice of charging Town rates with no markup to cover their own operating costs including amortization, it’s very unlikely that the Utility has been able to put aside even a modest amount for reserves. The rates approved by the Board in Order Nos. 120/07 and 74/06 included a markup to reflect the costs and responsibilities of the RM.

By law, Manitoba utilities are not allowed to incur deficits. In the event that a deficit does occur, the Utility is required to obtain Board approval for a recovery methodology. The Board is therefore duty bound to approve reasonable rates based on reasonable expense projections. The Board knows with certainty that the rates requested by the RM are inadequate and will result in a deficit; however the Board does not have sufficient information to calculate a rate that would be adequate, because the RM did not submit a full rate application with the rate study. Therefore, the Board will Order the RM to submit a full rate application for review six months from the date of this Order, and advises the RM that given the serious lack of compliance, no extensions will be granted.

Going forward, the RM should know that pursuant to *The Public Utilities Board Act*, the Board has available enforcement methods and can apply substantive financial penalties. The Board will consider utilizing the means at its disposal if the RM fails to comply with Board requirements in the future. The Board urges the RM and Council to review their internal processes and establish practices to assure compliance in future.

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 (Rules). The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS THEREFORE ORDERED THAT:

1. Revised water and wastewater rates for the Rural Municipality of Lac du Bonnet Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A", effective April 1, 2016 with further increases effective January 1, 2017, 2018 and 2019.
2. The Rural Municipality of Lac du Bonnet amend its water and wastewater rate By-law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
3. The Rural Municipality of Lac du Bonnet prepare an application for revised rates, using Public Utilities Board recommended guidelines, to be submitted on or before December 13, 2016.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"RÉGIS GOSSELIN, B ès Arts, MBA, CPA, CGA"
Chair

"JENNIFER DUBOIS, CPA, CMA"
Acting Secretary

Certified a true copy of Order No. 76/16
issued by The Public Utilities Board

Acting Secretary

THE RURAL MUNICIPALITY OF LAC DU BONNET

SCHEDULE "A" TO BY-LAW NO. 4-15

Year 2016

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic	\$1.96	\$1.38	\$3.34

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$24.55	\$27.44	\$19.32	\$71.31
3/4"	2	28	\$24.55	\$54.88	\$38.64	\$118.07
1"	4	56	\$24.55	\$109.76	\$77.28	\$211.59
1 1/2"	10	140	\$24.55	\$274.40	\$193.00	\$492.15
2"	25	350	\$24.55	\$686.00	\$483.00	\$1,193.55

b) Water Only Customers:

Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered):

Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Crescent {RM Customers (unmetered)}

The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be

$$\$24.55 + (53 \text{ m}^3 \times 4 \times 1.38)$$

Year 20171.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic	\$2.02	\$1.42	\$3.44

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

Meter <u>Size</u>	Group Capacity <u>Ratio</u>	Water Included, <u>m³</u>	Customer Service <u>Charge</u>	<u>Commodity Charges</u>		Total Quarterly <u>Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$25.29	\$28.28	\$19.88	\$73.45
3/4"	2	28	\$25.29	\$56.56	\$39.76	\$121.61
1"	4	56	\$25.29	\$113.12	\$79.52	\$217.93
1 1/2"	10	140	\$25.29	\$282.80	\$198.80	\$506.89
2"	25	350	\$25.29	\$707.00	\$497.00	\$1,229.29

b) Water Only Customers:

Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered):

Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Crescent {RM Customers (unmetered)}

The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be

$$\$25.29 + (53 \text{ m}^3 \times 4 \times 1.42)$$

Year 2018**1.0--SCHEDULE OF QUARTERLY RATES**

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic	\$2.08	\$1.46	\$3.54

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$26.05	\$29.12	\$20.44	\$75.61
3/4"	2	28	\$26.05	\$58.24	\$40.88	\$125.17
1"	4	56	\$26.05	\$116.48	\$81.76	\$224.29
1 1/2"	10	140	\$26.05	\$291.20	\$204.40	\$521.65
2"	25	350	\$26.05	\$728.00	\$511.00	\$1,265.05

b) Water Only Customers:

Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered):

Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge; however, the water charge will be excluded.

d) Tanco Crescent {RM Customers (unmetered)}

The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be

$$\$26.05 + (53 \text{ m}^3 \times 4 \times 1.46)$$

Year 2019

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic	\$2.14	\$1.51	\$3.65

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	14	\$26.83	\$29.96	\$21.14	\$77.93
3/4"	2	28	\$26.83	\$59.92	\$42.28	\$129.03
1"	4	56	\$26.83	\$119.84	\$84.56	\$231.23
1 1/2"	10	140	\$26.83	\$299.60	\$211.40	\$537.83
2"	25	350	\$26.83	\$749.00	\$528.50	\$1,304.33

b) Water Only Customers:

Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered):

Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Crescent {RM Customers (unmetered)}

The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be

$$\$26.83 + (53\text{m}^3 \times 4 \times 1.51)$$

3.0--WATER AND SEWER CONNECTIONS

- i) Each customer or developer, as the case may be, applying for a new water connection to the mainline shall be assessed a water connection inspection fee in the amount of \$750.00. The assessed amount shall be paid as a lump sum fee.
- ii) Each customer or developer, as the case may be, applying for a new sewer connection to the mainline shall be assessed a sewer connection inspection fee in the amount of \$350.00. The assessed amount shall be paid as a lump sum fee.
- iii) Each customer or developer, as the case may be, installing a new water service connection to the water mainline shall be responsible for installing and connecting the water service line to the water main and to pay all charges. Conditions on Town property to be returned to its original state as before water line installations.
- iv) Each customer or developer, as the case may be, installing a new sewer service connection to the sewer mainline shall be responsible for installing and connecting the sewer service line to the sewer main and to pay all charges. Conditions on Town property to be returned to its original state as before sewer line installations.
- v) Each consumer applying for water turn on or turn off of service during any quarter, shall pay the proportionate part of the current minimum quarterly charge provided that in computing same a broken half month shall be considered as a full month. In all cases any excess water used will be charged at the rates set forth under Commodity Rates.
- vi) All costs for new connections and maintenance thereafter shall be paid by the users, customer or developer, as the case may be, and such connections are to be approved by the **Council of the Town of Lac du Bonnet**.
- vii) A service charge of Twenty Five (\$25.00) Dollars shall be paid before any water is turned on and shall be the responsibility of the owner.

4.0 HYDRANT RENTALS

The Rural Municipality of Lac du Bonnet will pay to the utility an annual rental fee of \$100.00 for each hydrant connected to the system.

5.0—SERVICES / RATES TO CUSTOMERS LOCATED OUTSIDE THE LIMITS OF THE TOWN OF LAC DU BONNET

- a) Customers located outside the Town of Lac du Bonnet **shall be required to sign agreements with the Town** which sets out the rights and obligations of each party. Such agreements shall include that the consumer shall pay;
 - i) An appropriate rate as set out in paragraph 1.0 and 2.0 hereof, based on the units allotted to the services;
 - ii) All costs of constructing and maintaining all connection pipes and other items required to allow service to be used;
 - iii) A surcharge to cover all tax amounts for utility purposes, which they would be required to pay if located in the Town from the date of connection.
- b) The Rural Municipality of Lac du Bonnet shall pay, to the Town of Lac du Bonnet to cover services provided to residences in the **Tanco Crescent Subdivision**.
 - i) The Utility rates set forth in paragraph 1.0 and 2.0 hereof;
 - ii) Any additional surcharge sufficient to cover all taxes for the sewage lagoon which it would be required to pay if such residences were located in the Town.
- c) The above levies are due and payable July 1st of the year in which they are levied.

6.0—BILLINGS AND PENALTIES

- i) All accounts shall be billed after the end of each quarter. Bills will be due and payable as per due date as stated on the bills presented. A late payment penalty of 1.25% per month will apply on late payments.
- ii) Pursuant to section 252 of the Municipal Act. L.R.M.1996, c. 58, the amount of all outstanding charges, including penalties, for water and sewer service are a lien and charge upon that land, and shall be collected in the same manner in which ordinary taxes on the land are collectable, and with like remedies.
- iii) If any account is not paid within three (3) months after the due date, the service may be subject to disconnection without further notice. Any service so disconnected shall not be reconnected until all arrears, penalties and a reconnection fee of fifty (\$50.00) dollars has been paid.

7.0--COMPLAINTS AND ADJUSTMENTS

If a consumer believes that his/her meter reading is in error, he/she may present his/her claim in writing to the Corporation's Office before the bill becomes delinquent, 30 days from the billing date.

Such claim, if made after the bill has come delinquent, shall not be effective in preventing discontinuance of service. The consumer may pay such bill under protest and said payment shall not prejudice his/her claim.

8.0—METERS

- i) That all water connections be metered. The meter is to be supplied by and is to remain the property of the Utility. The cost of the meter shall be paid by the customer.

Meter Repairs

- ii) Where a Town of Lac du Bonnet water meter is damaged as a result of negligence of a user, such user shall pay the cost of repairing the damaged meter and the said amount will immediately become a debt due and owing to the Town of Lac du Bonnet within ten (10) days of the demand of same, the water service of the said user may be disconnected. A fee of fifty (\$50.00) Dollars shall be charged for a re-connection of the service disconnected under this paragraph.

Meter Testing

- iii) Any consumer who desires and requests that his/her water meter be tested for accuracy, shall deposit a sum of Fifty (\$50.00) Dollars with the Town of Lac du Bonnet and if the meter when tested shall be found to register in excess of the allowable limits, the deposit shall be refunded and the consumer's account adjusted for the preceding four month's use.

Meter Fees

- iv) Fees for the disconnection, removal or reconnection of water meters shall be Twenty-five (\$25.00) Dollars.

Meter Tampering

- v) Any consumer who tampers with the meter seal is to pay a meter reinstatement fee of Twenty-five (\$25.00) Dollars to have the meter resealed. The quarterly billings for the year prior to resealing of the meter will have the volumes readjusted according to the two quarters after the resealing of the meter if the volumes are greater than 10% lower than the two quarters after resealing of the meter then the difference in volume for each of the previous four quarters will be adjusted to reflect the increase and will be invoiced to the consumer. Any consumer who tampers with the meter subsequent to the first tampering will pay a fine of One Hundred and Fifty (\$150.00) Dollars for each occurrence.

Meter Circumventing

- vi) Any consumer who circumvents the water meter by installing a bypass line around the meter or by a dual line from the water main so as to illegally draw water that has not been metered shall pay a fine of \$1,000.00 plus a charge for un-metered water consumed for each occurrence. The consumer will upon discovery by the Town immediately cease the use of the bypass line and remove the bypass line within 24 hours of discovery. The Town has the right to terminate all water services to the consumer in the event of failure to eliminate the bypass and pay the fine and water charges.

Annual Meter Reading

- ii) On an annual basis or on a schedule determined by the Town, the consumer will provide access to the Town meter reader to record the water meter reading and to inspect the meter. In the event that the consumer is not home or does not grant access, the consumer will be notified that they must arrange a time and date for an appointment with the water utility to have the meter reading recorded and inspected within 30 days of the water utility notice. Failure to arrange and provide access to the water utility within 30 days of the notice will result in a \$50.00 fine. After a period of 60 days from the water utility notice and a failure to arrange and provide access to the water utility, the water service may be shut off. Fees for disconnection and reconnection according to section 8.0 will apply.

9.0--METER READINGS

Quarterly Meter Readings

- i) Except for remote meter reading, the Town will read the consumer meter quarterly for quarterly billing purposes. In the event that the consumer is not home or does not grant access, a meter reading card will be provided to the consumer for consumer self-read meter reading and recording. The consumer is responsible for reading and recording the current meter reading for each quarter on the provided meter reading card and returning the card to the Town administration office. Failure to provide the current meter reading for billing purposes will result in estimated quarterly charges based on consumer average consumption for metered service being billed.

10. – AUTHORIZATION FOR OFFICERS TO ENTER PREMISES

The Public Works Manager and/or designate may be authorized by Resolution of Council to enter upon any premises for the purpose of

- i) affixing to any pipe, wire, or apparatus connected with any such utility, a meter of any other measuring or testing device;
- ii) inspections on any wire, pipe, appliance or thing connected with, or intended to be connected with, any waterworks or other systems operated by the municipality;
- iii) taking readings from, repairing, inspecting, or removing any meter or apparatus belonging to the municipality

11. – CROSS CONNECTIONS AND BACKFLOW PREVENTION

No customer or person shall connect, cause to be connected, or allow to remain connected, any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, sewer, or any harmful solid or liquid or substance to enter the Rural Municipality of Lac du Bonnet's Water Resources or System.

If a condition is found to exist and in the opinion of the Designated Officer is contrary to this bylaw, the Designated Officer may either:

- a) shut off the service or
- b) give notice to the customer to correct the fault at his own expense within a specified time period. If the customer fails to comply with such notice, the Designated Officer shall proceed in accordance with clause a) above

12. – CONNECTION FEES

Volumetric Usage of the Town's Water Treatment Plant:

5/8" water line.....	\$ 700.00
1/2" water line.....	\$1,400.00
1" water line.....	\$7,000.00
1 1/2" water line.....	\$17,500.00

13. – CONNECTION FEES FOR FUTURE CUSTOMERS

Paid at the time of connection to the municipal system

Volumetric Usage of the Town's Water Treatment Plant set out in Clause 11
Capital Cost Contribution (40% of \$37,867.00)

14. – DISCONNECTION

The Public Utilities Board 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.

15. – RECONNECTION

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties, fees, and a reconnection fee of \$25.00 plus costs have been paid in full.

16. – WATER ALLOWANCE DUE TO LINE FREEZING

That in any case where, at the request of 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.

17. - SEWER SURCHARGE

- a) There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand (BOD) in excess of 300 parts per million, to be set by Resolution of Council.
- b) A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial wastes.

Note: For those communities already assessing surcharges, the clause would be as indicated below:

- a) There will be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand (BOD) in excess of 300 parts per million in the amount ofper 100 pounds of BOD.

That in any case where, at the request of 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.