

Order No. 167/19

# RURAL MUNICIPALITY OF MORRIS WATER AND WASTEWATER UTILITY

November 13, 2019

BEFORE: Shawn M<sup>c</sup>Cutcheon, Panel Chair Marilyn Kapitany, BSc. (Hon), MSc., Panel Member





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# **1.0 Executive Summary**

By this Order, the Manitoba Public Utilities Board (Board) approves revised water and wastewater rates for the Rural Municipality of Morris (RM), Water and Wastewater Utility (Utility).

18.95 1.75 20.00 82.10 34.70 23.01	\$ \$ \$ \$ \$ \$	19.01 1.99 20.48 83.48 38.39 21.00	\$ \$ \$ \$	19.07 2.23 20.96 84.86 41.03	\$ \$ \$ \$	19.14 2.47 21.44 86.27 43.67
20.00 82.10 34.70	\$ \$ \$	20.48 83.48 38.39	\$ \$ \$	20.96 84.86	\$ \$	21.44 86.27
82.10 34.70	\$ \$	83.48 38.39	\$ \$	84.86	\$	86.27
34.70	\$	38.39	\$			
				41.03	\$	43.67
23.01	\$	21.00	*			
	Ψ	21.00	\$	21.00	\$	21.00
-	\$	150.00	\$	150.00	\$	150.00
10.97	\$	13.00	\$	15.03	\$	17.05
27.30	\$	20.48	\$	20.96	\$	21.44
60.21	\$	59.48	\$	66.05	\$	72.59
	10.97 27.30	10.97 \$ 27.30 \$	10.97 \$ 13.00 27.30 \$ 20.48	10.97 \$ 13.00 \$   27.30 \$ 20.48 \$	10.97   \$   13.00   \$   15.03     27.30   \$   20.48   \$   20.96	10.97   \$   13.00   \$   15.03   \$     27.30   \$   20.48   \$   20.96   \$

\*\*based on 9,000 gallons

Details of rates are in the attached Schedule A.

The reasons for the Board's decisions are under Board Findings.





# 2.0 Background

Prior to 2012, the Rural Municipality of Morris (RM) owned and operated four water and wastewater utilities with 981 connections. These utilities were Lowe Farm, Sperling, Rosenort and the Rural Water Line. In Board Order No. 157/11, the Board ordered the RM to make an application to amalgamate the three utilities identified as the "Urban Utilities", namely Lowe Farm, Sperling and Rosenort (Urban). The Board made this decision because the RM used a single rate for all three utilities and advised the Board it had already amalgamated operations of the three Urban utilities.

In Board Order No. 140/15, effective January 1, 2016, the Board approved the RM's application to amalgamate all four utilities into a single utility known as the Rural Municipality of Morris Utility.

On February 27, 2018, the Board received two applications for revised rates from the RM. The applications were accompanied by two rate studies, labelled "Urban Customers Water and Sewer Rate Study" and "Rural Customers Water Rate Study" respectively. The rate studies were completed by the RM's consultant. The RM also submitted By-law No. 1732/2018 having been read for the first time on February 14, 2018.

The submission of two rate applications supported by two separate rate studies and the segregation of the financial operations did not align with the Board's understanding of the RM's strategy in having a single utility. On May 29, 2019, the Board issued Order No. 72/19, which found the RM's application failed to meet the standard of a single utility with multiple rates. The Order directed the RM to consider whether it should apply to the Board to create two Utilities, Urban and Rural, or submit a single application.





## Water Supply and Distribution & Wastewater Collection and Treatment

Treated water for the Utility is purchased from the Pembina Valley Water Coop (PVWC). The water supply for Urban customers is pressurized and re-chlorinated prior to distribution. The water and wastewater system in Rosenort and Lowe Farm was primarily constructed in 1985 and the Lowe Farm lagoon was upgraded in 2017. The Sperling water and wastewater utility system was primarily constructed in 2002. The wastewater systems in all three communities is low pressure. The distribution system servicing the Rural customers was primarily constructed between 1998 and 2008.

#### **Unaccounted for Water**

The rate study indicated the Utility's unaccounted for water is 15%, which the RM describes as "the higher side of what is acceptable". The rate study also advised there were some large breaks in 2016, the year used in calculating the unaccounted for water.

## 3.0 Application

On July 26, 2019, the RM submitted a revised, single application for the amalgamated Utility. The application was accompanied by a rate study which merged the two rate studies previously submitted by the RM. The rate study was prepared by the RM's consultant. The RM also submitted By-law 1732/2018, read the second time on July 10, 2019.

The Board issued a Public Notice of Application with respect to the proposed rates on August 19, 2019. No responses were received.

The RM continues to apply for both an Urban and Rural rate, to allow for the Urban customers to pay the additional costs of the reservoirs and re-chlorination required. The different rates were determined using a methodology often used by utilities for the calculation of step rates, which allows for the allocation of specific costs to a customer class. This is not usually determined on a regional basis, as the RM has done; however, the Board recognizes that utility rate setting can and should consider many variables in





determining the rates most closely aligned with the user-pay principle. Where administratively viable, it is appropriate for costs to be assigned to those customers who benefit from them.

When reviewing an application the Board can either: hold a public hearing at which the applicant can present its case and customers can present their concerns; or where it is deemed to be in the best interests of a utility and its customers, the Board can review the application using a paper review process without holding a public hearing.

Whenever reasonable, the Board will review the application using a paper review process, which saves the cost of a public hearing process. The Board has chosen this option for this application.

## **Cost Allocation Methodology**

The Board requires all municipalities to review the costs shared between the general operations of the Municipality and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This policy must be submitted to the Board for approval and cannot be changed without receiving approval from the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

The rate application included a proposed cost allocation methodology charging 10% of office and administration expenses, excluding assessment and grant expenses.

## Lagoon Tipping Fees

Board Order No. 72/19 ordered the RM to submit a proposal regarding lagoon tipping fees. The application included a proposal that the RM charge an annual contribution from the General Operating Fund to the Utility Operating Fund in the amount of \$6,000, representing \$2,000 per lagoon for Rosenort, Lowe Farm and Sperling. Treatment costs are approximately \$6,700; this transfer from General would mean the treatment of all wastewater is covered by taxes. As a result, the commodity charges to those ratepayers





connected to the wastewater collection system would recover the collection system costs only.

The RM proposed to have a \$60 per load tipping fee for non-residents of the RM of Morris, a rate comparable with the RM of Rhineland and Town of Altona.

## **Contingency Allowance and Utility Reserves**

The Board's Water and Wastewater Rate Application Guidelines recommend and annual contingency allowance equal to 10% of the variable operating costs of the utility.

The RM has included in the projections a contingency allowance of approximately 10%, as well as a \$50,000 annual provision for reserves.

## Working Capital Surplus/Deficit

Board Order No. 93/09 established utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The Working Capital Surplus is the Utility fund balance, less any capital-related items, plus Utility reserves.

As per the 2018 audited financial statements, the Utility's working capital deficit at December 31, 2018 was:

	2018
Accumulated Fund Surplus/Deficit	\$ 4,562,729
Deduct tangible capital assets	\$ 5,300,590
Add long term debt	\$ 1,016,523
Add utility reserves	\$ 19,903
Equals Working Capital Deficit/Surplus	\$ 298,565
Utility operating costs	\$ 1,298,843
20% of utility operating costs (target)	\$ 259,769





## 4.0 Board Findings

The Board has reviewed the RM's July 26, 2019 application and projected revenue requirements and finds them to be reasonable, including the amounts allocated to contingency and reserves. The Board grants approval to the commodity rates and quarterly service charge as applied for effective January 1, 2020, 2021 and 2022.

The RM's submission included unaccounted for water in the amount of 15%, which is in excess of the 10% considered to be acceptable. The RM's submission indicated there were an unusual number of water breaks in 2016, which may have been the reason. No information was provided on the unaccounted for water in 2017 or 2018. The Board directs the RM to submit this information, and if the results have not improved, a plan to address the volume of water lost.

After Board Order No. 72/19 denied the two applications submitted in February 2018, the RM, its consultant and Board staff worked collaboratively to combine the two rate studies to a state where the Board could process it as one application. The expectation is future rate applications will be prepared based on a single utility, using Board Guidelines. Where variation from the Guidelines is proposed, the Board expects the RM substantiate the variation in the application.

The application proposal did not include an explanation of how the RM determined the \$6,000 transfer from the General Fund in lieu of tipping fees, or address the RM's preference to charge two different rates to the Rural and Urban ratepayers. The onus should fall on the applicant, the RM, to support its case when requesting the Board approve an alternate methodology. The Board should not have to investigate or request information to support the case, and the expectation is that future rate applications will include fulsome explanations and demonstrate why the RM's preferred methodology is most appropriate.

The Board approves the proposed Cost Allocation Methodology, and reminds the Town that this methodology must be used consistently in the future, and requires Board approval should any further changes be considered.





The Board approves the proposed lagoon Tipping Fees of \$60 per truckload from outside of the RM of Morris. The Board approves the transfer of \$6,000 per year from the General Operating Fund, and finds the RM's justification of using the tax revenues to cover the cost of treatment of all waste, both from connected and non-connected RM residents, to be acceptable and in alignment with the user-pay principle. The Board has revised the By-law to reflect these fees and requires the RM to include the clauses found in Schedule A to this Board Order.

# 5.0 IT IS THEREFORE ORDERED THAT:

- 1. The revised water and wastewater rates for the Rural Municipality of Morris, Morris Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A to this Order, effective January 1, 2020, 2021 and 2022.
- 2. The Cost Allocation Methodology for shared services as submitted by the Rural Municipality of Morris BE AND IS HEREBY APRPOVED.
- 3. The Rural Municipality of Morris is to provide a report showing the calculation of unaccounted for water in 2017 and 2018, and if in excess of 10%, to submit a plan to address unaccounted for water.
- The Rural Municipality of Morris is to provide notice of the decisions found in this Order to its customers as soon as possible, with a copy submitted to the Public Utilities Board.
- 5. The Rural Municipality of Morris amend its Utility By-law to reflect the decisions in this Order and file a copy with the Public Utilities Board once it has received third and final reading.
- The Rural Municipality of Morris review its Utility rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if applicable), on or before December 31, 2023.





Fees payable upon this Order - \$500.00

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 <u>www.pubmanitoba.ca</u>.

THE PUBLIC UTILITIES BOARD

<u>"Shawn McCutcheon"</u> Panel Chair

<u>"Jennifer Dubois, CPA, CMA"</u> Assistant Associate Secretary

Certified a true copy of Order No. 167/19 issued by The Public Utilities Board

Assistant Associate Secretary





#### RURAL MUNICIPALITY OF MORRIS

#### WATER & SEWER UTILITY RATES BY-LAW NO. 1732/2018 SCHEDULE "A"

#### SCHEDULE OF QUARTERLY RATES

#### RURAL CUSTOMERS

1. <u>Schedule of Commodity Rates &</u> <u>Quarterly Service Charge</u> Rates per 1,000 Gallons

#### January 1, 2020

1,000 Gallons per quarter Water \$13.00

Quarterly Service Charge

\$20.48

#### 2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

#### a) Water Customers

	Water	Customer	Water	Water
	Included	Service	Commodity	Total Quarterly
Meter Size	Gallons	Charge	Charge	<u>Minimum</u>
5/8 inch	3,000	\$20.48	\$39.00	\$59.48
3/4 inch	6,000	\$20.48	\$78.00	\$98.48
1 inch	12,000	\$20.48	\$156.00	\$176.48
1 ½ inch	30,000	\$20.48	\$390.00	\$410.48
2 inch	75,000	\$20.48	\$975.00	\$995.48





#### **RURAL CUSTOMERS**

1. <u>Schedule of Commodity Rates &</u> <u>Quarterly Service Charge</u>

Rates per 1,000 Gallons

#### <u>January 1, 2021</u>

<u>1,000 Gallons per quarter</u> Water \$15.03

Quarterly Service Charge

\$20.96

#### 2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

#### a) Water Customers

	Water	Customer	Water	Water
	Included	Service	Commodity	Total Quarterly
Meter Size	Gallons	Charge	Charge	Minimum
5/8 inch	3,000	\$20.96	\$45.09	\$66.05
3/4 inch	6,000	\$20.96	\$90.18	\$111.14
1 inch	12,000	\$20.96	\$180.36	\$201.32
1 ½ inch	30,000	\$20.96	\$450.90	\$471.86
2 inch	75,000	\$20.96	\$1,127.25	\$1,148.21

#### RURAL CUSTOMERS

1. <u>Schedule of Commodity Rates &amp;</u> <u>Quarterly Service Charge</u>	<u>January 1, 2022</u>
Rates per 1,000 Gallons	1,000 Gallons per quarter
	Water
	\$17.05
Quarterly Service Charge	\$21.44





#### 2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

#### a) Water Customers

	Water	Customer	Water	Water
	Included	Service	Commodity	Total Quarterly
Meter Size	Gallons	Charge	Charge	<u>Minimum</u>
5/8 inch	3,000	\$21.44	\$51.15	\$72.59
3/4 inch	6,000	\$21.44	\$102.30	\$123.74
1 inch	12,000	\$21.44	\$204.60	\$226.04
1 ½ inch	30,000	\$21.44	\$511.50	\$532.94
2 inch	75,000	\$21.44	\$1,278.75	\$1,300.19

#### URBAN CUSTOMERS

1. <u>Schedule of Commodity Rates &amp;</u> <u>Quarterly Service Charge</u>	<u>Jai</u>	<u>110 1, 2 1, 2</u>	<u>020</u>
Rates per 1,000 Gallons	<u>1,0</u>	00 Gallon	<u>s per quarter</u>
	Water	Sewer	Water & Sewer
	\$19.01	\$1.99	\$21.00

Quarterly Service Charge

# 2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

\$20.48

#### a) Water & Sewer Customers

	Water	Customer	Water	Sewer	Water & Sewer
	Included	Service	Commodity	Commodity	Total Quarterly
Meter Size	Gallons	Charge	Charge	Charge	Minimum
	Gallons	Onarge	Unarge	Unarge	wiiriiriidii





3/4 inch	6,000	\$20.48	\$114.06	\$11.94	\$146.48
1 inch	12,000	\$20.48	\$228.12	\$23.88	\$272.48
1 ½ inch	30,000	\$20.48	\$570.30	\$59.70	\$650.48
2 inch	75,000	\$20.48	\$1,425.75	\$149.25	\$1,595.48

#### b) Water Only Customers

The minimum charge will be the same for each meter size as shown above but the Sewer Commodity Charge will be excluded.

#### Sewer Only for Residential Customers Who are Not Rural Utility Customers

The sewer only charge is based on Urban Utility average quarterly consumption of 9,000 gallons plus the quarterly customer service charge.

The quarterly charge for sewer only customers who are not an RM of Morris Rural Utility customer is (9 \* \$1.99) + \$20.48 = \$38.39

#### c) Sewer Only for Residential Customers Who are Rural Utility Customers

The minimum Sewer Commodity Charge will apply and Sewer Commodity Charges will be based on water meter readings. The Urban Utility Water Commodity and Customer Service charges will be excluded.

#### d) Bulk Water Sales

All water sold in bulk by the Urban Utility will be charged at the rate of \$21.00 per 1,000 gallons.

#### URBAN CUSTOMERS

1.	Schedule of Commodity Rates & Quarterly Service Charge	<u>Jan</u>	<u>uary 1, 2</u>	<u>021</u>	
	Rates per 1,000 Gallons	<u>1,00</u>	00 Gallon	<u>s per quarter</u>	
		Water	Sewer	Water & Sewer	
		\$19.07	\$2.23	\$21.30	
	Quarterly Service Charge	\$20.96			
<u> </u>					101





#### 2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

#### a) Water & Sewer Customers

Water	Customer	Water	Sewer	Water & Sewer
Included	Service	Commodity	Commodity	/ Total Quarterly
Gallons	Charge	Charge	Charge	Minimum
3,000	\$20.96	\$57.21	\$6.69	\$84.86
6,000	\$20.96	\$114.42	\$13.38	\$148.76
12,000	\$20.96	\$228.84	\$26.76	\$276.56
30,000	\$20.96	\$572.10	\$66.90	\$659.96
75,000	\$20.96	\$1,430.25	\$167.25	61,618.46
	Included Gallons 3,000 6,000 12,000 30,000	Included     Service       Gallons     Charge       3,000     \$20.96       6,000     \$20.96       12,000     \$20.96       30,000     \$20.96	Included     Service     Commodity       Gallons     Charge     Charge       3,000     \$20.96     \$57.21       6,000     \$20.96     \$114.42       12,000     \$20.96     \$228.84       30,000     \$20.96     \$572.10	Included     Service     Commodity     Commodity       Gallons     Charge     Charge     Charge       3,000     \$20.96     \$57.21     \$6.69       6,000     \$20.96     \$114.42     \$13.38       12,000     \$20.96     \$228.84     \$26.76       30,000     \$20.96     \$572.10     \$66.90

#### b) Water Only Customers

The minimum charge will be the same for each meter size as shown above but the Sewer Commodity Charge will be excluded.

c) Sewer Only for Residential Customers Who are Not Rural Utility Customers The sewer only charge is based on Urban Utility average quarterly consumption of 9,000 gallons plus the quarterly customer service charge.

The quarterly charge for sewer only customers who are not an RM of Morris Rural Utility customer is (9 \* \$2.23) + \$20.96 = \$41.03

#### Sewer Only for Residential Customers Who are Rural Utility Customers

The minimum Sewer Commodity Charge will apply and Sewer Commodity Charges will be based on water meter readings. The Urban Utility Water Commodity and Customer Service charges will be excluded.

#### d) Bulk Water Sales

All water sold in bulk by the Urban Utility will be charged at the rate of \$21.00 per 1,000 gallons.





### URBAN CUSTOMERS

1. <u>Schedule of Commodity Rates &</u> <u>Quarterly Service Charge</u>

Rates per 1,000 Gallons

#### January 1, 2022

\$2.47

<u>1,000 Gallons per quarter</u> Water Sewer Water & Sewer

\$21.61

Quarterly Service Charge \$21.44

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

\$19.14

#### a) Water & Sewer Customers

	Water	Customer	Water	Sewer	Water & Sewer
	Included	Service	Commodity	Commod	ity Total Quarterly
Meter Size	e Gallons	Charge	Charge	Charge	<u>Minimum</u>
5/8 inch	3,000	\$21.44	\$57.42	\$7.41	\$86.27
3/4 inch	6,000	\$21.44	\$114.84	\$14.82	\$151.10
1 inch	12,000	\$21.44	\$229.68	\$29.64	\$280.76
1 ½ inch	30,000	\$21.44	\$574.20	\$74.10	\$669.74
2 inch	75,000	\$21.44	\$1,435.50	\$185.25	\$1,642.19

#### b) Water Only Customers

The minimum charge will be the same for each meter size as shown above but the Sewer Commodity Charge will be excluded.

c) Sewer Only for Residential Customers Who are Not Rural Utility Customers

The sewer only charge is based on Urban Utility average quarterly consumption of 9,000 gallons plus the quarterly customer service charge.

The quarterly charge for sewer only customers who are not an RM of Morris Rural Utility customer is (9 \* \$2.47) + \$21.44 = \$43.67





d) Sewer Only for Residential Customers Who are Rural Utility Customers The minimum Sewer Commodity Charge will apply and Sewer Commodity Charges will be based on water meter readings. The Urban Utility Water Commodity and Customer Service charges will be excluded.

#### e) Bulk Water Sales

All water sold in bulk by the Urban Utility will be charged at the rate of \$22.00 per 1,000 gallons.

# The following clauses take effect January 1, 2020 and apply to Rural and Urban Utility customers:

#### 3. Definitions

The following definitions apply to this Schedule:

Account Holder/Customer – shall refer to the person or persons who have applied for water and/or sewer services at a particular residence, whether it be the property owner or renter.

**Property Owner** – shall refer to the person or persons who are listed on the title of a specific property.

**Renter** – is not the property owner of a subject property and shall refer to the utility account holder/customer of the subject property.

#### 4. <u>Service To Customers Outside Utility's Limits</u>

The Council of Rural Municipality of Morris may sign Agreements with customers for the provision of water and sewer services to properties located outside the boundaries of the Rural Municipality of Morris. Such Agreements shall provide for payment of the appropriate rates set out in the Schedule, as well as a 25% surcharge, set by Resolution of Council, which shall be equivalent to the frontage levy, general taxes, and special taxes for the 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 Rural Municipality of Morris boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.





#### 5. Disconnection and Reconnection

The Municipality shall charge a fee as shown below for a re-connection or a disconnection of a service, if requested by a customer.

#### Service may be interrupted or disconnected as follows:

Curb Stop Turn-on	50.00 for the first ½ hour, thereafter as per Fees & Charges By-law			
Curb Stop Turn-off	\$50.00 for the first ½ hour, thereafter as per Fees & Charges By-law			
Customers will continue to receive their quarterly invoices, even if the curb stop has been turned off				
Meter Removal	$300.00$ for the first $\frac{1}{2}$ hour, thereafter as per Fees & Charges By-law			
Re-installation of Meter	$\$150.00$ for the first $\frac{1}{2}$ hour, thereafter as per Fees & Charges By-law			

Customers will not receive quarterly invoices until the meter has been re-installed and the curb stop has been turned on

The Public Utilities Board has approved the Conditions Precedent to be followed by the Municipality with respect to 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.

#### 6. Billings, Penalties and Outstanding Bills

Accounts shall be billed quarterly, and will be due and payable not less than twentyone (21) days after the date of billing. A late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date.

In the event that an Account remains outstanding the Account may be transferred to the realty tax account of the property in respect of which the water account is unpaid, to be collected as ordinary realty taxes. The following processes will be taken:

#### Accounts where the Customer is the Owner of the Property:

For those Accounts where the Customer is the Owner of the property, the amount owing after the due date shall automatically be transferred to the corresponding tax roll account within two business days after the due date and





said outstanding amount will be collected in the same manner as ordinary realty taxes.

#### Accounts where the Customer is not the Owner of the Property:

For those Accounts where the Customer is not the Owner of the property the following actions will be taken:

- 1. A reminder bill and letter to be sent to the Renter as well as the Owner of the property, giving them a revised due date by which to pay the outstanding balance; and
- If the outstanding balance has not been paid after the revised due date, then within two business days after the revised due date any outstanding balance shall automatically be transferred to the corresponding tax roll account and said outstanding amount will be collected in the same manner as ordinary realty taxes.

#### 7. Hydrant Charges

The Rural Municipality of Morris, or any other hydrant owner, will pay to the Utility an annual fee of \$150.00 for each hydrant connected to the system which shall include the cost of water used for firefighting.

#### 8. <u>Water Allowance Due To Line Freezing</u>

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 the 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.

## 9. Lagoon Tipping and Annual Fees

 a. The Rural Municipality of Morris will pay to the Utility an annual fee of \$6,000 to cover the cost of treatment for wastewater collected from residents of the RM.





b. The Rural Municipality of Morris will collect a tipping fee of \$60 per load on all loads hauled in from out of the RM.

#### 10. Sewer Surcharges

a) There may be levied annually, in addition to the rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand 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 waste.

#### 11. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Municipality with a deposit of \$200. The Municipality will then remove the subject meter and send it to an independent lab for testing. If the meter is found to be faulty, all costs associated with the testing process will be borne by the Municipality and the deposit will be refunded to the customer. If the meter is found to be in proper working order, all costs associated with the testing process will be borne by the by the customer and the customer will be billed or refunded any balance owing.

#### 12. Cross Connections

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, wastewater or any harmful liquid or substance to enter the Municipality's water system.

If a condition is found to exist which, in the opinion of the Municipality, is contrary to the aforesaid, the Municipality may either:

Shut off the service or services; or





Give notice to the customer to correct the fault at his or her own expense within a specified time period.

#### 13. Conditions of Disrepair

In the event that there are conditions of disrepair in the water works on a property that detrimentally affects the system as a whole and, upon the failure of the owner of the property to correct the condition within a reasonable time, the Municipality, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

#### 14. Authorization For Officer To Enter Upon Premises

The Public Works Manager, or other employee authorized by the Municipality in the absence of the Public Works Manager, shall be authorized to enter upon any premise for the purpose of:

Affixing to any pipe, wire or apparatus connected with any such utility, a meter or any other measuring or testing device; or taking readings from, repairing, inspecting or removing any meter or apparatus belonging to the Municipality.