

Order No. 56/19 - revised

**RURAL MUNICIPALITY OF WHITEMOUTH
WHITEMOUTH WATER UTILITY
WATER RATES
EFFECTIVE JULY 1, 2019, 2020, 2021, 2022 and 2023
ACTUAL OPERATING DEFICIT RECOVERY FOR 2016 and 2017**

May 3, 2019

**BEFORE: Carol Hainsworth, C.B.A., Panel Chair
Marilyn Kapitany, B.Sc. (Hon), M. Sc., Panel Member**

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1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) varies revised water rates for the Rural Municipality of Whitemouth (RM), Whitemouth Water Utility (Utility). The existing and approved rates are below:

	Current By-Law 539/10	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Water per m3 - first 68m3	\$ 2.73	\$ 5.22	\$ 5.29	\$ 5.37	\$ 5.45	\$ 5.74
Water per m3 - over 68m3	\$ 1.33	\$ 2.86	\$ 2.89	\$ 2.93	\$ 2.97	\$ 3.05
Bulk Rate (per cubic meter)	\$ 3.22	\$ 5.75	\$ 5.75	\$ 6.00	\$ 6.00	\$ 6.25
Quarterly Service Charge	\$ 19.17	\$ 15.05	\$ 15.34	\$ 15.65	\$ 15.96	\$ 16.28
Minimum Quarterly Charge*	\$ 56.03	\$ 85.52	\$ 86.76	\$ 88.15	\$ 89.54	\$ 93.77
Hydrant Charge	\$ 100.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
*based on 13.5 cubic meters						

The Board approves recovery of the 2016 operating deficit of \$79,599 from the Utility's accumulated surplus and the 2017 operating deficit of \$15,362 from the Utility's reserves and revisions to the Utility's Cost Allocation Methodology.

Details of other rates are in the attached Schedule "A".

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

2.0 Background

The Whitemouth Water Utility is the result of the merger of the Whitemouth Water Co-op, the Seven Sisters Falls Water Co-op, the Manitoba Hydro townsite water systems and the RM's Rural Waterline. In addition, PUB Order 136/17 added 14 properties in Neva Falls to the Utility in 2017. The Utility serves 465 customers. All water utility customers are metered. Utility bills are mailed out quarterly separate from property tax bills. The Utility does not service any customers outside the RM.

Rates were last approved in Board Order No. 140/10, with current rates going into effect January 1, 2013. In Board Order No. 138/17 the Board approved the recovery of the 2015 deficit in the amount of \$58,141 through a rate rider of \$.58 per m³ for one year or until the deficit is paid in full, whichever came first.

Water Supply/Distribution

The RM's water treatment plant was constructed in 2010.

Unaccounted for Water

As per the Board's Guidelines, the acceptable percentage of unaccounted for water is 10%. The Utility's 2017 unaccounted for water was 29% of the water produced. The rate study did not provide an explanation for or plan to address this issue.

3.0 Application

On May 16, 2016, the RM applied to the Board for revised water and wastewater rates for its three Utilities, the Whitemouth Water Utility, the Whitemouth Wastewater Utility and the Seven Sisters Wastewater Utility. On December 7, 2017, the Board requested the RM provide separate Schedules of Utility Rate Requirements for each of the utilities, or three separate rate applications. The RM responded by requesting Board approval to withdraw its application, which was granted on Board Order No. 12/18, with the intention of refiling with three separate applications.

On June 5, 2018, the Board received an application for revised rates from the RM for the Whitemouth Water Utility. The application was accompanied by a rate study completed by the RM's consultant and By-law 681/18 read for the first time on May 23, 2018. This By-law detailed rates for all three Utilities.

The RM states the revised rates are required to cover the annual operating deficit and to include a contingency amount in accordance with PUB guidelines.

The Board issued a Public Notice of Application on June 11, 2018 affording customers the opportunity to comment to both the Board and the RM with respect to the proposed rate increases for all three utilities. This Notice did not include information regarding the current and proposed intermediate water rate (applicable to customers consuming over 68m³ of water per quarter). Due to this oversight, a revised Public Notice of Application was issued on March 15, 2019. The Board received one response to the second Notice.

When reviewing an application, the Board has at its disposal two approaches, a paper review process or a public hearing. After the publication of the Notice of Application, the Board considers the application and responses, if any, and determines which method of review is most appropriate. Whenever reasonable, the Board can review the application using a paper review process, which saves the cost of a public hearing. The Board has reviewed this application and has chosen a paper review process.

There are no capital projects for the Utility included in the RM's five (5) year capital plan. The RM advises there are two small capital projects identified in the 2018 financial plan. The funds for these purchases will come from the Utility reserve.

The rates were calculated using revenue projections and inflation of 2%. The RM's consultant calculated the indicated rates for the final rate year requested (2023) and then calculated a stable and predictable rate change year over year.

The rate application projected deficits for 2019 to 2022 totalling nearly \$335,000. The RM did not include any application to approve these projected operating deficits, nor did it outline the RM's plan to recover these deficits.

	2019	2020	2021	2022	2023
Administration	30,204	30,808	31,424	32,053	32,694
Billing and collection	-	-	-	-	-
Total expenses general	30,204	30,808	31,424	32,053	32,694
Penalties	2,234	2,278	2,324	2,371	2,418
Total revenue general	2,234	2,278	2,324	2,371	2,418
Net costs general	27,970	28,530	29,100	29,682	30,276
Intermediate Rate Calculation:					
Water production expenses - 100%					
Purification and treatment	43,964	44,843	45,740	46,655	47,588
Wages - 25%	31,875	32,513	33,163	33,826	34,503
Water production contingency expense					8,209
Amortization	114,980	114,501	114,500	114,500	114,500
Amortization of capital grants - water production	- 65,545	- 65,545	- 65,545	- 65,545	- 65,545
Transfer from General Operating for debt repayment					- 13,773
Interest on long term debt; water production	4,081	3,569	3,024	2,530	2,014
Water distribution expenses - 50%					
Transmission and distribution	65,818	67,135	68,477	69,847	71,244
Wages - 75%	47,813	48,769	49,744	50,744	51,754
Other water supply costs	5,100	5,202	5,306	5,412	5,521
Water distribution contingency expense	-	-	-	-	12,522
Less: Hydrant rental offset					- 3,300
Amortization	41,255	41,255	41,255	41,255	41,255
Amortization of capital grants - water distribution	- 25,749	- 25,749	- 25,749	- 25,749	- 25,749
Total net expenses - Intermediate rate	263,592	266,493	269,915	273,474	280,742
Domestic Rate Calculation:					
Water distribution expenses - 50%					
Transmission and distribution	65,818	67,135	68,477	69,847	71,244
Wages - 75%	47,813	48,769	49,744	50,744	51,754
Other water supply costs	5,100	5,202	5,306	5,412	5,521
Water distribution contingency expense	-	-	-	-	12,522
Less: Hydrant rental offset					- 3,300
Amortization	41,255	41,255	41,255	41,255	41,255
Amortization of capital grants - water distribution	- 25,749	- 25,749	- 25,749	- 25,749	- 25,749
Total net expenses - Domestic Rate	134,237	136,612	139,033	141,508	153,246

Contingency Allowance and Utility Reserves

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

The RM has included in the rates a contingency allowance of 10% of net rate requirements, less hydrant rental revenues, amortization expenses and interest costs. This equates to \$33,253 built into water rates.

Working Capital Surplus

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, excluding any capital-related items plus Utility reserves.

As per the 2017 audited financial statements, the working capital surplus at December 31, 2017 was:

	2017
Accumulated Fund Surplus/Deficit	\$ 6,568,087
Deduct tangible capital assets	\$ 6,686,146
Add long term debt	\$ 100,036
Add utility reserves	\$ 124,560
Equals Working Capital Surplus/Deficit	\$ 106,537
Operating costs	\$ 494,601
20% of operating costs (target)	\$ 98,920

Operating Deficits

By law, Manitoba utilities are not allowed to incur deficits. In the event that a deficit does occur, the Utility is required by *The Municipal Act* to obtain Board approval for both the deficit and recovery methodology. The Board is therefore duty bound to approve reasonable rates based on reasonable expense projections.

On December 22, 2017, the RM applied to the Board for approval of the 2016 operating deficit, requesting recovery by rate rider. On June 5, 2018, the RM applied to the Board for revised water rates for the Whitemouth Water Utility. The rate study indicated the RM would be submitting a revised 2016 deficit application. The Board received this revised application on June 28, 2018. The new deficit application included 2016 and 2017, requesting recovery through the accumulated surplus and reserve funds, respectively, rather than rate rider.

Cost Allocation Methodology

The Board requires all municipal governments to review the costs shared between general operations and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology (CAM). This allocation 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 Board approved the Utility's current CAM in Board Order No. 140/10. The RM proposes changing the cost allocation to a percentage basis to more accurately reflect changing costs. The RM's proposal:

- 7% of General Operating fund, General Government Services (excluding Legal, Assessment, Taxation, Grant and Other Expenses)
- 3.5% of Public Works Roads & Streets expenses for road repairs required by utility line digging
- Utility operator time spent on the Water Utility is charged directly to the Utility

4.0 Board Findings

The Board has reviewed the application and revenue projections presented by the RM and finds the projections to be reasonable. The Board however, does not accept the RM's request to "phase in" the rate increases over a five year period. The Board varies the water rates effective July 1, 2019, 2020, 2021, 2022 and 2023 to align with the indicated rates calculated using the RM's projections. The Board approves the recovery of the 2016 and 2017 operating deficits through the accumulated surplus and reserves, respectively. The Board also approves the revised Cost Allocation Methodology as applied.

The stakeholder response to the Notice of Application expressed concern over the impact of the rate increase to low income families, as well as a concern that two-step rates would result in residential customers subsidizing the RM of Lac du Bonnet Utility. The application did not include any evidence indicating the RM of Lac du Bonnet is a customer of the Utility. The Board is sensitive to the impact of rate increases to ratepayers, however, must consider the sustainability of the Utility when approving rates. The Utility has experienced deficits and a significant decrease in volume of water sold, making the rate increases reasonable and necessary.

The Board is generally in favour of eliminating declining block rates to encourage conservation. In the case of the Whitemouth Water Utility, the RM has applied to continue with a two-step rate, and has provided that a change to a single-step rate would likely result in a further erosion in sales volume and have a negative impact on all Utility customers. The majority of large users on the system are agricultural operations, who have the option to switch to untreated water for livestock. The Board accepts this reasoning in approving the ongoing use of two-step rates by the Utility.

The rate calculations presented in the rate study were prepared with the assumption the volumes of water sold would remain at the same level the Utility experienced in 2017. Further to this, the volumes of water sold to intermediate users (those who consume more than 68m³ per quarter) and residential users (those who consume 68m³ or less per quarter) are projected to remain static over the five-year period applied for by the RM.

The rate study presented information indicating the total volume of water sold had decreased by 27% from 2013 to 2017, the total decrease being a result of intermediate water sales, offset somewhat by a small increase in domestic water sales. Given the RM's historical experience presented in the rate study, the assumption that intermediate water sales are stable may be overly optimistic. If the pattern of decreasing water sales continues, these rates will be deficient long before the effective date of the 2023 rates. The Board will therefore remind the RM to monitor these volumes on an ongoing basis and apply for any required changes to rates in a timely fashion.

The Board is concerned with the significant level of unaccounted for water in the Utility. In 2010, the RM advised the Board it expected the installation of remote read water meters to allow the RM to identify where and how the losses were occurring. The percentage of unaccounted for water has not significantly changed since that time and the rate application provided no comment on the continued cause or plan to address the water losses. The Board will require the RM to file a report detailing the steps taken and plans to address water losses experienced by the Utility.

The Board reminds the RM regular reviews are important for a financially sound utility and encourages the RM to review Board Order No. 86/17 for future rate applications. The Order outlines the Simplified Rate Application Process for municipally owned public utilities. If, after its rate review, the RM finds it meets the designated criteria for a simplified rate application, it should apply for future rates using the Simplified Rate Application Process.

The Board requires the RM to review its water rates for adequacy and file a report with the Board, as well as an application for revised rates if required, on or before December 31, 2023.

5.0 IT IS THEREFORE ORDERED THAT:

1. The water rates for the Rural Municipality of Whitemouth – Whitemouth Water Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule “A” to this Order, effective July 1, 2019, 2020, 2021, 2022 and 2023.
2. The actual utility operating deficits, when calculated for regulatory purposes, of \$79,599 in 2016 and \$15,362 in 2017 incurred by the Rural Municipality of Whitemouth - Whitemouth Water Utility are HEREBY APPROVED to be recovered from the Utility’s accumulated surplus (2016) and reserves (2017), effective the date of this Order.
3. The Rural Municipality of Whitemouth will file a report with the Public Utilities Board on or before July 1, 2019 providing details of the steps taken and any plans to address the levels of unaccounted for water experienced by the Whitemouth Water Utility.
4. The Cost Allocation Methodology for shared services as submitted by the Rural Municipality of Whitemouth BE AND IS HEREBY APPROVED.
5. The Rural Municipality of Whitemouth 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.
6. The Rural Municipality of Whitemouth amend its water 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.
7. The Rural Municipality of Whitemouth review the Whitemouth Water Utility water 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 - \$650.00

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 www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Carol Hainsworth, C.B.A."
Panel Chair

"Jennifer Dubois, CPA, CMA"
Assistant Associate Secretary

Certified a true copy of Order No. 56/19
issued by The Public Utilities Board



Assistant Associate Secretary

**RURAL MUNICIPALITY OF WHITEMOUTH
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 681/18
SCHEDULE "A"
SCHEDULE OF QUARTERLY RATES**

WATER RATES:

WHITEMOUTH WATER UTILITY

1. Commodity Charge per Cubic Metre (CM)

	<u>July 1, 2019</u>	<u>July 1, 2020</u>	<u>July 1, 2021</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
First 68 CM	\$5.22	\$5.29	\$5.37	\$5.45	\$5.74
Over 68 CM	\$2.86	\$2.89	\$2.93	\$2.97	\$3.05
Bulk rate	\$5.75	\$5.75	\$6.00	\$6.00	\$6.25
Quarterly Service Charge	\$15.04	\$15.34	\$15.65	\$15.96	\$16.28

2. Schedule of Quarterly Rates:

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charge set out below, which will include water allowances indicated:

Effective July 1, 2019

<u>User Type</u>	<u>Water Included CM</u>	<u>Quarterly Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
Small User	13.5	\$15.04	\$70.47	\$85.52
Large User	68	\$15.04	\$354.96	\$370.01

Effective July 1, 2020

<u>User Type</u>	<u>Water Included CM</u>	<u>Quarterly Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
Small User	13.5	\$15.34	\$71.42	\$86.76
Large User	68	\$15.34	\$359.72	\$375.06

Effective July 1, 2021

<u>User Type</u>	<u>Water Included CM</u>	<u>Quarterly Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>

Small User	13.5	\$15.65	\$72.50	\$88.15
Large User	68	\$15.65	\$365.16	\$380.81

Effective July 1, 2022

<u>User Type</u>	Water Included	Quarterly	Commodity	Minimum
	<u>CM</u>	<u>Service Charge</u>	<u>Charges</u>	<u>Quarterly Bill</u>
Small User	13.5	\$15.96	\$73.58	\$89.54
Large User	68	\$15.96	\$370.60	\$386.56

Effective July 1, 2023

<u>User Type</u>	Water Included	Quarterly	Commodity	Minimum
	<u>CM</u>	<u>Service Charge</u>	<u>Charges</u>	<u>Quarterly Bill</u>
Small User	13.5	\$16.28	\$77.49	\$93.77
Large User	68	\$16.28	\$390.32	\$406.60

Hydrant Rentals

The Rural Municipality of Whitemouth, or any other hydrant owner, will pay to the Whitemouth Water Utility an annual fee of \$200.00 for each hydrant connected to the system.

WASTEWATER RATES

WHITEMOUTH WASTEWATER UTILITY

1. Commodity Charge per Cubic Metre (CM) based on water consumption

<u>July 1, 2019</u>	<u>July 1, 2020</u>	<u>July 1, 2021</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
\$1.75	\$1.75	\$1.85	\$1.85	\$1.90

2. Schedule of Quarterly Rates:

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charge set out below, which will include water allowances indicated:

Effective July 1, 2019

<u>User Type</u>	Quarterly			
	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$10.82	\$23.63	\$34.45
Unmetered customers*		\$10.82	\$70.00	\$80.82

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$55.00

Effective July 1, 2020

<u>User Type</u>	Quarterly			
	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$11.03	\$23.63	\$34.66
Unmetered customers*		\$11.03	\$70.00	\$81.03

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$55.00

Effective July 1, 2021

Quarterly

<u>User Type</u>	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$11.24	\$24.98	\$36.22
Unmetered customers*		\$11.24	\$74.00	\$85.24

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$60.00

Effective July 1, 2022

Quarterly

<u>User Type</u>	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$11.45	\$24.98	\$36.43
Unmetered customers*		\$11.45	\$74.00	\$85.45

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$60.00

Effective July 1, 2023

Quarterly

<u>User Type</u>	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$11.66	\$25.65	\$37.314
Unmetered customers*		\$11.66	\$76.00	\$87.66

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$60.00

WASTEWATER RATES

SEVEN SISTERS WASTEWATER UTILITY

1. Commodity Charge per Cubic Metre (CM) based on water consumption

<u>July 1, 2019</u>	<u>July 1, 2020</u>	<u>July 1, 2021</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
\$0.67	\$0.97	\$1.27	\$1.57	\$1.87

2. Schedule of Quarterly Rates:

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charge set out below, which will include water allowances indicated:

Effective July 1, 2019

<u>User Type</u>	Quarterly			
	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$9.33	\$9.05	\$18.38
Unmetered customers*		\$9.33	\$9.05	\$18.38

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$25.00

Effective July 1, 2020

<u>User Type</u>	Quarterly			
	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$10.04	\$13.10	\$23.14
Unmetered customers*		\$10.04	\$13.10	\$23.14

* flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$30.00

Effective July 1, 2021

Quarterly

<u>User Type</u>	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$10.75	\$17.15	\$27.90
Unmetered customers*		\$10.75	\$17.15	\$27.90

flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$40.00

Effective July 1, 2022

Quarterly

<u>User Type</u>	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$11.46	\$21.20	\$32.66
Unmetered customers*		\$11.46	\$21.20	\$32.66

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$50.00

Effective July 1, 2023

Quarterly

<u>User Type</u>	<u>Water Cons. Included CM</u>	<u>Service Charge</u>	<u>Commodity Charges</u>	<u>Minimum Quarterly Bill</u>
All metered customers	13.5	\$12.19	\$25.25	\$37.44
Unmetered customers*		\$12.19	\$25.25	\$37.44

*flat rate based on 40 CM

Lagoon Tipping Fees

Lagoon tipping fees shall be \$60.00

The following clauses take effect July 1, 2019:**3. Billings and Penalties**

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1 ¼% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen (14) days after the mailing of the bills.

4. Liability for Charges

Where charges and penalties pursuant to this by-law are not paid within ninety (90) days from the date when they were incurred, said charges and penalties shall be added to the taxes on the property and collected in the same manner as other taxes pursuant to Section 252 (2) of the Municipal Act. The amount of all outstanding charges for water services, including fines and penalties, are a lien and charge upon the land serviced, and may be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

5. Disconnection and Reconnection

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.

Any service disconnected, whether due to non-payment of account or for any other reason(s) mutually agreed to by the customer and the Municipality (ie. repairs necessitated by negligence of the customer, changes in tenant, vacancy for an extended period of time, etc.) shall not be reconnected until a reconnection fee of \$50.00 and all arrears and penalties, if any, have been paid.

6. Water Allowances 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 billings for

the last two previous quarters to the same customer, or to the same premises if the occupant has changed.

7. Definitions

Large User: A user that consistently uses at least 68 Cubic Metres of water per quarter. The use will revert to small user if consumption does not meet this criteria for two consecutive quarters.

8. Water Meters

That all water connections be metered. The meter to be supplied by and remain the property of the utility system. The cost of the meter shall be recovered through the water rates.

- a) Meter Repairs -Where a 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 Utility within (10) ten days of the demand of same, the water service of said user may be disconnected for repairs. A fee of \$50.00 shall be charged for a reconnection of the service disconnected under this paragraph.
- b) Meter Testing - Any consumer who desires and requests that their water meter be tested for accuracy shall deposit with the utility the sum of \$50.00. If the meter when tested is found to be in excess of the allowable limits, the deposit shall be refunded and the consumer's account shall be adjusted for the preceding four months use. The allowable limit of variation shall be 3% of average flow.

9. 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.

10. 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.

11. 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.

12. Service To Customers Outside Utility's Limits

The Council of Rural Municipality of Whitemouth may sign Agreements with customers for the provision of water services to properties located outside the boundaries of the Municipality. Such Agreements shall provide for payment of the appropriate rates set out in this Schedule, as well as a 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 Whitemouth boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

13. 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.