

Order No. 81/19 - revised

**RURAL MUNICIPALITY OF WALLACE-WOODWORTH
AMALGAMATION OF THE KENTON WATER AND WASTEWATER,
RURAL PIPELINE WATER AND WALLACE WATER UTILITIES
EFFECTIVE JANUARY 1, 2020
RATES EFFECTIVE JULY 1, 2019, 2020, 2021, 2022
ACTUAL OPERATING DEFICIT RECOVERY FOR 2013, 2014, 2015, AND 2016**

June 17, 2019

**BEFORE: Shawn McCutcheon, Panel Chair
Marilyn Kapitany, B. Sc. (Hons), M. Sc., Panel Member**

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the amalgamation of the Kenton Water and Wastewater Utility (Kenton), Rural Pipeline Water Utility (Rural), and Wallace Water Utility (Wallace), previously operating as three separate utilities by the Rural Municipality of Wallace-Woodworth (RM) effective January 1, 2020. The amalgamated utility shall be known as the Wallace-Woodworth Water and Wastewater Utility.

In addition, the Board approves the following revised water and wastewater rates to take effect for Kenton, Rural, and Wallace Utilities July 1, 2019:

	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022
Quarterly Service Charge	\$ 34.68	\$ 35.37	\$ 36.08	\$ 36.80
Water (per 1,000 gallons)	\$ 8.59	\$ 8.76	\$ 8.94	\$ 9.12
Wastewater (per 1,000 gallons)	\$ 5.08	\$ 5.18	\$ 5.28	\$ 5.39
Minimum Quarterly Charge*	\$ 75.69	\$ 77.19	\$ 78.74	\$ 80.33
Minimum Quarterly Charge - Wastewater Only Customers*	\$ 49.92	\$ 50.91	\$ 51.92	\$ 52.97
Bulk Water (per 1,000 gallons)	\$ 12.00	\$ 12.25	\$ 12.50	\$ 12.75
Hydrant Rental	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00

*Based on 3,000 gallons

The Board also approves the 2013 actual operating deficit of \$30, 252, the 2014 actual operating deficit of \$14,740, the 2015 actual operating deficit of \$16,255, and the 2016 actual operating deficit of \$36,992 (or a total four-year deficit of \$98,139) for Kenton, to be recovered from the Wallace-Woodworth Water and Wastewater Utility accumulated surplus fund.

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

Rationale for the Board's decisions may be found under the heading Board Findings, below.

2.0 Background

The Municipality incorporated on January 1, 2015 via the amalgamation of the Rural Municipality of Wallace (Wallace Water Utility), the Rural Municipality of Woodworth [Rural Pipeline Utility (which encompassed the Local Urban District of Kenton, Kenton Water and Wastewater Utility)], and the Village of Elkhorn (Elkhorn Wastewater Utility).

As a result of the above-noted incorporation, the RM operates four separate utilities: Kenton, Rural, Wallace, and Elkhorn Wastewater Utility (Elkhorn). There are 99 customers for Kenton, 81 customers for Rural, 413 for Wallace, and 257 for Elkhorn.

The utilities last revised rates in 2014 for Kenton, 2014 for Rural, 2016 for Wallace, and 2010 for Elkhorn.

The Rate Study proposes to consolidate three of the four utilities, Kenton, Rural, and Wallace. The RM has also applied for revised rates for Elkhorn. A separate application for Elkhorn is currently before the Board.

The Rural and Wallace Utilities provide water-only services, while the Kenton Utility provides both water and wastewater services.

Water Supply/Distribution

The RM operates two water treatment plants, in Kenton and Ward 2 (formerly the Rural Municipality of Wallace), and two wastewater systems, in Kenton and Elkhorn. All utilities comply with the terms of their operating licences.

The Kenton water treatment plant was constructed in the early 1960's and was upgraded in 2014 with a new reservoir, pump house, wells, and pipelines. The plant also supplies water to the Rural Municipality of Daly.

The Ward 2 water treatment plant was constructed in 2004/2005 and a new reverse osmosis unit and filters were brought in to service in 2014. The plant also supplies water to the Rural Municipality of Pipestone and the Village of Maryfield, Saskatchewan.

All water utility customers are metered and water supplied to customers in other municipalities are charged at the same rate.

Wastewater Collection/Treatment

The Kenton Utility has a gravity flow wastewater system constructed in the early 1960's. There is one lift station and there are no capacity issues to date. Lagoon discharges are made into a local creek and the Kenton Utility is compliant with the terms of its operating licence.

Unaccounted for Water

The acceptable percentage of unaccounted water is 10%. If the percentage is above this amount, the applicant is to explain why and provide a plan to remedy.

Unaccounted for water in 2017 for the Kenton and Rural utilities was 23% and unaccounted for water for the Wallace Utility was 12%, both in excess of the acceptable percentage of unaccounted for water. The RM advises it plans to undertake further review of the 2018 water production and sales volumes for their water treatment plants.

3.0 Application

On September 18, 2018, the Board received an application from the RM accompanied by a rate study completed by the RM's consultant and By-Law 04-2018, which was read for the first time on September 11, 2018. A Public Notice of Application was issued on October 30, 2018 with a closing date of November 29, 2018, affording customers the opportunity to comment to both the Board and the RM with respect to the proposed rate increases.

The RM states the revised rates are required to offset rising costs and create uniform rates for the new, amalgamated Wallace-Woodworth Utility.

The RM states it is requesting the amalgamation of three utilities to provide more affordable long-term rates to its utility customers. Amalgamation will combine administration and operations, which will provide improved timelines for service and an economy of scale to help offset rising costs. Amalgamation will also provide uniform levels

of service to the entire RM and therefore all customers will pay the same price for the same services.

When reviewing an application, the Board has at its disposal two approaches, either a paper or public hearing review. After the publication of the Notice of Application, the Board considers the application and the stakeholder responses and determines which method of review is the most appropriate. Whenever reasonable, the Board reviews the application using a paper review process, which saves the cost of a public hearing process. Given the Board did not receive any customer responses, the Board has chosen a paper review process for this application.

The rates were calculated based on the following projections using an inflation rate of 2% in all calculations:

Schedule of Utility Rate Requirements – Wallace-Woodworth Utility				
2019 to 2022 Budget Forecasts (\$)				
	2019	2020	2021	2022
	Forecast			
General Expenses				
Administration	120,526	122,937	125,395	127,903
Total General Expenses	120,526	122,937	125,395	127,903
Revenue				
Penalties	6,380	6,380	6,380	6,380
Other Income	1,750	1,750	1,750	1,750
Total General Revenues	8,130	8,130	8,130	8,130
Net Costs - General	122,396	114,807	117,265	119,773
Water Expenses				
Purification and Treatment	219,047	223,428	227,897	232,455
Transmission and Distribution	364,282	371,567	378,999	386,579
Utility Operator and Truck	104,192	106,276	108,401	110,569
Other Water Supply Costs	157,862	161,020	164,240	167,525
Amortization	530,277	530,277	530,277	530,277
Interest on Long-Term Debt	191,866	179,053	165,571	151,385
Total Water Expenses	1,567,526	1,571,621	1,575,385	1,578,790
Revenue				
Bulk Water Fees	16,898	16,898	-	-
Connection Fee	32,500	-	-	-
Hydrant Rentals (7 @ \$150)	1,800	1,800	1,800	1,800
Total Water Revenue	51,198	18,698	1,800	1,800
Net Costs – Water	1,516,328	1,552,923	1,573,585	1,576,990
Wastewater Expenses				
Collection System	3,570	3,641	3,714	3,789
Lift Station	3,825	3,902	3,980	4,059
Amortization	3,884	3,884	3,884	3,884
Total Wastewater Expenses	11,279	11,427	11,578	11,732
Net Costs - Wastewater	11,279	11,427	11,578	11,732
Water and Wastewater Billing Revenues				
Water and Wastewater Billings	1,102,754	995,841	1,015,910	1,306,539
Property Taxes				
Transfer from General Ops. - Water	402,230	402,230	402,230	402,230

Capital Grant Amortization				
Water	375,461	375,461	375,461	375,461
Wastewater	1,610	1,610	1,610	1,610
Total Amortization of Capital	377,071	377,071	377,071	377,071
Net Operating Surplus/(Deficit) with PUB	242,051	95,985	92,783	107,345
Transfers				
Transfers from/(to) Utility Reserve	(50,000)	(50,000)	(50,000)	(50,000)
Change in Utility Fund Balance After	192,051	45,985	42,783	57,345
Reverse PUB Adjustments to Adjust to Public Sector Accounting Board				
Deduct Amortization of Capital	(377,071)	(377,071)	(377,071)	(377,071)
Fund Surplus – Beginning of Year	17,351,483	17,166,464	16,835,378	16,501,090
Fund Surplus – End of Year	17,166,464	16,835,378	16,501,090	16,181,365

Working Capital Surplus/Deficit

Board Order No. 93/09 established that utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus is defined as 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 is as follows:

2017	Kenton	Rural	Wallace	Total
Fund Surplus	\$883,306	\$1,489,730	\$15,332,955	\$17,705,991
Deduct: Tangible Capital Assets	(\$1,447,872)	(\$1,645,676)	(\$18,530,794)	(\$21,624,342)
Add: Long-Term Debt	\$290,633	\$249,677	\$3,426,657	\$3,966,967
Add: Utility Reserves	-	-	\$662,859	\$662,859
Equals Working Capital Surplus	\$(273,933)	\$93,731	\$891,677	\$711,475
Operating Expenses	\$135,777	\$183,613	\$1,345,192	\$1,664,582
20% of Operating Expenses (Target)	\$27,155	\$36,723	\$269,038	\$332,916

The above-noted working capital surplus for 2017 is above the Board recommended 20% target.

Cost Allocation Methodology

The Board requires all municipal governments to review the costs shared between its 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. 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 RM proposes that the percentage of time be used for allocating the administrative wages and percentage of supplies and activities be charged as follows:

Rural Municipality of Wallace-Woodworth – Wallace-Woodworth Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at September, 2018			
Category	Sub-category	Options	
1.0	Administrative Staff		6% of general legislative expenses excluding assessment, taxation, and grant expenses.
	1.1 Billing services –meter reading to receipting and collection.		Meter Reading – Part of Utility staff expense, receipting, and collection part of administrative staff allocation.
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		6% of audit costs.
	1.3 Common office space		6% of office costs.
	1.4 Office overheads (telephone, photocopier, computer, etc.)		6% of printing, postage, and stationary.
2.0	Operating, construction and maintenance costs		
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		The Utility pays the General Fund \$10,000 per year for each half-ton truck allocated to the Utility. This includes fuel, repairs, and maintenance.
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)	.	Utility Operator’s time is charged to the Utility based on time worked.
	2.3 Public works building and property.	Most Utility staff work at the water plants.	-
	2.4 Road repairs and alike (see Note 3)	Based on actual costs	-
3.0	Major projects		
	Interest/ financing		-
	Labor	Based on actual costs	-
	External costs	Direct charge (dedicated consulting)	-

Note 1 – Allocation must be updated periodically to reflect impacts of inflation.

Note 2 – Including salaries and benefits.

Note 3 – If a project involves work benefitting both the Utility and general operations the costs may be shared (i.e. If reconstructing a road and replacing services at the same time, a portion of the roadwork costs may be allocated to the Utility.)

Contingency Allowance and Utility Reserves

As per the Board's Water and Wastewater Rate Application Guidelines, a yearly allowance equal to 10% of the variable operating costs is recommended for contingency allowance.

The contingency allowance of 10% of net rate costs less amortization expenses and interest costs equates to \$78,419 for water and \$740 for wastewater.

The RM proposes an annual reserve transfer of \$50,000 from the amalgamated Utility to partially offset forecasted reductions in future years working capital for the Utility resulting from large amounts of capital grant amortization.

Deficits

By law, Manitoba utilities are not allowed to incur deficits. In the event that a deficit does occur, a Utility is required to obtain Board approval of the recovery methodology.

Kenton experienced deficits in 2009 (\$29,855), 2010 (\$36,625), 2011 (\$35,052), and 2012 (\$52,681), Rural experienced a deficit in 2011 (\$11,807), 2013 (\$23,000), and 2014 (\$25,063), and Wallace experienced deficits in 2010 (\$215,428) and 2011 (\$270,344) that have been approved by the Board.

The RM is requesting the recovery of actual operating deficits for 2013 - \$30,152; 2014 - \$14,740; 2015 - \$16,255; and 2016 - \$36,992 (or a total four-year deficit of \$98,139) for the Kenton Utility from the amalgamated Utility's accumulated surplus fund. As per the above-noted accumulated surplus calculation for the amalgamated Utility, the accumulated surplus is sufficient to recover for the four-year deficit as requested by the RM.

4.0 Board Findings

The Board has reviewed the RM's submission and notes there were no stakeholder concerns. The Board approves the amalgamation of the Kenton Water and Wastewater, Rural Pipeline Water, and Woodworth Water Utilities effective January 1, 2020 (to coincide with the start of the fiscal year), to be known as the Wallace-Woodworth Water and Wastewater Utility. To facilitate the preparation of audited financial statements, the Board notes the RM can therefore begin reporting amalgamated results as of January 1, 2020.

The Board affirms the understanding the Elkhorn Wastewater Utility is to remain a separate entity/utility from the Wallace-Woodworth Water and Wastewater Utility.

The Board has reviewed the application and the projections presented by the RM in its rate application and finds them to be reasonable. The Board approves the water and wastewater rates as applied for effective dates to July 1, 2019, July 1, 2020, July 1, 2021, and July 1, 2022 for Kenton, Rural, and Woodworth. As of January 1, 2020, these rates will apply accordingly for the Wallace-Woodworth Water and Wastewater Utility.

The Board has reviewed the RM's proposed reserve transfer of \$50,000 to offset forecasted capital grant amortization and finds it to be reasonable. The Board will revisit this transfer when reviewing the RM's next Rate Application.

The Board notes the amalgamation date of January 1, 2020 has been set to coincide with the beginning of the 2020 calendar/reporting year and does not coincide with the effective date for revised water and wastewater rates of July 1, 2019 for ease of accounting purposes.

The Board approves the revised cost allocation methodology and reminds the RM that this methodology must be used consistently; any changes to the new, revised cost allocation methodology require Board approval.

The Board requires the RM to review the new utility's water and wastewater rates for adequacy and file a report with the Board or submit an application for revised rates on or before December 31, 2022.

The Board also approves the 2013 actual operating deficit of \$30,152, the 2014 actual operating deficit of \$14,740, the 2015 actual operating deficit of \$16,255, and the 2016 actual operating deficit of \$36,992 (or a total four-year deficit of \$98,139), to be recovered from the Wallace-Woodworth Water and Wastewater Utility accumulated surplus fund.

The Board notes the utilities to be amalgamated have deficits for 2017. By law, Manitoba utilities are not allowed to incur deficits. The Board reminds the Utility if it has a deficit, it is required by law to file a deficit application and recovery plan with the Board as soon as it is known.

The Board directs the RM to file deficit applications for each of the Utilities, for any and all years the utilities are in deficit as soon as possible.

The Board strongly encourages the Municipality to work closely with its auditor(s) to ensure the Public Utilities Board Note to the Consolidated Financial Statements is complete and correct. If this note is omitted, incomplete, and/or incorrect, it inhibits the Board's ability to assess the Utility's financial position and the Rural Municipality's ability to set appropriate rates to sustain the Utility and its operations.

The Board is concerned by the amounts of unaccounted for water incurred by the RM and encourages the RM to develop a more detailed plan to reduce these losses.

5.0 IT IS THEREFORE ORDERED THAT:

1. The amalgamation of the Kenton Water and Wastewater, Rural Pipeline Water, and Wallace Water Utilities, to be known going forward as the Wallace-Woodworth Water and Wastewater Utility, is HEREBY APPROVED effective January 1, 2020.
2. Revised water and wastewater rates for the Rural Municipality of Wallace-Woodworth Kenton Water & Wastewater, Rural Pipeline Water, Wallace Water and the Wallace-Woodworth Water and Wastewater Utilities, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2019, 2020, 2021 and 2022.
3. Revised water and wastewater rates for the Rural Municipality of Wallace-Woodworth, Wallace-Woodworth Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with Schedule A effective January 1, 2020.
4. The cost allocation methodology for shared services and equipment for the Rural Municipality of Wallace-Woodworth BE AND IS HEREBY APPROVED.
5. The actual operating deficits of \$30,152 for 2013, \$14,740 for 2014, \$16,255 for 2015, and \$36,992 for 2016 incurred in the Kenton Water and Wastewater Utility BE AND ARE HEREBY APPROVED to be recovered from the Wallace-Woodworth Water and Wastewater Utility accumulated surplus fund.
6. The Rural Municipality Wallace-Woodworth is to provide a notice of the decisions found in this Order to its customers as soon as possible, with a copy provided to the Public Utilities Board.
7. The Rural Municipality of Wallace-Woodworth amend its water and wastewater rate By-Law to reflect the decisions in this Order and submit a copy to the Public Utilities Board once it has received third and final reading.
8. The Rural Municipality of Wallace-Woodworth file a deficit application for each utility, for each of the years the utility is in deficit, by no later than July 15, 2019.

9. The Rural Municipality of Wallace-Woodworth review its water and wastewater rates for adequacy and file a report with the Public Utilities Board or submit an application for revised rates, by no later than December 31, 2022.

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.

Fees payable upon this Order - \$650.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 81/19 issued
by The Public Utilities Board


Frederick Mykytyshyn
Assistant Associate Secretary

**RURAL MUNICIPALITY OF WALLACE-WOODWORTH
KENTON WATER AND WASTEWATER UTILITY, RURAL PIPELINE WATER UTILITY,
AND WALLACE WATER UTILITY
EFFECTIVE JANUARY 1, 2020 TO BE KNOWN AS THE WALLACE-WOODWORTH
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 04-2018
SCHEDULE "A"**

SCHEDULE OF QUARTERLY RATES

1. Schedule of Commodity Rates & Quarterly Service Charge

JULY 1, 2019

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$8.59	\$5.08	\$13.67

Quarterly Service Charge \$34.68

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 & Wastewater Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Wastewater Commodity Charge</u>	<u>Water & Wastewater Total Quarterly Minimum</u>	<u>Water Only Total Quarterly Minimum</u>
5/8 inch	1	3,000	\$34.68	\$25.77	\$15.24	\$75.69	\$60.45
¾ inch	2	6,000	\$34.68	\$51.54	\$30.48	\$116.70	\$86.22
1 inch	4	12,000	\$34.68	\$103.08	\$60.96	\$198.72	\$137.76
1 ½ inch	10	30,000	\$34.68	\$257.70	\$152.40	\$444.78	\$292.38
2 inch	25	75,000	\$34.68	\$644.25	\$381.00	\$1,059.93	\$678.93

b. Bulk Water Sales

All water sold in bulk will be charged at the rate of \$12.00 per 1,000 imperial gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

JULY 1, 2020

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$8.76	\$5.18	\$13.94

Quarterly Service Charge \$35.37

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 & Wastewater Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Water Only Total Quarterly Minimum
5/8 inch	1	3,000	\$35.37	\$26.28	\$15.54	\$77.19	\$61.65
¾ inch	2	6,000	\$35.37	\$52.56	\$31.08	\$119.01	\$87.93
1 inch	4	12,000	\$35.37	\$105.12	\$62.16	\$202.65	\$140.49
1 ½ inch	10	30,000	\$35.37	\$262.80	\$155.40	\$453.57	\$298.17
2 inch	25	75,000	\$35.37	\$657.00	\$388.50	\$1,080.87	\$692.37

b. Bulk Water Sales

All water sold in bulk will be charged at the rate of \$12.25 per 1,000 imperial gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

JULY 1, 2021

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$8.94	\$5.28	\$14.22

Quarterly Service Charge

\$36.08

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 & Wastewater Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Water Only Total Quarterly Minimum
5/8 inch	1	3,000	\$36.08	\$26.82	\$15.84	\$78.74	\$62.90
¾ inch	2	6,000	\$36.08	\$53.64	\$31.68	\$121.40	\$89.72
1 inch	4	12,000	\$36.08	\$107.28	\$63.36	\$206.72	\$143.36
1 ½ inch	10	30,000	\$36.08	\$268.20	\$158.40	\$462.68	\$304.28
2 inch	25	75,000	\$36.08	\$670.50	\$396.00	\$1,102.58	\$706.58

b. Bulk Water Sales

All water sold in bulk will be charged at the rate of \$12.50 per 1,000 imperial gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

JULY 1, 2022

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$9.12	\$5.39	\$14.51

Quarterly Service Charge \$36.80

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 & Wastewater Customers

	Group Capacity	Water Included	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Water Only Total Quarterly Minimum
<u>Meter Size</u>	<u>Ratio</u>	<u>Gallons</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Minimum</u>	<u>Minimum</u>
5/8 inch	1	3,000	\$36.80	\$27.36	\$16.17	\$80.33	\$64.16
¾ inch	2	6,000	\$36.80	\$54.72	\$32.34	\$123.86	\$91.52
1 inch	4	12,000	\$36.80	\$109.44	\$64.68	\$210.92	\$146.24
1 ½ inch	10	30,000	\$36.80	\$273.60	\$161.70	\$472.10	\$310.40
2 inch	25	75,000	\$36.80	\$684.00	\$404.25	\$1,125.05	\$720.80

b. Bulk Water Sales

All water sold in bulk will be charged at the rate of \$12.75 per 1,000 imperial gallons.

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 1.25% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least 14 days after the mailing of the bills.

4. Hydrant Charges

The Local Urban District of Kenton, 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.

5. Outstanding Utility Bills

Pursuant to Section 252 (2) of *The Municipal Act*, the amount of all outstanding charges for water and wastewater 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.

6. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Rural Municipality with a deposit of \$100.00. The Rural Municipality will 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 Rural 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 customer and the customer will be billed or refunded any balance owing.

7. Disconnection and Reconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the Rural 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 Rural Municipality's Office.

Any service disconnected, whether due to non-payment of account or 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 arrears and penalties, if any, have been paid plus a reconnection fee of \$75.00 during working hours. If reconnection is required after normal working hours, a charge of \$150.00 must be paid prior to reconnection.

8. Responsibility for Water Service Connections

The utility is responsible for approval of designed route, contractor, material list, and installation procedure from Rural Municipality main line to the owner's meter. The other is responsible for all associated costs of material, installation, repair and maintenance of all the water lines including connections and valves through and on their property from the meter package up to the water main line (including any water losses that may occur in an all restoration). The Rural Municipality shall own the meter package and be responsible to repair and maintain the meter package (not including service line shut off valve at meter package).

9. Responsibility for Wastewater Service Connections

The Utility is responsible for approval of designed, contractor, material list, and installation procedure from the Rural Municipality main line to the owner's property. The owner is responsible for all associated costs of material, installation, repair, and maintenance of all wastewater lines including connections, valves, cleaning, auguring tree roots, and restoration from Rural Municipality main to property connection.

10. Service to Customers Outside Utility's Limits

The Council of Rural Municipality of Wallace-Woodworth may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the Rural 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 Wallace-Woodworth boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

11. Wastewater Surcharges

There may be levied annually, in addition to the rates set forth above, a special surcharge on wastewater having a Biochemical Oxygen Demand in excess of 300 parts per million, to be set by Resolution of Council.

A special surcharge for substances requiring special treatment shall be charged based on actual costs of treatment required for the particular wastewater or industrial waste.

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 Rural Municipality's water system.

If a condition is found to exist which, in the opinion of the Rural Municipality, is contrary to the aforesaid, the Rural 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 wastewater and 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 Rural 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 Water Utility Manager, or other employee authorized by the Rural Municipality in the absence of the Water Utility Manager, shall be authorized to enter upon any premises for the purpose of:

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