

**Order No. 103/21**

**CITY OF DAUPHIN  
DAUPHIN WATER AND WASTEWATER UTILITY  
REQUEST FOR REVISED RATES**

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**September 23, 2021**

**BEFORE:** Marilyn Kapitany, B.Sc. (Hon), M.Sc., Panel Chair  
Irene Hamilton, Q.C., Panel Member

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates for the City of Dauphin (City), Dauphin Water and Wastewater Utility (Utility). The Board varies the effective dates to October 1, 2021, January 1, 2022, and January 1, 2023.

The Board approves water and wastewater rates for the Utility as follows:

	Current Rates	Effective October 1, 2021	Effective January 1, 2022	Effective January 1, 2023
Quarterly Administration Fee	\$35.65	\$38.10	\$39.08	\$40.07
Water Rate (per cubic meter)	\$2.12	\$2.15	\$2.19	\$2.23
Wastewater Rate (per cubic meter)	\$0.56	\$0.78	\$0.79	\$0.81
Minimum Quarterly Charge*	\$73.17	\$79.12	\$80.80	\$82.63
Bulk Water Fee (per cubic meter)	\$2.88	\$2.91	\$2.97	\$3.03
Hydrant Rental Charge (annual)	\$160.00	\$175.00	\$175.00	\$175.00

\*Based on 14 cubic meters

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

## 2.0 Background

The City owns and operates the Utility and provides service to 3,367 customers, including 19 water only customers and one wastewater only customer.

Rates were last approved for the Utility in Board Order No. 109/13 on September 12, 2013. A deficit was last approved for the Utility in Board Order No. 27/15 of \$141,011 for 2013, to be recovered through the Utility's Surplus.

### Water Supply/Distribution

Water is supplied from the Vermillion Reservoir and Edwards Lake, and discharges into Edwards Creek. The treatment facility was constructed in 1999/2000, uses ozone (primary) and chloramines (secondary) as disinfections methods, and has capacity to provide twice the amount of water currently being used.

The distribution system consists of two reservoirs, one for raw water retention (Edwards Reservoir) and one for treated water. The City also owns a third reservoir, the Jackson Street Reservoir, that has been decommissioned since the City last had rates approved by the Board.

The mains were installed over 50 years ago and approximately 55% of them have not been replaced. They are composed primarily of cast iron, asbestos cement, and polyvinyl chloride (PVC). The cast iron mains are in poor to very poor condition and the proposed water rates include incremental revenues to continue the City's plan to replace the aging water mains.

The City notes in its rate study that the Province of Manitoba (Province) owns the Vermillion Reservoir, which has significant sedimentation causing a reduction in capacity by 40%. The City has advised the Province of its concerns regarding water supply, should the issue persist.

### **Wastewater Collection/Treatment**

The City uses a Class II lagoon to treat the wastewater effluent. The treatment facility consists of six facultative lagoons and one aerated cell that were constructed between 1962 and 1978.

Based on the City's licence to operate the facility, the wastewater treatment facility discharges into the Vermillion River between April 1 and May 31, and between October 1 and November 30. Wastewater is stored the rest of the year.

The system is made up primarily of tile and concrete pipes that were installed over 50 years ago. The City notes the pipes are in fair to good condition.

Since rates were last approved by the Board, the City (in partnership with the Manitoba Water Services Board) hired a consultant to review the lagoon operations and provide a plan for required upgrades to meet changes to environmental regulations. The consultant's cost estimate of required lagoon upgrades was \$13 million as of 2016. Since completion of the consultants review, the City's has been applying to the provincial and federal governments for infrastructure funding, but to date has been unsuccessful in obtaining funding. The City advises that once sufficient funding is received, the City will proceed with the recommended scope of work and will use debentures to fund the City's required share of the project costs.

### **Unaccounted for Water**

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

The Utility's rate study notes unaccounted for water was 43.5% in 2019. The City is improving its leak detection equipment, replacing its underground infrastructure in areas where water loss is highest, and investigating the feasibility of installing pressure management stations and meter reading zones to address the high levels of unaccounted for water.

### **3.0 Application**

On November 13, 2020, the City applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the City's Director of Finance and By-Law No. 11/2020 having had first reading September 28, 2020.

A Public Notice of Application was issued on November 25, 2020 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the City before December 25, 2020. No responses were received.

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. The paper review process considers all written materials submitted by the Utility and the public, as well as any information requests and responses between the Board and the Utility. This process may reduce regulatory costs to the Utility.

A public hearing process allows the Utility and the public the opportunity to review the application and address concerns with the Board present.

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 a paper review process for the City's application.

The rates were calculated based on the following projections using an annual inflation rate of 2.5% in all calculations:

<b>Schedule of Utility Rate Requirements – Dauphin Water and Wastewater Utility 2021 to 2023 Budget Forecasts (\$)</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Forecast</b>		
<b>General Expenses</b>			
Administration	463,578	475,167	487,046
Billing and Collection	20,223	20,729	21,247
Building Overhead	41,439	42,475	43,537
Total General Expenses	525,240	538,371	551,830
<b>Revenue</b>			
Surcharges	5,600	5,600	5,600
Penalties	6,500	6,500	6,500
Total General Revenues	12,100	12,100	12,100
<b>Net Costs General</b>	<b>513,140</b>	<b>526,271</b>	<b>539,730</b>
<b>Water Expenses</b>			
Purification and Treatment	740,204	758,709	777,677

	Installation Services	112,750	115,569	118,458
	Service of Supply	68,803	70,523	72,286
	Transmission and Distribution	332,203	340,508	349,020
	Other Water Supply Costs	62,115	63,668	65,260
	Connections – Net Loss	25,061	25,688	26,330
	Amortization	550,000	550,000	550,000
	Interest on Long-Term Debt	14,083	13,079	12,027
	Interest on Other Long-Term	21,000	20,000	19,000
	Reserves	250,000	250,000	250,000
	Contingency	125,396	128,531	131,744
	<b>Total Water Expenses</b>	<b>2,301,615</b>	<b>2,336,275</b>	<b>2,371,802</b>
<b>Revenue</b>				
	Connections	22,000	22,000	22,000
	Hydrant Rentals	63,525	63,525	63,525
	Installation Services	164,000	165,000	170,000
	Amortization of Capital Grants	282,801	282,801	282,801
	Taxation Revenue	35,227	35,227	35,227
	Other Revenue – Bulk Water	40,000	41,000	41,000
	<b>Total Water Revenues</b>	<b>607,553</b>	<b>609,553</b>	<b>614,553</b>
	<b>Net Costs Water</b>	<b>1,694,062</b>	<b>1,726,722</b>	<b>1,757,249</b>
<b>Wastewater Expenses</b>				
	Collection System	152,059	155,860	159,757
	Lift Station	70,725	72,493	74,305
	Treatment and Disposal	175,378	179,762	184,256
	Amortization	235,000	260,000	260,000
	<b>Total Wastewater Expenses</b>	<b>633,162</b>	<b>668,115</b>	<b>678,318</b>
<b>Revenue</b>				
	Tipping Fees	18,000	18,000	18,000
	Amortization of Capital Grants	27,925	50,000	50,000
	<b>Total Wastewater Revenues</b>	<b>45,925</b>	<b>68,000</b>	<b>68,000</b>
	<b>Net Costs Wastewater</b>	<b>587,237</b>	<b>600,115</b>	<b>610,318</b>
	<b>Net Operating Costs</b>	<b>2,794,439</b>	<b>2,853,108</b>	<b>2,907,297</b>

## Contingency Allowance and Utility Reserves

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

The City has included a contingency allowance of \$125,396 in 2021, \$128,531 in 2022, and \$131,744 in 2023 for water. The City has not included a contingency amount for wastewater due to new regulations regarding wastewater treatment resulting in significant rate increases.

The City has included a transfer to the Utility reserve of \$250,000 per year for water to provide for the Utility's 10-year capital plan which includes, but is not limited to: reservoir upgrades; raw water upgrades; water treatment plant upgrades; and pressure management systems.

## 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/deficit is defined as the Utility fund balance, excluding any capital related items plus Utility reserves.

As per the 2020 audited financial statements, the most recent information available, the working capital surplus at December 31, 2020 was:

	2020
Utility Fund Surplus/Deficit	\$13,528,615
Deduct: Tangible Capital Assets	(14,317,838)
Add: Long-Term Debt	828,733
Add: Utility Reserves	1,737,864
<b>Equals Working Capital Surplus (Deficit)</b>	<b>\$1,777,374</b>
Operating Expenses	2,889,777
<b>20% of Operating Expenses (Target)</b>	<b>\$577,955</b>

The Utility meets the Board minimum target working capital surplus of 20%.



## 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 City's allocation plan for shared costs is as follows:

<b>City of Dauphin Dauphin Water and Wastewater Utility Allocation Policy for Shared Costs</b>					
<u>Sub- Category</u>	<u>Activity</u>	<u>Expenses</u>	<u>Activity Based</u>	<u>Flat Rate</u>	<u>Comments</u>
<b>Shared Direct Overhead Costs (Administration)</b>					
Direct Overhead Costs	Meter Reading	Wages and Benefits	x		Job costing system allocates staff time on an hourly basis. Benefits are allocated using job costing system as a % of wages.
	Billing	Wages and Benefits		x	100% of Utility Clerk wage is allocated to the Utility. Other staff time spent on billing is negligible and therefore not allocated.
	Receipting and Collection	Wages and Benefits		x	100% of Utility Clerk wage is allocated to the Utility. This position also spends time receipting for the General Fund while other staff spend time receipting for the Utility. These shared duties balance one another.
Indirect Overhead Costs	General Administrative Costs	CAO Salary and Benefits		x	CAO's salary is not allocated to the Utility as most administration work for the Utility is performed by the Director of Public Works & Operations. Finance work for the Utility is performed by the Director of Finance and 30% of this wage is allocated to the Utility
		IT, Engineering Staff Salary and benefits		x	7 members of these departments, including the Director of Public Works and Operations, assist in administration of the Utility. These members have either 30% or 40% of their wages and benefits allocated to the Utility, depending on involvement.
		Council Costs		x	N/A – Negligible and therefore not allocated.
	Shared Office Costs	Audit and Legal		x	Audit Costs are allocated to the Utility based on the estimated cost provided by the auditors. Utility related legal costs are allocated to the Utility.
		Office Space Costs		x	20% of City Hall building costs (excl. capital) are recorded as a rental charge in the Utility Fund for use of office space at City Hall.

		Lease Costs		x	N/A
		Utilities – Telephones		x	Telephone and cellular are allocated to the Utility based on the employee's wage allocation.
		Utilities – All Other		x	20% of City Hall building costs (excl. capital) are recorded as a rental charge in the Utility Fund for use of office space at City Hall.
		Photocopying, Office Supplies, etc.		x	Copying is tracked and allocated accordingly based on use by the Utility.
<b>Shared Direct Operating Costs</b>					
Direct Equipmen t Costs	Public Works Building	All Categories		x	20% of City Hall building costs (excl. capital) are recorded as a rental charge in the Utility Fund for use of office space at City Hall.
	Vehicles	All Categories	x		All vehicle costs are job costed on an hourly basis and allocated accordingly.
	Machinery and Equipment	All Categories	x		All machinery costs are job costed on an hourly basis and allocated accordingly.
	Road Construction and Maintenance Equipment	All Categories	x		All machinery costs are job costed on an hourly basis and allocated accordingly.
Direct Labour	Labour Costs for the Utility	Wages and Benefits	x		Wages and benefits are job costed and allocated accordingly.
<b>Shared Capital Costs</b>					
Direct Overhead Costs	Administrative	All Categories		x	All Utility related capital costs are allocated to the Utility.
Direct Equipmen t Costs	Vehicles	All Categories	x		N/A
	Machinery and Equipment	All Categories	x		All machinery costs are job costed on an hourly basis and allocated accordingly.
	Road Construction and Maintenance Equipment	All Categories	x		All machinery costs are job costed on an hourly basis and allocated accordingly.
Direct Labour	Labour Costs for the Utility	Wages and Benefits	x		Wages and benefits are job costed and allocated accordingly.

#### 4.0 Board Findings

The Board has reviewed the application and the projections for utility rates presented by the City in its rate study and finds them to be acceptable. The Board approves the revised rates as applied for by the City, but varies the effective dates to October 1, 2021, January 1, 2022, and January 1, 2023.

The Board notes, after receipt of the City's rate study the City advised the Board it is working with the Manitoba Water Service Board (MWSB) on an upgrade to the water treatment plant's disinfection system in 2022. The total forecasted project cost is \$2,500,000 and is to be cost shared equally by the City and by a grant from MWSB (\$1,250,000 each). The City has advised it plans to fund its share of the costs using \$250,000 from Utility reserves and a \$1,000,000 debenture. Repayment costs of the debenture, of approximately \$67,000, have not been included in the rates requested in the City's rate study as grant funding from MWSB was not forecasted to be available at the time the rate study was completed. The City has advised the Board there is enough funding available in the contingency and reserve allocations included in the rate study to provide for the shortfall. The Board directs the City to include repayment costs of the debenture for the water treatment plant upgrade in its next rate study.

The Board approves the City's revised Cost Allocation Methodology and reminds the City the methodology must be used consistently; any changes to the Cost Allocation Methodology require Board approval.

The Board requires the City to review its water and wastewater rates for the Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if required) on or before December 31, 2023.

The Board notes the City uses an adjusting entry in Schedule 9 of its Audited Financial Statements called "Eliminating PSAB (Public Sector Accounting Board) entries" to record items such as: hydrant rentals; taxation revenues; and building overhead. These items and any others included in the "Eliminating PSAB entries" adjusting line item entry should be recorded as either an expense item or revenue item accordingly in Schedule 9 of the Audited Financial Statements and the Board directs the City to work with its auditor(s) to revise this practice in its future Audited Financial Statements for rate setting purposes.

The Board is concerned regarding the Utility's unaccounted for water level 43.5%. This high amount of water loss is driving the water rate to be higher than necessary, and the impact to the customers is substantial. If the City is unable to reduce this level close to the acceptable percentage of 10% before the next rate study is due, the Board directs the City to develop a more detailed plan to address unaccounted water levels and include it in the next rate study.

## **5.0 IT IS HEREBY ORDERED THAT:**

1. The revised water and wastewater rates for the City of Dauphin, Dauphin Water and Wastewater Utility, BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective October 1, 2021, January 1, 2022 and January 1, 2023.
2. The City of Dauphin include repayment costs of the debenture for the upgrade to the Dauphin Water and Wastewater Utility in its next rate study.
3. The Shared Cost Allocation Methodology for the City of Dauphin BE AND IS HEREBY APPROVED.
4. The City of Dauphin 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.
5. The City of Dauphin 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.
6. The City of Dauphin review its water and wastewater rates for the Dauphin Water and Wastewater Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than December 31, 2023.
7. The City of Dauphin develop a more detailed plan to address unaccounted for water in the next rate study for the Dauphin Water and Wastewater Utility if levels are above 10%.
8. The City of Dauphin work with its auditor(s) to revise the "Eliminating PSAB entries" line item in its future Audited Financial Statements for rate setting purposes.

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.pubmanitoba.ca](http://www.pubmanitoba.ca).

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"Marilyn Kapitany"  
Panel Chair

"Frederick Mykytyshyn"  
Assistant Associate Secretary

Certified a true copy of Order No. 103/21  
issued by The Public Utilities Board

  
Assistant Associate Secretary

## SCHEDULE A

CITY OF DAUPHIN  
DAUPHIN WATER AND WASTEWATER UTILITY  
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 11/2020  
SCHEDULE OF QUARTERLY RATES

## 1. Water and Wastewater Commodity Rates

Effective October 1, 2021

	<b>Water Rate (per cubic metre)</b>	<b>Wastewater Rate (per cubic metre)</b>	<b>Total Rate (per cubic metre)</b>
<b>Rate</b>	\$2.15	\$0.78	\$2.93

Effective January 1, 2022

	<b>Water Rate (per cubic metre)</b>	<b>Wastewater Rate (per cubic metre)</b>	<b>Total Rate (per cubic metre)</b>
<b>Rate</b>	\$2.19	\$0.79	\$2.98

Effective January 1, 2023

	<b>Water Rate (per cubic metre)</b>	<b>Wastewater Rate (per cubic metre)</b>	<b>Total Rate (per cubic metre)</b>
<b>Rate</b>	\$2.23	\$0.81	\$3.04

## 2. Quarterly Minimum Charges

Notwithstanding the Commodity Rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges per set out below, which includes water allowances indicated:

## a. Water and Wastewater Customers

Effective October 1, 2021

<b>Meter Size (inches)</b>	<b>Water Included (cubic metres)</b>	<b>Customer Service Charge (quarterly)</b>	<b>Commodity Charges Water (quarterly)</b>	<b>Commodity Charges Wastewater (quarterly)</b>	<b>Total Minimum Charge (quarterly)</b>
5/8"	14	\$38.10	\$30.10	\$10.92	\$79.12
3/4"	28	\$38.10	\$60.20	\$21.84	\$120.14
1"	56	\$38.10	\$120.40	\$43.68	\$202.18
1 1/2"	140	\$38.10	\$301.00	\$109.20	\$448.30
2"	350	\$38.10	\$752.50	\$273.00	\$1,063.60
3"	700	\$38.10	\$1,505.00	\$546.00	\$2,089.10
4"	1260	\$38.10	\$2,709.00	\$982.80	\$3,729.90

Effective January 1, 2022

<b>Meter Size (inches)</b>	<b>Water Included (cubic metres)</b>	<b>Customer Service Charge (quarterly)</b>	<b>Commodity Charges Water (quarterly)</b>	<b>Commodity Charges Wastewater (quarterly)</b>	<b>Total Minimum Charge (quarterly)</b>
5/8"	14	\$39.08	\$30.66	\$11.06	\$80.80
3/4"	28	\$39.08	\$61.32	\$22.12	\$122.52
1"	56	\$39.08	\$122.64	\$44.24	\$205.96
1 1/2"	140	\$39.08	\$306.60	\$110.60	\$456.28
2"	350	\$39.08	\$766.50	\$276.50	\$1,082.08
3"	700	\$39.08	\$1,533.00	\$553.00	\$2,125.08
4"	1260	\$39.08	\$2,759.40	\$995.40	\$3,793.88

Effective January 1, 2023

Meter Size (inches)	Water Included (cubic metres)	Customer Service Charge (quarterly)	Commodity Charges Water (quarterly)	Commodity Charges Wastewater (quarterly)	Total Minimum Charge (quarterly)
5/8"	14	\$40.07	\$31.22	\$11.34	\$82.63
3/4"	28	\$40.07	\$62.44	\$22.68	\$125.19
1"	56	\$40.07	\$124.88	\$45.36	\$210.31
1 1/2"	140	\$40.07	\$312.20	\$113.40	\$465.67
2"	350	\$40.07	\$780.50	\$283.50	\$1,104.07
3"	700	\$40.07	\$1,561.00	\$567.00	\$2,168.07
4"	1260	\$40.07	\$2,809.80	\$1,020.60	\$3,870.47

#### b. Water Only Customers

The minimum charge will be the same for each meter size in the applicable tables above, but the Wastewater Commodity Charge will be excluded.

### 3. Bulk Sales Rate

All water sold in bulk by the City of Dauphin shall be charged for at the rate per cubic metre as indicated below.

Year	2021	2022	2023
Rate	\$2.91	\$2.97	\$3.03

The following clauses take effect October 1, 2021:

#### 4. Service to Customers Outside City of Dauphin

The Council of the City of Dauphin may sign agreements with customers for the provision of water and wastewater services to properties located outside the legal boundaries of the City of Dauphin. Such agreements shall provide for payment of the rates, including a minimum consumption charge based on the size of the meter, as 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 utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries. In addition, all costs of connecting to the utility's mains and installing and maintaining service connections will be paid by the customer.



## 5. Shared Services Between Municipalities

The City of Dauphin may sign agreements for provision of water and wastewater services to other municipalities. Such agreements shall provide for payment of the rates, including a minimum consumption charge based on the size of the meter, as set out in the 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 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 the City of Dauphin boundary. In addition, all costs of a municipality connecting to the City of Dauphin's Utility, and maintenance thereof, shall be paid by that municipality.

## 6. Penalties and Billings

- a. A late payment charge of 1.25% per month 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.
- b. If the meter of any customer is damaged or fails to register during any quarter, the customer shall be charged the average consumption of the four (4) preceding quarters.
- c. For the purposes of this section, each year shall be divided into four (4) quarters as follows:
  - i. First Quarter – January, February, and March
  - ii. Second Quarter – April, May, and June
  - iii. Third Quarter – July, August, and September
  - iv. Fourth Quarter – October, November, and December

## 7. Disconnection Due to Non-Payment

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

## 8. Connection Charges

- a. Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties, and a reconnection charge of \$100.00 have been paid.
- b. Any service that needs disconnection/reconnection due to maintenance, as requested by the customer, shall be assessed a charge of \$100.00.

- c. Any service will not be transferred from an existing customer to a new customer until a transfer fee of \$50.00 is paid by the new customer.

#### **9. Meter Tampering Charge and/or Damage Fee**

When damages, meter tampering, or both are determined, all costs to restore or replace the meter, as determined by the Director of Public Works and Operations or their designate, shall be charged to the customer. The amount charged shall also include a commodity charge for the estimated quantity of un-metered water used, the related wastewater discharged, a charge of \$250.00 if the meter was tampered with, plus a fee of \$75.00 to reseal the meter, unless prior written authorization for breaking the seal was issued by the Director of Public Works and Operations or their designate.

#### **10. Additional Meters**

The City of Dauphin may install auxiliary meters to separately record the amount of water being delivered to a customer, for billing purposes, at the City's expense. Upon application to the Director of Public Works and Operations, by an owner or operator of a premises where a water service is installed, the City shall install an auxiliary meter at the expense of the applicant, for such purpose.

#### **11. Outstanding 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 property serviced, and may be collected in the same manner in which ordinary taxes upon the property are collectible and enforced. Upon doing so, the City shall charge a \$50.00 service fee to the account.

#### **12. Hydrant Rentals**

The City of Dauphin will pay to the utility an annual rental of \$175.00 for each hydrant connected to the system.

#### **13. Water Allowance Due to Line Freezing**

In cases where, at the request of the City of Dauphin, 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 that period 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.

**14. Wastewater Surcharges**

- a. 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.
  
- 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.