

Order No. 70/21

**MUNICIPALITY OF GRASSLAND
HARTNEY WATER AND WASTEWATER UTILITY
REVISED RATES AND ACTUAL OPERATING DEFICITS**

JUNE 28, 2021

Revised July 13, 2021

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

Table of Contents

1.0	Executive Summary.....	3
2.0	Background	4
	Water Supply/Distribution	4
	Wastewater Collection/Treatment.....	4
	Unaccounted for Water	4
3.0	Application.....	5
	Contingency Allowance and Utility Reserves.....	7
	Working Capital Surplus/Deficit	7
	Cost Allocation Methodology	8
	Deficits.....	9
4.0	Board Findings	10
5.0	IT IS HEREBY ORDERED THAT:.....	13
	SCHEDULE A.....	15

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves revised water and wastewater rates for the Municipality of Grassland (Municipality), Hartney Water and Wastewater Utility (Utility). The Board varies the effective dates to September 1, 2021, and March 1, 2022.

The approved rates are as follows:

	Current Rates	September 1, 2021	March 1, 2022
Quarterly Service Charge	\$ 27.85	\$ 25.04	\$ 24.73
Water (per 1,000 gallons)	\$ 10.75	\$ 19.74	\$ 20.74
Wastewater (per 1,000 gallons)	\$ 5.90	\$ 5.56	\$ 5.52
Minimum Quarterly Charge*	\$ 77.80	\$ 100.94	\$ 103.51
Wastewater Only Customers**	\$ 67.79	\$ 63.96	\$ 63.37
Bulk Water - per 1,000 gallons over 500 gallons***	\$ 16.00	\$ 23.00	\$ 24.00
Bulk Water - per 500 gallons or less minimum	\$ 16.00	\$ 12.00	\$ 12.00
Rate Rider (per 1,000 gallons)****	-	\$ 6.80	\$ 6.80

*Based on 3,000 gallons

**Current rates based on 6,770 gallons, proposed rates based on 7,000 gallons

***Pro rated

****Rate Rider to recover 2012, 2013, 2014, 2015, 2016, and 2019 deficits over five years

The Board varies the Municipality's request to recover actual operating deficits of \$11,571 for 2012, \$52,181 for 2013, \$94,795 for 2014, \$14,631 for 2015, \$39,831 for 2016, and \$89,107 for 2019 to be recovered by a rate rider of \$6.80 per 1,000 gallons per customer, beginning September 1, 2021 for five years or until the six-year deficit of \$302,116 is fully recovered.

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 owns and operates the Utility that provides services to 242 customers. Rates were last approved for the Utility in 2010 in Board Order No. 124/10.

The Municipality last had a deficit approved in 2011 of \$24,900 for 2009 and \$38,591 for 2010 (or a two-year deficit of \$63,491), to be recovered by a rate rider of \$1.66 per customer per 1,000 gallons until the two-year deficit is fully recovered, in Board Order No. 69/11.

Water Supply/Distribution

The water system was constructed in 1961 and consists of a raw water supply well, a water treatment system, reservoir, and distribution system. A new water supply well was dug in 1993. The treatment system was upgraded in 2007 with new filters, pumps, an aerator system, and back-up. In 2014, the water line running from the plant to the well was replaced.

Wastewater Collection/Treatment

The wastewater system was constructed in the early 1960's and is a gravity collection system that discharges into a wastewater lagoon. Some customers are required to have their solids pumped from holding tanks which are then disposed of into the lagoon.

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 unaccounted for water noted in the Municipality's rate study is 12%. The Municipality advises the high levels of unaccounted for water are primarily due to difficulties accessing customer's meters resulting in estimated meter readings.

To address the meter reading issues, the Municipality is in the process of replacing the water meters to allow for remote meter reading which will eliminate estimated meter readings.

3.0 Application

On September 3, 2020, the Municipality applied for revised water and wastewater rates, to be effective for July 1, 2020, January 1, 2021, and January 1, 2022 as outlined in By-Law No. 46-2020 having had first reading February 26, 2020. The application was supported by a rate study prepared by the Municipality's consultant.

A Public Notice of Application was issued on September 8, 2020 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Municipality on or before June 13, 2020. One response to the Notice was received with respect to the magnitude of the proposed rate increases, deficits incurred by the Utility, and management of the Utility.

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 any 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 Municipality's application.

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

Schedule of Utility Rate Requirements			
Municipality of Grassland – Hartney Water and Wastewater Utility			
2020 to 2022 Budget Forecasts (\$)			
	2020	2021	2022
	Forecast		
General Expenses			
Administration	21,847	22,284	22,729
Total General Expenses	21,847	22,284	22,729
Revenue			
Penalties	900	900	900
Total General Revenues	900	900	900
Net Costs General	20,947	21,384	21,829
Water Expenses			
Purification and Treatment	50,363	51,370	52,397
Service of Supply	11,220	11,444	11,673
Transmission and Distribution	51,000	52,020	53,060
Amortization	5,685	9,851	10,918
Contingency	11,243	11,243	11,243
Reserve	15,000	15,000	15,000
Total Water Expenses	144,511	150,928	154,291
Revenue			
Hydrant Rentals	4,200	4,200	4,200
Bulk Water Fees	500	500	500
Total Water Revenue	4,700	4,700	4,700
Net Water Costs	139,811	146,228	149,591
Wastewater Expenses			
Collection System	24,608	25,100	25,602
Amortization	-	-	22,000
Interest on Long-Term Debt	-	-	18,500
Contingency	2,560	2,560	2,560
Reserve	15,000	15,000	15,000
Total Wastewater Expenses	42,168	42,660	83,662
Net Wastewater Costs	42,168	42,660	83,662
Net Operating Costs	202,926	210,272	255,082

The proposed Utility rate increases are requested to increase rates to a current level that will financially sustain the Utility, given rates have not increased/been approved by the Board since 2010, incorporate a 10% contingency, and to account for a maturing debenture that eliminates an annual transfer from property tax revenue.

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 a contingency allowance.

The Municipality has included a contingency allowance of \$11,243 for water and \$2,560 for wastewater (or a total contingency allowance of \$13,803) in its Application.

The Municipality advised it has included an annual reserve allowance of \$30,000 in its Application to provide for hydrant replacements, a lagoon upgrade, and the working capital deficit.

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 2019 Audited Financial Statements, the most recent information available, the working capital deficit for the Utility at December 31, 2019 was:

	2019
Utility Fund Surplus/Deficit	\$(71,688)
Deduct: Tangible Capital Assets	293,441
Add: Long-Term Debt	-
Add: Utility Reserves	106,774
Equals Working Capital Surplus (Deficit)	\$(258,355)
Operating Expenses	257,868
20% of Operating Expenses (Target)	\$51,574

The Utility does not meet the Board minimum 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 Municipality’s allocation plan for shared costs is as follows:

Municipality of Grassland – Hartney Water and Wastewater Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at December 2019			
Category	Sub-category	Options	
1.0 Administrative Staff			4.0% of General Legislative expenses, excluding assessment, taxation, and grant expenses
	1.1 Billing services –meter reading to receipting and collection.		Meter reading – N/A Receipting and collection part of administrative staff allocation
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		4.0% of audit costs
	1.3 Common office space		4.0% of office costs
	1.4 Office overheads (telephone, photocopier, computer, etc.)		4.0% of printing, postage, and stationary
2.0 Operating, construction and maintenance costs			
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		One van is allocated 1/3 each to Elgin, Minto, and Hartney Utilities and repairs, maintenance, and fuel are allocated on that basis

	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)	.	1/3 of one utility operator's time is charged to each of the Elgin, Minto, and Hartney Utilities
	2.3 Public works building and property.	Costs that could be charged to the Utility are minimal and at present nothing is allocated to the Utility	The is no charge to the Utility for the Public Works Building use
	2.4 Road repairs and alike (see Note 3)	Based on actual costs	-
3.0 Major projects			
	Interest/ financing		N/A
	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.)

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 as soon as it is known.

The Municipality's Application noted the following deficits:

2015 Actual Operating Deficit -	\$14,631
2016 Actual Operating Deficit -	\$39,831
2019 Budgeted Operating Deficit -	<u>\$ 1,885</u>
Total	<u>\$56,347</u>

On June 18, 2020, the Municipality submitted a Deficit Application requesting approval of actual operating deficits of \$11,571 for 2012, \$52,181 for 2013, \$94,795 for 2014, \$14,631 for 2015, and \$39,831 for 2016 or a total five-year actual operating deficit of \$213,009 to be recovered by a five-year rate rider of \$4.30 per 1,000 gallons. The Municipality advises these

deficits are primarily due to repair costs for aging infrastructure and utility rates that have not been updated in ten years.

Subsequent to the Municipality's Application, the 2018 and 2019 Audited Financial Statements were completed. On May 13, 2021, the Municipality submitted another Deficit Application requesting approval of an actual operating deficit of \$89,107 for 2019 to be recovered by a five-year rate rider of \$2.50 per 1,000 gallons. The Municipality advises the deficits are primarily due to repair costs for hydrants and water line breaks.

4.0 Board Findings

Rates

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

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

The Board requires the Municipality 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 September 30, 2022.

The Board is concerned by the length of time between rate applications for the Utility. It has been 10 years since the Municipality has submitted a Rate Application to the Board, which has resulted in multiple deficits. In the Board's view, the period between rate reviews is unacceptable. Regular rate reviews submitted every three years, or more often if required to avoid deficits, protect the financial position of the Utility and may reduce the need for substantial rate increases in one year.

It is the Utility's responsibility to review the rates and ensure rates are adequate to recover the cost of service being provided to ratepayers. Ratepayers are generally more tolerant of regular, smaller increases. The Municipality needs to be much more diligent in conducting regular rate reviews of its revenue requirements.

The Board notes the Municipality has been seeking ways to mitigate water loss by installing water meters capable of remote readings and seeking funds, such as grants, to provide for the costs of repairing/replacing aging infrastructure, and commends the Municipality on its efforts.

Deficits

The Board has reviewed the Municipality's Deficit Applications and the Utility's corresponding Audited Financial Statements. The Board is concerned regarding the Utility's financial position. The Board notes the Utility is in a working capital deficit and has a utility fund deficit.

As per the Municipality's 2019 Audited Financial Statements, the Utility has a working capital deficit of \$258,355 for 2019 and a utility fund deficit of \$71,688 for 2019. The Board notes had the Municipality been more diligent in conducting rate reviews for the Utility and monitoring the Audited Financial Statements annually, it may have avoided the six deficits incurred between 2012 and 2019 (and possibly beyond).

The Board is also concerned in regards to the five-year duration of the rate rider requested to recover the deficits. In general, the Board recommends deficits be recovered as soon as feasible (usually in three years or less). The Board recognizes, however, that recovering the deficits incurred by the Utility over a period longer than three years will mitigate the impact of the rate rider.

The Board notes that utility deficits should ideally be paid by the customer base that existed when the deficits were incurred, however, the Municipality has neglected the Utility for many years, which has lead to multiple deficits. The Board therefore finds it must attempt to balance rate fairness and the mitigation of customer rate shock. The Board also notes that, given the

rate increases required due to the length of time between rate requests by the Municipality, rate shock cannot be avoided.

The Board varies/combines the Municipality's Actual Operating Deficit Applications for the six deficits incurred between 2012 and 2019 totalling \$302,116 to be recovered by a rate rider of \$6.80 per customer per 1,000 gallons, beginning September 1, 2021 for a period of five years or until the deficit is fully recovered.

The Board reminds the Municipality, 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 as soon as it is known.

Board Order No. 69/11 – 2009 and 2010 Deficits

The Board notes, Board Order No. 69/11 Ordered the Municipality to establish a rate rider of \$1.66 per 1,000 gallons per customer to be effective the date of the next quarterly billing after the Board Order date (May 5, 2011) to recover the 2009 deficit of \$24,900 and 2010 deficit of \$38,591 until the two-year total deficit of \$63,491 is fully recovered. The rate study notes the rate rider was still in effect at the time the rate study was completed.

The Board notes continuing to collect the rate rider is not permitted and finds the Municipality non-compliant with Board Order No. 69/11. The Board therefore directs the Municipality to cease the collection of the \$1.66 per customer per 1,000 gallons rate rider, effective immediately.

The Board notes all items found under the heading "IT IS THEREFORE ORDER THAT:" ARE directives, not recommendations, and must be complied with or appealed as outlined below. Pursuant to The Public Utilities Board Act, the Board can apply penalties for non-compliance. The Board recommends the Municipality and its Council review its internal processes regarding compliance with Public Utilities Board Orders.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Municipality of Grassland, Hartney Water and Wastewater Utility, BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective September 1, 2021 and March 1, 2022.
2. The Shared Cost Allocation Methodology for the Municipality of Grassland BE AND IS HEREBY APPROVED.
3. The Municipality of Grassland 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.
4. The Municipality of Grassland 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.
5. The Municipality of Grassland review its water and wastewater rates for the Hartney 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 September 30, 2022.
6. The actual operating deficits of \$11,571 for 2012, \$52,181 for 2013, \$94,795 for 2014, \$14,631 for 2015, \$39,831 for 2016, and \$89,107 for 2019 when calculated for regulatory purposes, incurred in the Municipality of Grassland, Hartney Water and Wastewater Utility, are HEREBY VARIED and are to be recovered by a rate rider of \$6.80 per 1,000 gallons per customer, beginning September 1, 2021 for a period of five years or until the total deficit of \$302,116 is fully recovered, whichever comes first.
7. The Municipality of Grassland submit Deficit Applications to the Board, including a recovery methodology, for the Hartney Water and Wastewater Utility for any future year's deficits as soon as they are known.

8. The Municipality of Grassland cease collection of the \$1.66 per customer per 1,000 gallons rate rider, effective the date of this Order.

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.

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. 70/21
issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A

MUNICIPALITY OF GRASSLAND HARTNEY WATER AND WASTEWATER UTILITY WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 46-2020 SCHEDULE OF QUARTERLY RATES

1. Schedule of Commodity Rates & Quarterly Service Charge

September 1, 2021

Rates per 1,000

per 1,000 gallons per quarter

Water	Wastewater	Water & Wastewater
\$19.74	\$5.56	\$25.30

Quarterly Service Charge \$25.04

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
5/8 inch	1	3,000	\$25.04	\$59.22	\$16.68	\$100.94
3/4 inch	2	6,000	\$25.04	\$118.44	\$33.36	\$176.84
1 inch	4	12,000	\$25.04	\$236.88	\$66.72	\$328.64
1½ inch	10	30,000	\$25.04	\$592.20	\$166.80	\$784.04
2 inch	25	75,000	\$25.04	\$1,480.50	\$417.00	\$1,922.54

b) **Water Only Customers**

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

c) **Wastewater Only for Residential Customers**

The Wastewater only charge is based on average quarterly consumption 7,000 gallons plus the quarterly service charge.

The quarterly charge for wastewater only customers is $(7 * \$5.56) + \$25.04 = \$63.96$

d) Bulk Water Sales Rate

All water sold in bulk by the Hartney Utility shall be charged for at the rate of \$23.00 per 1,000 gallons on a pro-rated basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$12.00.

1. Schedule of Commodity Rates & Quarterly Service Charge

March 1, 2022

Rates per 1,000 gallons

per 1,000 gallons per quarter

Water	Wastewater	Water & Wastewater
\$20.74	\$5.52	\$26.26

Quarterly Service Charge \$24.73

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
5/8 inch	1	3,000	\$24.73	\$62.22	\$16.56	\$103.51
3/4 inch	2	6,000	\$24.73	\$124.44	\$33.12	\$182.29
1 inch	4	12,000	\$24.73	\$248.88	\$66.24	\$339.85
1½ inch	10	30,000	\$24.73	\$622.20	\$165.60	\$812.53
2 inch	25	75,000	\$24.73	\$1,555.50	\$414.00	\$1,994.23

b) Water Only Customers

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

c) Wastewater Only for Residential Customers

The Wastewater only charge is based on average quarterly consumption 7,000 gallons plus the quarterly service charge.

The quarterly charge for wastewater only customers is $(7 * \$5.52) + \$24.73 = \$63.37$

d) Bulk Water Sales Rate

All water sold in bulk by the Hartney Utility shall be charged for at the rate of \$24.00 per 1,000 gallons on a pro-rated basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$12.00.

The following clauses take effect September 1, 2021:

3. Service to Customers Outside Utility's Limits

The Council of The Municipality of Grassland may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of Hartney Local Improvement District. 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 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 Hartney Local Improvement District boundaries.

4. 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 fourteen (14) days after the mailing of the bills.

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 due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$25.00 have been paid.

6. Liability for Charges

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

7. Hydrant Charges

The Municipality of Grassland, or any other hydrant owner, will pay the Utility a fee of \$150.00 per hydrant for the purpose of maintaining and repairing all fire hydrants connected to the system which shall include the cost of water used for firefighting.

8. Water Allowance Due to Line Freezing

That in any case where, at the request of Council a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to 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. Wastewater 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.

10. Water Meters

Water meters are owned by the Municipality but are the responsibility of the utility customer to maintain. If the water meter is broken, frozen, etc., the utility customer will be billed for a new meter at the current cost of replacement.

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 \$100.00. 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 and the customer's account will be adjusted for the preceding four (4) months. 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.

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 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 sewer 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 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 Supervisor, or other employee authorized by the Municipality in the absence of the Public Works Supervisor, 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.