

Order No. 122/22

**RURAL MUNICIPALITY OF MORRIS
MORRIS WATER AND WASTEWATER UTILITY REVISED RATES
EFFECTIVE JANUARY 1, 2023
AND 2018 ACTUAL OPERATING DEFICIT**

NOVEMBER 22, 2022

BEFORE: Shawn McCutcheon, Panel Chair
Marilyn Kapitany, BSc. (Hon), MSc., 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 Rural Municipality of Morris (RM), Morris Water and Wastewater Utility (Utility), effective January 1, 2023, January 1, 2024, and January 1, 2025.

The approved rates are as follows:

	Current Rates	January 1, 2023	January 1, 2024	January 1, 2025
Rural Customers				
Quarterly Service Charge	\$21.44	\$21.52	\$21.60	\$21.68
Water (per 1,000 gallons)	\$17.05	\$18.11	\$18.35	\$18.60
Minimum Quarterly Charge*	\$72.59	\$75.85	\$76.65	\$77.48
Urban Customers				
Quarterly Service Charge	\$21.44	\$21.52	\$21.60	\$21.68
Water (per 1,000 gallons)	\$19.14	\$20.17	\$20.38	\$20.58
Wastewater (per 1,000 gallons)	\$2.47	\$4.02	\$5.57	\$7.12
Minimum Quarterly Charge*	\$86.27	\$94.09	\$99.45	\$104.78
Wastewater Only Customers**	\$43.67	\$57.70	\$71.73	\$85.76
Bulk Water (per 1,000 gallons)	\$21.00	\$22.00	\$22.00	\$22.00

*Based on 3,000 gallons

**Based on 9,000 gallons

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

The Board approves an actual operating deficit, when calculated for regulatory purposes, of \$25,630 for 2018 to be recovered from the Utility's Accumulated Surplus Fund.

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

2.0 Background

The Utility provides water and wastewater services to 1,054 customers. Rates were last approved for the Utility in 2019 in Board Order No. 167/19, with the last increase occurring January 1, 2022.

Board Order No. 140/15 approved the amalgamation of the Lowe Farm, Sperling, Rosenort and Rural Water Utilities, previously operated as separate utilities by the Rural Municipality of Morris, to form the Morris Water and Wastewater Utility effective January 1, 2016.

Water Supply/Distribution

Treated water is purchased from Pembina Valley Water Coop (PVWC). Water for rural customers flows directly to them from PVWC. Water for urban customers held in reservoirs and re-chlorinated prior to distribution.

The system in Rosenort and Lowe Farm were primarily constructed in 1985, the Sperling system was primarily constructed in 2002, and the Rural water system was constructed between 1998 and 2008.

Wastewater Collection/Treatment

The wastewater system in Rosenort and Lowe Farm were primarily constructed in 1985 and the Lowe Farm lagoon was upgraded in 2017. The Sperling wastewater system was primarily constructed in 2002. The entire wastewater system is low pressure wastewater.

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.

As at 2020, unaccounted water for the Utility is 9.2% and does not exceed the industry standard of 10%.

3.0 Application

On March 3, 2022, the RM applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the RM's consultant, By-Law No. 1763/2021, having had first reading on August 26, 2021, and Council Resolution No. 2021-163.

A Public Notice of Application was issued on March 31, 2022 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the RM on or before May 2, 2022. Three responses were received concerning the magnitude of the rate increases requested by the RM.

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 RM'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			
Rural Municipality of Morris – Morris Water and Wastewater Utility			
2023 to 2025 Budget Forecasts (\$)			
	2023	2024	2025
	Forecast		
General Expenses			
Administration	76,053	77,574	79,126
Total General Expenses	76,053	77,574	79,126
Revenue			
Penalties	4,400	4,400	4,400
Total General Revenues	4,400	4,400	4,400
Net Costs General	71,653	72,174	74,726
Water Expenses			
Purification and Treatment (Urban)	40,055	40,857	41,674
Water Purchases	691,212	691,212	691,212
Transmission and Distribution	145,933	148,851	151,828
Other Water Supply Costs	1,665	1,698	1,732
Amortization	270,595	270,595	270,595
Interest on Long-Term Debt	60,456	55,923	52,164
Contingency	86,105	86,105	86,105
Reserve	90,000	90,000	90,000
Total Water Expenses	1,386,021	1,385,241	1,385,310
Revenue			
Hydrant Rentals	5,700	5,700	5,700
Bulk Water Sales	19,700	19,700	19,700
Total Water Revenue	25,400	25,400	25,400
Net Water Costs	1,360,621	1,359,841	1,359,910
Wastewater Expenses			
Collection System	72,692	74,146	75,629
Lift Station	5,826	5,943	6,062
Treatment and Disposal	9,364	9,551	9,742
Amortization	243,444	243,444	243,444
Interest on Long-Term Debt	20,881	78,842	74,705
Contingency	9,143	9,143	9,143
Reserve	10,000	10,000	10,000
Total Wastewater Costs	371,350	431,069	428,725
Net Operating Costs	1,803,624	1,863,084	1,863,361

The proposed Utility rate increases are primarily required to provide for a reserve fund allocation, increased amortization expenses, increased Utility rate funded debt, and decreased Property Tax funded debt.

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 RM has included an annual contingency allowance of \$86,105 per year for water and \$9,143 per year for wastewater or a total contingency allowance of \$95,248.

The RM has included an annual reserve allowance \$90,000 per year for water and \$10,000 per year for wastewater or a total reserve allowance of \$100,000 per year.

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 2021 Audited Financial Statements, the most recent information available, the working capital deficit for the Utility at December 31, 2021 was:

	2021
Utility Fund Surplus/Deficit	\$3,358,232
Deduct: Tangible Capital Assets	(3,285,995)
Add: Long-Term Debt	-
Add: Utility Reserves	614,263
Equals Working Capital Surplus (Deficit)	\$686,500
Operating Expenses	634,895
20% of Operating Expenses (Target)	\$126,979

The Utility meets 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 RM's allocation plan for shared costs is as follows:

Rural Municipality of Morris Morris Water and Wastewater Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at July, 2021			
Category	Sub-category	Options	
1.0	Administrative Staff		10% of general government services (as defined in Financial Plan), excluding assessment and grant expenses
	1.1 Billing services – meter reading to receipting and collection.		10% of general government expenses
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		10% of general government expenses
	1.3 Common office space		10% of general government expenses
	1.4 Office overheads (telephone, photocopier, computer, etc.)		10% of general government expenses
2.0	Operating, construction and maintenance costs		
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		One truck is dedicated to and paid for by the Utility.
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)		Charged directly to the Utility.
	2.3 Public works building and property.		Costs are not material and therefore there is no charge to the Utility.
	2.4 Road repairs and alike (see Note 3)	Based on actual costs	-
3.0	Major projects		
	Interest/ financing		Applicable debenture debt interest is charged to the Utility.
	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 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 RM's Application included a request to recover a 2018 actual operating deficit in the amount of \$25,630 from the Utility's Accumulated Surplus Fund.

4.0 Board Findings

Rates

The Board has reviewed the application and the projections for utility rates presented by the RM in its rate study and finds them to be acceptable. The Board approves the revised rates as applied for by the RM, effective January 1, 2023, January 1, 2024, and January 1, 2025.

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

The Board notes, it is important the RM continue to track revenues and expenses of rural and urban customers to be able to support separate rates for those two classes of customers. This ensures when the RM is applying for future utility rate increase for the Utility, the Board is able to determine if the rates requested are properly aligned with the user-pay principle.

The Board also notes the RM's Rate Application was accepted by Board staff well in advance of the expiration date for the current rates of December 31, 2022. This aids in safeguarding a stable financial position for the Utility and mitigates the risk of ratepayers experiencing rate shock.

The Board requires the RM 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, 2025.

Deficits

The Board has reviewed the RM's Deficit Application in conjunction with the Utility's 2018 Audited Financial Statements. The Board notes the Deficit Application does not align with the RM's 2018 Audited Financial Statements.

Board staff have confirmed with the RM the calculation of the 2018 actual operating deficit included in the Deficit Application is correct and the 2018 Audited Financial Statements did not include a Public Utilities Board Note and therefore did not report Capital Grant Amortization in the amount of \$85,997 for that year.

The Board has also reviewed the RM's 2019 and 2020 Audited Financial Statements and notes based on the information as presented in those reports, the Utility incurred deficits in each of those years. The Board notes, however, Board staff have confirmed with the RM the Public Utilities Board Note was also not reported 2019 and 2020 and therefore Capital Grant Amortization in the amount of \$85,997 should also have been reported in those years, which fully offsets the reported 2019 deficit.

The RM's auditor has also advised Board staff the 2020 Audit overstated Wastewater Connection Costs by \$123,340. The Board notes, a reduction to the 2020 Wastewater Connection Costs of \$123,340 in conjunction with Capital Grant Amortization of \$85,997 fully offsets the reported 2020 deficit.

The Board has reviewed the 2021 Audited Financial Statements and notes the 2020 error in reporting of Wastewater Connection Costs has been adjusted/corrected accordingly.

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

The Board approves the actual operating deficit, when calculated for regulatory purposes, of \$25,630 for 2018 to be recovered from the Utility's Accumulated Surplus Fund.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Rural Municipality of Morris, Morris Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective January 1, 2023, January 1, 2024, and January 1, 2025.
2. The 2018 actual operating deficit, when calculated for regulatory purposes, in the amount of \$25,630, incurred in the Rural Municipality of Morris, Morris Water and Wastewater Utility, is HEREBY APPROVED and is to be recovered through the Utility's Accumulated Surplus Fund.
3. The Shared Cost Allocation Methodology for the Rural Municipality of Morris BE AND IS HEREBY APPROVED.
4. The Rural Municipality of Morris 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 Rural Municipality of Morris 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 Rural Municipality of Morris review its water and wastewater rates for the Morris 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, 2025.

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. 122/22
Issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A

**RURAL MUNICIPALITY OF MORRIS
MORRIS WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 1763/2021
SCHEDULE OF QUARTERLY RATES**

RURAL CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2023

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water

\$18.11

Quarterly Service Charge

\$21.52

2. Minimum Charges per Quarter

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

a) Water Customers

<u>Meter Size</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Water Total Quarterly Minimum</u>
5/8 inch	3,000	\$21.52	\$54.33	\$75.85
3/4 inch	6,000	\$21.52	\$108.66	\$130.18
1 inch	12,000	\$21.52	\$217.32	\$238.84
1 1/2 inch	30,000	\$21.52	\$543.30	\$564.82
2 inch	75,000	\$21.52	\$1,358.25	\$1,379.77

RURAL CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2024

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water

\$18.35

Quarterly Service Charge

\$21.60

2. Minimum Charges per Quarter

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

a) **Water Customers**

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Water Total Quarterly Minimum
5/8 inch	3,000	\$21.60	\$55.05	\$76.65
3/4 inch	6,000	\$21.60	\$110.10	\$131.70
1 inch	12,000	\$21.60	\$220.20	\$241.80
1 1/2 inch	30,000	\$21.60	\$550.50	\$572.10
2 inch	75,000	\$21.68	\$1,395.00	\$1,416.68

RURAL CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2025

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water

\$18.60

Quarterly Service Charge

\$21.68

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 Customers

	Water Included	Customer Service Charge	Water Commodity Charge	Water Total Quarterly Minimum
5/8 inch	3,000	\$21.68	\$55.80	\$77.48
3/4 inch	6,000	\$21.68	\$111.60	\$133.28
1 inch	12,000	\$21.68	\$223.20	\$244.88
1 1/2 inch	30,000	\$21.68	\$558.00	\$579.68
2 inch	75,000	\$21.68	\$1,395.00	\$1,416.68

URBAN CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2023

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Sewer	Water & Sewer
Quarterly Service Charge	\$20.17	\$4.02	\$24.19
Quarterly Service Charge	\$21.52		

2. Minimum Charges per Quarter

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

a) Water & Sewer Customers

	Water Included	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum
5/8 inch	3,000	\$21.52	\$60.51	\$12.06	\$94.09
3/4 inch	6,000	\$21.52	\$121.02	\$24.12	\$166.66
1 inch	12,000	\$21.52	\$242.04	\$48.24	\$311.80
1 1/2 inch	30,000	\$21.52	\$605.10	\$120.60	\$747.22
2 inch	75,000	\$21.52	\$1,512.75	\$301.50	\$1,835.77

b) Water Only Customers

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

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

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

The quarterly charge for wastewater only customers who are not an RM of Morris Rural Utility customer is $(9 * \$4.02) + \$21.52 = \$57.70$

d) Wastewater Only for Residential Customers Who are Rural Utility Customers

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

e) Bulk Water Sales

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

URBAN CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2024

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Sewer	Water & Sewer
\$20.38	\$5.57	\$25.95

Quarterly Service Charge

\$21.60

2. Minimum Charges per Quarter

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

a) Water & Sewer Customers

	Water Included	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum
5/8 inch	3,000	\$21.60	\$61.14	\$16.71	\$99.45
3/4 inch	6,000	\$21.60	\$122.28	\$33.42	\$177.30
1 inch	12,000	\$21.60	\$244.56	\$66.84	\$333.00
1 1/2 inch	30,000	\$21.60	\$611.40	\$167.10	\$800.10
2 inch	75,000	\$21.60	\$1,528.50	\$417.75	\$1,967.85

b) Water Only Customers

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

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

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

The quarterly charge for wastewater only customers who are not an RM of Morris Rural Utility customer is $(9 * \$5.57) + \$21.60 = \$71.73$

d) Wastewater Only for Residential Customers Who are Rural Utility Customers

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

e) Bulk Water Sales

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

URBAN CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2025

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Sewer	Water & Sewer
	\$20.58	\$7.12	\$27.70

Quarterly Service Charge \$21.68

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 & Sewer Customers

	Water Included	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum
5/8 inch	3,000	\$21.68	\$61.74	\$21.36	\$104.78
3/4 inch	6,000	\$21.68	\$123.48	\$42.72	\$187.88
1 inch	12,000	\$21.68	\$246.96	\$85.44	\$354.08
1 ½ inch	30,000	\$21.68	\$617.40	\$213.60	\$852.68
2 inch	75,000	\$21.68	\$1,543.50	\$534.00	\$2,099.18

b) Water Only Customers

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

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

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

The quarterly charge for wastewater only customers who are not an RM of Morris Rural Utility customer is $(9 * \$7.12) + \$21.68 = \$85.76$

d) **Wastewater Only for Residential Customers Who are Rural Utility Customers**

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

e) **Bulk Water Sales**

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

The following clauses take effect January 1, 2023:

3. Definitions

The following definitions apply to this Schedule:

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

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

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

4. Service To Customers Outside Utility's Limits

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

5. Disconnection and Reconnection

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

Service may be interrupted or disconnected as follows:

Curb Stop Turn-on \$50.00 for the first 1/2 hour, thereafter as per Fees
& Charges By-law

Curb Stop Turn-off \$50.00 for the first 1/2 hour, thereafter as per Fees
& Charges By-law

Customers will continue to receive their quarterly invoices, even if the curb stop has been turned off

Meter Removal \$300.00 for the first 1/2 hour, thereafter as per Fees
& Charges By-law

Re-installation of Meter \$150.00 for the first 1/2 hour, thereafter as per Fees
& Charges By-law

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

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

6. Billings, Penalties and Outstanding Bills

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

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

Accounts where the Customer is the Owner of the Property:

For those Accounts where the Customer is the Owner of the property, the amount owing after the due date shall automatically be transferred to the corresponding tax roll account within two business days after the due date and said outstanding amount will be collected in the same manner as ordinary realty taxes.

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

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

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

7. Hydrant Charges

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

8. Water Allowance Due To Line Freezing

That in any case where, at the request of the Council, a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to the customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.

9. Lagoon Septic Truck Tipping Fees

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

10. 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.

11. 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 \$200.00. 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 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.

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 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 Public Works Manager, or other employee authorized by the Rural 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 Rural Municipality.