

Order No. 51/22

**RURAL MUNICIPALITY OF MONTCALM
MONTCALM WATER AND WASTEWATER UTILITY REVISED RATES
EFFECTIVE JULY 1, 2022**

MAY 10, 2022

BEFORE: Shawn McCutcheon, 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 wastewater rates for the Rural Municipality Montcalm (RM), Montcalm Water and Wastewater Utility (Utility), effective July 1, 2022, January 1, 2023, January 1, 2024, and January 1, 2025.

The approved rates are as follows:

	Current Rates	July 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
Quarterly Service Charge	\$13.81	\$15.47	\$17.13	\$18.79	\$20.44
Water (per 1,000 gallons)	\$22.25	\$22.13	\$22.01	\$21.89	\$21.78
Wastewater (per 1,000 gallons)	\$3.30	\$5.19	\$7.08	\$8.97	\$10.87
Minimum Quarterly Charge*	\$90.46	\$97.43	\$104.40	\$111.37	\$118.39
Minimum Quarterly Charge – Water Only*	\$62.14	\$81.86	\$83.16	\$84.46	\$85.78
Bulk Water (per 1,000 gallons)	-	\$27.00	\$27.00	\$27.00	\$27.00
Hydrant Rental	\$150.00	\$250.00	\$250.00	\$250.00	\$250.00

*Based on 3,000 gallons

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 RM operates the Utility serving 499 water and wastewater customers in Letellier, St. Jean Baptiste, St. Joseph, and Rural areas of Montcalm. Board Order No. 146/18 approved the amalgamation of the former Letellier Water and Wastewater Utility, the former Saint-Jean Baptiste Water and Wastewater Utility, the former Montcalm Water Utility, and the former St. Joseph Water Utility into the Montcalm Water and Wastewater Utility.

Rates were last approved for the Utility in 2018 in Board Order No. 146/18, with the last rate increase occurring in 2021. The Board Order also approved actual operating deficits of \$22,124 for 2015, \$19,303 for 2016, \$2,706 for 2017, and \$20,925 for 2018 or a total four-year actual operating deficit of \$65,058 to be recovered from the former Letellier Water and Wastewater Utility's Accumulated Surplus.

Water Supply/Distribution

The Utility purchases water from the Pembina Valley Water Co-op (PVWC) and its system was constructed between 1982 and 1983.

Wastewater Collection/Treatment

The RM provides low pressure and gravity wastewater service, which includes one lift station in St. Jean and a lagoon. The system was installed through a community cooperative and paid for by connected customers at that time. System ownership was later transferred to the RM. Wastewater lines were installed in the 1960's and a new two-cell lagoon was completed in St. Jean in 2017 at a cost of \$1.6M. Included in annual wastewater expenses is a program to perform closed circuit television video of 25% of St. Jean wastewater lines each year to be able to track degradation of the wastewater lines.

Letellier also uses a low pressure wastewater system. As of 2021, the RM is undertaking a \$2.0M expansion and upgrade to the lagoon as well as a potential upgrade to the wastewater system if required.

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 RM's rate study is 18% as of 2020 and does not fall within the acceptable percentage noted above. The RM did not provide a plan to address unaccounted for water in its rate study.

3.0 Application

On September 29, 2021, the RM applied for revised wastewater rates for the Utility. The Application was accompanied by a rate study prepared by the RM's consultant and By-Law No. 825/21, having had first reading on August 18, 2021.

A Public Notice of Application was issued on October 6, 2021 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the RM on or before November 5, 2021. No responses to the Notice 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 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 Montcalm Montcalm Water and Wastewater Utility 2022 to 2025 Budget Forecasts (\$)				
	2022	2023	2024	2025
	Forecast			
General Expenses				
Administration	40,800	41,616	42,448	43,297
Total General Expenses	40,800	41,616	42,448	43,297
Revenue				
Penalties	2,500	2,500	2,500	2,500
Total General Revenues	2,500	2,500	2,500	2,500
Net Costs General	38,300	39,116	39,948	40,797
Water Expenses				
Purification and Treatment	26,010	26,530	27,061	27,602
Transmission and Distribution	93,723	95,597	97,509	99,459
Water Purchases	229,500	234,090	238,772	243,547
Other Water Supply Costs	26,622	27,154	27,698	28,251
Amortization	60,387	60,387	60,387	60,387
Interest on Long-Term Debt	24,879	23,257	21,563	19,796
Contingency	38,561	38,561	38,561	38,561
Reserves*	25,000	25,000	25,000	25,000
Total Water Expenses	524,712	530,576	536,551	542,603
Revenue				
Bulk Water Fees	500	500	500	500
Connection Fees	12,000	-	-	-
Hydrant Rentals	12,750	12,750	12,750	12,750
Property Tax	62,185	62,185	62,185	62,185
Property Tax Levy – Reserves*	25,000	25,000	25,000	25,000
Total Water Revenues	112,435	100,435	100,435	100,435
Net Costs Water	412,277	430,141	436,116	442,168
Wastewater Expenses				
Collection System	79,779	81,375	83,002	84,662
Treatment and Disposal	1,530	1,561	1,592	1,624
Lift Station	8,925	9,104	9,286	9,471
Amortization	105,467	105,467	105,467	105,467
Interest on Long-Term Debt	23,040	22,487	21,911	21,313

	Contingency	9,576	9,576	9,576	9,576
	Reserves*	25,000	25,000	25,000	25,000
	Total Wastewater Expenses	253,317	254,570	255,834	257,113
Revenue					
	Property Tax	36,871	36,871	36,871	36,871
	Property Tax Levy – Reserves*	25,000	25,000	25,000	25,000
	Total Wastewater Revenues	61,871	61,871	61,871	61,871
	Net Wastewater Costs	191,446	192,699	193,963	195,242
	Net Operating Costs	642,023	661,956	670,027	678,207

*Application is requesting \$50,000 per year collected as a Property Tax Levy to be transferred to the Utility Reserve Fund.

The proposed Utility rate increases are primarily required to provide for increased water transmission and purchase costs, increases in wastewater amortization expenses, and to increase the Utility's operating surplus through the inclusion of a 10% contingency built in to rates in accordance with Board rate setting recommended guidelines.

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 \$38,561 for water and \$9,567 for wastewater, or a total annual contingency allowance of \$48,137, in its application.

The RM included a continued annual reserve allowance of \$50,000 in its application to provide for future year's capital projects. The RM is proposing to continue reserve funding through property taxes and annually transfer funds to the Utility Reserve Fund.

On January 23, 2019, the RM approved By Law No. 802/18 to establish a Reserve Fund for the Utility. Section 1 of the By-Law establishes the following:

“THAT a special rate here below be levied annually commencing in the year 2019 upon the assessed value of the rateable property in the municipality to produce an amount which shall be deposited annually in the reserve created hereby and for part thereof, for the following years: 2019 - \$50,000 2020 - \$50,000 2021 - \$50,000”

On November 10, 2021, the Board requested additional information from the RM regarding the \$50,000 Reserve Fund allocation. On December 9, 2021, the RM responded to the Board's request. At that time, the RM advised RM Council was not aware Board authorization is required to establish an annual to the Utility Reserve Fund raised through property taxes and therefore the Board did not approve the \$50,000 Reserve Fund allocation for 2019, 2020, and 2021. The RM also advised all RM taxpayers are not Utility customers.

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 deficit for the Utility at December 31, 2020 was:

	2020
Utility Fund Surplus/Deficit	\$2,820,462
Deduct: Tangible Capital Assets	3,257,186
Add: Long-Term Debt	600,968
Add: Utility Reserves	97,742
Equals Working Capital Surplus (Deficit)	\$261,986
Operating Expenses	582,423
20% of Operating Expenses (Target)	\$116,485

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:

	% Allocated to Utility
Chief Administrative Officer (CAO)*	5%
Assistant CAO*	10%
Clerk*	10%
Office Building Insurance	10%
Office Equipment Service Agreement	10%
Postage	30%
Office Supplies	10%
Audit	10%
Property/Liability Insurance	10%
Public Works Manager**	10%

*Includes Benefits

**Not included in rate study, but confirmed with RM's consultant. (Includes benefits)

The RM's Cost Allocation Methodology remains unchanged from the Board's most recent approval in Board Order No. 146/18.

4.0 Board Findings

Utility 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 July 1, 2022, 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 the Utility has expiring taxation revenues of \$62,185 for water and \$36,871 for wastewater. The Board reminds the RM to be cognizant of these revenues when reviewing and setting rates. If the RM does not take action to provide for expiring taxation revenues accordingly, upon expiring of these revenues Utility customers will incur large increases to rates all at one time.

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.

The Board is concerned regarding the Utility's high level of unaccounted for water. The Board recommends the RM develop a plan to address the 18% unaccounted for water level for the Utility in its next rate study.

Reserve Fund Allocation

The Board notes, as per the Section 168 of *The Municipal Act*:

1) Council may establish reserve funds

168(1)

A council may by by-law establish reserve funds for any general or specific purpose.

2) Expenditure from reserve fund with specific purpose

168(2)

A council that establishes a reserve fund for a specific purpose may provide in its operating budget or capital budget for an expenditure from the fund only for that purpose unless, before making the expenditure,

(a) the council gives public notice, and holds a public hearing, in respect of the proposed expenditure; and

(b) in the case of a reserve fund that is supplemented with the approval of The Public Utilities Board, the Board approves the proposed expenditure.

Further to Section 168(2)(b) of *The Municipal Act* above, Page 9 of the Board Guidelines, under the heading Reserves states:

“A utility reserve fund may be established by a Council By-Law authorized by the PUB, as set forth in Section 168 of *The Municipal Act*. Such reserves may be used, subject to the Board's approval in each case, to recover deficits, unforeseen costs, and planned capital expenditures not large enough to warrant a debenture issue.”

Also, Section 3.7.2 Reserves, of Board Order No. 93/09 states:

“The Board will continue to consider the inclusion of provisions for building reserves for specific purposes in rate setting. However, the Board will require increased thought and rationale in rate studies, in terms of defining and justifying the need for reserves.”

The Board finds, the 2019, 2020, and 2021 Reserve Fund Allocation of \$50,000 per year established by the RM in By-Law, 802/18 was not approved by the Board and therefore can not be continued as requested in the RM's rate study. The Board reminds the Utility, establishment of all Utility Reserve Fund allocations require Board approval.

The Board has reviewed the RM's request for an annual reserve allowance of \$50,000 through property taxes to provide for future year's capital projects. The Board finds, as all RM taxpayers are not Utility customers the RM did not provide sufficient rationale to justify the need for an annual RM tax levy for Utility reserves. The Board therefore denies the RM's request.

The Board notes, in general it is a proponent of the user pay principle. The Board therefore would require compelling rationale to justify establishment of a Utility Reserve Fund allocation through taxes for a specific project/purpose, to be funded by both Utility customers and non-customers.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Rural Municipality of Montcalm, Montcalm Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2022, January 1, 2023, January 1, 2024, and January 1, 2025.

2. The Shared Cost Allocation Methodology for the Rural Municipality of Montcalm BE AND IS HEREBY APPROVED.
3. The annual reserve allowance of \$50,000 to be funded through property taxes and annually transferred to the Utility Reserve Fund BE AND IS HEREBY DENIED.
4. The Rural Municipality of Montcalm 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 Montcalm 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 Montcalm review its water and wastewater rates for the Montcalm 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 - \$500.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 51/22
issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A

**RURAL MUNICIPALITY OF MONTCALM
MONTCALM WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 825/21
SCHEDULE OF QUARTERLY RATES**

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
\$22.13	\$5.19	\$27.32

Quarterly Service Charge \$15.47

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	\$15.47	\$66.39	\$15.57	\$97.43	\$81.86
¾ inch	2	6,000	\$15.47	\$132.78	\$31.14	\$179.39	\$148.25
1 inch	4	12,000	\$15.47	\$265.56	\$62.28	\$343.31	\$281.03
1 ½ inch	10	30,000	\$15.47	\$663.90	\$155.70	\$835.07	\$679.37
2 inch	25	75,000	\$15.47	\$1,659.75	\$389.25	\$2,064.47	\$1,675.22

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$27.00 per 1,000 gallons on a pro rated basis.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2023

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$22.01	\$7.08	\$29.09

Quarterly Service Charge \$17.13

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	\$17.13	\$66.03	\$21.24	\$104.40	\$83.16
¾ inch	2	6,000	\$17.13	\$132.06	\$42.48	\$191.67	\$149.19
1 inch	4	12,000	\$17.13	\$264.12	\$84.96	\$366.21	\$281.25
1 ½ inch	10	30,000	\$17.13	\$660.30	\$212.40	\$889.83	\$677.43
2 inch	25	75,000	\$17.13	\$1,650.75	\$531.00	\$2,198.88	\$1,667.88

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$27.00 per 1,000 gallons on a pro rated basis.

1. Schedule of Commodity Rates & Quarterly Service Charge
Rates per 1,000 Gallons

January 1, 2024

	<u>1,000 Gallons per quarter</u>		
	Water	Wastewater	Water & Wastewater
	\$21.89	\$8.97	\$30.86

Quarterly Service Charge \$18.79

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	\$18.79	\$65.67	\$26.91	\$111.37	\$84.46
¾ inch	2	6,000	\$18.79	\$131.34	\$53.82	\$203.95	\$150.13
1 inch	4	12,000	\$18.79	\$262.68	\$107.64	\$389.11	\$281.47
1 ½ inch	10	30,000	\$18.79	\$656.70	\$269.10	\$944.59	\$675.49
2 inch	25	75,000	\$18.79	\$1,641.75	\$672.75	\$2,333.29	\$1,660.54

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$27.00 per 1,000 gallons on a pro rated basis.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2025

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$21.78	\$10.87	\$32.65

Quarterly Service Charge \$20.44

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	\$20.44	\$65.34	\$32.61	\$118.39	\$85.78
¾ inch	2	6,000	\$20.44	\$130.68	\$65.22	\$216.34	\$151.12
1 inch	4	12,000	\$20.44	\$261.36	\$130.44	\$412.24	\$281.80
1 ½ inch	10	30,000	\$20.44	\$653.40	\$326.10	\$999.94	\$673.84
2 inch	25	75,000	\$20.44	\$1,633.50	\$815.25	\$2,469.19	\$1,653.94

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$27.00 per 1,000 gallons on a pro rated basis.

The following clauses take effect July 1, 2022:4. Billings and Penalties:

All connected customers shall be billed quarterly and payment shall be due and payable at least 14 days after the mailing of the bills. A late payment charge of 1.25% (1¼%) per month shall be charged on the dollar amount owing after the billing due date and a notice to this effect shall be clearly printed on all bills sent to customers.

5. Liability for Charges:

Where charges and penalties pursuant to this by-law are not paid within ninety (90) days from the date when they were incurred; said charges and penalties shall be added to the taxes on the property and collected in the same manner as other taxes as per authority of Section 252(2) of *The Municipal Act* of Manitoba.

6. Testing of Water Meters for Accuracy:

Any customer desiring and requesting their meter to be tested for accuracy shall deposit with the municipality the sum of \$ 40.00, which will be retained if the meter (when tested) shall be found to be within the allowable limits of variation from accuracy. If the meter is found to register in excess of the allowable limits the deposit shall be refunded and the customer's account adjusted to reflect an accurate consumption. The allowable limit of variation shall be 4% of average flow.

7. Disconnection and Reconnection:

- a. The Public Utilities Board has approved the Conditions Precedent to be followed by the municipality with respect to the disconnection of service for non-payment including, such matters, as notice and 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.
- b. Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$50.00 have been paid. Service may be disconnected or reconnected upon receipt of a written request and payment of \$25.00. Service may be removed upon written request and a payment of \$50.00.

8. Responsibility for Service Connections:

The Utility is responsible for all costs involved to bring services to the property line of the owner (including any water losses that may occur to that point.) The owner is responsible for all costs of services (including water losses) from the property line into the building being serviced.

9. Outstanding Bills

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and Wastewater services are a lien and charge upon the land serviced and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

10. Service to Customers outside the limits of the Rural Municipality of Montcalm

The Council of the Rural Municipality of Montcalm may sign agreements with customers for the provision of water and Wastewater services to properties located outside the legal boundaries of the Rural Municipality of Montcalm. Such agreements shall provide for payment of the appropriate rates set out in Section 1 of this schedule (for each applicable year), 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 which would be levied on the property concerned if it were within these boundaries. In addition, all costs for connecting to the utility's mains and installing and maintaining service connections shall be paid for by the customer.

11. 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 of Montcalm's water system.

If a condition is found to exist which, in the opinion of the Rural Municipality of Montcalm, is contrary to the aforesaid, the Rural Municipality of Montcalm 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.

12. 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 of Montcalm, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

13. Authorization For Officer To Enter Upon Premises

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

14. Responsibility for Service Connections

The Utility is responsible for all costs involved to bring services to the property line of the owner (including any water losses that may occur to that point). The owner is responsible for all costs of services (including water losses) from the property line into the building being serviced.

15. 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.

16. Hydrant Charges

The Rural Municipality of Montcalm or any other hydrant owner will pay to the Utility an annual fee of \$250.00 for each hydrant connected to the system which shall include the cost of water used for firefighting.