

Order No. 84/22

**RIVERDALE MUNICIPALITY
RIVERS WATER AND WASTEWATER UTILITY
FINAL RATES EFFECTIVE AUGUST 1, 2022
2018, 2019, AND 2020 DEFICITS**

July 29, 2022

**BEFORE: Shawn McCutcheon, Panel Chair
Irene A. Hamilton, Q.C., Panel Member**

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) varies and approves as final the water and wastewater rates applied for by the Riverdale Municipality (Municipality), Rivers Water and Wastewater (Utility). Board Order No. 23/22 previously established these rates on an interim *ex parte* basis.

The approved rates are as follows:

	March 1, 2022	August 1, 2022
Monthly Service Charge	\$15.25	\$15.25
Water (per 1,000 gallons)	\$14.89	\$17.74
Wastewater (per 1,000 gallons)	\$6.51	\$2.72
Debenture Surcharge – WTP Upgrade*	\$7.31	\$7.31
Debenture Surcharge – WTP Upgrade**	\$0.55	\$0.55
Debenture Surcharge – Lagoon Upgrade**	\$11.05	\$11.05
Minimum Monthly Charge***	\$55.56	\$54.62
2018 Deficit Rate Rider (per 1,000 gallons)	-	\$0.04
2019 Deficit Rate Rider (per 1,000 gallons)	-	\$1.83
2020 Deficit Rate Rider (per 1,000 gallons)	-	\$4.14
Minimum Monthly Charge With Rate Rider***	-	\$60.63
Wastewater Only Customers***	\$32.81	\$29.02
Untreated Bulk Water (per 1,000 gallons)****	\$15.00	\$15.00
Hydrant Rental	\$150.00	\$150.00

Note – WTP = Water Treatment Plant

*Board Order No. 85/18

**Board Order No. 106/20

***Based on 1,000 gallons

****Minimum charge will be \$10.00 for any quantity under 1,000 gallons

The Board also varies the Municipality's request for actual operating deficits, when calculated for regulatory purposes, of \$2,650 for 2018 to be recovered by a rate rider of \$0.04 per customer per 1,000 gallons for a period of 3 years, \$123,271 for 2019 to be recovered by a rate rider of \$1.83 per customer per 1,000 gallons for a period of 3 years, and \$278,206 for 2020 to be recovered by a rate rider of \$4.14 per customer per 1,000 gallons for a period of 3 years (or a total 3-year deficit of \$404,127 to be recovered by a total rate rider of \$6.01 per customer per 1,000 gallons for a period of 3 years) effective

August 1, 2022 until July 31, 2025 or until the deficits are fully recovered whichever comes first.

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

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

2.0 Background

On May 28, 2021, the Municipality applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the Municipality's Chief Administrative Officer (CAO) and By-Law No. 2021-04 having had first reading May 18, 2021.

On August 4, 2021, Board staff sent a letter to the Municipality requesting clarification regarding discrepancies for the rates requested between the By-Law and the rate study. Board staff also identified actual operating deficits for the Utility for 2018 and 2019 and requested the Municipality submit Deficit Applications accordingly in order for the Board to review the Municipality's Application. On January 24, 2022, the Municipality revised its Application and requested rates be approved on an interim ex parte basis, and submitted Council Resolution No. 17-22 requesting rates be set on an interim ex parte basis to prevent further deficits given the Utility currently has insufficient working capital to absorb any deficit recoveries.

Between August 4, 2021 and January 31, 2022, the Municipality analyzed various methodologies of reducing the requested rate increases, reducing actual operating deficits incurred from 2018 to 2020, and minimizing/optimizing recovery methodologies for the deficits incurred. On February 18, 2022, the Municipality submitted deficit applications and recovery methodologies for actual operating deficits incurred from 2018 to 2020 as noted in the Executive Summary above.

Water Supply/Distribution

The water treatment plant is a modern, state of the art facility which began operations in the fall of 2017. Water is sourced from Lake Wahtopanah and then treated water is stored in a 1000m³/three chamber reservoir under the treatment facility.

Wastewater Collection/Treatment

The Utility uses a lagoon for wastewater treatment. The wastewater treatment system was recently upgraded to increase capacity. The upgrades were completed and began operations July 17, 2019.

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 as 33%, reduced from 50% over the past 18 months. The rate study also notes, due to the Municipality's location, on top of a gravel pit, detection of leaks is challenging as leaking water does not come to the surface. Also, due to the Utility's infrastructure, bleeder lines run constantly. In the last year the Utility has disconnected and/or locked all bleeder lines, as many were being turned on by residents, left running on high volumes, and never turned off.

The Utility now actively monitors all bleeder lines. 300 of 500 meters have been replaced and a further 100 meters were scheduled to be replaced in 2021. The new meters allow the Municipality to download daily water consumption history for each account, enabling excess water use to be identified and determine if it is a result of a leak or an event. The Utility has also dug up identified "dead end" water lines or discontinued lines that were never capped off properly.

The Municipality advises efforts to further reduce unaccounted for water levels are ongoing.

3.0 Application

On February 28, 2022, Board Order No. 23/22 approved the rates as requested by the Municipality on an interim *ex parte* basis, effective March 1, 2022.

A Public Notice of Application was issued on March 1, 2022 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Municipality on or before March 31, 2022. The Board received six responses to the Notice primarily regarding the magnitude of the requested rate increases, the magnitude and duration of the requested deficit rate riders, and the quality of the 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. 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.

At the time the rate study was completed, the 2020 Audited Financial Statements for the Municipality were not finalized. Based on the finalized 2020 Audit, on May 13, 2022 the Municipality revised its forecast of expenditures and submitted a revised schedule of rate requirements, resulting in an increase to the water rate requirement (from \$14.89 to \$18.94 per 1,000 gallons) and a decrease to the wastewater rate requirement (from \$6.51 to \$3.00 per 1,000 gallons).

The initially requested water and wastewater rates were calculated based on the following projections:

Schedule of Utility Rate Requirements			
Riverdale Municipality – Rivers Water and Wastewater Utility			
2021 to 2023 Budget Forecasts (\$)			
	2021	2022	2023
	Forecast		
General Expenses			
Administration	78,000	79,560	81,151
Billing and Collection	9,000	9,180	9,364
Working Capital Surcharge (1%)	11,333	10,451	10,556
Total General Expenses	98,333	99,191	101,071
Revenue			
Penalties	3,500	3,500	3,500
Total General Revenues	3,500	3,500	3,500
Net Costs General	94,833	95,691	97,571
Water Expenses			
Purification and Treatment	235,000	239,700	244,494
Transmission and Distribution	15,000	15,300	15,606
Other Water Supply Costs	5,000	5,100	5,202
Connections – Net Loss	2,500	2,550	2,601
Amortization	174,267	174,267	174,267
Interest on Long-Term Debt	176,233	169,134	161,775
Reserve	20,000	20,000	20,000
Contingency	25,000	25,500	26,010
Total Water Expenses	652,990	651,551	649,955
Revenue			
Connections	200	200	200
Hydrant Rentals (29)	4,350	4,350	4,350
Investment Income	4,000	4,000	4,000
Utility Debenture Payments	165,785	165,785	165,785
Capital Grant Amortization	76,771	76,771	76,771
Total Water Revenue	251,106	251,106	251,106
Net Water Costs	401,884	400,445	398,849
Wastewater Expenses			
Collection System	20,000	20,400	20,808
Treatment and Disposal	30,000	30,600	31,212
Connections – Net Loss	5,500	5,610	5,722
Amortization	200,475	200,475	200,475
Interest on Long-Term Debt	96,882	93,251	89,488

	Contingency	5,000	5,100	5,202
	Total Wastewater Expenses	357,857	355,436	352,907
Revenue				
	Lagoon Tipping Fees	12,000	12,000	12,000
	Amortization of Capital Grants	92,908	92,908	92,908
	Utility Debenture Payments	197,000	197,000	197,000
	Total Wastewater Expenses	301,908	301,908	301,908
	Net Wastewater Costs	55,949	53,528	50,999
	Net Operating Costs	552,666	549,664	547,419

Revised rates are being requested to meet increased costs since the last rate study in 2015. These include the costs associated with a new water treatment plant constructed in 2017 and a new lagoon constructed in 2019.

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 a supplementary calculation provided by the Municipality's consultant, the working capital at December 31, 2020 was:

	2020
Utility Fund Surplus/Deficit	\$5,749,764
Deduct Tangible Capital Assets	(11,543,877)
Add Long-Term Debt	4,622,694
Add Utility Reserves	198,751
Equals Working Capital Surplus (Deficit)	\$(972,668)
Operating Expenses	1,032,886
20% of Operating Expenses (Target)	\$206,577

The Utility does not meet the Board's target of 20% of operating expenses. The rate study includes an allocation of 1% of expenses to reduce the working capital deficit.

Contingency Allowance and Utility Reserves

As per the Board's Water 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 \$25,500 for water and \$5,100 for wastewater or a total contingency allowance of \$30,600.

The Municipality has included a reserve allowance of \$20,000 to provide for minor capital projects.

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 the cost allocation methodologies can be found in Board Order No. 93/09.

The Municipality's allocation for shared costs for office are based on percentage of time spent by administrative staff on Utility work. Utility works staff time is based on actual hours spent on utility work based on daily records and time cards.

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 Municipality's Application included request to recover a 2018 deficit in the amount of \$2,650 to be recovered by a rate rider of \$0.06 per customer per 1,000 gallons for a period of 2 years, a 2019 deficit in the amount of \$123,271 to be recovered by a rate rider of \$2.75 per customer per 1,000 gallons for a period of 2 years, and a 2020 deficit in the amount of \$278,206 to be recovered by a rate rider of \$6.20 per customer per 1,000 gallons for a period of two years (or a total 3-year deficit of \$404,127, when calculated for regulatory purposes, to be recovered by a total rate rider of \$9.01 per customer per 1,000 gallons for a period of 2 years) effective August 1, 2022 until July 31, 2024 or until the deficits are fully recovered whichever comes first.

The Municipality's Application noted the deficits were due revenue shortfalls resulting from increased amortization expenses, underestimated operating costs related to the new lagoon, and underestimated water purification and treatment costs.

4.0 Board Findings

Rates

The Board has reviewed the rate application, all projections presented by the Municipality, and the responses to Board staff questions/correspondence. The Board notes, wherever possible it seeks to avoid significant rate increases over a short period of time, which is defined as rate shock. In general rate shock is considered to be any rate increase in excess of 10%.

The Board finds the Municipality's requested rate increase to the minimum monthly charge from \$41.81 per customer per month to \$56.10 per customer per month represents an annual increase of \$171.48 or 34.2% and therefore constitutes rate shock.

The Board notes the Municipality's application properly included a contingency allowance based on the Board's Guidelines of \$25,500 for water and \$5,100 for wastewater (total \$30,600). To mitigate the impact of rate shock from the required rate increases as well as the recovery of the operating deficits, the Board varies the rates to correspond with the Municipality's revised rate calculations submitted May 13, 2022 and removes the contingency allowance on a one-time basis. The Board's decision is due to the magnitude of the rate increases required at this time and the Board encourages the Municipality to include a contingency allowance in future rate applications. The Board approves the varied rates effective August 1, 2022.

The Board notes it has been seven years since the Municipality's rates were last approved. This is too long a time-period between rate reviews. Regular rate reviews should be submitted every three years, as per the Board's Guidelines, to protect the financial position of the Utility, exhibit consideration for the finances of ratepayers, and mitigate the need for substantial rate increases.

It is the Utility's responsibility to review its rates and ensure rates are adequate to recover the cost of the service provided to its customers. Customers are generally more tolerant of regular, smaller increases than one significant increase after years of stagnant rates. The Municipality needs to be much more diligent in conducting regular reviews of its revenue requirements and filing Rate/Deficit Applications with the Board accordingly.

The Board directs 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 on or before December 31, 2022.

The Board directs the Municipality to continually monitor the revised water and wastewater rates and if the Municipality becomes aware the rates approved in this Order are inadequate to cover the operating costs of the Utility, the Board encourages the Municipality to submit a revised Rate Application as soon as possible.

The Board commends the Utility on its efforts to reduce unaccounted for water from 50% to 33% and its continued efforts to further reduce the amount to within industry standards.

Deficits

The Board has reviewed the Municipality's Deficit Applications and notes that prior to the interim rates approved in Board Order No. 23/22, final utility rates were last approved in Board Order No. 75/15 in 2015. In that Order, the Board directed the Municipality to review its water and wastewater rates for adequacy and file a report with the Board, as well as an application for revised rates if required, by no later than September 1, 2019. The Board did not receive an application from the Municipality until May 28, 2021.

The Board finds that had the Municipality been more diligent in reviewing rates and financials for the Utility, deficits may have been mitigated or prevented. The Board notes it is the Municipality's responsibility to review utility rates and financials on a regular basis to ensure rates are adequate to recover the cost of service being provided to ratepayers and to mitigate deficits. It is also the Municipality's responsibility to plan accordingly in advance of Board directed deadlines to ensure they are met.

As noted above, the Board finds the requested rate increases constitute rate shock. The requested rate riders of \$9.01 per customer per 1,000 gallons required to recover the three years of actual operating deficits totalling \$404,127 incurred by the Utility further increase the monthly minimum charge by an additional 16.1%. The Board therefore varies the duration of the requested rate riders from 2 years to 3 years to mitigate the impact of the rate increases combined with the required rate riders.

The Board approves the actual operating deficits, when calculated for regulatory purposes, of \$2,650 for 2018 to be recovered by a rate rider of \$0.04 per customer per 1,000 gallons for a period of 3 years, \$123,271 for 2019 to be recovered by a rate rider of \$1.83 per customer per 1,000 gallons for a period of 3 years, and \$278,206 for 2020 to be recovered by a rate rider of \$4.14 per customer per 1,000 gallons for a period of 3 years (or a total 3-year deficit of \$404,127 to be recovered by a total rate rider of \$6.01 per customer per 1,000 gallons for a period of 3 years) effective August 1, 2022 until July 31, 2025 or until the deficits are fully recovered whichever comes first.

The revised rate riders have been calculated as follows:

2018 - \$2,650 Deficit / 22,426,620 gallons (forecasted annual consumption) / 3 years
= \$0.04 per customer per 1,000 gallons

2019 - \$123,271 Deficit / 22,426,620 gallons (forecasted annual consumption) / 3 years
= \$1.83 per customer per 1,000 gallons

2020 - \$278,206 Deficit / 22,426,620 gallons (forecasted annual consumption) / 3 years
= \$4.14 per customer per 1,000 gallons

Capital Project Planning

The Board notes, in 2015 the Board approved in-principle rate surcharges to recover debenture servicing costs for large water treatment plant and lagoon projects. The related surcharges were finalized in 2018 and in 2020. The Board also notes, proper capital project planning requires analysis and incorporation of the impact of the Utility's capital plan on rates. Failure to properly monitor the impact of new or upgraded capital assets such as treatment plants and lagoons on operating costs and apply for appropriate operating cost increases in a timely manner may result in deficits and/or significant, all-at-once rate increases that impose a financial burden on customers.

The Board directs the Municipality to more thoroughly monitor its 5-year capital plan and its forecasted impact on utility operating costs. The Board also directs the Municipality to ensure utility rates are requested on a timely basis to ensure rates properly reflect the operating cost requirements of its 5-year capital plan.

5.0 IT IS THEREFORE ORDERED THAT:

1. The water and wastewater rates for the Riverdale Municipality, Rivers Water and Wastewater Utility, as approved on an interim *ex parte* basis in Board Order No. 23/22, BE AND ARE HEREBY VARIED AND CONFIRMED AS FINAL in accordance with the attached Schedule A, effective August 1, 2022.
2. The Riverdale Municipality amend its water and wastewater By-Law for the Rivers Water and Wastewater Utility to reflect the decisions in this Order and file a copy with the Public Utilities Board, as soon as it has received third and final reading.
3. The Riverdale Municipality provide a notice to its customers, including the decisions in this Order and submit a copy to the Public Utilities Board.
4. The Riverdale Municipality review its water and wastewater rates for the Rivers 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, 2022.
5. The actual operating deficits, when calculated for regulatory purposes, of \$2,650 for 2018 to be recovered by a rate rider of \$0.04 per customer per 1,000 gallons for a period of 3 years, \$123,271 for 2019 to be recovered by a rate rider of \$1.83 per customer per 1,000 gallons for a period of 3 years, and \$278,206 for 2020 to be recovered by a rate rider of \$4.14 per customer per 1,000 gallons for a period of 3 years (or the total 3-year deficit of \$404,127 to be recovered by a total rate rider of \$6.01 per customer per 1,000 gallons for a period of 3 years) are HEREBY VARIED effective August 1, 2022 until July 31, 2025 or until the deficits are fully recovered whichever comes first.

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.

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. 84/22 issued
by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A

RIVERDALE MUNICIPALITY RIVERS WATER AND WASTEWATER UTILITY WATER & WASTEWATER UTILITY RATES BY-LAW NO. 2021-04

SCHEDULE OF MONTHLY RATES

March 1, 2022

1. Rates per 1,000 gallons

1,000 gallons per month

	Water	Wastewater	Total Water & Wastewater
Rates	\$14.89	\$ 6.51	\$21.40
Debenture Surcharges	\$ 7.86	\$11.05	\$18.91

Monthly Service Charge \$15.25

2. Minimum Charges per Quarter

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

a) WATER & WASTEWATER CUSTOMERS

Meter Size (Inches)	Group Capacity Ratio	Minimum Monthly Consumption	Service Charge	Water	Wastewater	Minimum Monthly Charges
5/8	1	1,000	\$15.25	\$22.75	\$17.56	\$55.56
3/4	2	2,000	\$15.25	\$45.50	\$35.12	\$95.87
1	4	4,000	\$15.25	\$91.00	\$70.24	\$176.49
2	25	25,000	\$15.25	\$568.75	\$439.00	\$1,023.00
3	45	45,000	\$15.25	\$1,023.75	\$790.20	\$1,829.20

*Rates include debenture surcharges (as noted in item 1. Above) from Board Order No. 85/18 (\$7.31) per 1,000 gallons and 106/20 (\$0.55 per 1,000 gallons) for water & 106/20 (\$11.05 per 1,000 gallons) for wastewater,

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

Riverdale Municipality will charge a flat monthly amount of \$32.81 to the owners or occupants of land services with wastewater but no water. (Wastewater Rate \$6.51 + Service Charge \$15.25 + Debenture Surcharge \$11.05)

SCHEDULE OF MONTHLY RATES

August 1, 2022

1. Rates per 1,000 gallons

1,000 gallons per month

	Water	Wastewater	Total Water & Wastewater
Rates	\$17.74	\$ 2.72	\$21.94
Debenture Surcharges	\$ 7.86	\$11.05	\$18.91
Monthly Service Charge	\$15.25		

2. Minimum Charges per Quarter

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

a) WATER & WASTEWATER CUSTOMERS

Meter Size (Inches)	Group Capacity Ratio	Minimum Monthly Consumption	Service Charge	Water	Wastewater	Minimum Monthly Charges
5/8	1	1,000	\$15.25	\$25.60	\$13.77	\$54.62
3/4	2	2,000	\$15.25	\$51.20	\$27.54	\$93.99
1	4	4,000	\$15.25	\$102.40	\$55.08	\$172.73
2	25	25,000	\$15.25	\$640.00	\$344.25	\$999.50
3	45	45,000	\$15.25	\$1,152.00	\$619.65	\$1,786.90

*Rates include debenture surcharges (as noted in item 1. Above) from Board Order No. 85/18 (\$7.31) per 1,000 gallons and 106/20 (\$0.55 per 1,000 gallons) for water & 106/20 (\$11.05 per 1,000 gallons) for wastewater,

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

Riverdale Municipality will charge a flat monthly amount of \$29.02 to the owners or occupants of land services with wastewater but no water. (Wastewater Rate \$2.72 + Service Charge \$15.25 + Debenture Surcharge \$11.05)

The following clauses take effect March 1, 2022:

3. BULK SALES:

All un-treated water sold in bulk by Riverdale Municipality will be charged for at a rate of \$15.00 per 1,000 gallons on all quantities. For any quantity of less than 1,000 gallons, the minimum charge will be \$10.00.

****FOR UNTREATED WELL USE FOR OUT OF MUN PROJECTS/CONTRACTORS****

4. SERVICE TO CUSTOMERS OUTSIDE MUNICIPALITY LIMITS:

The Council of Riverdale Municipality may sign Agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of Rivers. Such Agreements shall provide for payment of the appropriate rates 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 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 the Community boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining, will be paid by the customer.

5. BILLINGS AND PENALTIES:

Accounts shall be billed monthly and the due date shall be at least 14 days after the mailing of the bills.

A late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date.

6. DISCONNECTION:

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 Municipal office.

7. RECONNECTION:

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.

8. OUTSTANDING BILLS:

Where charges and penalties pursuant to this By-Law are not paid within ninety (90) days from the date in which 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*. Each occurrence will be charged a \$50.00 administrative fee; equivalent to a re-connection fee.

9. Hydrant Charges:

Riverdale Municipality shall pay to the Utility an annual hydrant charge of \$150.00 for each hydrant connected to the System. In addition, Riverdale Municipality will pay for water used for firefighting.

10. WATER ALLOWANCE DUE TO LINE FREEZING:

Where, at the request of Council, a customer is allowed to run water continuously for any period of time to prevent the water lines in the water system from freezing, the charge to that customer for the current month shall be the average of billings for the last three months for the same customer, or the same premises if the occupant has changed.

11. 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.
- c) Septic Waste Disposal Fee = \$2.22/100 gallons

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 either:

- 1) Shut off the service or services; or
- 2) Give notice to the customer to correct the fault at his or her own expense within a specified time period.

13. DAMAGE AND/OR TAMPERING

- i) Costs for any damage and labour for repairs to the water meter and associated equipment shall be the responsibility of the property owner.
- ii) The charge to remove a meter for testing at the request of a customer shall be \$100.00 plus any charges incurred for the testing of said meter. Should the meter test indicate that the meter is faulty, the charges will be waived.
- iii) Where there is evidence of meter tampering, a minimum charge of \$500.00 will be applied to any account plus the value of the estimated unmetered water consumed.
- iv) Where there is damage to a meter resulting in negligence on the property owners' part (i.e. not protected from freezing); the property owner will be responsible for the cost to replace the meter. The cost to the property owner will be the cost of the meter plus 10% for installation.

14. AUTHORIZATION FOR OFFICER TO ENTER UPON PREMISES

The Utility operator in charge, or other employee authorize by the Municipality in the absence of the Utility operator in charge, shall be authorized to enter upon any premises 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.