

**Order No. 122/23**

**RURAL MUNICIPALITY OF OAKVIEW  
RAPID CITY WATER AND WASTEWATER UTILITY  
FINAL WATER AND WASTEWATER RATES  
2019 UTILITY OPERATING DEFICIT**

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**October 25, 2023**

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

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## 1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) grants approval of water and wastewater rates for the Rural Municipality of Oakview (RM), Rapid City Water and Wastewater Utility (Utility) for January 1, 2024, 2025 and 2026. The Board also confirms as final interim water and wastewater rates previously approved on an interim *ex parte* basis in Board Order No. 73/22, effective October 1, 2022.

Effective April 1, 2023 the RM implemented a pass-through rate increase for water purchased from the Minto-Odanah Utility. This increase is for an additional \$.22 per cubic meter for water sold by the Rapid City Utility.

The Board grants approval for the recovery of the 2019 operating deficit of \$60,772 to be recovered by a rate rider of \$.60 per cubic meter of water sold over a period of five years, or until fully recovered, whichever comes first.

The approved and final rates are below:

	Interim rates		Pass-through rates		
	Oct 2022	Apr 2023	Jan 1, 2024	Jan 1, 2025	Jan 1, 2026
Quarterly Service Charge	\$ 19.10	\$ 19.10	\$ 19.02	\$ 18.94	\$ 18.85
Water (per cubic meter)	\$ 9.47	\$ 9.69	\$ 9.87	\$ 10.05	\$ 10.22
Wastewater (per cubic meter)	\$ 0.84	\$ 0.84	\$ 0.83	\$ 0.82	\$ 0.82
Minimum Quarterly Charge*	\$ 163.44	\$ 166.52	\$ 168.82	\$ 171.12	\$ 173.41
Wastewater Only**	\$ 51.86	\$ 51.86	\$ 51.39	\$ 50.92	\$ 50.83

\*based on 14 cubic meters

\*\*based on 39 cubic meters

Details of other rates can be found in Schedule A.

The reasons for the Board's decisions are under Board Findings.

## 2.0 Background

Prior to the interim *ex parte* rates set in October 2022 in Board Order No. 73/22, rates were last set in Board Order No. 125/19, with rates coming into effect January 1, 2021.

The Utility provides water and wastewater service to 184 customers as well as wastewater only services to seven customers.

The rate study advises the five year capital plan includes \$750,000 a year in 2022, 2023 and 2024 for water and wastewater renewals. The rate study did not include the financial impact of this project as the RM had applied for grant funding and at the time of application the funding approvals were uncertain.

### Water Supply/Distribution

The water system was installed in 1980 and has had various upgrades since that time. In 2014, with provincial funding, the local urban district's water treatment plant installed a water pipeline from the Odanah water pipeline and receives treated water from the Town of Minnedosa.

### Wastewater Collection and Treatment

The wastewater system was installed in 1967 and has had various upgrades since.

## 3.0 Board Methodology

### Review Process

When reviewing an application, the Board has at its disposal two approaches, a paper review process or a public hearing. After the publication of the Notice of Application, the Board considers the application and responses, if any, and determines which method of review is most appropriate. Whenever reasonable, the Board can review the application using a paper review process, which saves the cost of a public hearing.

Where there is an urgent need for initial or revised rates and the Board determines it to be in the best interest of all parties, the Board may establish interim *ex parte* rates.

### Interim *ex parte* Approval

Interim *ex parte* rates are typically approved as applied for and are then subject to a standard Board review process, including a Public Notice of Application, before being confirmed as final by Board Order.

Since this process allows a municipality to charge ratepayers revised rates in advance of the Board's comprehensive review, it is reserved for instances where a municipality can show a compelling argument to allow it.

### Contingency Allowance and Utility Reserves

The Board's Water and Wastewater Rate Application Guidelines recommend an annual contingency allowance equal to 10% of the variable operating costs.

## **Working Capital**

Board Order No. 93/09 established utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus is the Utility fund balance, excluding any capital-related items plus Utility reserves.

## **Operating 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. The Board is therefore duty bound to approve reasonable rates based on reasonable expense projections.

## **Cost Allocation Methodology**

The Board requires all municipalities to review the costs shared between the general operations of the RM and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This policy must be submitted to the Board for approval and cannot be changed without approval by the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

## **Unaccounted for Water**

Water losses may be caused by such events as distribution line losses, service leaks, water used for fire fighting or line flushing, and under-registration of water meters. The Board Guidelines require utilities to compare the volume of water produced or purchased against the volume of water sold, to determine the percentage of unaccounted for water. Unaccounted for water volumes of approximately 10% are considered industry standard.

The Board expects any utility experiencing a greater volume of unaccounted for water to provide an explanation and plan to address the water losses.

## 4.0 Application

On March 10, 2022, the RM submitted an application for revised rates from the Utility, and Council Resolution No. 41/22 requested the Board approve the rates effective July 1, 2022 on an interim *ex parte* basis. The application was accompanied by a rate study completed by the RM's consultant and By-Law No. 2022-1 read for the first time on March 1, 2022. The Council Resolution also requested that the Board approve the 2019 utility operating deficit, with recovery by rate rider over a five year period.

The Board issued Board Order No. 73/22 approving interim *ex parte* rates for October 1, 2022. The Board did not approve or deny the requested rates for future years or the operating deficit recovery in this Order.

The RM stated the revised rates are required as a result of a 10% contingency built into utility rates.

The Board issued a Public Notice of Application with respect to the interim *ex parte* rate increase, as well as the proposed rate increases and deficit recovery on August 4, 2022 allowing for stakeholder questions or comments on or before September 4, 2022. One response was received, expressing concerns for water quality and unaccounted for water losses in the Utility.



The rates were calculated using revenue requirement projections and inflation of 3%.

	Rate Year 1	Rate Year 2	Rate Year 3
<b>General</b>			
Administration (building, office, staff, etc)	14,962	15,411	15,873
Working capital contribution (1% of 2026 expense)	2,505	2,505	2,505
<b>Total general expenses</b>	<b>17,467</b>	<b>17,916</b>	<b>18,378</b>
Penalties	3,978	3,978	3,978
<b>Total general revenue</b>	<b>3,978</b>	<b>3,978</b>	<b>3,978</b>
<b>Net revenue requirement - general</b>	<b>13,489</b>	<b>13,938</b>	<b>14,400</b>
<b>Water</b>			
Purification and treatment	1,370	1,398	1,426
Water purchases	119,086	119,086	119,086
Transmission and distribution	46,301	47,690	49,120
Other	6,153	6,338	6,528
Amortization	41,794	41,794	41,794
Interest on long term debt	6,322	5,612	4,877
Reserves	0	0	0
Contingency	17,559	17,559	17,559
<b>Total water expenses</b>	<b>238,585</b>	<b>239,477</b>	<b>240,390</b>
Hydrant rentals	570	570	570
Amortization of capital grants	11,422	11,422	11,422
Taxation revenues	27,230	27,230	27,230
<b>Total water revenue</b>	<b>39,222</b>	<b>39,222</b>	<b>39,222</b>
<b>Net revenue requirement - water</b>	<b>199,363</b>	<b>200,255</b>	<b>201,168</b>
<b>Wastewater</b>			
Wastewater collection system	906	934	962
Other sewage & disposal	3,251	3,349	3,449
Lift station costs	6,883	7,089	7,302
Amortization	4,599	4,599	4,599
Contingency	1,171	1,171	1,171
<b>Net revenue requirement - wastewater</b>	<b>16,810</b>	<b>17,142</b>	<b>17,483</b>

The RM's consultant calculated the indicated rates for Year 3, the final rate year projected, and then calculated a stable and predictable rate change year over year.

## Contingency Allowance and Utility Reserves

The RM has included in the rate projections a contingency allowance of 10% of net rate requirements, less amortization expenses. This equates to \$17,557 for water and \$1,171 for wastewater per year. There is no provision for transfer to Utility Reserve proposed.

## Working Capital

As per the 2022 audited financial statements, the working capital surplus at December 31, 2022 was:

	<b>2022</b>
Accumulated Fund Surplus	\$1,253,036
Deduct tangible capital assets	(\$1,498,928)
Add long term debt	\$194,313
Add utility reserves	\$55,163
<b>Equals Working Capital Surplus/Deficit</b>	<b>\$3,584</b>
Utility expenses	\$289,427
<b>20% of utility expenses (target)</b>	<b>\$57,885</b>

## Operating Deficits

The RM applied for the recovery of a 2019 actual operating deficit of \$60,772, when calculated for regulatory purposes. The deficit application stated the deficits were due to increased water transmission and distribution costs and as a result of water breaks. The RM requested the deficits be recovered by way of a deficit rate rider over a period of five years, at a rate of \$.60 per cubic meter.

## Cost Allocation Methodology

The Board approved the Utility's current Cost Allocation Methodology (CAM) in Board Order No. 125/19. The RM did not propose any changes to the existing CAM.

## Unaccounted for Water

The Utility indicated the 2020 unaccounted for water was 56% of water purchased. The rate study advised the Utility would be undertaking projects to replace water meters and water lines, dependant on grant applications.

In October 2023, the RM provided an update advising unaccounted for water in 2021 was 58%, 2022 was 67% and 2023 year to date is 70%.

The RM advised it was successful in obtaining a grant for the replacement of the Rapid City Utility Distribution System, meters and will possibly also be able to replace the lines into the homes. The RM has been through the public hearing process and currently awaiting borrowing approval from the Municipal Board. The RM indicated it hopes to have that approval before year end. The RM would then have the tender process in early 2024 with a plan to have the majority of construction completed in 2024 and if needed, finalized in 2025.

## 5.0 Board Findings

Considering the RM's filing and noting there was one public response to the Notice of Application, the Board has chosen a paper review process.

The Board has reviewed the application and revenue projections presented by the RM and finds the projections to be reasonable. The Board confirms as final the rates granted on an interim *ex parte* basis October 1, 2022, and further grants approval of the revised rates for the RM, effective January 1, 2024, 2025 and 2026.

The Board grants approval of the 2019 operating deficit in the amount of \$60,772, when calculated for regulatory purposes, to be recovered by a rate rider of \$.60 per cubic meter of water sold over a period of five years, or until fully recovered, whichever comes first beginning January 1, 2024.

The Board requires the RM to review its water and wastewater rates for adequacy and file a report with the Public Utilities Board, as well as a full rate application for revised rates if required, by no later than June 30, 2027. Should capital investment result in a material change to the financial operations of the Utility, the RM should return to the Board as required to maintain sufficient rates for operations. The RM should also continue to consider pass through increases in the purchase price of its water, using the Board's established processes as detailed in Board Order No. 120/19 to determine whether the increases are required and the steps to implement such rate increases.

The revenue requirements for water rates should also be positively impacted by any remediation of the unaccounted for water issue, given that the Utility is currently losing 70% of water purchased. The Board finds the RM is taking appropriate action to address this issue, but will direct the RM to provide reporting to the Board quarterly updating both the unaccounted for water percentage and the status of the project to replace the water lines and meters, beginning January 1, 2024 until such time as the unaccounted for water reaches the industry standard of 10%.

The Board will monitor these reports, and may issue a directive to the RM to submit an application for revised rates, if appropriate. The Board expects the rates being approved in this Order will require a downward revision upon remediation of the unaccounted for water issue, and expects the RM to monitor the situation closely and react within a reasonable time frame.

The Board has reviewed the RM's 2022 Audited Financial Statements and notes the Utility incurred an actual operating deficit in 2022. The Board directs the RM to file an application for approval of the 2022 actual operating deficit with a proposed recovery method by no later than December 31, 2023.

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. If this 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.

This note appears to have been incorrectly prepared. The 2022 audited financial statements include a total of \$3,780 in capital grant amortization but the rate study has submitted this amount is incorrect and should be \$11,422. A review of the 2020 to 2022 audited financial statements shows a total of \$189,187 in capital grant revenue recognized on the Schedule of Utility Operations, but the total over the same period on the Public Utilities Board Notes is \$131,396.

The Board directs the RM to prepare a Notice for its ratepayers, informing them of the decisions in this Order. The RM is directed to provide the Board a copy of this Notice and an amended rate By-law, having had third reading.

The Board reminds the RM regular reviews are important for a financially sound utility and encourages the RM to review Board Order Nos. 27/23 and 86/17 for future rate applications. The Orders outline the Simplified Rate Application Process for municipally owned public utilities. If, after its rate review, the RM finds it meets the designated criteria for a Simplified Rate Application, it should apply for future rates using the Simplified Rate Application Process.

## 6.0 IT IS THEREFORE ORDERED THAT:

1. The water and wastewater rates for the Rural Municipality of Oakview – Rapid City Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective January 1, 2024, 2025 and 2026.
2. The water and wastewater rates for the Rural Municipality of Oakview – Rapid City Water and Wastewater Utility, approved on an interim *ex parte* basis in Board Order No 73/22, BE AND ARE HEREBY CONFIRMED AS FINAL.
3. The operating deficit for 2019 totalling \$60,772, when calculated for regulatory purposes, incurred in the Rural Municipality of Oakview – Rapid City Water and Wastewater Utility, BE AND ARE HEREBY APPROVED to be recovered by a rate rider of \$.60 per cubic meter of water sold effective January 1, 2024 to December 31, 2028 or until fully recovered, whichever comes first.
4. The Rural Municipality of Oakview submit an application for approval and recovery of a 2022 actual operating deficit to the Public Utilities Board for the Rapid City Water and Wastewater Utility by no later than December 31, 2023.
5. The Rural Municipality of Oakview - Rapid City Water and Wastewater Utility provide a report to the Public Utilities Board with the quarterly unaccounted for water percentage and updated information on the water line and meter replacement project, beginning January 1, 2024 until such time as the unaccounted for water percentage meets the industry standard of 10%.
6. The Rural Municipality of Oakview is to provide notice of the decisions found in this Order to its customers as soon as possible, with a copy provided to the Public Utilities Board.
7. The Rural Municipality of Oakview amend its Rapid City Water and Wastewater Utility 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.

8. The Rural Municipality of Oakview review the Rapid City Water and Wastewater Utility water rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if applicable), on or before June 30, 2027.

Fees payable upon this Order - \$500.00

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. The Board's Rules may be viewed on the Board's website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).

THE PUBLIC UTILITIES BOARD

"Marilyn Kapitany, B.Sc. (Hon), M. Sc."  
Panel Chair

"Jennifer Dubois, CPA, CMA"  
Assistant Associate Secretary

Certified a true copy of Order No. 122/23  
issued by The Public Utilities Board

  
Assistant Associate Secretary

**RURAL MUNICIPALITY OF OAKVIEW**  
**RAPID CITY WATER & WASTEWATER UTILITY**  
**WATER AND WASTEWATER UTILITY RATES BY-LAW NO.**  
**SCHEDULE "A"**  
**SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge **January 1, 2024**

Rates per Cubic Meters	<u>Cubic Meters per quarter</u>		
	Water	Wastewater	Water & Wastewater
	\$9.87	\$0.83	\$10.70

Deficit Rate Rider for 2019 deficit, \$0.60 per cubic meter of water sold from January 1, 2024 to December 31, 2028.

Quarterly Service Charge \$19.02

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	Water Included CM	Customer Service Charge	Water Commodity Charge	Water & Wastewater Commodity Charge	Water & Wastewater Quarterly Minimum	Deficit Rate Rider	Water & Wastewater Total Quarterly Minimum
5/8 inch	14	\$19.02	\$138.18	\$11.62	\$168.82	\$8.40	\$177.22
3/4 inch	28	\$19.02	\$276.36	\$23.24	\$318.62	\$16.80	\$335.42
1 inch	56	\$19.02	\$552.72	\$46.48	\$618.22	\$33.60	\$651.82
1 ½ inch	140	\$19.02	\$1,381.80	\$116.20	\$1,517.02	\$84.00	\$1,601.02
2 inch	341	\$19.02	\$3,365.67	\$283.03	\$3,667.72	\$204.60	\$3,872.32

**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 quarterly consumption of 39 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is  $(39 * \$0.83) + \$19.02 = \$51.39$

**1. Schedule of Commodity Rates & Quarterly Service Charge**

**January 1, 2025**

Rates per Cubic Meters

Cubic Meters per quarter

	Water	Wastewater	Water & Wastewater
	\$10.05	\$0.82	\$10.87

Deficit Rate Rider for 2019 deficit, \$0.60 per cubic meter of water sold from January 1, 2024 to December 31, 2028.

Quarterly Service Charge                      \$18.94

**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>Water Included CM</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Water &amp; Wastewater Commodity Charge</u>	<u>Water &amp; Wastewater Quarterly Minimum</u>	<u>Deficit Rate Rider</u>	<u>Water &amp; Wastewater Total Quarterly Minimum</u>
5/8 inch	14	\$18.94	\$140.70	\$11.48	\$171.12	\$8.40	\$179.52
3/4 inch	28	\$18.94	\$281.40	\$22.96	\$323.30	\$16.80	\$340.10
1 inch	56	\$18.94	\$562.80	\$45.92	\$627.66	\$33.60	\$661.26
1 ½ inch	140	\$18.94	\$1,407.00	\$114.80	\$1,540.74	\$84.00	\$1,624.74
2 inch	341	\$18.94	\$3,427.05	\$279.62	\$3,725.61	\$204.60	\$3,930.21

**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 quarterly consumption of 39 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is  $(39 * \$0.82) + \$18.94 = \$50.92$

1. Schedule of Commodity Rates & Quarterly Service Charge

**January 1, 2026**

Rates per Cubic Meters

Cubic Meters per quarter

Water	Wastewater	Water & Wastewater
\$10.22	\$0.82	\$11.04

Deficit Rate Rider for 2019 deficit, \$0.60 per cubic meter of water sold from January 1, 2024 to December 31, 2028.

Quarterly Service Charge                      \$18.85

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	Water Included CM	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Quarterly Minimum	Deficit Rate Rider	Water & Wastewater Total Quarterly Minimum
5/8 inch	14	\$18.85	\$143.08	\$11.48	\$173.41	\$8.40	\$181.81
3/4 inch	28	\$18.85	\$286.16	\$22.96	\$327.97	\$16.80	\$344.77
1 inch	56	\$18.85	\$572.32	\$45.92	\$637.09	\$33.60	\$670.69
1 ½ inch	140	\$18.85	\$1,430.80	\$114.80	\$1,564.45	\$84.00	\$1,648.45
2 inch	341	\$18.85	\$3,485.02	\$279.62	\$3,783.49	\$204.60	\$3,988.09

**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 of 39 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is  $(39 * \$0.82) + \$18.85 = \$50.83$

**The following clauses take effect January 1, 2024:**

3. Billings and Penalties

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1 ¼% 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.

4. 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 \$40.00 have been paid.

5. 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

6. Meter Reading

All customers will be required to read their own water meters for a three day period between the 12<sup>th</sup> and the 15<sup>th</sup> of March, June, September and December and phone, email or text in the meter readings to the municipal office. If there is a change in property ownership or tenants, final meter readings are to be taken on the last day of ownership or tenancy and given to the office for billing purposes. All

meters shall be readily accessible to be read quarterly by municipal staff, if requested.

If a customer fails to provide a meter reading within the time required, the meter reading shall be estimated based on the average consumption per quarter in the previous year, or in the case of a new customer the estimate shall be based on the average quarterly residential consumption.

7. Hydrant Charges

The RM of Oakview, or any other hydrant owner, will pay to the Utility a fee of \$95 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 that 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. Mobile Homes

Water meters that are under mobile homes should be brought up to the main level for easier access to read the meter and to prevent the meter from freezing.

12. Service To Customers Outside Utility's Limits

The Council of Rural Municipality of Oakview may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the Local Urban District of Rapid City. 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 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 LUD of Rapid City boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

13. 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. 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.

14. 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:

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.

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

16. 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.