

Order No. 50/23

**RURAL MUNICIPALITY OF WHITEHEAD
WHITEHEAD WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER RATES**

April 21, 2023

BEFORE: Irene Hamilton, K.C., 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 the Rural Municipality of Whitehead (RM), Whitehead Water and Wastewater Utility's (Utility) application for revised water and wastewater rates.

The Board grants approval for the recovery of the 2009 (\$69,195) and 2011 (\$771,629) operating deficits, to be recovered from the Utility's Accumulated Surplus Account.

The revised rates are below:

	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
Quarterly Service Charge	\$ 11.42	\$ 13.99	\$ 16.56	\$ 19.13
Water (per 1,000 gallons)	\$ 11.43	\$ 11.61	\$ 11.79	\$ 11.95
Wastewater (per 1,000 gallons)	\$ 4.07	\$ 5.39	\$ 6.71	\$ 8.02
Minimum Quarterly Charge*	\$ 57.92	\$ 64.99	\$ 72.06	\$ 79.04
Bulk Water Sales**	\$ 29.50	\$ 29.50	\$ 29.75	\$ 30.00
Lagoon Tipping Fee - Outside Whitehead***	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Lagoon Tipping Fee - Within Whitehead***	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Hydrant Rental - Annual per Hydrant	\$ 200.00	\$ 200.00	\$200.00	\$200.00

*based on 3,000 gallons

**based on 1,000 litres

***per load

Details of other rates can be found in Schedule A.

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

2.0 Background

The RM applied to the Board in December 2005 for approval of initial interim bulk water rates. The RM had recently installed a water treatment plant and distribution system to serve the Village of Alexander and provide the surrounding area with bulk water services. At that time, the RM advised that approximately 90 of the expected 125 customers had connected to the water system and were consuming water. The RM advised those customers once the Board had approved rates they would be billed for the water consumed. The Board approved the initial interim bulk water rate in Board Order No. 06/04, directing the Utility to submit a water rate study as soon as possible so the Board could approve an initial water rate for connected customers.

The RM's application was provided to the Board on January 5, 2007. At that time, the Utility advised the Board it had been charging customers the proposed water rate without Board approval. Whitehead Utility had its initial rates approved in Board Order No. 25/07, dated March 12, 2007.

The Utility now provides services to 461 customers, with water and wastewater services in the Alexander urban area and water only services throughout the RM.

Water Supply/Distribution

The Utility purchases water from the Whitehead Elton Regional Water Cooperative (WERWC), operated by the Manitoba Water Services Board (MWSB).

Wastewater Collection and Treatment

The wastewater system is a low pressure gravity system with a two cell lagoon.

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 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 municipality 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 January 25, 2022, the Board received the RM's application to revise its water and wastewater rates and cost allocation methodology. The application submitted by the RM also requested the Board grant authorization to pass through any increases in the wholesale water rate that the WERWC/MWSB charges the Utility, without applying for further approval from the Board, known as "pass through" rate increases.

The Board reviewed the application and audited financial statements and discovered two operating deficits from 2009 and 2011. The RM had not applied to the Board for approval of the deficits or recovery methodology, as required by *The Municipal Act*. On March 8, 2022, the Board sent a letter requesting the RM complete a deficit application. On March 15, 2022 the RM's consultant provided a PUB Schedule 9 in relation to the deficits and advised a resolution would be passed at the next Council meeting. On April 12, 2022, the Board followed up requesting a copy of the Council resolution and on May 13, 2022, the RM submitted Council Resolution No. 2022-102. The resolution requested Board approval of the \$69,195 deficit for 2009 and the \$771,629 deficit for 2011. No recovery methodology was proposed.

The rate application stated the RM had significantly expanded its number of connections since its last review in 2007. The majority of these new customers were in the rural area and the rate study advised that sometime around 2011 the Utility had begun charging customers outside the Alexander urban area an additional \$0.35 per 1,000 gallons for water. This was done without Board approval. During the course of preparing its rate study, the RM discovered its oversight and began charging all customers the Board approved rate of \$11.25 per 1,000 gallons. The Board asked the RM to explain the rationale for the higher rate for rural customers, and the RM was unable to provide one. The rates proposed in the application are the same for both rural and urban customers.

The Board issued a Public Notice of Application on March 29, 2022 affording customers the opportunity to comment to both the Board and the RM with respect to the proposed rate changes. The Board did not receive any responses to the Notice.

The rates were calculated using the following revenue requirement projections:

	Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 4
General				
Administration (building, office, staff, etc)	34,179	34,862	35,559	36,271
Billing and collection				
Total general expenses	34,179	34,862	35,559	36,271
Other income	1,000	1,000	1,000	1,000
Total general revenue	1,000	1,000	1,000	1,000
Net revenue requirement - general	33,179	33,862	34,559	35,271
Water				
Purification and treatment	10,404	10,612	10,824	11,041
Water purchases	213,215	213,215	213,215	213,215
Other	2,601	2,653	2,706	2,760
Amortization	175,562	175,562	175,562	175,224
Interest on long term debt	83,072	74,361	65,227	55,648
Reserves	90,000	90,000	90,000	90,000
Contingency	22,042	22,042	22,042	22,042
Total water expenses	596,896	588,445	579,576	569,930
Hydrant rentals	2,400	2,400	2,400	2,400
Amortization of capital grants	103,256	103,256	103,256	103,256
Taxation revenues	265,950	265,950	265,950	265,950
Bulk water	4,200	4,200	4,200	4,200
Total water revenue	375,806	375,806	375,806	375,806
Net revenue requirement - water	221,090	212,639	203,770	194,124
Wastewater				
Collection system costs	8,235	8,400	8,568	8,739
Amortization	28,907	28,907	28,907	28,907
Contingency	874	874	874	874
Reserves	10,000	10,000	10,000	10,000
Total wastewater expenses	48,016	48,181	48,349	48,520
Lagoon tipping fees				
Amortization of capital grants	16,041	16,041	16,041	16,041
Total wastewater revenue	16,041	16,041	16,041	16,041
Net revenue requirement - wastewater	31,975	32,140	32,308	32,479

The RM's consultant calculated the indicated rates for the final rate year requested (2026) and requested rates be implemented in a stable and predictable rate change year over year.

Contingency Allowance and Utility Reserves

The RM has included in the projections a contingency allowance of 10% of net rate requirements, less amortization expenses. This equates to \$22,042 for water and \$874 for wastewater.

The Utility is carrying significant debt and the annual decrease in outstanding debt significantly affects the working capital surplus. The Utility is proposing an annual transfer of \$100,000 to Utility Reserve to help fund the 2022 Water Treatment Plant upgrade and to stabilize the working capital.

Working Capital

As per the 2021 audited financial statements, the working capital surplus at December 31, 2021 was:

	2021
Accumulated Fund Surplus	\$4,840,426
Deduct tangible capital assets	(\$6,601,405)
Add long term debt	\$1,942,572
Add utility reserves	\$586,217
Equals Working Capital Surplus	\$767,810
Operating costs	\$1,003,098
20% of operating costs (target)	\$200,620

Note: 2021 Operating costs include \$501,648 in connection costs.

Operating Deficits

The RM has advised the Utility has not experienced any operating deficits in the last five years of operation.

Upon request from the Board, the RM submitted a PUB Schedule 9 detailing the deficits for 2009 and 2011, as well as Council Resolution No. 2022-102 requesting Board approval of the deficits. The RM did not file a deficit application form or proposed method of recovery with the Board.

Cost Allocation Methodology

The RM applied for approval of a Cost Allocation Methodology (CAM). The RM proposed 8% of general government services, less assessment and grants expenses.

Unaccounted for Water

The Utility indicated the 2020 unaccounted for water was 22% of water purchased. In an effort to mitigate the water losses, the Utility undertook a water meter replacement program. Unfortunately, this has not resulted in a reduction as unaccounted for water has reportedly increased to 30% in 2021 and 36% in 2022.

5.0 Board Findings

The history of the Whitehead Utility shows a pattern of non-compliance with PUB regulation and authority; the Board expects the RM and Utility to take steps to ensure this is remedied going forward. Pursuant to *The Public Utilities Board Act*, the Board can apply penalties for non-compliance. The Board will consider taking that action if the RM fails to comply with future directives.

The Board's website has many resources and educational webinars to assist municipalities with understanding the expectations and regulations imposed on municipally owned utilities. The Board encourages applicants to confer with Board staff

where there is uncertainty about Board recommended methodology and, where any variation is proposed, the variation be clearly substantiated in the application.

The Board has chosen a paper review process after considering the RM's filing and response to the Notice of Application.

The Board has reviewed the application and revenue projections presented by the RM and finds the projections to be reasonable and grants approval of the water and wastewater rates applied for by the RM.

The Board notes the Utility is currently recognizing taxation revenue of \$265,950 per year for principal payments on five utility debentures. In December 2027 the first of these debentures matures, which in turn results in an increase in required rate revenue. The current provision for reserves of \$100,000 per year may allow the Utility to avoid an operating deficit. However, should the Utility wish to continue making its contribution to the reserve, it will require revised rates.

The Board grants approval of the 2009 and 2011 operating deficits, and finds recover from the Utility's Accumulated Surplus to be most appropriate.

The Board grants approval of the revised Cost Allocation Methodology, and reminds the RM that this methodology must be used consistently in the future. Board approval is required should any further changes be considered.

Pass through rate approval request

The Board grants approval of the RM's request to allow for pass through rate increases resulting from any increases in the wholesale rate set by the MWSB. Pass through rate increases are typically used when a Board regulated utility purchases water from another Board regulated utility. The Board has previously denied a request for pass through rates when a Utility is purchasing water from the City of Winnipeg (CoW), which is not regulated by the Board.

The Board does not allow for pass through rate increases from the CoW because it would not provide ratepayers with the protections afforded by Board oversight and notice requirements. In the case of MWSB wholesale rates, under section 8(2) of *The Manitoba Water Services Board Act*, the purchasing utility (in this case, Whitehead or WERWC), has the opportunity to appeal to the Board any rate it believes to be excessive, an appeal not allowed to customers of the CoW. The MWSB also uses methodology that aligns with that of the Board, which the CoW does not. In addition, the Board will require the Utility to follow the requirements for pass through rate increases as established in section 3.10 of [Board Order No. 124/09](#), with the addition of a 90 day notice period for ratepayers.

The process to be followed is as follows:

Step 1. The RM of Whitehead shall consider the implication of any increase in wholesale water rates approved by the MWSB for the Whitehead Utility, and determine whether or not the increase needs to be passed on to its ratepayers to maintain the adequacy of rates.

Step 2. If the cost increase is to be reflected in the rates of the Whitehead Utility, and with the one exception that changes in the rate of water losses in the system may also be included, the RM need only inform its ratepayers/customers and the Board of the pass through rate change, with a minimum of 90 days notice. This Notice must include information for ratepayers on their ability to respond to the Board regarding the increase.

Step 3. If rates are to change for any other reason or in any amount other than the exact wholesale increase, the RM must make application to the Board, which may decide to proceed to hear the application by way of a paper-based process or by way of an oral public hearing.

Step 4. For such pass through rate changes, the RM shall file an amended rate By-law with Board, along with a copy of the Notice provided to ratepayers.

The Board directs the RM 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 30, 2027.

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 Whitehead – Whitehead Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2023, 2024, 2025 and 2026.
2. The Cost Allocation Methodology for shared services as submitted by the Rural Municipality of Whitehead BE AND IS HEREBY APPROVED.
3. The operating deficits for 2009 and 2011 totalling \$840,824, when calculated for regulatory purposes, incurred in the Rural Municipality of Whitehead – Whitehead Water and Wastewater Utility, BE AND ARE HEREBY APPROVED to be recovered from the Utility's Accumulated Surplus Fund.
4. The request to pass through wholesale water price increases from the Manitoba Water Services Board and Whitehead Elton Regional Water Coop, using the steps outlined in this Board Order, for the Whitehead Water and Wastewater Utility, BE AND ARE HEREBY APPROVED.

5. The Rural Municipality of Whitehead amend its 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.
6. The Rural Municipality of Whitehead is to provide a notice to its customers including the decisions found in this Order, in the next quarterly billing.
7. The Rural Municipality of Whitehead review the Utility 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 September 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.

THE PUBLIC UTILITIES BOARD

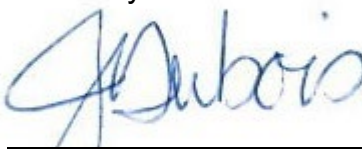
"Irene Hamilton, K.C."

Panel Chair

"Jennifer Dubois, CPA, CMA"

Assistant Associate Secretary

Certified a true copy of Order No. 50/23
issued by The Public Utilities Board



Assistant Associate Secretary

**RURAL MUNICIPALITY OF WHITEHEAD
WHITEHEAD WATER & WASTEWATER UTILITY
SCHEDULE "A" – BY-LAW NO.
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2023

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$11.43	\$4.07	\$15.50

Quarterly Service Charge

\$11.42

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

	Group	Water	Customer	Water	Wastewater	Water & Wastewater	Water
Meter Size	Capacity Ratio	Included Gallons	Service Charge	Commodity Charge	Commodity Charge	Total Quarterly Minimum	Total Quarterly Minimum
5/8 inch	1	3,000	\$11.42	\$34.29	\$12.21	\$57.92	\$45.71
3/4 inch	2	6,000	\$11.42	\$68.58	\$24.42	\$104.42	\$80.00
1 inch	4	12,000	\$11.42	\$137.16	\$48.84	\$197.42	\$148.58
1 ½ inch	10	30,000	\$11.42	\$342.90	\$122.10	\$476.42	\$354.32
2 inch	25	75,000	\$11.42	\$857.25	\$305.25	\$1,173.92	\$868.67

b) Septic Truck Lagoon Tipping Fee Rate

Septic truck haulers shall remit \$50.00 per load for septage hauled from customers located outside the boundaries of the RM of Whitehead.

Septic service haulers shall remit \$20.00 per load for septage hauled from customers located within the boundaries of the RM of Whitehead.

c) Bulk Water

All water sold in bulk shall be charged for at a rate of \$29.50 per 1,000 gallons on a pro rated basis for all quantities.

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2024

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$11.61	\$5.39	\$17.00

Quarterly Service Charge \$13.99

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	\$13.99	\$34.83	\$16.17	\$64.99	\$48.82
3/4 inch	2	6,000	\$13.99	\$69.66	\$32.34	\$115.99	\$83.65
1 inch	4	12,000	\$13.99	\$139.32	\$64.68	\$217.99	\$153.31
1 ½ inch	10	30,000	\$13.99	\$348.30	\$161.70	\$523.99	\$362.29
2 inch	25	75,000	\$13.99	\$870.75	\$404.25	\$1,288.99	\$884.74

b) **Septic Truck Lagoon Tipping Fee Rate**

Septic truck haulers shall remit \$50.00 per load for septage hauled from customers located outside the boundaries of the RM of Whitehead.

Septic service haulers shall remit \$20.00 per load for septage hauled from customers located within the boundaries of the RM of Whitehead.

c) **Bulk Water**

All water sold in bulk shall be charged for at a rate of \$29.50 per 1,000 gallons on a pro rated basis for all quantities.

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2025

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$11.79	\$6.71	\$18.50

Quarterly Service Charge \$16.56

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	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	\$16.56	\$35.37	\$20.13	\$72.06	\$51.93
3/4 inch	2	6,000	\$16.56	\$70.74	\$40.26	\$127.56	\$87.30
1 inch	4	12,000	\$16.56	\$141.48	\$80.52	\$238.56	\$158.04
1 ½ inch	10	30,000	\$16.56	\$353.70	\$201.30	\$571.56	\$370.26
2 inch	25	75,000	\$16.56	\$884.25	\$503.25	\$1,404.06	\$900.81

b) Septic Truck Lagoon Tipping Fee Rate

Septic truck haulers shall remit \$50.00 per load for septage hauled from customers located outside the boundaries of the RM of Whitehead.

Septic service haulers shall remit \$20.00 per load for septage hauled from customers located within the boundaries of the RM of Whitehead.

c) Bulk Water

All water sold in bulk shall be charged for at a rate of \$29.75 per 1,000 gallons on a pro rated basis for all quantities.

1. Schedule of Commodity Rates & Quarterly Service Charge

July 1, 2026

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$11.95	\$8.02	\$19.97

Quarterly Service Charge \$19.13

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

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	\$19.13	\$35.85	\$24.06	\$79.04	\$54.98
3/4 inch	2	6,000	\$19.13	\$71.70	\$48.12	\$138.95	\$90.83
1 inch	4	12,000	\$19.13	\$143.40	\$96.24	\$258.77	\$162.53
1 ½ inch	10	30,000	\$19.13	\$358.50	\$240.60	\$618.23	\$377.63
2 inch	25	75,000	\$19.13	\$896.25	\$601.50	\$1,516.88	\$915.38

b) Septic Truck Lagoon Tipping Fee Rate

Septic truck haulers shall remit \$50.00 per load for septage hauled from customers located outside the boundaries of the RM of Whitehead.

Septic service haulers shall remit \$20.00 per load for septage hauled from customers located within the boundaries of the RM of Whitehead.

c) Bulk Water

All water sold in bulk shall be charged for at a rate of \$30.00 per 1,000 gallons on a pro rated basis for all quantities.

The following clauses take effect July 1, 2023:

1. 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.

2. Disconnection and Reconnection

a. 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.

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

3. 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

4. Service to Customers Outside Municipality's Limits

The Council of the Rural Municipality of Whitehead may sign Agreements with customers for the provision of Water and Wastewater services to properties located outside the boundaries of the Rural Municipality of Whitehead. 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 Whitehead Utility 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. Hydrant Charges

The Rural Municipality of Whitehead, or any other hydrant owner, will pay to the Utility an annual fee of \$200.00 for each hydrant connected to the system which shall include the cost of water used for firefighting.

6. 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.

7. 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.

8. 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.

9. 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 \$150. 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.

10. 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.

11. 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.

12. Authorization for Officer to Enter Upon Premises

Whitehead Regional Water Cooperative Employees, or other employee authorized by the Municipality in the absence of the be Whitehead Regional Water Cooperative Employees, 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.