

**Order No. 126/24**

**CITY OF FLIN FLON  
FLIN FLON WATER AND WASTEWATER UTILITY  
REVISED WATER AND WASTEWATER RATES EFFECTIVE JANUARY 1, 2025  
AND RECOVERY OF 2018 and 2022 ACTUAL OPERATING DEFICITS**

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**OCTOBER 29, 2024**

BEFORE: Shawn McCutcheon, Panel Chair  
Irene Hamilton, K.C., Panel Member  
Marilyn Kapitany, B.Sc., (Hon), M.Sc., Panel Member

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates requested subsequent to the public hearing and based on the 2023 Audited Financial Statements for the City of Flin Flon (City), Flin Flon Water and Wastewater Utility (Utility), and varies the effective dates to January 1, 2025, January 1, 2026, January 1, 2027, and January 1 2028.

The approved rates are as follows:

Note – The below rates differ from those included in the Public Notice and those presented at the public hearing on August 27, 2024. The initially requested rates are presented in the Application section of the Order.

	<b>Current Rates</b>	<b>January 1, 2025</b>	<b>January 1, 2026</b>	<b>January 1, 2027</b>	<b>January 1, 2028</b>
Monthly Service Charge*	\$12.33	\$6.38	\$7.38	\$8.38	\$9.37
Water (per 1,000 gallons)		\$11.17	\$12.67	\$14.17	\$15.68
Wastewater (per 1,000 gallons)		\$7.21	\$8.33	\$9.45	\$10.56
Deficit Rate Rider (per 1,000 gallons)**	\$ -	\$1.69	\$1.69	\$1.69	\$1.69
Minimum Monthly Charge***	\$73.93	\$24.76	\$28.38	\$32.00	\$35.61
Minimum Monthly with Rate Rider***		\$26.45	\$30.07	\$33.69	\$37.30
Unmetered Services – Monthly****	\$104.81	\$107.47	\$122.88	\$138.29	\$153.69
Unmetered Services – Monthly with Rate Rider****		\$116.78	\$132.18	\$147.59	\$162.99
Bulk Water (per 1,000 gallons)	\$12.33	\$15.25	\$16.75	\$16.00	\$17.75
Disconnection Fee	\$93.98	\$100.00	\$100.00	\$100.00	\$100.00

\*Current rates are based on combined commodity and service charge fee.

\*\*Recovery of actual operating deficits incurred in 2018 and 2022.

\*\*\*Current rates based on 6,000 gallons. Proposed rates based on 1,000 gallons.

\*\*\*\*Current rates based on a flat rate basis. Proposed rates based on 5,500 gallons per month.

The Board also approves the City's request for recovery of actual operating deficits in the amounts of \$372,385 for 2018 and \$1,091,682 (or a total two-year deficit of \$1,464,067), when calculated for regulatory purposes, incurred by the Utility to be recovered by a rate rider of \$1.69 per customer per 1,000 gallons of water for a period of five years, effective January 1, 2025, or until \$1,464,067 is collected, whichever comes first.

Details of rates are 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 City owns and operates the Utility serving 207 metered and 2,027 water and wastewater customers. Rates were last approved in 2020 in Board Order No. 122/20, with current rates coming into effect January 1, 2021.

### **Water Supply/Distribution**

The Utility uses a continuous double main re-circulating system that requires heating of the water from October to April of each year to prevent freezing of water lines. The Twin Feeder Main renewal project completed in 2008 brings fresh water from Cliff Lake to the new water treatment plant. The new water treatment plant was constructed at cost of approximately \$14.3 million and put into use in 2018. It employs a dual train membrane based ultrafiltration treatment process.

The water treatment plant has a maximum daily production capacity of 7,604m<sup>3</sup> of treated potable water, which meets maximum daily consumption volumes out to 2041 using a conservative population growth estimate of 1% per year (the City of Flin Flon averaged a decrease in population of 1.22% annually between the years of 1991 – 2021).

The water storage system is comprised of two independent reinforced concrete structures, one below grade at the water treatment plant (5,600m<sup>3</sup>) and one above-ground (2,780 m<sup>3</sup>). Also included in this project was renewal of Heating Plant #2. Heating Plant #1 was upgraded at a cost of \$3.0 million in 2019-2020, and \$1.5 million in upgrades to the water reservoir was completed in 2020.

### **Wastewater Collection/Treatment**

The wastewater treatment plant consists of a Head-works facility for primary treatment/sludge processing constructed in 1999-2000, and a sequential batch reactor facility constructed in 2004-2005.

### **Unaccounted for Water**

The acceptable percentage of unaccounted for water is 10%, based on industry standards. If the percentage is above this amount, the applicant is to explain why and provide a plan to remedy.

As at 2023, unaccounted for water for the Utility was 48.79%, which is significantly over the industry standard of 10%. The City advises the consumption volume for unmetered customers was extrapolated using metered volumes for multi-family residential properties, adjusted to account for increased consumption in unmetered properties and single-family detached dwellings as compared to multi-family dwellings. Approximately 87% of utility customers are unmetered, which introduces a significant degree of uncertainty in unmetered consumption volume. A majority of Utility customers have bleeder valves to prevent line freezes, which also contributes significantly to unaccounted water levels.

### 3.0 Application

On January 29, 2024, the City applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the City’s consultant and By-Law 2023-20 having had first reading on November 21, 2023 and given second reading on February 6, 2024. The City also applied for recovery of actual operating deficits incurred by the Utility in the amounts of \$372,385 for 2018 and \$1,091,682 (or a total two-year deficit of \$1,464,067), when calculated for regulatory purposes, incurred by the Utility to be recovered by a rate rider of \$1.69 per customer per 1,000 gallons of water of seven years, effective January 1, 2025, or until \$1,464,067 is collected, whichever comes first.

A Public Notice of Application was issued on February 1, 2024, allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the City on or before April 1, 2024. There were 167 responses to the Notice primarily regarding the magnitude of the requested rate increases and mismanagement of the Utility.

The rates requested in the Public Notice were as follows:

	<b>Current Rates</b>	<b>January 1, 2025</b>	<b>January 1, 2026</b>	<b>January 1, 2027</b>	<b>January 1, 2028</b>
Monthly Service Charge*	\$12.33	\$7.09	\$7.87	\$8.65	\$9.43
Water (per 1,000 gallons)		\$12.44	\$13.66	\$14.88	\$16.09
Wastewater (per 1,000 gallons)		\$10.21	\$11.31	\$12.41	\$13.52
Deficit Rate Rider (per 1,000 gallons)***	\$ -	\$1.69	\$1.69	\$1.69	\$1.69
Minimum Monthly Charge***	\$73.93	\$29.74	\$32.84	\$35.94	\$39.04
Minimum Monthly with Rate Rider***		\$31.43	\$34.53	\$37.63	\$40.73
Unmetered Services – Monthly****	\$104.81	\$131.67	\$145.21	\$158.75	\$172.29
Unmetered Services – Monthly with Rate Rider****		\$140.97	\$154.51	\$168.05	\$181.59
Bulk Water (per 1,000 gallons)	\$12.33	\$16.50	\$17.75	\$16.75	\$18.00
Disconnection Fee	\$93.98	\$100.00	\$100.00	\$100.00	\$100.00

\*Current rates are based on combined commodity and service charge fee.

\*\*Recovery of actual operating deficits incurred in 2018 and 2022.

\*\*\*Current rates based on 6,000 gallons. Proposed rates based on 1,0000 gallons.

\*\*\*\*Current rates based on a flat rate basis. Proposed rates based on 5,500 gallons per month.

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 chose a public hearing process for the City's applications given the significant number of responses from ratepayers.

A Public Notice of Hearing was issued on April 12, 2024, advising of a public hearing to be held on May 27, 2024 regarding both the City's rate application and the City's deficit application. The Notice allowed those wanting to make written representations regarding the City's applications or to apply for Intervener Status until the end of the day on May 20, 2024 to do so.

A Notice of Postponement of Public Hearing was issued on May 17, 2024 due to the wildfire situation in Northern Manitoba.

A revised Public Hearing Notice was issued on June 20, 2024, advising of the rescheduled public hearing to be held on August 27, 2024. The Notice allowed those wanting to make written representations regarding the City’s applications or to apply for Intervener Status until the end of the day on August 20, 2024 to do so.

The Board received one response to the Notice of Public Hearing to register as a presenter at the Hearing.

The rates were calculated based on the following projections using an annual inflation rate of 3% in all calculations:

<b>Schedule of Utility Rate Requirements</b>				
<b>City of Flin Flon – Flin Flon Water and Wastewater Utility</b>				
<b>2025 to 2028 Budget Forecasts (\$)</b>				
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
	<b>Forecast</b>			
<b>General Expenses</b>				
Administration	149,614	154,103	158,726	163,488
Training	9,930	10,228	10,535	10,851
Billing and Collection	80,033	82,434	84,907	87,455
Utilities	2,190	2,256	2,323	2,393
Total General Expenses	241,767	249,021	256,491	264,187
<b>Revenue</b>				
Penalties	55,000	55,000	55,000	55,000
Other Income	13,136	13,136	13,136	13,136
Total General Revenues	68,136	68,136	68,136	68,136
<b>Net Costs General</b>	<b>173,631</b>	<b>180,885</b>	<b>188,355</b>	<b>196,051</b>
<b>Water Expenses</b>				
Purification and Treatment	881,451	907,894	935,131	963,185
Transmission and Distribution	1,123,896	1,157,613	1,192,341	1,228,112
Water Delivery Costs	190,962	196,691	202,592	208,669
Hydrant Maintenance	46,184	47,569	48,996	50,466
Connection Costs	185,596	191,164	196,898	202,805
Amortization	408,557	433,294	430,520	430,520
Interest on Long-Term Debt	62,627	43,224	22,974	16,306
Contingency	265,324	265,324	265,324	265,324



	Reserves	-	-	-	-
	Total Water Expenses	3,164,597	3,242,773	3,294,776	3,365,387
<b>Revenue</b>					
	Bulk Water Fees	5,442	5,854	5,524	5,936
	Hydrant Rentals	136,080	136,080	136,080	136,080
	Total Water Revenues	141,522	141,934	141,604	142,016
	<b>Net Costs Water</b>	<b>3,023,075</b>	<b>3,100,839</b>	<b>3,153,172</b>	<b>3,223,371</b>
<b>Wastewater Expenses</b>					
	Collection System	476,415	490,707	505,429	520,592
	Treatment and Disposal	669,500	689,585	710,273	731,581
	Lift Station	515,000	530,450	546,364	562,754
	Delivery System Pumpouts	131,552	135,498	139,563	143,750
	Other Wastewater Costs	2,652	2,732	2,814	2,898
	Amortization	315,175	355,820	355,820	355,820
	Interest on Long-Term Debt	1,171	601	-	-
	Contingency	196,157	196,157	196,157	196,157
	Reserves	-	-	-	-
	Total Wastewater Expenses	2,307,622	2,401,550	2,456,420	2,513,552
	<b>Net Costs Wastewater</b>	<b>2,307,622</b>	<b>2,401,550</b>	<b>2,456,420</b>	<b>2,513,552</b>
	<b>Net Operating Costs</b>	<b>5,504,328</b>	<b>5,683,274</b>	<b>5,797,947</b>	<b>5,932,974</b>

The application noted the proposed Utility rate increases are primarily required to account for wastewater capital projects resulting in additional staff hours and materials as well as expiring taxation revenue for debenture debt recovery.

### 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 City has included an annual contingency allowance of \$265,324 for water and \$196,157 for wastewater or a total annual contingency allowance of \$461,481.

After the public hearing and upon finalization of the 2023 Audited Financial Statements, the contingency allowance was revised to \$258,487 for water and \$153,352 for wastewater or a total annual contingency allowance of \$411,839.

The City has not included a reserve allocation due to the magnitude of the proposed rate increases.

### 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 2023 Audited Financial Statements, the most recent information available, the working capital surplus for the Utility at December 31, 2023 was:

	2023
Utility Fund Surplus/Deficit	\$22,236,818
Deduct: Tangible Capital Assets	(37,099,696)
Add: Long-Term Debt	2,166,067
Add: Meter Reserve	29,269
<b>Equals Working Capital Surplus (Deficit)</b>	<b>\$(12,667,542)</b>
Operating Expenses	4,547,431
<b>20% of Operating Expenses (Target)</b>	<b>\$909,486</b>

The Utility does not meet the Board minimum working capital surplus of 20% and represents a shortfall of \$13,577,028.

### 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 City's allocation plan for shared costs is as follows:

<b>City of Flin Flon</b> <b>Flin Flon Water and Wastewater Utility</b> <b>Allocation Plan for Non-Direct Shared Services (see Note 1)</b> <b>as at October 2023</b>			
Category	Sub-category	Options	
1.0 Administrative Staff		Activity Based (Note 1)	As per salary allocation schedule below.
	1.1 Billing services – meter reading to receipting and collection.		As per salary allocation schedule below.
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		As per salary allocation schedule below.
	1.3 Common office space		N/A
	1.4 Office overheads (telephone, photocopier, computer, etc.)		Direct charge where applicable.
2.0 Operating, construction and maintenance costs			
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		Applicable vehicle costs are charged to the Utility.
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)		Based on actual costs.
	2.3 Public works building and property.		10% of maintenance shop, warehouse, changehouse costs are charged to the Utility.
	2.4 Road repairs and alike (see Note 3)		Based on actual costs
3.0 Major projects			
	Interest/ financing		N/A
	Labor		Based on actual costs.
	External costs		N/A
	External costs		Direct charge (dedicated consulting)

Note 1 – Allocation must be updated periodically to reflect impacts of inflation.

Note 2 – Including salaries and benefits.

Note 3 – If a project involves work benefitting both the Utility and general operations the costs may be shared (i.e. If reconstructing a road and replacing services at the same time, a portion of the roadwork costs may be allocated to the Utility.)

## Deficits

By law, Manitoba utilities are not allowed to incur deficits. In the event a deficit does occur, the Utility is required by *The Municipal Act* to obtain Board approval for both the deficit and recovery methodology as soon as it is known.

The City applied for the recovery of actual operating deficits in the amounts of \$372,385 for 2018 and \$1,091,682 for 2022 (or a total two-year deficit of \$1,464,067), when calculated for regulatory purposes, incurred by the Utility to be recovered by a rate rider of \$1.69 per cubic meter for a period of five years.

The City advises the 2018 deficit was primarily due to increased amortization expenses related to the new water treatment plant and higher than usual water transmission and distribution expenses related to heating plant and water main and utilidor maintenance costs. The 2022 deficit was primarily due to wastewater lift station expenses related to labour and repairs and water transmission and distribution expenses related to primary heating plant costs and water main maintenance.

## 4.0 Public Hearing

A Public Hearing took place on August 27, 2024, in accordance with the Notice of Hearing. Approximately 76 members of the public attended, including several members of the City's Council. The City's panel consisted of a City representative, Treasurer, and its consultants, Way To Go Consulting Inc.

The City provided a five-minute, prerecorded presentation that provided some information regarding the make-up of the Utility and some of its unique characteristics.

The City's consultants provided a 35-minute presentation regarding how the rate study addressed prior Board directives from Board Orders of separating combined rates for metered and unmetered customers and separating water and wastewater rates; how rates were calculated and their impact on customers; reasons for the requested rate increases (which included insufficient rates, increased expenses, and expiring taxation revenue from debenture debt); breakdown of the Utility's deficits, application, and requested rate rider; planned capital projects; a discussion on water loss; review of the Working Capital deficit; and a rate comparison to other Manitoba utilities.

At the conclusion of the presentation, the City provided the following clarifications and answers to the Board's questions:

- "Bleeder" lines occur before water meters and therefore do not flow through meters.
  - o The City is also unaware of many "bleeder" lines that were installed without their knowledge.
  - o Water utilidors may reduce need for "bleeder" lines, but due to the number of unknown lines unaccounted for water is still a significant issue for the Utility. Further, the end of utility lines often require a "bleeder", but given much of the ground is hard, bedrock they are difficult and expensive to install.
- The City is considering a metering project, but is awaiting the Board's findings from the rate and deficit applications prior to proceeding.
- Public Sector Accounting Standards (PSAS) state amortization must be included as a utility expense and property tax moneys must be included as utility revenue, which have a significant impact on utility rates.
- Rates are based on the assumption that average metered consumption increases by 22% for unmetered accounts. Further, unmetered consumption increases by 71% for single-family detached customers versus multi-family residences due to such things as having no yard and therefore little (if any) outdoor yard watering is required.
- Initially the City's consultant's advised the Utility was forecasting deficits of approximately \$320,000 for 2023 and \$560,000 for 2024, which was consistent with the rate study.

- The City's Treasurer subsequently advised that based on the new 2023 Audited Financial Statements, the Utility was no longer forecasting any deficits for 2023 or 2024.
- If the requested rates are approved, the Utility is also forecasting to break even in 2025.
- No reserve allocation was included in the rate study due to the large rate increases requested.

### **Presentations**

There was one registered presenter and during the open comment session of the hearing, members of the public asked questions and provided opinions and comments.

Registered Presenter #1 noted they were overwhelmed by the City's presentations and was confused by the contradiction regarding the Utility's forecasted deficit position versus no longer being in a deficit position for 2023 and 2024. The City clarified that a 2022 Utility project went significantly over budget, which led to the 2022 actual operating deficit and skewed the 2023 and 2024 forecasts.

Given the large disparity between requested utility rate increases and increases to household incomes (especially in the case of Flin Flon seniors, for example), Presenter #1 recommended the City consider funding deficits using debentures, apply for more grants, consider better forecasting methodologies as to them the current methods seemed like guessing, and the Board to Order increases more in line with other Manitoba municipalities.

Presenter #1 also was concerned the Utility was confusing operating and capital expenses and was concerned customers were forced to pay unnecessarily high rates due to not being metered.

Presenter #2 requested clarification from the City regarding rates for metered properties and the City confirmed they would be approximately staying the same in the first year if approved by the Board. Presenter #2 also asked if customers had an option to pay for their own water meters and the City advised there was currently no such option, but were exploring such options for customers. Presenter #2 also advised they felt the reported percentage of unmetered customers seemed high, line breaks and unseen line breaks from neglected infrastructure is causing a lot of wasted water that could be reduced by fully metering the system.

Presenter #3 noted they are a landlord, thanked Presenter #1 for their insights to protect local ratepayers and noted the issues with large rate increases for landlords who include water rates in rent amounts as they are restricted in the amounts they are permitted to increase rent year-over-year that could not equal the requested utility rate increases. Presenter #3 advised installing meters would save water and reduce utility rates.

Presenter #4 was critical of Council decision making, negligence regarding road maintenance, and added many constituents may find it attractive to move to neighbouring cities due the many issues in Flin Flon.

Presenter #5 noted their ownership of property and investment in the community.

Presenter #1 discussed information from 2026 related to a potential contract for metering and findings from a study done at that time. They noted he was concerned regarding the accuracy of reported operating expenses and the Audited Financial Statements, discussed a previous study regarding the methods used to heat the systems water (to prevent line freezing) and the potential use of geothermal head as a more effective alternative, challenged the City to find new efficiencies to reduce costs, was not happy with the City's presentation regarding the impact on unmetered customers.

Presenter #6 was concerned regarding the City's presentation's attention regarding the unmetered portion of the system resulting in the rate increase requirements and instead thought rate increases were being caused by poor line maintenance, diverting funds from road maintenance to other less financially efficient projects, inefficient repairs to the same system leaks requiring year-over-year repairs, mismanagement of financial resources, and poor work ethics of city workers. These many issues result in an unaffordable rate requirement for taxpayers/ratepayers, many of who are seniors. Presenter #6 also noted the presentation was overly complicated and lacked more common, understandable terminology and transparency.

Presenter #7 thought thousands of gallons of water was wasted at the old Flin Flon Hotel due to leaks/breaks, lacked confidence in the ratio of multi-family homes, felt the requested rate increases were unfair and may cause residents to be required to relocate to areas with more affordable utility rates, was disappointed in the City's lack of attention to some water leaks, and thought meters should be installed as soon as possible, also stating many customers may pay themselves to have meters installed.

Presenter #8 discussed their attendance at recent Council meetings. They were concerned with Council's dismissal of potential water use reduction plans, water lost/wasted as a result of system leaks, potential inaccuracies of data in the City's presentation due to water loss and the unmetered system, and the financial burden system mismanagement has placed on seniors. Presenter #8 stated they were in favour of fully metering the system and encouraged Council and Utility staff to perform a more thorough analysis of the system issues and determine more effective means of mitigating the issues.

Presenter #2 commended the City workers for their repair of leaks in his area.

Presenter #1 asked the City's consultants if money would be saved if water loss was improved and asked why the City's presentation and forecasts were focused on the year 2028, what has changed within the system that has resulted in the City's request for a 70% rate increase, and clarification regarding debt/deficits and who the Utility owes moneys to repay debt/deficits.



The City's consultants were unable to speculate regarding specific reductions resulting from improved water loss, but noted savings would be achieved through a reduced cost to heating water and more attention to turning off bleeders accordingly when they are no longer required. They noted utility rates are generally requested for three to four years and the Utility used 2028 as the basis to smooth the rate increases for the four years of rates requested. They also noted rate increases were primarily driven by significant operating cost increases, high inflation rates, and capital cost increases resulting from infrastructure issues. Debt/deficits are owed to the City's General Fund.

Some presenters questioned Hydro rates/increases of 3% versus the 70% utility rate increase requested by the City and why there is such a significant disparity.

Presenter #6 asked the City if after the four years of requested rates going up, will there potentially be a utility rate reduction? They also asked the cost of contracting a rate study and what is being done to address system leaks?

The City's treasurer advised, once requested rates conclude in 2028, a new rate study will be conducted. If the findings of the rate study are such that expenses are less than forecasted, the rates will be reduced accordingly. They also advised the cost of a rate study is approximately \$20,000 and water loss in 2022 was at its highest of all time, but has been significantly reduced in 2023. The City's representative advised, the City's goal is for a water flow of 44L per second or less. In 2022, water flow was approximately 60L per second with no day below 44L per second. In 2023, water flow was approximately 33 to 34L per second and there was no day over 44L per second, meaning water loss has been greatly improved.

Presenter #9 performed an analysis of the City's reported water loss, confirming the accuracy of the City's numbers. Their report was provided to the Board for reference.

Presenter #10 discussed Utility customers that reside in Saskatchewan. They advised the Saskatchewan government has paid for Utility pumpouts, was curious if the Board was aware the Utility had customers in Saskatchewan, and if the Government of Saskatchewan provides any assistance to the Utility.

The City’s treasurer advised there are 122 customers in Saskatchewan, who reside in Flin Flon. The City’s representative advised the Utility may apply for grants through the Government of Saskatchewan every five years based on the number of Utility customers/residents in Saskatchewan.

Presenter #11 advised they are a local landlord and he felt the requested utility rate increases are unreasonable and based water rates being included in rent, they felt tenants consumption habits would take advantage of this benefit and therefore many landlords would struggle.

Presenter #12 commented on system bleeder lines.

## 5.0 Board Findings

### Rates

Subsequent to the public hearing held for the Utility, based on the variance between the financial projections used to calculate rates at the time the City filed a revised rate application with the Board and the financials presented in the 2023 Audited Financial Statements, the City’s consultants revised the forecasted utility rate requirements as follows:

<b>Schedule of Utility Rate Requirements</b>				
<b>City of Flin Flon – Flin Flon Water and Wastewater Utility</b>				
<b>2025 to 2028 Budget Forecasts (\$)</b>				
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
		<b>Forecast</b>		
<b>General Expenses</b>				
Administration	149,614	154,103	158,726	163,488
Training	9,930	10,228	10,535	10,851
Billing and Collection	80,033	82,434	84,907	87,455
Utilities	2,190	2,256	2,323	2,393
Total General Expenses	241,767	249,021	256,491	264,187
<b>Revenue</b>				
Penalties	49,091	49,091	49,091	49,091
Other Income	14,798	14,798	14,798	14,798

	Total General Revenues	63,889	63,889	63,889	63,889
	<b>Net Costs General</b>	<b>177,878</b>	<b>185,132</b>	<b>192,602</b>	<b>200,298</b>
<b>Water</b>					
<b>Expenses</b>					
	Purification and Treatment	834,790	859,834	885,629	912,198
	Transmission and Distribution	1,176,328	1,211,618	1,247,967	1,285,406
	Water Delivery Costs	192,296	198,064	204,006	210,127
	Hydrant Maintenance	63,525	65,430	67,393	69,415
	Connection Costs	98,587	101,545	104,591	107,729
	Amortization	408,637	410,875	413,100	418,100
	Interest on Long-Term Debt	62,627	43,224	22,974	16,306
	Contingency	258,487	258,487	258,487	258,487
	Reserves	-	-	-	-
	<b>Total Water Expenses</b>	<b>3,095,277</b>	<b>3,149,077</b>	<b>3,204,147</b>	<b>3,277,768</b>
<b>Revenue</b>					
	Bulk Water Fees	5,029	5,524	5,277	4,617
	Hydrant Rentals	136,080	136,080	136,080	136,080
	<b>Total Water Revenues</b>	<b>141,109</b>	<b>141,604</b>	<b>141,357</b>	<b>140,697</b>
	<b>Net Costs Water</b>	<b>2,954,168</b>	<b>3,007,473</b>	<b>3,062,790</b>	<b>3,137,071</b>
<b>Wastewater</b>					
<b>Expenses</b>					
	Collection System	293,132	301,926	310,984	320,314
	Treatment and Disposal	608,067	626,309	645,099	664,452
	Lift Station	316,571	326,069	335,851	345,926
	Delivery System Pumpouts	46,309	47,699	49,130	50,603
	Other Wastewater Costs	139,312	143,491	147,796	152,230
	Amortization	253,224	255,369	260,369	265,369
	Interest on Long-Term Debt	1,171	601	-	-
	Contingency	153,353	153,353	153,353	153,353
	Reserves	-	-	-	-
	<b>Total Wastewater Expenses</b>	<b>1,811,139</b>	<b>1,854,817</b>	<b>1,902,582</b>	<b>1,952,247</b>
	<b>Net Costs Wastewater</b>	<b>1,811,139</b>	<b>1,854,817</b>	<b>1,902,582</b>	<b>1,952,247</b>
	<b>Net Operating Costs</b>	<b>4,943,185</b>	<b>5,047,422</b>	<b>5,157,974</b>	<b>5,289,616</b>

The Board has reviewed the application and the projections for utility rates presented by the City's consultant in its revised rate application and the revised forecasts and rates submitted after the public hearing and notes the calculations used to formulate the Utility's rates are not consistent with Public Utilities Board Guidelines, but instead have been designed to phase-in rates to mitigate rate-shock and high year-over-year rate increases.

The Board notes, it is the Utility's responsibility to review the rates and ensure rates are adequate to recover the cost of services being provided to its ratepayers. Ratepayers are generally more tolerant of regular, smaller increases which also serves to establish rate fairness. The City needs to be much more diligent in conducting regular reviews of its revenue requirements for the Utility.

The Board also notes, revenue collected on taxes to provide for debt payments is reducing from \$900,940 in 2024 to \$537,914 in 2025 and \$137,468 in 2027, which has a significant impact on water and wastewater rates required to maintain the financial viability of the Utility. Had the City been more diligent in planning for the cessation of if these revenues, the high year-over-year rate increases now required to provide for the Utility's operating requirements may have been mitigated.

The Board approves the rates as applied for, and varies the effective dates to January 1, 2025, January 1, 2026, January 1, 2027, and January 1, 2028.

The Board requires the City 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 April 1, 2028.

### **Annual Review**

The Board notes, at the public hearing it was noted there was a significant change in the Utility's financial position due to a large variance from the Utility's forecast included in the City's initial rate application to the final 2023 Audited Financial Statements.

The Board directs the City to review its Audited Financial Statements and Utility financials annually and file either a Rate Adequacy Report or a request to review and vary the rates approved in this Order (whichever the City deems applicable), to ensure the approved rates are adequate to provide for the operating costs of the Utility, on October 1, 2025 and October 1, 2026, and October 1, 2027.

### **Deficits**

The Board has reviewed the City's Deficit Application and is concerned by the total amount of the deficits incurred by the Utility. The Board reminds the City, that by law, Manitoba utilities are not allowed to incur deficits. In the event a deficit does occur, the Utility is required by to obtain Board approval for both the deficit and recovery methodology as soon as a deficit is known.

The Board is also concerned regarding the five-year duration of the rate rider requested to recover the five-year total deficit of \$1,464,067. In general, the Board recommends deficits be recovered as soon as feasible (usually three years or less). The Board recognizes, however, that recovering the deficits incurred by the Utility over a period longer than three years will mitigate the financial impact of the rate rider on customers.

The Board notes, utility deficits should ideally be paid by the customer base that existed when the deficits were incurred, however, prior to this rate application, it had been four years since the Utility last had rates approved by the Board. The Board also notes that the City's requested rates for the Utility represent a significant increase for customers. The Board therefore finds it must attempt to balance rate fairness and the mitigation of customer rate shock.

The Board notes it is the City'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.

The Board approves the Utility's actual operating deficits, when calculated for regulatory purposes, of \$372,385 for 2018 and \$1,091,682 (or a total two-year deficit of \$1,464,067), when calculated for regulatory purposes, incurred by the Utility to be recovered by a rate rider of \$1.69 per customer per 1,000 gallons of water for a period of five years, effective January 1, 2025, or until \$1,464,067 is collected, whichever comes first.

### **Water Meters**

At the public hearing and in many of the 167 responses to the Public Notice of Application, customers were concerned by the disparity between rates for metered versus unmetered customers. Based on the City's presentation and responses from the City to Board and customer questions at the public hearing, it is a widely held opinion a full system metering project would reduce high water loss volumes, eliminate rate inequities between metered and unmetered customers, and provide assistance in stabilizing the long-term financial health of the Utility while potentially stabilizing (or even reducing) future rates. Some customers even asked if the City offered an option to pay for the full cost of installation of a water meter with no subsidization from the City or the Utility.

The Board notes, many studies have indicated water meters incentivise customers to monitor and reduce consumption and therefore use less water. Water meters also help to better track water consumption within the system to assist utilities to better identify and reduce system breaks and leaks that will reduce unaccounted for water losses.

The Board recommends the City investigate and analyze funding and/or grant opportunities to assist in developing and implementing a water system metering project.

## 6.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the City of Flin Flon, Flin Flon Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, and varies the effective dates to January 1, 2025, January 1, 2026, January 1, 2027, and January 1, 2028.
2. The Shared Cost Allocation Methodology for the City of Flin Flon BE AND IS HEREBY APPROVED.
3. The City of Flin Flon 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.
4. The City of Flin Flon 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.
5. The City of Flin Flon review its water and wastewater rates for the Flin Flon 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 April 1, 2028.
6. The City of Flin Flon review its Audited Financial Statements and Utility financials annually, and file either a Rate Adequacy Report or a request to review and vary the rates approved in the Order, on October 1, 2025, October 1, 2026, and October 1, 2027.
7. The actual operating deficits, when calculated for regulatory purposes, in the amount of \$372,385 for 2018 and \$1,091,682 for 2022 (or a total two-year deficit of \$1,464,067) incurred by the Flin Flon Water and Wastewater Utility is HEREBY APPROVED to be recovered by a rate rider of \$1.69 per customer per 1,000 gallons of water for a period of five years, effective January 1, 2025, or until \$1,464,067 is collected, 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 (Rules). The Board's Rules may be viewed on the Board's website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).

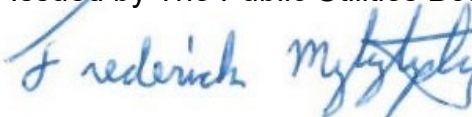
Fees payable upon this Order - \$1,500.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"  
Panel Chair

"Frederick Mykytyshyn"  
Assistant Associate Secretary

Certified a true copy of Order No. 126/24  
Issued by The Public Utilities Board



Assistant Associate Secretary



**SCHEDULE A  
CITY OF FLIN FLON  
FLIN FLON WATER AND WASTEWATER UTILITY  
WATER AND WASTEWATER UTILITY RATES BY-LAW NO.  
SCHEDULE OF QUARTERLY RATES  
Effective January 1, 2025**

**1. Schedule of Commodity Rates & Monthly Service Charge January 1, 2025**

Monthly Service Charge	\$6.38			
			Water &	
Commodity Rates	Water	Wastewater	Wastewater	Rate Rider
Per 1,000 Gallons	\$11.17	\$7.21	\$18.38	\$1.69

**Deficit Rate Rider**

In addition to the aforesaid commodity rates, a deficit rate rider of \$1.69 per 1,000 gallons shall be charged for 5 years commencing January 1, 2025 to recover the 2018 and 2022 operating deficits.

**2. Minimum Charges per Month**

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

For all metered accounts, volumes in excess of the minimum monthly allowance will be charged at the applicable commodity rate.

**a. Metered Water & Wastewater Customers**

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Monthly Minimum	Rate Rider	Water & Wastewater Total Monthly Minimum With Rate Rider
5/8	1	1,000	\$ 6.38	\$ 11.17	\$ 7.21	\$ 24.76	\$ 1.69	\$ 26.45
3/4	2	2,000	\$ 6.38	\$ 22.34	\$ 14.42	\$ 43.14	\$ 3.38	\$ 46.52
1	4	4,000	\$ 6.38	\$ 44.68	\$ 28.84	\$ 79.90	\$ 6.76	\$ 86.66
1 ½	10	10,000	\$ 6.38	\$ 111.70	\$ 72.10	\$ 190.18	\$ 16.90	\$ 207.08
2	25	25,000	\$ 6.38	\$ 279.25	\$ 180.25	\$ 465.88	\$ 42.25	\$ 508.13
3	45	45,000	\$ 6.38	\$ 502.65	\$ 324.45	\$ 833.48	\$ 76.05	\$ 909.53
4	90	90,000	\$ 6.38	\$ 1,005.30	\$ 648.90	\$ 1,660.58	\$ 152.10	\$ 1,812.68

**b. Unmetered Water & Wastewater Customers**

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Monthly Charge	Rate Rider	Total Monthly Charge With Rate Rider
Unmetered		5,500	\$ 6.38	\$ 61.44	\$ 39.66	\$ 107.48	\$ 9.30	\$ 116.78

**3. Bulk Water**

All water sold in bulk by the Flin Flon Utility shall be charged at the rate of \$15.25 per 1,000 gallons.

**1. Schedule of Commodity Rates & Monthly Service Charge January 1, 2026**

Monthly Service Charge      \$7.38

Commodity Rates	Water	Wastewater	Water & Wastewater	Rate Rider
Per 1,000 Gallons	\$12.67	\$8.33	\$21.00	\$1.69

**Deficit Rate Rider**

In addition to the aforesaid commodity rates, a deficit rate rider of \$1.69 per 1,000 gallons shall be charged for 5 years commencing January 1, 2025 to recover the 2018 and 2022 operating deficits.

**2. Minimum Charges per Month**

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

For all metered accounts, volumes in excess of the minimum monthly allowance will be charged at the applicable commodity rate.

a. Metered Water & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Monthly Minimum	Rate Rider	Water & Wastewater Total Monthly Minimum With Rate Rider
5/8	1	1,000	\$ 7.38	\$ 12.67	\$ 8.33	\$ 28.38	\$ 1.69	\$ 30.07
3/4	2	2,000	\$ 7.38	\$ 25.34	\$ 16.66	\$ 49.38	\$ 3.38	\$ 52.76
1	4	4,000	\$ 7.38	\$ 50.68	\$ 33.32	\$ 91.38	\$ 6.76	\$ 98.14
1 ½	10	10,000	\$ 7.38	\$ 126.70	\$ 83.30	\$ 217.38	\$ 16.90	\$ 234.28
2	25	25,000	\$ 7.38	\$ 316.75	\$ 208.25	\$ 532.38	\$ 42.25	\$ 574.63
3	45	45,000	\$ 7.38	\$ 570.15	\$ 374.85	\$ 952.38	\$ 76.05	\$ 1,028.43
4	90	90,000	\$ 7.38	\$ 1,140.30	\$ 749.70	\$ 1,897.38	\$ 152.10	\$ 2,049.48

b. Unmetered Water & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Monthly Charge	Rate Rider	Total Monthly Charge With Rate Rider
Unmetered		5,500	\$ 7.38	\$ 69.69	\$ 45.82	\$ 122.89	\$ 9.30	\$ 132.19

**3. Bulk Water**

All water sold in bulk by the Flin Flon Utility shall be charged at the rate of \$16.75 per 1,000 gallons.

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

**January 1, 2027**

Monthly Service Charge     \$8.38

Commodity Rates	Water	Wastewater	Water & Wastewater	Rate Rider
Per 1,000 Gallons	\$14.17	\$9.45	\$23.62	\$1.69

**Deficit Rate Rider**

In addition to the aforesaid commodity rates, a deficit rate rider of \$1.69 per 1,000 gallons shall be charged for 5 years commencing January 1, 2025 to recover the 2018 and 2022 operating deficits.

**2. Minimum Charges per Month**

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

For all metered accounts, volumes in excess of the minimum monthly allowance will be charged at the applicable commodity rate.

**a. Metered Water & Wastewater Customers**

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Monthly Minimum	Rate Rider	Water & Wastewater Total Monthly Minimum With Rate Rider
5/8	1	1,000	\$ 8.38	\$ 14.17	\$ 9.45	\$ 32.00	\$ 1.69	\$ 33.69
3/4	2	2,000	\$ 8.38	\$ 28.34	\$ 18.90	\$ 55.62	\$ 3.38	\$ 59.00
1	4	4,000	\$ 8.38	\$ 56.68	\$ 37.80	\$ 102.86	\$ 6.76	\$ 109.62
1 ½	10	10,000	\$ 8.38	\$ 141.70	\$ 94.50	\$ 244.58	\$ 16.90	\$ 261.48
2	25	25,000	\$ 8.38	\$ 354.25	\$ 236.25	\$ 598.88	\$ 42.25	\$ 641.13
3	45	45,000	\$ 8.38	\$ 637.65	\$ 425.25	\$ 1,071.28	\$ 76.05	\$ 1,147.33
4	90	90,000	\$ 8.38	\$ 1,275.30	\$ 850.50	\$ 2,134.18	\$ 152.10	\$ 2,286.28

**b. Unmetered Water & Wastewater Customers**

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Monthly Charge	Rate Rider	Total Monthly Charge With Rate Rider
Unmetered		5,500	\$ 8.38	\$ 77.94	\$ 51.98	\$ 138.30	\$ 9.30	\$ 147.60

**3. Bulk Water**

All water sold in bulk by the Flin Flon Utility shall be charged at the rate of \$16.00 per 1,000 gallons.

**1. Schedule of Commodity Rates & Monthly Service Charge January 1, 2028**

Monthly Service Charge \$9.37

Commodity Rates	Water	Wastewater	Water & Wastewater	Rate Rider
Per 1,000 Gallons	\$15.68	\$10.56	\$26.24	\$1.69

**Deficit Rate Rider**

In addition to the aforesaid commodity rates, a deficit rate rider of \$1.69 per 1,000 gallons shall be charged for 5 years commencing January 1, 2025 to recover the 2018 and 2022 operating deficits.

**2. Minimum Charges per Month**

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

For all metered accounts, volumes in excess of the minimum monthly allowance will be charged at the applicable commodity rate.

**a. Metered Water & Wastewater Customers**

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Monthly Minimum	Rate Rider	Water & Wastewater Total Monthly Minimum With Rate Rider
5/8	1	1,000	\$ 9.37	\$ 15.68	\$ 10.56	\$ 35.61	\$ 1.69	\$ 37.30
3/4	2	2,000	\$ 9.37	\$ 31.36	\$ 21.12	\$ 61.85	\$ 3.38	\$ 65.23
1	4	4,000	\$ 9.37	\$ 62.72	\$ 42.24	\$ 114.33	\$ 6.76	\$ 121.09
1 ½	10	10,000	\$ 9.37	\$ 156.80	\$ 105.60	\$ 271.77	\$ 16.90	\$ 288.67
2	25	25,000	\$ 9.37	\$ 392.00	\$ 264.00	\$ 665.37	\$ 42.25	\$ 707.62
3	45	45,000	\$ 9.37	\$ 705.60	\$ 475.20	\$ 1,190.17	\$ 76.05	\$ 1,266.22
4	90	90,000	\$ 9.37	\$ 1,411.20	\$ 950.40	\$ 2,370.97	\$ 152.10	\$ 2,523.07

**b. Unmetered Water & Wastewater Customers**

Meter Size (Inches)	Group Capacity Ratio	Water Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Total Monthly Charge	Rate Rider	Total Monthly Charge With Rate Rider
Unmetered		5,500	\$ 9.37	\$ 86.24	\$ 58.08	\$ 153.69	\$ 9.30	\$ 162.99

**3. Bulk Water**

All water sold in bulk by the Flin Flon Utility shall be charged at the rate of \$17.75 per 1,000 Gallons.

The following clauses take effect January 1, 2025:

**4. Service To Customers Outside Utility's Limits**

The Council of the City of Flin Flon may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the City. 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 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 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.

**5. Connection Fees**

All costs of connecting to the utility's mains, and installing and maintaining service connections will be paid by the customer.

**6. Disconnection**

Residential accounts may apply for a discontinuance of service for any period in excess of one month for a fee of \$100.00. Temporary discontinuances of service are not available for rental properties or metered accounts.

The Public Utilities Board has approved the Conditions Precedent to be followed by the City 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 City's office.

**7. Reconnection**

Any service disconnected, whether due to non-payment of account or for any other reason(s) mutually agreed to by the customer and the City (i.e. repairs necessitated by negligence of the customer, changes in tenant, vacancy for an extended period of time, etc.) shall not be reconnected until all arrears, penalties, and a reconnection fee of the greater of \$100.00 or actual costs have been paid.



**8. 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.

**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. 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 the customer for the current month shall be the average of the billings for the last two previous months to the same customer, or to the same premises if the occupant has changed.

**11. Wastewater Surcharges**

There may be levied annually, in addition to the rates set forth above, a special surcharge on wastewater having a Biochemical Oxygen Demand in excess of 300 parts per million, to be set by Resolution of Council.

A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular wastewater or industrial waste.

**12. Meter Testing**

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the City with a deposit of \$200.00. The City 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 City and the deposit will be refunded to the customer. If the meter is found to be in proper working order, all costs associated with the testing process will be borne by the customer and the customer will be billed or refunded any balance owing.

**13. 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 City's water system.

If a condition is found to exist which, in the opinion of the City, is contrary to the aforesaid, the City may either:

- a) Shut off the service(s); or
- b) Give notice to the customer to correct the fault at the customer's own expense within a specified time period.

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

**15. Authorization For Officer To Enter Upon Premises**

The Works and Operations Foreman, or other employee authorized by the City in the absence of the Works and Operations Foreman, 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 City.

**16. Hydrant Charges**

The City will pay to the utility an annual rental of \$630.00 for each hydrant connected to the system.