

**Order No. 83/18**

**THE RURAL MUNICIPALITY OF DUFFERIN  
DUFFERIN STEPHENFIELD WATER UTILITY RATES  
July 1, 2018, January 1, 2019 and 2020**

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**June 29, 2018**

**BEFORE: Marilyn Kapitany, B.Sc. (Hons), M.Sc., Panel Chair  
Carol Hainsworth C.B.A, Member**

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the revised water rates for the Rural Municipality of Dufferin (RM), Dufferin Stephenfield Water Utility (Utility) effective July 1, 2018, January 1, 2019 and January 1, 2020.

The approved rates are as follows:

	Current	Year 1 July 1, 2018	Year 2 January 1, 2019	Year 3 January 1, 2020
Water \$/1,000 gallons	\$13.02	\$14.24	\$15.62	\$17.00
Quarterly Service Charge	\$23.75	\$25.50	\$27.25	\$29.01
Minimum Quarterly*	\$62.81	\$68.22	\$74.11	\$80.01
Bulk water fee	\$14.32	\$16.00	\$18.00	\$19.00
Reconnection Fee	\$35.00	\$35.00	\$35.00	\$35.00
*Based on 3,000 gallons				

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

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

## 2.0 Background

The RM owns and operates a water only utility serving 670 customers. Most customers fall under the "single-family residential home" classification, primarily serviced by 5/8 inch (15mm) water meters. Utility bills are sent out on a quarterly basis, separate from the property tax bills.

The RM supplies water services to customers outside of the RMs borders:

- six utility accounts that are within the RM of Roland borders,
- two in the RM of Grey,
- one in the RM of Morris, and
- two in the RM of Thompson.

There are also a few connections to the RM's system within the RM's of Roland, Thompson and Grey that are being supplied water, however these customers are billed by their own municipality. These arrangements are currently being reviewed to establish clarity.

### Water Supply

The RM purchases its water from the Pembina Valley Water Cooperative (PVWC) located in Stephenfield. Approximately 30%-40% of the water provided by the PVWC to the RM passes through a re-chlorination station, which is owned and operated by the RM.

## Unaccounted for Water

The acceptable percentage of unaccounted water is 10%. If the percentage is above this the applicant is to explain why and the plan to remedy.

The RM has been experiencing an ongoing issue of high unaccounted for water loss of approximately 25 - 27%. The RM stated in the rate application that an audit was currently being undertaken, which included an Engineering report compiled an engineering consultant, in an attempt to isolate the losses.

In an effort to account for Co-op's usage in the RM distribution system, PVWC implemented discounts calculated on the consumption billed to the RM through their billing process starting in April 2015. In the timeline of April 2015 to September 2016, the discount varied from 2% to 11.23% to 2%, and as of September 2016 a 4% discount was calculated.

PVWC calculates the monthly bill based on the water leaving the PVWC Stephenfield plant through their meter and entering the RM's distribution system. The water then branches off into metered lines that feed other municipalities - the metered amounts for each branch-off are subtracted from the initial amount registered at the plant meter and the difference remaining is billed to the RM.

The RM is completely responsible for the water that is metered coming out of the PVWC plant. However, there are also users on the distribution system that are potentially un-metered. Consequently, a loss of 25 – 27% is created between what the RM bills out to its residents vs. the amount that RM is billed by PVWC. The RM has concerns over this billing method and continues to bring the issue forward to PVWC.

This percentage has been consistent through the RM's current ongoing internal audit process.

### 3.0 Application

On November 23, 2016, the RM applied for revised water rates, to be effective January 1, 2017 as set out in By-law No. 1959 having had first reading on October 18, 2016. The application was supported by a rate study prepared by the RM's consultant. Rates were last approved in 2010 in Board Order No. 116/10.

A Public Notice of Application was issued on June 23, 2017 until July 24, 2017 affording customers the opportunity to comment to both the Board and the RM with respect to the proposed rate increases. Having received no expression of concern from consumers, this indicates to the Board that ratepayers understand the proposed rates are reasonable.

When reviewing an application, the Board has at its disposal two approaches, either a paper or a public hearing review. After the publication of the Notice of Application, the Board considers the application and stakeholder responses, and determine 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 process.

The Board has chosen a paper review process for this application.

The rates were calculated based on the following revenue projections using an inflation rate of 2% in all calculations:

SCHEDULE OF UTILITY RATE REQUIREMENTS - DUFFERIN					
FOR PUBLIC UTILITIES USE ONLY					
2013 to 2015 Audited, 2016 to 2019 Budget Forecasts					
	2015	2016	2017	2018	2019
	Audited	Budget Forecast			
<b>General</b>					
<b>Expenses:</b>					
Administration	\$18,428	\$73,557	\$75,028	\$76,529	\$78,059
Training costs	-	4,200	4,284	4,370	4,457
Billing and collection	83,036	-	-	-	-
Consultants	-	-	-	-	-
Utilities (telephone, electricity, etc)	-	-	-	-	-
Total general expenses	101,464	77,757	79,312	80,898	82,516
<b>Revenue</b>					
Penalties	4,431	4,500	4,590	4,682	4,775
Subdivision Contributions	-	-	-	-	-
Investment income	-	-	-	-	-
Contributed Tangible Capital Assets	-	-	-	-	-
Other income	394	-	-	-	-
Total general revenues	4,825	4,500	4,590	4,682	4,775
<b>Net Costs General</b>	<b>96,639</b>	<b>73,257</b>	<b>74,722</b>	<b>76,217</b>	<b>77,741</b>
<b>Water</b>					
<b>Expenses</b>					
Purification and treatment	10,558	15,359	15,666	15,980	16,299
Transmission and distribution	5,343	80,792	82,408	84,056	85,737
Other water supply costs	-	2,250	2,295	2,341	2,388
Water purchases	397,684	383,925	391,604	399,436	407,424
Connection costs	29,032	20,000	20,000	20,000	20,000
Amortization	180,416	212,847	217,572	217,972	218,757
Amortization; correction	31,347	-	-	-	-
Interest on long term debt	15,036	12,462	10,172	8,285	6,576
sub-total- water	669,416	727,636	739,717	748,070	757,182
<b>Revenue</b>					
Connections	72,252	40,000	40,000	40,000	40,000
Bulk water sales	1,390	1,500	2,000	2,000	2,000
	73,642	41,500	42,000	42,000	42,000
<b>Net rate costs - Water</b>	<b>595,774</b>	<b>686,136</b>	<b>697,717</b>	<b>706,070</b>	<b>715,182</b>
<b>Water Billing Revenues</b>					
Deficit Rate Rider	-	-	-	-	-
Water billing	542,295	548,602	573,978	642,758	697,810
	542,295	548,602	573,978	642,758	697,810
<b>Property Taxes</b>					
Tsfr from Gen Optg. Property Taxes for Debt Payments	77,657	71,813	63,529	59,354	46,710
	77,657	71,813	63,529	59,354	46,710
<b>Net Revenue/(Expenses)</b>	<b>(72,461)</b>	<b>(138,978)</b>	<b>(134,932)</b>	<b>(80,174)</b>	<b>(48,403)</b>
<b>Capital Grants - PUB Adjustments</b>					
Add Amortization of Water Capital Grants & Contributed TCAs	69,784	69,784	69,784	69,784	69,784
<b>Net Operating Surplus (Deficit) with PUB Adjustments</b>	<b>(2,677)</b>	<b>(69,194)</b>	<b>(65,148)</b>	<b>(10,390)</b>	<b>21,381</b>
<b>Transfers &amp; Prior Period Adjustment</b>					
Transfers from (to) Gen. Operating	-	-	-	-	-
Transfers from (to) Government - Capital	-	-	-	-	-
Transfers from (to) Reserve	274,682	48,748	-	-	16,350
<b>Change in Utility Fund Balance after Transfers</b>	<b>272,005</b>	<b>(20,446)</b>	<b>(65,148)</b>	<b>(10,390)</b>	<b>37,731</b>
<b>Reverse PUB Adjustments to Adjust Surplus to PSAB</b>					
<b>Capital Grants - Reverse PUB Adjustments</b>					
Deduct Amortization of Sewer Capital Grants & Contributed TCAs	(69,784)	(69,784)	(69,784)	(69,784)	(69,784)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>8,356,051</b>	<b>8,558,272</b>	<b>8,468,042</b>	<b>8,333,110</b>	<b>8,252,936</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$8,558,272</b>	<b>\$8,468,042</b>	<b>\$ 8,333,110</b>	<b>\$ 8,252,936</b>	<b>\$ 8,220,882</b>

The proposed utility rate increases are primarily required to provide funding for contingency purposes for maintenance, a reduction in net connection revenues and an increase in transmission and distribution costs. A decrease in the transfer from the Operating Fund for debt payment was also reduced as the debt levels decrease.

The RM has budgeted approximately \$40,000 for the installation of a water meter chamber. A water meter chamber is to be placed between connecting lines, in this case connecting lines with PVWC, to better determine usage of water and losses. This meter chamber was installed in October 2016, a second water meter chamber was added in June 2018. These new water meter chambers are expected to separate and isolate regions as well as provide added readings to help clarify and confirm concerns over water losses.

### 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 2016 audited financial statements, the most recent information available, the working capital surplus at December 31, 2016 was:

	2015	2016
Fund Surplus/Deficit	\$8,558,272	\$8,210,216
Deduct TCA	\$8,405,620	\$8,186,527
Add Long-Term Debt	\$252,259	\$216,048
Add Utility Reserves	\$122,343	\$373,280
<b>Equals Working Capital Surplus</b>	<b>\$527,254</b>	<b>\$613,017</b>
Operating expenses	\$739,533	\$839,378
<b>20% of operating expenses (Target)</b>	<b>\$147,907</b>	<b>\$167,876</b>



## 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.

The RM has incurred deficits in 2012, 2013, 2014, and 2015 that were recovered through the accumulated surplus approved in Board Order No.'s 40/16 and 157/16.

However, after conducting the rate study it was found that there is an annual capital grant amortization amount of \$69,784 that was not accounted for in the deficit applications. This oversight has resulted in the following corrections to the deficits:

	<b>Unadjusted Deficit Amount (applied for)</b>	<b>Adjusted Deficit Amount</b>
2012	\$(75,788)	\$(6,004)
2013	\$(189,389)	\$(119,605)
2014	\$(84,843)	\$(15,059)
2015	\$(41,114)	\$28,670

The RM has advised that the Accumulated Surplus has been reconciled to the new deficit amounts.

The RM has also incurred a deficit for 2016 in the amount of \$58,682, that the RM is currently working on a deficit application for the Board's consideration.

## 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 receiving approval from the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

The RM states in the rate application that salaries and employer benefit costs of Utility Supervisor and office staff represent 100% and \$10,000 of the CAO salary is charged to the Utility. The RM has proposed the following new cost allocation:

<b>Rural Municipality of Dufferin Utility Allocation Plan for Non-Direct Shared services</b>		
<b>Category &amp; Sub-category</b>	<b>Allocation of Cost</b>	
<b>1.0 Administrative Staff</b>	CAO – dollar amount Utility Supervisor (office staff) 100% of salary	\$10,000 plus benefits 100% of Salary and benefits
1.1 Billing services –meter reading to receipting and collection.	Public works staff	
1.2 Accounting/ auditing/ including bylaw making and enforcement.		0
1.3 Common office space		0
1.4 Office overheads (telephone, photocopier, computer, etc)		Supplies charged as used. \$1,250 budgeted for 2016 Cell and emergency phone; budgeted at \$2,000 for 2016
<b>2.0 Operating, construction and maintenance costs</b>		
2.1 Vehicle – fuel, maintenance, lease costs, capital costs		There is one ½ ton included in capital for Utility. Gas and maintenance for this vehicle are charged to the utility.
2.2 Labour – full time, part time, on call, sick time, vacation, (Note 2)		60% of assistant foreman salary and benefits and flat amount \$6,000 of foreman’s salary charged to utility
2.3 Public works building and property.	Costs that could be charged to the Utility are minimal and at present nothing is allocated to the Utility	
2.4 Road repairs and alike (Note 3)	Based on actual costs	
<b>3.0 Major projects</b>		
Interest/ financing		Debenture Debt
Labour	Based on actual costs	
External costs	Direct charge (dedicated consulting)	

Note 1: Allocation must be updated periodically to reflect the 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 e.g. re-constructing a road and replacing services at the same time – a portion of the road work may be allocated to the utility.

## Contingency Allowance and Utility Reserves

As per the Board's Guidelines, a yearly allowance equal to 10% of the variable operating costs is recommended for a contingency allowance.

As the system is relatively new, the RM has reduced the requirement for a repair and maintenance contingency. The RM stated that since there is a significant working capital surplus the contingency allowance has been reduced to 5% (approximately \$23,041) in this rate application. In addition, due to the large working capital surplus there is no annual transfer to Utility Reserve proposed in the rate study.

### 4.0 Board Findings

The Board has reviewed the application and the projections presented by the RM in its rate application and finds them to be reasonable. The Board approves the water rates as applied for effective July 1, 2018, January 1, 2019 and January 1, 2020.

The Board is generally not supportive of retroactive rate increases, and approves them only in circumstances where it is in the best interest of all parties.

The Board approves the revised Cost Allocation Methodology, and reminds the RM that this methodology must be used consistently, and requires Board approval should any further changes be considered.

In the course of reviewing the rate application and information requests, the Board noted that the RM has incurred an operating deficit for 2016. The Board orders the RM provide a PUB Schedule 9 and deficit application for 2016 for the Boards approval. Should a deficit for 2017 materialize the Board orders the RM to submit a PUB Schedule 9 for and a deficit application, once the 2017 audited financial statements become available.

The Board finds that the RM has not adjusted the rates to include amortization and has been incurring deficits as a result. The RM has had more than enough time to review and adjust its financials to Public Sector Accounting Board (PSAB) rules. The RM is directed to review

general Board Order Nos. 151/08 and 93/09 (available on the Public Utilities Board website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca)) to understand its requirements and reporting responsibilities to the Board.

The Board will require the Rural Municipality of Dufferin to review its water rates for the Stephenfield Water 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 June 30, 2021.

The Utility has incurred deficits in 2012, 2013, and 2014 and again in 2016 totalling \$199,350 after adjustments. Even though the Utility has been able to recover these deficits from their accumulated surplus fund, going forward the situation is not sustainable. If the utility continues to incur deficits the accumulated surplus will be depleted further and future deficits may need to be recovered from ratepayers through rate riders.

The deficit adjustment for years 2012, 2013 and 2014 should have been brought to the Board's attention through the review and vary process of Board Order Nos. 40/16 and 157/16 to receive approval for the accumulated surplus adjustment. The Board approves this adjustment and reminds the RM that errors in applications or amounts for standing Board Orders need to be reviewed and approved by the Board to make such adjustments.

The Board recognizes the RM's challenge and undertakings to mitigate the unaccounted for water. The Board will encourage the RM to further address the unaccounted for water loss and implement solutions and work with the PVWC to bring it closer to the acceptable percentage of 10%.

The Board notes that the RM uses the "honour system" the bulk water sales at the Stephenfield bulk water station. The use of the "honour system" is not an unusual practice in Manitoba. The RM advised that in researching other options for bulk water sales that this was the most cost effective for the Utility. The Board will encourage the RM, in its efforts to locate water losses, to evaluate the volume of water losses using the current bulk water system at this location.

The Board also notes the contingency provision of 5% does not follow the Public Utilities Board recommended guidelines of 10%. Most of the RM's system appears to be newer however, there are some lines identified as older. The potential risks inherent to the usage of aged infrastructure, warrants monitoring by the RM, as the 50 year old Dufferin Co-op water line may require some repair and/or maintenance. The Board encourages the RM to assess the contingency in the next rate review.

The Board would like to comment on the statement in the rate application regarding service outside the RM's borders: "As well there are a few connections to the RM's system within the RM of Roland, the RM of Thompson and the RM of Grey that are being supplied water from the RM of Dufferin, however are being billed out by their own municipality, these are currently being reviewed to establish clarity."

The Board is concerned that the water service being provided to these customers in other municipalities is not following the current rate schedule, as the agreements seem to be unclear. The Board encourages the RM to establish clear agreements with the customers or Municipalities to ensure the cost recovery of the service provided.

It has been eight years since the RM has submitted a rate application to the Board. In the Board's view, this is too long a time-period between rate reviews. Regular rate reviews submitted on a timelier three-year period, as per the Board's Guidelines, protect the financial position of the Utility and mitigates the need for substantial rate increases and deficit recovery. The deficit adjustment potentially could have been addressed sooner had a regular review taken place. The RM needs to be much more diligent in conducting regular reviews of its revenue requirements

## 5.0 IT IS HEREBY ORDERED THAT:

1. The revised water rates for the Rural Municipality of Dufferin, Stephenfield Water Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A", effective July 1, 2018, January 1, 2019 and January 1, 2020.
2. The cost allocation methodology for shared services as submitted by the Rural Municipality of Dufferin BE AND IS HEREBY APPROVED.
3. The Rural Municipality of Dufferin, Stephenfield Water Utility submit a deficit application for the recovery of the 2016 operating deficit by no later than August 15, 2018.
4. The Rural Municipality of Dufferin is to provide a notice to its customers, including the decisions found in this Order, in the next quarterly billing with a copy provided to the Public Utilities Board.
5. The Rural Municipality of Dufferin amend its water 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 Dufferin review its water rates 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 June 30, 2021.

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).

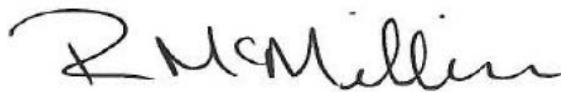
Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

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

"Rachel McMillin, B.Sc."  
Acting Secretary

Certified a true copy of Order No. 83/18 issued by  
The Public Utilities Board

  
Acting Secretary

**SCHEDULE "A"**  
**RURAL MUNICIPALITY OF DUFFERIN**  
**WATER UTILITY RATES BY-LAW NO. 1959**

1. Schedule of Commodity Rates & Quarterly Service Charge July 1, 2018

Rates per 1,000 gallons	<u>1,000 Gallons per quarter</u>
	Water
	\$14.24
Quarterly Service Charge	\$25.50

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 Customers**

Meter Size	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Water Total Quarterly Minimum
5/8 inch	1	3,000	\$25.50	\$42.72	\$68.22
3/4 inch	2	6,000	\$25.50	\$85.44	\$110.94
1 inch	4	12,000	\$25.50	\$170.88	\$196.38
1 ½ inch	10	30,000	\$25.50	\$427.20	\$452.70
2 inch	25	75,000	\$25.50	\$1,068.00	\$1,093.50
3 inch	45	135,000	\$25.50	\$1,922.40	\$1,947.90

3. Bulk Sales

All water sold in bulk by the Rural Municipality of Dufferin will be charged at the rate of \$16.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2019

Rates per 1,000 gallons	<u>1,000 Gallons per quarter</u>
	Water
	\$15.62
Quarterly Service Charge	\$27.25

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 Customers**

Meter Size	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Water Total Quarterly Minimum
5/8 inch	1	3,000	\$27.25	\$46.86	\$74.11
3/4 inch	2	6,000	\$27.25	\$93.72	\$120.97
1 inch	4	12,000	\$27.25	\$187.44	\$214.69
1 ½ inch	10	30,000	\$27.25	\$468.60	\$495.85
2 inch	25	75,000	\$27.25	\$1,171.50	\$1,198.75
3 inch	45	135,000	\$27.25	\$2,108.70	\$2,135.95

**3. Bulk Sales**

All water sold in bulk by the Rural Municipality of Dufferin will be charged at the rate of \$18.00 per 1,000 gallons.

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

**January 1, 2020**

Rates per 1,000 gallons

1,000 Gallons per quarter

Water

\$17.00

Quarterly Service Charge

\$29.01

**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 Customers**

Meter Size	Group Capacity Ratio	Water Included Cubic Meters	Customer Service Charge	Water Commodity Charge	Water Total Quarterly Minimum
5/8 inch	1	3,000	\$29.01	\$51.00	\$80.01
3/4 inch	2	6,000	\$29.01	\$102.00	\$131.01
1 inch	4	12,000	\$29.01	\$204.00	\$233.01
1 ½ inch	10	30,000	\$29.01	\$510.00	\$539.01
2 inch	25	75,000	\$29.01	\$1,275.00	\$1,304.01
3 inch	45	135,000	\$29.01	\$2,295.00	\$2,324.01

**3. Bulk Sales**

All water sold in bulk by the Rural Municipality of Dufferin will be charged at the rate of \$19.00 per 1,000 gallons.

**The following clauses take effect July 1, 2018:**

1. Service To Customers Outside RM Limits

The Council of Rural Municipality of Dufferin may sign Agreements with customers for the provision of water services to properties located outside the boundaries of the RM of Dufferin. Such Agreements shall provide for payment of the appropriate rates set out in the Schedule, as well as a surcharge, set by Resolution of Council, which shall be equivalent to the frontage levy, general taxes, and special taxes for the Utility purposes in effect at the time or may be in effect from time to time, and which would be levied on the property concerned if it were within the RM of Dufferin boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

2. Water Allowance Due To Line Freezing

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

3. Billings And Penalties

Accounts shall be billed quarterly and shall be due and payable 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.

4. Disconnection

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

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties, and a reconnection fee of \$35.00 have been paid.

5. Outstanding Bills

Pursuant to Section 252(2) of The *Municipal Act*, the amount of all outstanding charges for water 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.

6. Water Used During Construction

Contractors using water in connection with the construction of buildings be charged a flat fee of \$35.00 for dwellings and \$55.00 for commercial buildings for every three month period until completion.

7. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the RM with a deposit of \$200. The RM 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 RM 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.

8. 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 RM's water system.

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

9. Authorization For Officer To Enter Upon Premises

The Public Works Manager, or other employee authorized by the RM in the absence of the Public Works Manager, shall be authorized to enter upon any premise for the purpose of:

Affixing to any pipe, wire or apparatus connected with any such utility, a meter or any other measuring or testing device; or taking readings from, repairing, inspecting or removing any meter or apparatus belonging to the RM.