

**Order No. 81/20**

**TOWN OF MELITA  
MELITA WATER AND WASTEWATER UTILITY  
REVISED RATES FOR JULY 1, 2020, JANUARY 1, 2021, AND JANUARY 1, 2022  
2010, 2013, 2017, AND 2018 ACTUAL OPERATING DEFICIT RECOVERIES**

**JUNE 9, 2020**

BEFORE: Irene Hamilton, Q.C., Panel Chair  
Mike Watson, Panel Member

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves revised water and wastewater rates for the Town of Melita (Town), Melita Water and Wastewater Utility (Utility) effective July 1, 2020, January 1, 2021, and January 1, 2022.

The approved rates are as follows:

	July 1, 2020	January 1, 2021	January 1, 2022
Quarterly Service Charge	\$19.54	\$19.45	\$19.36
Water (per 1,000 gallons – first 100,000 gallons)	\$16.89	\$18.21	\$19.54
Water (per 1,000 gallons – over 100,000 gallons)	\$14.35	\$16.95	\$19.54
Wastewater (per 1,000 gallons)	\$4.49	\$4.38	\$4.26
Minimum Quarterly Charge*	\$83.68	\$87.22	\$90.76
Bulk Water (per 1,000 gallons – over 500 gallons)	\$26.00	\$27.00	\$29.00
Bulk Water Minimum Charge (up to 500 gallons)	\$13.00	\$14.00	\$15.00

\*Based on 3,000 gallons

The Board approves the 2010 actual operating deficit of \$22,084, the 2013 actual operating deficit of \$38,673, and the 2017 actual operating deficit of \$121,127 or a total accumulated deficit for those three years of \$181,884 to be recovered from the Utility's Accumulated Surplus.

Details of other rates may be 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 Town owns and operates the Utility serving 557 water and wastewater customers and 20 water only customers or a total of 577 customers. Rates were last approved for the Utility in 2017 in Board Order No. 66/17.

## **Water Supply/Distribution**

The water treatment plant was constructed in 2008 and is operated by the Southwest Regional Water Co-op Public Water System (SRWC). All customers are metered and billed quarterly, separate from property tax bills.

The storage reservoir for the drinking water has a capacity of 1,000,000 litres (or 220,000 imperial gallons). This storage capacity allows for approximately two days of water storage without plant operation.

Most of the water lines are made of cast iron and are over 60 years old.

## **Wastewater Collection/Treatment**

The Utility's lagoon has three cells. Two are currently in use and the third is reserved to provide for additional future capacity. Discharges flow from the lagoon to the Souris River, consistent with the Town's environmental license.

The Town has made various upgrades to the wastewater system, the most recent of which was a \$6.1 million expansion to the lagoon which began in October 2017 and was completed in August 2019.

Most of the wastewater lines are made of cast iron and are over 60 years old.

## **Unaccounted for Water**

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

The calculated unaccounted for water in 2018 was 45%, partially due to a watermain break that formed a sinkhole. The Town advises unaccounted for water from the last two quarters of 2018 and the first two quarters of 2019 was 39%.

The rate study notes 40 faulty water meters were recently replaced, as they were incorrectly registering minimum use payment requirements for their owners. Also, some meter readings in 2018 indicated customers were billed more than the consumption indicated on the meters, resulting in inflated unaccounted for water levels. The Town is unaware what is causing the discrepancy and plans to review its billing process and meter reading adjustment process to attempt to correct.

The Town plans to continue to replace aging utility lines and other water meters found to be defective to remedy the unaccounted for water levels.

### **3.0 Application**

On December 19, 2019, the Town applied for revised water and wastewater rates, to be effective July 1, 2020, January 1, 2021, and January 1, 2022 as set out in By-Law No. 2019-010 having had first reading November 12, 2019. The application was supported by a rate study prepared by the Town's consultant.

A Public Notice of Application was issued on January 31, 2020 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Town on or before March 2, 202. No responses to the notice were received.

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 has chosen a paper review process for the Town's application.

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

<b>Schedule of Utility Rate Requirements – Melita Water and Wastewater Utility 2020 to 2022 Budget Forecasts (\$)</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>Forecast</b>		
<b>General Expenses</b>			
Administration	43,746	44,621	45,513
Training	3,060	3,121	3,184
Total General Expenses	46,806	47,742	48,697
<b>Revenue</b>			
Penalties	5,000	5,000	5,000
Total General Revenues	5,000	5,000	5,000
<b>Net Costs General</b>	<b>41,806</b>	<b>42,742</b>	<b>43,697</b>
<b>Water Expenses</b>			
Purification and Treatment	2,244	2,289	2,335
Service of Supply	5,000	5,100	5,202
Water Purchases	268,258	273,623	279,095
Transmission and Distribution	37,469	38,218	38,983
Amortization	57,682	57,682	57,682
Interest on Long-Term Debt	50,453	46,973	43,312
Reserve	37,500	37,500	37,500
Contingency	31,713	31,713	31,713
Total Water Expenses	490,319	493,098	495,822
<b>Revenue</b>			
Bulk Water Fees	4,500	5,500	6,500
Hydrant Rentals	7,500	7,500	7,500
Amortization of Capital Grants	13,930	13,930	13,930
Taxation – Debt Repayment	119,025	119,025	119,025
Total Water Revenue	144,955	144,955	144,955
<b>Net Water Costs</b>	<b>345,364</b>	<b>348,143</b>	<b>350,867</b>

<b>Wastewater Expenses</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Treatment and Disposal	30,600	31,212	31,836
Lift Station	17,340	17,687	18,041
Other Sewage and Disposal	25,500	26,010	26,530
Amortization	151,652	151,652	151,652
Interest on Long-Term Debt	73,439	70,003	66,426
Reserve	37,500	37,500	37,500
Contingency	7,794	7,794	7,794
<b>Total Wastewater Expenses</b>	<b>343,825</b>	<b>341,858</b>	<b>339,778</b>
<b>Revenue</b>			
Amortization of Capital Grants	105,698	105,698	105,698
Taxation – Debt Repayment	156,942	156,942	156,942
<b>Total Wastewater Revenue</b>	<b>262,640</b>	<b>262,640</b>	<b>262,640</b>
<b>Net Wastewater Costs</b>	<b>81,185</b>	<b>79,218</b>	<b>77,138</b>
<b>Net Operating Costs</b>	<b>468,355</b>	<b>470,103</b>	<b>471,702</b>

The proposed Utility rate increases are requested to provide for transfers to the Utility reserve, increased amortization expenses for lagoon upgrade, and the related operating expenses attributable to the lagoon upgrade.

Subsequent to the Town's application, the Town's consultant advised Taxation – Debt Repayment included in the above table should be \$122,393 for water and \$160,329 for wastewater due to a variance in actual interest rates versus estimated interest rates at the time the rate study was completed.

### **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 RM has included a contingency allowance of \$31,713 for water and \$7,794 for wastewater. The RM has also included an annual reserve allowance of \$75,000, divided equally for water and wastewater, to replace aging utility lines.

## 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 2018 Audited Financial Statements, the most recent information available, the working capital surplus/deficit for the Utility at December 31, 2018 was:

	2018	2017
Utility Fund Surplus/Deficit	\$6,383,718	\$4,109,405
Deduct: Tangible Capital Assets	(8,824,072)	(6,062,471)
Add: Long-Term Debt	479,911	543,159
Add: Utility Reserves	126,035	125,500
<b>Equals Working Capital Surplus (Deficit)</b>	<b>(1,834,408)</b>	<b>(1,284,407)</b>
Operating Expenses	770,997	562,529
<b>20% of Operating Expenses (Target)</b>	<b>154,199</b>	<b>112,506</b>

The rate study revises the working capital for the Utility to include debentures for capital work for the lagoon upgrades and water/wastewater line replacements that have been completed and funded, but debenture debt was issued after the completion of the work as follows:

	2018
Utility Fund Surplus/Deficit	\$6,383,718
Deduct: Tangible Capital Assets	(8,824,072)
Add: Long-Term Debt	479,911
Add: Utility Reserves	126,035
Add: Debenture – Lagoon A (2018-08)	233,077
Add: Debenture – Lagoon B (2018-08)	983,080
Add: Debenture – Lines (2019-001)	1,200,000
<b>Equals Working Capital Surplus (Deficit)</b>	<b>581,749</b>

Using the revised calculations provided by the Town's consultant, the Utility meets the Board minimum working capital surplus of 20%, including the above-noted adjustments.



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

<b>Town of Melita Melita Water and Wastewater Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at October 2019</b>			
Category	Sub-category	Options	
1.0	Administrative Staff		12.0% of general legislative expenses excluding assessment and grant expenses.
	1.1 Billing services – meter reading to receipting and collection.		Meter Reading – N/A Receipting and collection are part of the admin. Staff allocation
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		12.0% of audit costs
	1.3 Common office space		12.0% of office costs, utilities
	1.4 Office overheads (telephone, photocopier, computer, etc.)		12.0% of printing, postage, and stationary.
2.0	Operating, construction and maintenance costs		
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		-
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)		Utility operator time is tracked and charged to the Utility.

	2.3 Public works building and property.		There is no charge to the Utility for Public Works Building use.
	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	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 that 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.

On December 19, 2019, the Town submitted a Deficit Application requesting approval of actual operating deficits of \$22,084 for 2010, \$38,673 for 2013, \$121,127 for 2017, and \$13,698 for 2018 or a total accumulated deficit for those four years of \$195,582. The Town advises the deficits were a result of increased costs and insufficient revenue, and is requesting the deficits be fully recovered from the Utility's Working Capital Surplus.

On May 21, 2020, the Town's consultant advised the 2018 Audited Financial Statements were not available at the time the Deficit Application was prepared. Based on the 2018 Audited Financial Statements, the applied for 2018 actual operating deficit was incorrect and there was instead a surplus of \$10,092 and therefore a deficit recovery for 2018 was not required.

Based on the supplementary information provided by the Town's consultant, the Town's revised accumulated deficit for those three years (2010, 2013, and 2017) is \$181,884.

## 4.0 Board Findings

The Board has reviewed the application, the projections presented by the Town in its rate study, and the responses to Board staff questions/correspondence and finds them to be acceptable. The Board approves the revised rates as applied for by the Town effective July 1, 2020, January 1, 2021, and January 1, 2022.

The Board approves the Town's revised Cost Allocation Methodology and reminds the Town this methodology must be used consistently; any changes to the Cost Allocation Methodology require Board approval.

The Board requires the Town 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 December 31, 2022.

The Board notes the supplementary calculations provided by the Town's consultant revise the financials provided in the Town's 2018 Audited Financial Statements and result in a Working Capital Surplus. The Board also notes the Town has confirmed the revisions and the Town has certified that they are correct.

Based on the supplementary calculations provided, the Board approves the Town's revised Deficit Application for the three-year actual operating deficits of \$22,084 for 2010, \$38,673 for 2013, and \$121,127 for 2017 (or a total three-year deficit of \$181,884) to be fully recovered from the Utility's Accumulated Surplus.

The Board reminds the Utility, the most recent Audited Financial Statements are required and must be used for all Rate and Deficit Applications submitted to the Board.

The Board notes the Utility has expiring taxation revenues of \$64,588 in 2028 for water, \$57,805 in 2034 for water, \$57,805 in 2034 for wastewater, and \$73,947 in 2038 for wastewater and directs the Town to account for this loss of revenue to the Utility in future rate studies/applications to prevent significant annual increases to customers.

The Board notes no Public Utilities Board Note has been included in the Town's recent years' Audited Financial Statements. The Board strongly encourages the Town to work closely with its auditor(s) to ensure the Public Utilities Board Note to the Consolidated Financial Statements is complete and correct. If this note is omitted, incomplete, and/or incorrect, it inhibits the Board's ability to assess the Utility's financial position and the Town's ability to set appropriate rates to sustain the Utility and its Operations.

The Board is concerned by the high percentage of water loss and recommends the Town develop a more concrete plan to remedy unaccounted for water levels to reduce the level to the acceptable percentage of 10%.

The Board is also concerned by inaccuracies in meter readings and the related discrepancies for billing and unaccounted for water. The Board notes this issue was previously identified in Board Order No. 66/17 and has persisted to date. Water meters should measure consumption precisely and accurately and customers should only be billed for actual amounts of consumption. The Board strongly recommends the Utility investigate means of correcting the issue as soon as possible.

## 5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Town of Melita, Melita Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2020, January 1, 2021, and January 1, 2022.
2. The Shared Cost Allocation Methodology for the Town of Melita BE AND IS HEREBY APPROVED.
3. The Town of Melita 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 Town of Melita 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 Town of Melita review its water and wastewater rates for the Melita Water and Wastewater Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than December 31, 2022.
6. The 2010 actual operating deficit of \$22,084, the 2013 actual operating deficit of \$38,673, and the 2017 actual operating deficit of \$121,127 when calculated for regulatory purposes, incurred in the Town of Melita, Melita Water and Wastewater Utility, is HEREBY APPROVED to be recovered from the Utility's Accumulated Surplus Account, effective the date of this Order.
7. The Town of Melita develop a plan to address/remedy unaccounted for water levels to reduce the level to within the acceptable percentage of 10% and develop a plan to correct the inaccuracies in water meter readings and provide a plan/report to the Board by December 31, 2020.

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 - \$650.00

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."  
Panel Chair

"Frederick Mykytyshyn"  
Assistant Associate Secretary

Certified a true copy of Order No. 81/20  
issued by The Public Utilities Board

  
Assistant Associate Secretary

## SCHEDULE A

### TOWN OF MELITA MELITA WATER AND WASTEWATER UTILITY WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 2019-010

1. Schedule of Quarterly Rates & Quarterly Service Charge

July 1, 2020

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
First 100,000 gallons	\$16.89	\$4.49	\$21.38
Over 100,000 gallons	\$14.35	\$4.49	\$18.84

Quarterly Service Charge \$19.54

2. Minimum Charge 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 listed.

**a) Water & Wastewater Customers**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water and Wastewater Total Quarterly Minimum
5/8 inch	1	3,000	\$19.54	\$50.67	\$13.47	\$83.68
3/4 inch	2	6,000	\$19.54	\$101.34	\$26.94	\$147.82
1 inch	4	12,000	\$19.54	\$202.68	\$53.88	\$276.10
1 1/2 inch	10	30,000	\$19.54	\$506.70	\$134.70	\$660.94
2 inch	25	75,000	\$19.54	\$1,266.75	\$336.75	\$1,623.04

**b) Water Only Customers**

The minimum charge will be the same for each meter size as shown above, but the Wastewater Commodity Charge will be excluded.

**c) Bulk Water Sales Rate**

All water sold in bulk by the Town of Melita shall be charged for at the rate of \$26.00 per 1,000 gallons on a pro-rated basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$13.00.

1. Schedule of Quarterly Rates &  
Quarterly Service Charge

**January 1, 2021**

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
First 100,000 gallons	\$18.21	\$4.38	\$22.59
Over 100,000 gallons	\$16.95	\$4.38	\$21.33

Quarterly Service Charge \$19.45

2. Minimum Charge 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 listed.

a) **Water & Wastewater Customers**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water and Wastewater Total Quarterly Minimum
5/8 inch	1	3,000	\$19.45	\$54.63	\$13.14	\$87.22
3/4 inch	2	6,000	\$19.45	\$109.26	\$26.28	\$154.99
1 inch	4	12,000	\$19.45	\$218.52	\$52.56	\$290.53
1 1/2 inch	10	30,000	\$19.45	\$546.30	\$131.40	\$697.15
2 inch	25	75,000	\$19.45	\$1,365.75	\$328.50	\$1,713.70

b) **Water Only Customers**

The minimum charge will be the same for each meter size as shown above, but the Wastewater Commodity Charge will be excluded.

c) **Bulk Water Sales Rate**

All water sold in bulk by the Town of Melita shall be charged for at the rate of \$27.00 per 1,000 gallons on a pro-rated basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$14.00.



1. Schedule of Quarterly Rates & Quarterly Service Charge  
Rates per 1,000 Gallons

**January 1, 2022**

	1,000 Gallons per quarter		
	Water	Wastewater	Water & Wastewater
	\$19.54	\$4.26	\$23.80

Quarterly Service Charge \$19.36

2. Minimum Charge 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 listed.

**a) Water & Wastewater Customers**

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water and Wastewater Total Quarterly Minimum
5/8 inch	1	3,000	\$19.36	\$58.62	\$12.78	\$90.76
3/4 inch	2	6,000	\$19.36	\$117.24	\$25.56	\$162.16
1 inch	4	12,000	\$19.36	\$234.48	\$51.12	\$304.96
1 1/2 inch	10	30,000	\$19.36	\$586.20	\$127.80	\$733.36
2 inch	25	75,000	\$19.36	\$1,465.50	\$319.50	\$1,804.36

**b) Water Only Customers**

The minimum charge will be the same for each meter size as shown above, but the Wastewater Commodity Charge will be excluded.

**c) Bulk Water Sales Rate**

All water sold in bulk by the Town of Melita shall be charged for at the rate of \$29.00 per 1,000 gallons on a pro-rated basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$15.00.

**The following clauses take effect July 1, 2020:****3. Service to Customers Outside Town Limits**

The Council of the Town of Melita may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the Town. 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 Town boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

**4. Billings And Penalties**

Accounts shall be billed quarterly and the due date shall be due and payable at least 15 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.

**5. Non-Sufficient Funds (NSF) Charge**

A charge of \$20.00 shall be added to the account when payment made by cheque or pre-authorized payment is returned due to insufficient funds or inability to trace the chequing account.

**6. Disconnection**

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

**7. Reconnection**

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

**8. Outstanding Bills**

Pursuant to Section 25(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.

9. Hydrant Rentals

The Town of Melita will pay to the Utility an annual amount of \$100.00 per hydrant per year for each hydrant connected to the Utility System.

10. Water Allowance Due to Line Freezing

Where, at the request of CAO, 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 previses if the occupant has changed.

11. Wastewater Surcharges

- a) There may be levied annually, in addition to the rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand in excess of 300 parts per million, to be set by Resolution of Council.
- b) A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.

12. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Town with a deposit of \$200.00. The Town 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 Town 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 born 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 Town's water system.

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

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

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