

Order No. 92/20

**MUNICIPALITY OF PEMBINA
TOWN OF MANITOU WATER AND WASTEWATER UTILITY
REVISED RATES FOR JULY 1, 2020, JANUARY 1, 2021, AND JANUARY 1, 2022**

JULY 10, 2020

BEFORE: Irene A. Hamilton, Q.C., Panel Chair
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) varies the water and wastewater rates as applied for by the Municipality of Pembina (Municipality), Town of Manitou 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	\$12.34	\$12.61	\$12.88
Water (per 1,000 gallons)	\$25.46	\$25.98	\$25.98
Wastewater (per 1,000 gallons)	\$8.08	\$8.20	\$8.33
Minimum Quarterly Charge*	\$112.96	\$115.15	\$115.81
Bulk Water (per 1,000 gallons)	\$40.00	\$40.00	\$40.00
Hydrant Rentals	\$250.00	\$250.00	\$250.00

*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 the heading Board Findings below.

2.0 Background

The Municipality owns and operates the Utility serving 398 water and wastewater customers, consisting of 355 residential and 43 commercial, and purchases water from the South Central District Water Cooperative (SCDWC). There is currently no service provided outside of the municipal boundaries. Rates were last approved for the Utility in 2011 in Board Order No. 113/11.

The Municipality previously submitted a Rate Application to the Board in 2017 that was subsequently withdrawn due to revised base water rates set by SCDWC that were not within the rate projections forecasted by the Utility in the rate study, as they were not known by the Municipality at that time.

The Board last approved pass-through rates for the Utility in Board Order No. 139/18. At that time, the Board also granted authority to pass-through water rate increases from the SCDWC, subject to the Municipality strictly adhering to the pass-through process as outlined in the Board Order. (Please see Board Order No. 139/18 for full details and directives.)

The Board approved a budgeted operating deficit of \$39,000 for 2017 that was recovered from the Utility's Accumulated Surplus Fund in Board Order No. 39/17. As per the Municipality's 2017 Audited Financial Statements, the actual operating deficit incurred in 2017 was \$37,925.

Water Supply/Distribution

The original water treatment plant was constructed in 1963/64. In 2014, due to extensive repair and replacement of equipment requirements, the Municipality determined that to improve the potable water system it would connect to the SCDWC. In 2015 the Utility began purchasing water from the SCDWC and decommissioned the existing water treatment plant in 2016.

The water distribution system consists of 75% asbestos cement pipe installed prior to 1964 and the remainder of the system consists of cast iron installed in 1967. Poly vinyl chloride (PVC) has been installed and used to replace water lines after 1967 to present.

Wastewater Collection/Treatment

The wastewater system was constructed in 1963/64. It operates with four lift stations and a two-cell lagoon, which was expanded in 1996. Discharges are made annually to the Mary Jane Creek, which leads to the Pembina River. The rate study notes capacity is adequate to meet the current demand as well as the future needs of the Municipality.

The Utility allows septic hauling to its lagoon and charges \$250.00 per year per hauler for access (keys) to the lagoon. The rate study notes this service is provided at a minimal cost and therefore is proposing no change to this fee.

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 the rate study notes current unaccounted for water levels of approximately 11% caused by freezing waterline issues in the winter, a leak in its main reservoir, line flushing, and uncharged community pool filling.

The rate study notes the main reservoir leak was discovered and fixed accordingly. The Municipality has installed a circulation pump to prevent future line freezing and is analyzing the possibility to further line the water tower with a membrane that should also help mitigate line freezing issues.

3.0 Application

On January 6, 2020, the Municipality applied for revised water and wastewater rates, to be effective January 1, 2020, January 1, 2021, and January 1, 2022 as set out in By-Law No. 7/2019 having had first reading November 14, 2019. The application was supported by a rate study prepared by the Municipality's Chief Administrative Officer.

A Public Notice of Application was issued on January 21, 2020 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Town on or before February 20, 2020. No responses to the notice were received.

On January 13, 2020, the Municipality also sent a notice requesting pass-through rates for the Utility of \$0.50 per 1,000 gallons from SCDWC.

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 Municipality's application.

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

Schedule of Utility Rate Requirements Town of Manitou Water and Wastewater Utility 2020 to 2022 Budget Forecasts (\$)			
	2020	2021	2022
	Forecast		
General Expenses			
Administration	18,000	18,360	18,727
Total General Expenses	18,000	18,360	18,727
Revenue			
Penalties	3,000	3,000	3,000
Total General Revenues	3,000	3,000	3,000
Net Costs General	15,000	15,360	15,727
Water Expenses			
Purification and Treatment	55,000	56,100	57,222
Water Purchases	200,000	204,000	208,080
Other Water Supply Costs	31,000	31,620	32,252
Amortization	27,413	27,413	27,413
Interest on Long-Term Debt	22,045	21,123	20,163
Contingency	41,359	37,682	37,794
Total Water Expenses	376,817	377,938	382,924
Revenue			
Repayment - Water Services Board	45,000	45,000	45,000
Hydrant Rentals	3,700	3,700	9,250
Taxation Revenues – Water Debt	44,541	44,541	44,541
Bulk Water Fees	1,000	1,000	1,000
Total Water Revenue	94,241	94,241	99,791
Net Water Costs	282,576	283,697	283,133
Wastewater Expenses			
Collection System	50,000	51,000	52,020
Treatment and Disposal	7,500	7,650	7,803
Amortization	18,755	18,755	18,755
Contingency	7,631	8,389	8,579
Total Wastewater Expenses	83,886	85,794	87,157
Net Wastewater Costs	83,886	85,886	87,157
Net Operating Costs	381,462	384,943	386,017

The proposed Utility rate increases are requested to provide for inflationary operating costs and repairs required for water and wastewater lines. The Municipality has also confirmed the revised rates requested include a \$0.50 per 1,000 gallons pass-through water rate increase that corresponds to the increased/requested cost of purchasing water from SCDWC.

Subsequent to the Municipality's application, the Municipality confirmed with Board staff offsetting amortization of capital grants of \$7,232 was mistakenly omitted from the water rate calculations.

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 Municipality has included a contingency allowance of \$41,359 for 2020, \$37,682 for 2021, and \$37,794 for 2022 water and \$7,631 for 2020, \$8,389 for 2021, and \$8,579 for 2022 for wastewater. This represents 10% of prior year (forecasted) total operating costs.

The Municipality has advised the discrepancy to the Board's Water and Wastewater Application Guidelines in calculating the contingency allowance was due to an error in the spreadsheet formula.

The Municipality has not included a reserve allowance and notes in its rate study it anticipates the contingency funding will be sufficient to provide surplus funding to be transferred into the Reserve Fund at the end of each fiscal year.

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 2017 and 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	\$724,551	707,213
Deduct: Tangible Capital Assets	(1,424,370)	(1,355,853)
Add: Long-Term Debt	559,301	580,059
Add: Utility Reserves	17,828	44,674
Equals Working Capital Surplus (Deficit)	(122,690)	(23,907)
Operating Expenses	438,407	354,870
20% of Operating Expenses (Target)	87,681	70,974

The working capital does not meet the Board requirement.

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 Municipality's allocation plan for shared costs is as follows:

Municipality of Pembina – Town of Manitou Water and Wastewater Utility Allocation Plan for Shared Costs				
Shared Overhead: Includes all direct and indirect costs related to administration of the Utility.				
Sub-Category	Activity/Expenses	Expenses Allocated to Utility (Estimated)		Tracked Increments (Actual/hr)
		Percentage (%)	Dollar Value (\$)	
Direct Overhead Cost	Meter Reading – Salaries and Wages	Part of Public Works Staff wage allocation.		
	Billing – Receipting and Collection	Costs that could be charged to the Utility are minimal and are currently being charged to the Utility by the Utility Administration Costs Policy.		

Indirect overhead Costs – General Administrative Costs and Shared Office Costs	Staff salaries and benefits	Costs that could be charged to the Utility are minimal and are currently being charged to the Utility by the Utility Administration Costs Policy.		
	Council costs		N/A	N/A
	Audit and legal (Estimate)	1	1,855	9
	Interest cost on office space		N/A	N/A
	Lease costs		N/A	N/A
	Utilities (telephone, heat, etc.)	Costs that could be charged to the Utility are minimal and are currently being charged to the Utility by the Utility Administration Costs Policy.		
	Administrative costs (Photocopying, stamps, etc.)	Costs that could be charged to the Utility are minimal and are currently being charged to the Utility by the Utility Administration Costs Policy.		
Shared Direct Operating Costs: Includes all costs directly attributable to the maintenance and repair of the Utility. Public works employees repair and maintain both transportation and Utility infrastructure. A portion of the cost for the public works department should be allocated to the Utility.				
Sub-Category	Activity/Expenses	Expenses Allocated to Utility (Estimated)		Tracked Increments (Actual/hr)
		Percentage (%)	Dollar Value (\$)	
Direct Equipment Costs	Public works buildings – Maintenance	1	4,392	X
	Vehicles/Fuel/Insurance	Costs that could be charged to the Utility are minimal and at present, nothing is allocated to the Utility.		
	Machinery and Equipment	Costs that could be charged to the Utility are minimal and at present, nothing is allocated to the Utility.		
	Road construction and maintenance equipment – Interest/Lease Costs/Amortization	N/A		
Direct Labour	Labour costs directly attributable to the maintenance and repair of the utility Tangible Capital Assets	Part of Public Works Staff wage allocation		
Shared Capital Costs: These shared costs should not be directly charged to utility operations. Capital costs should be capitalized as a tangible capital asset and amortized to utility operations over its useful life. *Includes all costs directly attributable to the development and construction of a tangible capital asset for a utility. Public works projects often construct transportation and utility assets at the same time. In these cases, a portion of the road work should be allocated to utility Tangible Capital Assets based on the relative fair market value of the assets. *The cost of a Tangible Capital Asset can include interest costs on debt directly attributable to the development and construction of a Tangible Capital Asset. Only interest owed to external parties such as banks or debenture holders.				

Capitalization of interest costs must end when there is no construction or when the asset is put into use.				
Sub-Category	Activity/Expenses	Expenses Allocated to Utility (Estimated)		Tracked Increments (Actual/hr)
		Percentage (%)	Dollar Value (\$)	
Direct Overhead Costs	Administrative			
	Legal fees/Survey Costs	N/A		
	Design/Engineering Fees	Directly Charged		
	Interest on Debt	5.5	23,783	N/A
Direct Equipment Costs	Operating Costs			
	Vehicles/Fuel/Insurance	Costs that could be charged to the Utility are minimal and at present, nothing is allocated to the Utility.		
	Equipment/Amortization/Interest	N/A		
Direct Labour	Labour costs directly attributable to the maintenance and repair of Utility Tangible Capital Assets	Based on actual costs.		

4.0 Board Findings

The Board has reviewed the application and finds the rate calculation failed to include the offset of amortization of capital grants (as noted in the most recent, 2018 Audited Financial Statements) of \$7,232.

The Board finds the spreadsheet formula used to calculate the contingency allocation does not meet Board guidelines and results in higher than required costs to be recovered through rates as follows:

	2020	2021	2022
Water			
Requested Contingency Allocation	\$41,359	\$37,682	\$37,794
Contingency Allocation Using Board Guidelines	28,600	29,172	29,755
Discrepancy	\$12,759	\$8,510	\$8,039
Wastewater			
Requested Contingency Allocation	\$7,631	\$8,389	\$8,579
Contingency Allocation Using Board Guidelines	5,750	5,865	5,982
Discrepancy	\$1,881	\$2,524	\$2,597

The Board also finds the Utility's working capital does not meet the Board required 20% of operating expenses threshold. As per the Board Guidelines, the Board requires a provision equal to 1% of operating expenses to be added to rates until the working capital balance has reached the 20% target level.

The Board therefore varies the requested water and wastewater rates to include the amortization of capital grants and correct the error made in the calculation of requested contingency allowance to meet Board guidelines to \$25.46 per 1,000 gallons for 2020, \$25.98 per 1,000 gallons for 2021, and \$25.98 per 1,000 gallons for 2022 for water and \$8.08 per 1,000 gallons for 2020, \$8.20 per 1,000 gallons for 2021, and \$8.33 per 1,000 gallons for 2022.

The Board varies the quarterly service charge to \$12.34 for 2020, \$12.61 for 2021, and \$12.88 for 2022 to include 1% of operating expenses (as per the Board Guidelines) to correct the working capital deficit for the Utility.

The Board also varies the effective dates to July 1, 2020, January 1, 2021, and January 1, 2022 to correspond with the Utility's most current billing cycle.

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

The Board requires the Municipality 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 pass-through rates requested by the Municipality of \$0.50 per 1,000 gallons have been included in the approved rates. The Board reminds the Municipality, Board Order No. 139/18 previously approved authority for the Municipality to pass-through water rate increases from SCDWC. Please see Board Order No. 139/18 for the complete details of the pass-through process requirements.

The Board notes, as per the 2018 Audited Financial Statements, the Utility has incurred a deficit in 2018. 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 Board therefore directs the Municipality to file a Deficit Application and recovery methodology for the 2018 deficit.

The Board notes the Municipality has forecast \$44,541 in taxation revenues for water debt that the Municipality advises expires in approximately 2038 and directs the Municipality to account for the timing of the expiration of this revenue in future rate studies/applications to prevent significant annual increases to customers.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Municipality of Pembina, Town of Manitou Water and Wastewater Utility, BE AND ARE HEREBY VARIED 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 Municipality of Pembina BE AND IS HEREBY APPROVED.
3. The Municipality of Pembina 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 Municipality of Pembina 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 Municipality of Pembina review its water and wastewater rates for the Town of Manitou 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 Municipality of Pembina file a Deficit Application and recovery methodology for the outstanding 2018 deficit for the Town of Manitou Water and Wastewater Utility by July 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.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"Irene A. Hamilton, Q.C."
Panel Chair

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 92/20
issued by The Public Utilities Board


Frederick Mykytyshyn
Assistant Associate Secretary

SCHEDULE A

**MUNICIPALITY OF PEMBINA
TOWN OF MANITOU WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 07/2019**

1. (a) Commodity Rates per 1,000 Imperial Gallons effective July 1, 2020

<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
\$25.46	\$8.08	\$33.54

(b) Minimum Quarterly Charge:

Water and Wastewater Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Water Charge	Wastewater Charge	Service Charge	Total Quarterly Minimum
5/8"	1	3,000	\$76.38	\$24.24	\$12.34	\$112.96
3/4"	2	6,000	152.76	48.48	12.34	213.58
1"	4	12,000	305.52	96.96	12.34	414.82
1 1/2"	10	30,000	763.80	242.40	12.34	1,018.54
2"	25	75,000	1,909.50	606.00	12.34	2,527.84

2. (a) Commodity Rates per 1,000 Imperial Gallons effective January 1, 2021

<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
\$25.98	\$8.20	\$34.18

(b) Minimum Quarterly Charge:

Water and Wastewater Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Water Charge	Wastewater Charge	Service Charge	Total Quarterly Minimum
5/8"	1	3,000	\$77.94	\$24.60	\$12.61	\$115.15
3/4"	2	6,000	155.88	49.20	12.61	217.69
1"	4	12,000	311.76	98.40	12.61	422.77
1 1/2"	10	30,000	779.40	246.00	12.61	1,038.01
2"	25	75,000	1,948.50	615.00	12.61	2,576.11

3. (a) Commodity Rates per 1,000 Imperial Gallons effective January 1, 2022

<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>
\$25.98	\$8.33	\$34.31

(b) Minimum Quarterly Charge:

Water and Wastewater Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Water Charge	Wastewater Charge	Service Charge	Total Quarterly Minimum
5/8"	1	3,000	\$77.94	\$24.99	\$12.88	\$115.81
3/4"	2	6,000	155.88	49.98	12.88	218.74
1"	4	12,000	311.76	99.96	12.88	424.60
1 1/2"	10	30,000	779.40	249.90	12.88	1,042.18
2"	25	75,000	1,948.50	624.75	12.88	2,586.13

The following clauses take effect July 1, 2020:4. Bulk Water Rate:

All water sold in bulk by the Municipality of Pembina in the Town of Manitou Utility shall be charged for at a rate of \$40.00 M.G. per 1,000 gallons.

5. Lagoon Tipping Fees:

Each septic wastewater contractor registered with the Municipality shall be charged a flat fee of \$250.00 annually for access to the Town's lagoon, to be paid by September 30th of each year.

6. Billings And Penalties:

All connected customers shall be billed quarterly and payment shall be due and payable at the last working day of that billed month a late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date and a notice to this effect shall be clearly printing on all bills sent to customers.

7. Hydrant Rentals:

The Municipality of Pembina shall pay The Town of Manitou Utility an annual rental of \$250.00 for each hydrant connected to the system.

8. Water Allowance Due to Line Freezing:
That in any case where, at the request of the Council, a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to that customer for the current quarter shall be the average of the billing from the same quarter over the previous years, or to the same premises if the occupant has changed.

9. Discontinuation and Disconnection of Service:
The Public Utilities Board has approved the Conditions Precedent to be followed by the Municipality with respect to disconnection of service for non-payment including, such matters, as notice and the right to appeal such action to The Public Utilities Board. A copy of the Conditions Precedent is available for inspection at the Municipality's office.

10. Disconnection/Reconnection:
Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties, and a reconnection fee of \$50.00 has been paid. Any customer wishing to have their water meter removed shall be required to pay a \$50.00 fee at the time of disconnection and at the time of reconnection as well.

11. Liability for Charges:
Where charges and penalties are incurred by this By-Law are not paid within ninety (90) days from when they were incurred; according to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and wastewater service 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 collective, and with like remedies.

12. Meter Inspections:
On an annual basis or on a schedule determined by the Municipality of Pembina, the customer will provide access to the municipal meter reader to record the water meter reading and to inspect the meter. In the event that the customer is not home or does not grant access, the customer will be notified that they must arrange a time and date for an appointment with a municipal employee to have the meter reading recorded and inspected within 30 days of the water utility notice. Failure to arrange and provide access to the municipality within 30 days of the notice will result in a \$50.00 fine. After a period of 60 days from the utility notice and a failure to arrange and provide access to the water meter, the water service may be disconnected. Any service that has been disconnected shall fall under the same guidelines as set out for non-payment in Sections 8, 9, and 10 of this By-Law.

13. Testing of Water Meters for Accuracy:

Any customer desiring and requesting their meter to be tested for accuracy shall deposit with the Municipality of Pembina the sum of \$50.00, which will be retained if the meter (when tested) shall be found to be within the allowable limits of variation from accuracy. If the meter is found to register in excess of the allowable limits, the deposit shall be refunded and the customer's account adjusted to reflect an accurate consumption. The allowable limit of variation shall be 4% of average flow.

14. Municipality to be Notified of Failure of Meter:

In the case of breakage, stoppage or irregularity in a water meter, the customer shall notify the Designated Officer immediately upon such condition being discovered. All installation, repair and disconnection of any water meter shall be performed only by those authorized to do such work by the Municipality of Pembina.

15. Tampering with Meter Forbidden:

In the event that the meter has been tampered with, the following charges and penalties will be an amount owing to the Municipality and may be collected by the Municipality in the same manner as a tax may be collected or enforced under *The Municipal Act*:

- (a) actual direct costs of enforcement accrued by the Municipality in respect to time and other expenses of staff, and costs of court, legal and other related costs;
- (b) a fine of \$500.00 per occurrence, in accordance with Regulation 50/97 of *The Municipal Act*; and
- (c) costs of unmetered water and sewage treatment estimated by the Designated Officer based on account history.

16. Service to Customers Outside the Limits of the Town of Manitou Utility:

The Council of the Municipality of Pembina may sign agreements with customers for the provision of water and wastewater service to properties located outside the legal boundaries of the Town. Such agreements shall provide for payment of the appropriate rates set out in Sections 1 and 2 of this schedule, as well as a surcharge set by Resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for 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 located within the town boundaries. In addition, all costs of connecting to the Utility's mains and installing and maintaining the service connections shall be paid for by the customer.