

**Order No. 124/21**

**RURAL MUNICIPALITY OF PIPESTONE  
AMALGAMATION OF PIPESTONE AND RESTON  
WATER AND WASTEWATER UTILITIES  
OPERATING DEFICITS  
REVISED WATER AND WASTEWATER RATES**

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**November 3, 2021**

**BEFORE: Shawn McCutcheon, Panel Chair  
Marilyn Kapitany, B.Sc. (Hon), M. Sc., Panel Member**

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## 1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) grants approval of the Rural Municipality of Pipestone's (RM) application to amalgamate the Pipeline Rural Water System (Pipeline Utility) and the Reston Utility (Reston Utility), to form the RM of Pipestone Water and Wastewater Utility (Utility), effective January 1, 2022.

The Board grants approval for the recovery of combined operating deficits incurred from 2015 to 2020. The details of the deficits can be found in the Operating Deficits section of this Board Order. All deficits are to be recovered from the Utility Accumulated Surplus Account. The Board grants approval of the revised Cost Allocation Methodology proposed by the RM.

The Board grants approval for revised water and wastewater rates for the newly formed RM of Pipestone Water and Wastewater Utility, effective January 1, 2022.

The revised rates are below:

	<b>Jan 1, 2022</b>
Quarterly Service Charge	\$ 25.17
Water per cubic meter	\$ 4.00
Wastewater per cubic meter	\$ 1.00
Minimum Quarterly Charge*	\$ 95.17
Bulk Water Sales per cubic meter**	\$ 7.08

\*based on 14m<sup>3</sup> (cubic meters)

\*\*minimum charge of 1m<sup>3</sup> (cubic meter)

Details of other rates can be found in Schedule A.

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

## 2.0 Background

The RM of Pipestone Water and Wastewater Utility is a result of the amalgamation of the Pipestone Rural Water and Reston Water and Wastewater Utilities. Rates were last set in Board Order No. 97/16, with current rates coming into effect July 1, 2016.

The Utility provides wastewater and/or water service to 511 connections throughout the municipality.

### Water Supply/Distribution

The RM purchases water from the Rural Municipality of Wallace-Woodworth. The source water is secure ground water and is treated with sodium hypochlorite for disinfection. The purchase price is set based on rates approved by the Board.

The Pipestone Utility started in June 2012, when the initial phase connected the communities of Cromer and Sinclair, which had existing distribution systems. It was determined that a reservoir was not needed in these communities. The first phase saw 69 connections. Phase two was constructed in 2013, connecting a total of 120 customers. Phase three had 42 connections in 2015, and phase four had 40 connections in 2017. Phase five had seven connections that were constructed in 2018. The Town of Reston was put on the pipeline beginning 2016 with 298 connections.

The Reston Utility's Water Treatment Plant was converted to a pumphouse and classified as a Class 1 Distribution system.

The Reston reservoir stores water for users' needs and for firefighting. It has a capacity of 80,000 imperial gallons, calculated as three days worth of water.

There are seven wells in the RM that have access to ground water. These wells are tested each spring. The wells supply untreated water to residential homes that have chosen not to hook up to the water pipeline, farmers for agricultural purposes, and

commercial purposes in the oil industry. These wells are not part of a distribution system or the Utility.

There is one well in Reston for access to the treated water, which is part of the Utility. The well receives water from the reservoir and is operated by card lock.

### **Wastewater Collection and Treatment**

A sewage lagoon was constructed in 2002 to serve the community of Reston and was expanded in 2017. The Reston lagoon consists of one primary treatment cell and three secondary storage cells. The expanded lagoon now receives wastewater from the community of Pipestone's low pressure system and the community of Sinclair's gravity fed system.

The Reston collection system is gravity fed, and utilizes lift station pumps. The sewer lines were put in use in 1964, 1978, 2012 and 2018.

The Municipality advises it is in compliance with all Environmental licenses.

The Pipestone lagoon has undertaken a pilot project in partnership with the Souris River Watershed District and Ducks Unlimited Canada to decommission in an environmentally sustainable way. It should take approximately 5 to 7 years to fully decommission the lagoon by the Province's standards. There is an existing Pipestone Lagoon reserve account which is expected to fully fund the decommissioning.

There are no other lagoons within the municipality.

### **3.0 Board Methodology**

#### **Review Process**

When reviewing an application, the Board has at its disposal two approaches, a paper review process or a public hearing. After the publication of the Notice of Application, the Board considers the application and responses, if any, and determines which method of review is most appropriate. Whenever reasonable, the Board can review the application using a paper review process, which saves the cost of a public hearing.

Where there is an urgent need for initial or revised rates and the Board determines it to be in the best interest of all parties, the Board may establish interim *ex parte* rates.

#### **Interim *ex parte* Approval**

Interim *ex parte* rates are typically approved as applied for and are then subject to a standard Board review process, including a Public Notice of Application, before being confirmed as final by Board Order.

Since this process allows a municipality to charge ratepayers revised rates in advance of the Board's comprehensive review, it is reserved for instances where a municipality can show a compelling argument to allow it.

#### **Contingency Allowance and Utility Reserves**

The Board's Water and Wastewater Rate Application Guidelines recommend an annual contingency allowance equal to 10% of the variable operating costs.

#### **Working Capital**

Board Order No. 93/09 established utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus is the Utility fund balance, excluding any capital-related items plus Utility reserves.

## **Operating Deficits**

By law, Manitoba utilities are not allowed to incur deficits. In the event that a deficit does occur, the Utility is required by *The Municipal Act* to obtain Board approval for both the deficit and recovery methodology. The Board is therefore duty bound to approve reasonable rates based on reasonable expense projections.

## **Cost Allocation Methodology**

The Board requires all municipalities to review the costs shared between the general operations of the municipality and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This policy must be submitted to the Board for approval and cannot be changed without approval by the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

## **Unaccounted for Water**

Water losses may be caused by such events as distribution line losses, service leaks, water used for fire fighting or line flushing, and under-registration of water meters. The Board Guidelines require utilities to compare the volume of water produced or purchased against the volume of water sold, to determine the percentage of unaccounted for water. Unaccounted for water volumes of approximately 10% are considered industry standard.

The Board expects any utility experiencing a greater volume of unaccounted for water to provide an explanation and plan to address the water losses.



## 4.0 Application

On November 16, 2020 the Board received the RM's application to revise the water and wastewater rates for the Pipeline and Reston Utilities. The application was accompanied by a rate study completed by the RM and By-law 2020/09, read for the first time on September 24, 2020.

The RM confirmed its continued intention to request Board approval of the amalgamation of the Pipeline and Reston Utilities into a single Utility to be known as the RM of Pipestone Water and Wastewater Utility. The amalgamation approval had been overlooked in error in 2015, when the RM had originally made the request for approval. The Board discovered the oversight and confirmed the RM still wished to proceed with amalgamation.

The Board issued a Public Notice of Application on November 25, 2020 affording customers the opportunity to comment to both the Board and the RM with respect to the proposed rate changes. The Board did not receive any responses to the Notice.

The rates were calculated using the following revenue requirement projections:

<b>General Expenses</b>			
Administration (building, office, staff, etc)	43,163	43,845	44,538
Billing and collection	10,475	10,642	10,809
<b>Total expenses general</b>	<b>53,638</b>	<b>54,487</b>	<b>55,347</b>
Penalties	2,200	2,500	2,500
<b>Total revenue general</b>	<b>2,200</b>	<b>2,500</b>	<b>2,500</b>
<b>Net revenue requirement - general</b>	<b>51,438</b>	<b>51,987</b>	<b>52,847</b>
<b>Water Expenses</b>			
Staffing	125,000	126,975	128,981
Purification and treatment	25,000	25,395	25,796
Water purchases	198,362	201,496	204,680
Transmission and distribution	58,000	58,916	59,847
Other water supply costs	15,000	15,237	15,478
Amortization	275,411	365,411	365,411
Interest on long term debt	65,751	60,606	55,262
Contingency	40,636	41,278	41,930
<b>Total expenses water</b>	<b>803,160</b>	<b>895,314</b>	<b>897,385</b>
Hydrant rentals	5,400	5,400	5,400
Investment income	20,000	20,000	20,000
Amortization of capital grants	100,080	130,080	130,080
Amortization of royalties	105,987	165,987	165,987
Amortization of contributed capital assets	1,891	5,848	5,848
Amortization of gas tax reserves used for capital assets	15,740	15,740	15,740
Taxation revenues	200,224	200,225	200,225
Bulk water fees	9,152	9,152	9,152
Other revenue	2,000	2,000	2,000
<b>Total revenue water</b>	<b>460,474</b>	<b>554,432</b>	<b>554,432</b>
<b>Net revenue requirement - water</b>	<b>342,686</b>	<b>340,882</b>	<b>342,953</b>

<b>Wastewater Expenses</b>			
Staffing	13,000	13,205	13,414
Wastewater collection system	10,000	15,158	15,397
Lift station costs	15000	20,237	20,557
Wastewater treatment and disposal	3,000	7,047	7,159
Other wastewater collection & disposal costs	4,500	7,071	7,183
Amortization	163,493	270,826	270,826
Interest on long term debt		11,016	10,282
Contingency	4,550	6,272	6,371
<b>Total expenses wastewater</b>	<b>213,543</b>	<b>350,832</b>	<b>351,189</b>
Lagoon tipping fees	1,500	1,500	1,500
Investment income	12,000	12,000	12,000
Amortization of capital grants	99,169	149,102	149,102
Amortization of royalties	52,138	109,538	109,538
Amortization of contributed capital assets			
Amortization of gas tax reserves used for capital assets		2,600	2,600
Taxation revenues	3,850	19,850	19,850
<b>Total revenue wastewater</b>	<b>168,657</b>	<b>294,590</b>	<b>294,590</b>
<b>Net revenue requirement - wastewater</b>	<b>44,886</b>	<b>56,242</b>	<b>56,599</b>

### Lagoon tipping fees

The Reston lagoon also accepts truck hauled septage from surrounding rural septic tanks. This includes the residents of Pipestone. By-Law 2018/04 and Special Service Plan No 04-2020 establish a rate for maintenance of sidewalks, streets, park, wells and sewer system including lagoon disposal within the community of Pipestone. The amount is determined by council through the annual operating budget set out in the RM's Financial Plan. The Special Service Tax on sewer maintenance is based on an amount per parcel, the rate for 2020 and 2021 is \$50, and for 2022 to 2024 it's \$60, and is not approved by the Board.

The Special Service Tax was determined based on the minimum annual fee paid by Reston customers for sewer until costs could be more accurately measured.

## Contingency Allowance and Utility Reserves

The RM has included in the projections a contingency allowance of 10% of net rate requirements, less amortization and interest on long-term debt. There is no provision for transfer to Utility Reserve from rates proposed.

The RM, through By-Law 2013-05 created a Municipal Utility Reserve Fund to be funded every year by a specified percentage of royalty income. Currently 25% of royalty revenue is transferred to the reserve.

## Royalties

The RM has mineral rights on approximately 55 parcels of land. Many of these sites have an active oil well and generate an average of \$1,500,000 in revenue annually. The royalty money is intended to improve and benefit as many ratepayers as possible. Currently 25% of the royalty revenue is going to the Municipal Utility Reserve, 25% is going to the General Reserve, 25% going to Transportation Services and 25% to At Large Services.

The 2015 water rate study proposed that Oil Royalties used to fund capital assets be treated in the same manner as capital grants and for the amount used to fund the Water Pipeline project be amortized, which was approved by the Board. This application proposes to continue treating the oil royalties used to fund capital projects the same way.

The application also proposed that Gas Tax Reserve funds used to fund capital assets be treated in the same manner as capital grants, and be amortized. The application also included an annual amortization amount for capital assets contributed from the RM to the Utility.

## Operating Deficits

The RM has applied for approval for the following operating deficits:

Pipeline Utility:		Reston Utility:	
2017	\$ 11,216	2015	\$ 20,079
2018	\$ 15,949	2018	\$ 19,264
2019	\$ 16,396	2019	\$111,456
2020	\$ 19,882	2020	\$ 44,138
<b>Total</b>	<b>\$ 63,443</b>	<b>Total</b>	<b>\$194,937</b>

The RM has calculated the operating deficits to include offsetting amounts for amortization of capital grants, Gas Tax Reserve funds used for capital projects and capital assets contributed from the General Fund. The RM has proposed that the operating deficits be recovered from the Utility Accumulated Surplus account.

## Working Capital

As per the 2020 audited financial statements, the Working Capital Surplus at December 31, 2020 was:

	Pipeline	Reston	Combined
Accumulated Fund Surplus/Deficit	<b>\$13,724,139</b>	<b>\$7,701,798</b>	<b>\$21,425,937</b>
Deduct tangible capital assets	<b>\$15,030,819</b>	<b>\$7,258,971</b>	<b>\$22,289,790</b>
Add long term debt	<b>\$1,577,804</b>	<b>\$0</b>	<b>\$1,577,804</b>
Add utility reserves	<b>\$2,588,650</b>	<b>\$0</b>	<b>\$2,588,650</b>
<b>Equals Working Capital Surplus/Deficit</b>	<b>\$2,859,774</b>	<b>\$442,827</b>	<b>\$3,302,601</b>
Operating costs	<b>\$891,559</b>	<b>\$248,860</b>	<b>\$1,140,419</b>
<b>20% of operating costs (target)</b>	<b>\$178,312</b>	<b>\$49,772</b>	<b>\$228,084</b>

The Utility is compliant with the Board's minimum target for working capital, even after the recovery of the outstanding operating deficits.

## **Cost Allocation Methodology**

The RM would like to revise its cost methodology as approved on Order No. 149/12. Previous order had allocation of 15%, updated allocation is at 5%.

The RM proposes that direct costs be calculated based on average rate of pay as set on the 2020 PayScale Grid, and the number of hours it takes to perform the task of billing and collection. The total calculated for billing and collection is \$10,475.

Indirect costs such as CAO, Manager of Public Works, Manager of Public Works and Administration, Manager of Finance and Administration, and Council wages, are proposed to be charged to the Utility at a rate of 5% of actual costs. The Office utilities, and photocopying at 15%, the Shop utilities at 5%. Software costs between 5 and 50% based on the type of software and relevance to the Utility.

Indirect costs calculated are \$43,163. The total amount of \$53,638 for administration for the Utility will offset General Government Services \$31,948, and Transportation Services \$11,215 on the Financial Plan.

The RM will charge the Utility for all identifiable operating costs such as labor, equipment, maintenance and water tests.

## **Unaccounted for Water**

The RM's rate study advised unaccounted for water was between 6-12% of water purchased. The RM advised in an effort to reduce unaccounted for water it has implemented annual curb stop maintenance, comparison of monthly readings to water purchases, pressure testing and leak detection as required.

## 5.0 Board Findings

The Board has reviewed the application and revenue projections presented by the RM and finds the projections to be reasonable for the most part.

The Board will continue to allow the RM to amortize the oil royalty monies used to fund capital projects for the utility in the same manner as a capital grant.

However, the Board does not allow for Gas Tax Reserve funds to be amortized in this manner. In addition, the amortization for contributed assets is intended for use of capital assets contributed from other parties, not the General Operating Fund. An example would be a developer putting in water and wastewater lines in a new development and donating them to the municipality, a fairly common occurrence in new developments.

The Board will grant approval of the outstanding operating deficits, to be recovered from the working capital surplus of the Utility. The total operating deficits applied for were \$258,380; however, this included amortization of Gas Tax Reserve funds used for capital assets as well as capital assets contributed from the General Fund, neither of which can be used to reduce operating deficits. The Board would remind the RM to file the applications in a timely fashion going forward.

The Board will grant approval of the RM's request to amalgamate the Reston Water and Wastewater Utility and the Pipestone Rural Water line into the RM of Pipestone Water and Wastewater Utility. The Board finds the amalgamation aligns with the operations and infrastructure of the distribution and collection systems in the RM, and should be treated as a single entity.

As the RM purchases treated water from the RM of Wallace-Woodworth, the Board will allow the Utility to request a provision for a pass-through rate increase if the water purchase price increases. This rate increase is subject to Board approval.

The Board will direct the RM to transition those customers being charged for services on the wastewater collection system from a Special Services Levy to a utility billing. The RM should file an application for this transition, either as a stand alone application or as part of a full rate application, on or before December 31, 2022. The RM should also review the Utility rates for adequacy and submit a report, and rate application if required, on or before December 31, 2022.

The Board will grant approval of the revised Cost Allocation Methodology as applied for by the RM.

The Board reminds the RM regular reviews are important for a financially sound utility and encourages the RM to review Board Order No. 86/17 for future rate applications. The Order outlines the Simplified Rate Application Process for municipally owned public utilities. If, after its rate review, the RM finds it meets the designated criteria for a simplified rate application, it should apply for future rates using the Simplified Rate Application Process.



## 6.0 IT IS THEREFORE ORDERED THAT:

1. The Amalgamation of the Pipestone Rural Water Utility and the Reston Water and Wastewater Utility to form the Rural Municipality of Pipestone Water and Wastewater Utility BE AND IS HEREBY APPROVED effective January 1, 2022.
2. The revised water and wastewater rates for the Rural Municipality of Pipestone Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective January 1, 2022.
3. The Cost Allocation Methodology for shared services as submitted by the Rural Municipality of Pipestone Water and Wastewater Utility BE AND IS HEREBY APPROVED.
4. The operating deficits incurred between 2015 and 2020 in the Rural Municipality of Pipestone, BE AND ARE HEREBY APPROVED to be recovered from the Utility Accumulated Surplus.
5. The Rural Municipality of Pipestone plan to transition from charging wastewater ratepayers a Special Services Levy to charging for wastewater services on a utility bill, and apply to the Public Utilities Board for approval on or before December 31, 2022.
6. The Rural Municipality of Pipestone amend its Utility rate By-law to reflect the decisions in this Order, and submit a copy to the Public Utilities Board once it has received third and final reading
7. The Rural Municipality of Pipestone review its Utility rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if applicable, on or before December 31, 2022.

Fees payable upon this Order - \$500.00

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).

THE PUBLIC UTILITIES BOARD

Shawn M<sup>c</sup>Cutcheon  
Panel Chair

"Jennifer Dubois, CPA, CMA"  
Assistant Associate Secretary

Certified a true copy of Order No. 124/21  
issued by The Public Utilities Board



Assistant Associate Secretary

**SCHEDULE "A"**  
The Rural Municipality of Pipestone  
Water and Sewer Rates  
By-law No 2020/09

**1. SCHEDULE OF COMMODITY RATES & QUARTERLY SERVICE CHARGE**

<u>Commodity rates per m<sup>3</sup></u>	<u>Water</u>	<u>Sewer</u>	<u>Water &amp; Sewer</u>
All Water consumption	\$4.00	\$1.00	\$5.00
Quarterly Service Charge	\$25.17		

**2. MINIMUM CHARGES, QUARTERLY**

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<i>Meter Size (Inches)</i>	<i>Group Capacity Ratio</i>	<i>Minimum Quarterly Consumption</i>	<i>Service Charge</i>	<i>Water</i>	<i>Wastewater</i>	<i>Minimum Quarterly Charges</i>
5/8	1	14	\$25.17	\$56.06	\$13.94	\$95.17
3/4	2	27	\$25.17	\$108.12	\$26.88	\$160.17
1	4	55	\$25.17	\$220.25	\$54.76	\$300.17
1 1/4	10	140	\$25.17	\$560.64	\$139.38	\$725.18
2	25	341	\$25.17	\$1,365.55	\$339.49	\$1,730.21

b) Water Only Customers

Minimum charge will be the same for each meter size as shown, above, but the Sewer Commodity Charge will be excluded.

c) Low Pressure Sewer Residential Customers

The Rural Municipality of Pipestone does not charge the owners or occupants of land serviced with a metered sewer rate, rather charges through a special service levy that are connected to the low-pressure gravity fed line attached to the Reston Utility Lagoon. This rate is established in By-Law 2020-04 as \$50 per connection in 2020, 2021 and \$60 in 2022, 2023, 2024 as approved by The Municipal Board Order E20-046.

### 3. BULK SALES RATE

All water sold in bulk by the Municipal Utility shall be charged for at the rate of \$7.08 per cubic meter with a minimum one cubic meter charge.

**The following clauses take effect January 1, 2022.**

### 4. SERVICE TO CUSTOMERS OUTSIDE THE MUNICIPALITY OF PIPESTONE

The Council of the Rural Municipality of Pipestone may sign Agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Municipality. Such agreements shall provide for payment of the appropriate rates set out in this Schedule, as well as a surcharge, set by Resolution of Council, which shall be the 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 Rural Municipality of Pipestone 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. BILLINGS AND PENALTIES

Accounts shall be billed quarterly based on water used. A late penalty charge of 1.25% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen (14) days after the mailing of the bills.

### 6. DISCONNECTION AND RECONNECTION

The Public Utilities Board has approved the Conditions Precedent to be followed by the municipality with respect to the 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 Municipal office.

Any service disconnected, whether due to non-payment of account or for any other reason(s) mutually agreed to by the customer and the Municipality (ie. 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 \$85 have been paid.

Customers requesting that their service be disconnected and then reconnected within a twelve (12) month period shall pay a fee of \$85 during working hours. If reconnection is required after normal working hours, a charge of \$150.00 must be paid prior to being reconnected.

#### **7. LIABILITY FOR CHARGES**

Pursuant to section 252(2) of the Municipal Act, the amount of all outstanding charges for water and sewer service, including fines and penalties, are a lien and charge upon the land serviced, and may be collected in the same manner in which ordinary taxes upon the land are collectable, and with like remedies.

A consumer who has not paid their bill will be charged an administration fee of \$10.00 to cover costs of adding outstanding accounts to the tax roll.

#### **8. HYDRANT RENTALS**

The LUD of Reston, or any other hydrant owner, will pay to the Utility an annual rental of \$150.00 per year for each hydrant for the purpose of maintaining and repairs all fire hydrants connected to the system which shall include the cost of water used for firefighting.

#### **9. WATER ALLOWANCE DUE TO FREEZING**

That in any case where, at the request of the Rural Municipality of Pipestone, 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 billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.

#### **10. WASTEWATER SURCHARGE**

- 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 mg/L, 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.

## **11. WATER METERS**

All new residential customers for sewer and water shall be metered at customer cost. Ownership, inspection and maintenance of meters will remain the responsibility of the utility system. Commercial meter maintenance will be the responsibility of the utility system but will be billed to the commercial user. If the meter is broken, frozen, etc. the Utility customers will be billed for a new meter at the current cost of replacement.

## **12. METER TESTING**

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Municipality with a deposit of \$100. The Municipality will then remove the subject meter and send it to an independent lab for testing. If the meter is found to be faulty, all costs associated with the testing process will be borne by the Municipality and the deposit will be refunded to the customer. 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. RESPONSIBILITY FOR WATER SERVICE CONNECTIONS**

The Utility is responsible for approval of designed route, contractor, material list and installation procedure from RM main line to the owner's meter. The owner is responsible for all associated costs of material, installation, repair and maintenance of all the water lines including connections and valves through and on their property from the meter package up to the water main line (including any water losses that may occur and all restoration). The Municipality shall own the meter package and be responsible to repair and maintain the meter package (not including service line shut off valve at meter package).

## **14. RESPONSIBILITY FOR SEWER SERVICE CONNECTIONS**

The Utility is responsible for approval of designed route, contractor, material list and installation procedure from RM sewer main line to the owner's property. The owner is responsible for all associated costs of material, installation, repair and maintenance of all the sewer lines including connections, valves, cleaning, auguring tree roots, and restoration from RM sewer main to property connection.

## **15. CROSS CONNECTIONS**

No customer or person shall connect, cause to be connected or allow to remain connected any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater or any harmful liquid or substance to enter the Municipality's water system.

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

1. Shut off service or services; or
2. Give notice to the customer to correct the fault at his or her own expense within a specified time period.

## **16. CONDITION OF DISREPAIR**

In the event that there are conditions of disrepair in the sewer and water works on a property that detrimentally affects the system as a whole and, upon the failure of the owner of the property to correct the condition within a reasonable time, the Municipality, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

## **17. AUTHORIZATION FOR OFFICER TO ENTER UPON PREMISES**

The Regional Utility Foreman, or other employee authorized by the Municipality in the absence of the Regional Utility Foreman, shall be authorized to enter upon any premise for the purpose of:

- a. affixing to any pipe, wire or apparatus connected with any such utility, a meter or any other measuring or testing devise; or
- b. taking readings from, repairing, inspecting, or removing any meter or apparatus belonging to the Municipality.