

**Order No. 138/18**

**MUNICIPALITY OF GRANDVIEW  
G3 URBAN WATER AND WASTEWATER UTILITY  
REVISED RATES FOR JANUARY 1, 2019, 2020, AND 2021**

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**October 10, 2018**

**BEFORE: Shawn McCutcheon, Panel Chair  
Sharon McKay, Member**

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates for the Municipality of Grandview (Municipality), G3 Urban Water and Wastewater Utility (Utility), effective January 1, 2019, January 1, 2020 and January 1, 2021.

The approved rates are as follows:

	<b>Current By- law 5-2010</b>	<b>Proposed Year 1</b>	<b>Proposed Year 2</b>	<b>Proposed Year 3</b>
Quarterly service charge	\$ 22.40	\$ 23.23	\$ 24.06	\$ 24.89
Water per 1,000 gallons	\$ 16.80	\$ 18.59	\$ 20.38	\$ 22.18
Wastewater per 1,000 gallons	\$ 2.54	\$ 2.89	\$ 3.24	\$ 3.58
Minimum quarterly charge -water & wastewater'	\$ 80.42	\$ 87.67	\$ 94.92	\$ 102.17
Bulk water sales per 1,000 gallons**	\$ 18.50	\$ 21.00	\$ 24.00	\$ 26.00
Reconnection fee (Turn on charge)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Hydrant rental (annual)	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Lagoon Tipping Fee (annual)	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00

*\*Based on 3,000 gallons*

*\*\*For any quantity of 500 gallons or less, the minimum charge will be \$3.00 for a quantity of 100 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 a water and wastewater utility serving 465 customers as of 2017 and all calculations assume this number to remain static for all future years. All water customers are metered and utility bills are sent out on a quarterly basis, separate from the property tax bills.

Eleven customers that were in the boundaries of the former Rural Municipality of Grandview are connected to the G3 Urban Utility System.

On September 4, 2018, the Board approved a 2016 actual operating deficit of \$67,818 to be recovered by a rate rider of \$2.21 per 1,000 gallons, per customer, per quarter over two years or until the total deficit amount of \$67,818 is reached. This was approved in Board Order No. 118/18 and the rate rider is effective October 1, 2018.

### Water Supply/Distribution

The Municipality receives its raw water from the Valley River, which is treated through the G3 Regional water treatment plant. Parts of the system are over a century old, although significant expansion and upgrading took place in 1962 including construction of the water treatment plant, which now serves as a satellite reservoir/pumping station.

A February 22, 2016 letter from the Office of Drinking Water indicates the water supplier has complied with *The Drinking Water Safety Act*, its supporting regulations, and the terms and conditions of the water system's current operating licence.

### Unaccounted for Water

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

The Municipality's unaccounted for water continues to remain high and is estimated at 29% compared to the amounts reported in 2006 (27%) and 2010 (21%). The consumption

readings for 2015 found in the quarterly billing summaries generated many negative amounts, and therefore could not be used to calculate water volume sold. As a result, water sales volume had to be calculated based on 2015 water sales revenues divided by the 2015 water sales rate. The Town advises that the water loss is attributed to the aging water and wastewater infrastructure, and is currently researching options to replace it, but no plan to remedy has been provided.

### **Wastewater Collection/Treatment**

The community's wastewater is treated and stored in a four-cell lagoon, located approximately one-half mile north of the town.

### **Combined Distribution/Collection System Details**

In the past three decades, there have been some water and wastewater extensions, which incorporated corrosion-free PVC piping. The older water and wastewater piping, however, consisted of iron and vitrified clay respectively.

Most water mains are 150 mm in diameter, but some are undersized at 100 mm. Deterioration or aging iron piping has led to many leaks and breaks necessitating numerous repairs over the years.

An overview of the community's infrastructure was undertaken in 2002 in conjunction with the Mountainview Planning District background studies and development plan preparation. At that time, it was reported 30% of the iron water mains had been replaced with PVC pipe.

There is no record the wastewater mains having been replaced, except for short lengths where fractured clay pipe have been replaced with PVC pipe, but much of the wastewater system has been televised over the years. There is evidence of significant root intrusion and of displaced and broken pipes, which has led to council considering short and long-term renewal programs.

### 3.0 Application

On March 27, 2017, the Municipality applied for revised water and wastewater rates, to be effective January 1, 2018, January 1, 2019, and January 1, 2020, as set out in By-Law No. 2-2017, having had first reading March 14, 2017. The application was supported by a rate study prepared by the Municipality's consultant. Rates were last approved in 2011 in Board Order No. 38/11.

A Public Notice of Application was issued on September 11, 2017 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Municipality on or before October 11, 2017.

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 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 process. Given the Board has not been advised of any issues/complaints, 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:

<b>SCHEDULE OF UTILITY RATE REQUIREMENTS - Grandview G3 Urban</b>			
<b>FOR PUBLIC UTILITIES USE ONLY</b>			Inflation rate
<b>2013 to 2015 Actual and 2016 to 2020 Budget Forecasts</b>			2%
	2018	2019	2020
	<b>Budget Forecast</b>		
<b>General</b>			
<b>Expenses:</b>			
Administration	\$35,363	\$36,070	\$36,792
Training costs	-	-	-
Utilities (telephone, electricity)	15,606	15,918	16,236
Billing and collection	-	-	-
Total general expenses	50,969	51,988	53,028
<b>Revenue</b>			
Penalties	1,000	1,000	1,000
Other income	10,000	10,000	10,000
Total general revenues	11,000	11,000	11,000
<b>Net Costs General</b>	<b>39,969</b>	<b>40,988</b>	<b>42,028</b>
<b>Water</b>			
<b>Expenses</b>			
Purification and treatment	24,339	24,826	25,323
Water Purchases	156,060	159,181	162,365
Service of Supply	56,910	58,048	59,209
Other Water Supply Costs	-	-	-
Connection costs	-	-	-
Amortization	76,321	77,988	77,988
Interest on long term debt	1,050	-	-
Total water expenses	314,680	320,043	324,884
<b>Revenue</b>			
Bulk Water fees	6,062	7,955	10,550
Other Revenue	-	-	-
Connection fee	-	-	-
Hydrant rentals	3,000	3,000	3,000
Total revenue	9,062	10,955	13,550
<b>Net rate costs - Water</b>	<b>305,618</b>	<b>309,088</b>	<b>311,334</b>
<b>Sewer</b>			
<b>Expenses</b>			
Collection system costs	35,998	36,718	37,452
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
Amortization	7,858	9,525	9,525
Interest on long term debt	-	-	-
Total sewer expenses	43,856	46,242	46,977
<b>Revenue</b>			
Lagoon tipping fees	-	-	-
<b>Net rate costs - Sewer</b>	<b>43,856</b>	<b>46,242</b>	<b>46,977</b>
<b>Water and Sewer Billing Revenues</b>			
Water and Sewer billings	388,991	406,929	441,274
Less Deficit Rate Rider	(16,405)	-	-
	372,586	406,929	441,274
<b>Property Taxes</b>			
Transfer from Gen. Optg.	16,047	-	-
<b>Net Revenue/(Expenses)</b>	<b>(810)</b>	<b>10,609</b>	<b>40,934</b>
<b>Capital Grants (see Capital Grants listing)</b>			
Amortization of water capital grants	35,690	36,801	36,801
Amortization of sewer capital grants	2,585	3,696	3,696
Amortization of Capital Grants	38,275	40,497	40,497
<b>Net Operating Surplus with PUB Adjustments</b>	<b>37,464</b>	<b>51,106</b>	<b>81,431</b>
<b>Deficit Rate Rider Revenues</b>			
<b>Transfers</b>			
Provincial Grant/Federal Grants	-	-	-
Transfers from Utility Reserve for Capita	33,333	-	33,333
Transfers from (to) Gas Tax Reserve	-	-	-
Transfers from (to) Utility Reserve	-	-	(50,000)
<b>Change in Utility Fund Balance after Surplus</b>	<b>87,203</b>	<b>51,106</b>	<b>64,764</b>
<b>Reverse PUB Adjustments to Adjust Surplus to PSAB</b>			
<b>Capital Grants - Reverse PUB Adjustments</b>			
Deduct Amortization of Contributed TCAs	-	-	-
Deduct Amortization of Capital Grants	(38,275)	(40,497)	(40,497)
Add Capital Grants	66,667	-	66,667
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>2,182,801</b>	<b>2,298,396</b>	<b>2,309,005</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 2,298,396</b>	<b>\$ 2,309,005</b>	<b>\$ 2,399,939</b>

The proposed utility rate increases are primarily required to provide funding for maintenance contingency purposes included in rate calculations, for an annual transfer to the Utility's Reserve Fund, and to bring working capital surplus levels closer to the 20% requirement.

### 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 deficit at December 31, 2016 was:

	2016
Fund Surplus/Deficit	\$2,413,045
Deduct Tangible Capital Assets	(\$3,608,244)
Add Long-Term Debt	\$935,973
Add Utility Reserves	\$23,230
Equals Working Capital (Deficit)	<b>(-\$235,996)</b>
Operating Expenses	\$483,930
20% of Operating Expenses (Target)	\$96,786

The utility forecasts an operating surplus of \$81,431 beginning in 2020, calculated under Public Sector Accounting Board principles, adjusted in accordance with Board requirements. This surplus includes \$50,000 to be transferred to the Utility Reserve Fund. However, the Utility's forecast working capital to be in deficit of \$220,219 for 2020, which is short of the forecasted requirement of \$84,978 by \$305,197 and below the 20% Board requirement.



## 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 Municipality had incurred a deficit of \$49,215 in 2014 recovered in Board Order No.139/16 dated November 1, 2016. Another deficit was sustained in 2016 of \$67,818 recovered in Board Order No. 118/18.

The Municipality of Grandview Utility's working capital position is estimated to be in a deficit of \$220,219 by 2020. Working capital has decreased significantly from a surplus position of \$60,091 in 2013 to a forecasted deficit of \$248,798 in 2018. While this position starts to improve after 2018, the Utility forecasts a working capital deficit of \$220,219 for 2020.

The deficit position of working capital for the Utility is the result of deficits incurred by the Utility as noted above, the Utility has not revised its rates since 2013, and prior year's payments to the Manitoba Water Services Board (approximately \$80,000/year) have not been included in water purchase costs.

## Cost Allocation Methodology

The Customer Service Charge for administration costs includes a 1% surcharge to provide for the working capital deficit in accordance with Board requirements. The Customer Service charge increases by \$0.83 in each of the years 2018, 2019 and 2020.

Municipality of Grandview – Grandview G3 Urban Utility Allocation Plan for Non-Direct Shared Services (see Note 1) as at February, 2017			
Category	Sub-category	Options	
1.0 Administrative Staff			20% of CAO & 30% of Utility Clerk salaries plus benefits
	1.1 Billing services – meter reading to receipting and collection.	Public works staff	Actual time spent based on time sheets
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		-
	1.3 Common office space		-
	1.4 Office overheads (telephone, photocopier, computer, etc.)		\$15,000 a year for overhead and office costs plus 2% a year for inflation
2.0 Operating, construction and maintenance costs			
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		There is no charge to the Utility for vehicle usage
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)	.	-
	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 (see Note 3)	Based on actual costs	-
3.0 Major projects			
	Interest/ financing		Debenture Debt & MWSB carrying debt for Utility also
	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.)

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

As per the Board's Guidelines, an annual allowance equal to 10% of the variable operating costs is recommended for a contingency allowance. This equates to \$23,335 for water and \$3,745 for wastewater. An annual transfer to Utility Reserve of \$50,000 is proposed commencing in 2020.

### **4.0 Board Findings**

The Board has reviewed the application and the projections presented by the Municipality in its rate application and finds them to be reasonable. The Board approves the water and wastewater rates as applied for, but varies the effective dates to January 1, 2019, January 1, 2020 and January 1, 2021.

The Board approves the revised cost allocation methodology and reminds the Municipality that this methodology must be used consistently. Any changes to the new, revised cost allocation methodology require Board approval.

The Board requires the Municipality to review its water and wastewater rates for the G3 Urban Water and Wastewater Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates on or before December 31, 2021. The Board reminds the Municipality that regular reviews of utility rates are required to ensure rates are adequate to recover the costs of service being provided to its customers.

The Utility incurred a 2016 actual operating deficit of \$67,818, which was provided for accordingly in Board Order No. 118/18.

It has been seven years since the Municipality 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 adjustments from 2013 up to and including 2016 potentially could have been addressed sooner had a regular review taken place. The Municipality needs to be much more diligent in conducting regular reviews of its revenue requirements.

The Board is concerned with the high percentage of water loss (29% as of the last calculation using 2015 data) resulting from aging infrastructure and that no plan to remedy unaccounted for water has been included to address this issue. The Board strongly encourages the Municipality to develop a sustainable plan to address the unaccounted for water and implement solutions accordingly to bring the level closer to the acceptable percentage of 10%.

The Board has not received the Municipality's 2017 audited financial statements and reminds the Municipality that audited financial statements are to be reported to the Board no later than June 30 of the following year.

## 5.0 IT IS HEREBY ORDERED THAT:

1. The revised water rates for the Municipality of Grandview, G3 Urban Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule “A”, effective January 1, 2019, January 1, 2020, and January 1, 2021.
2. The cost allocation methodology for shared services as submitted by the Municipality of Grandview BE AND IS HEREBY APPROVED.
3. The Municipality of Grandview 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 Grandview 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.
5. The Municipality of Grandview review its water and wastewater rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates, by no later than December 31, 2021.
6. The Municipality of Grandview submit its 2017 audited financial statements as soon as possible.

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

"Shawn McCutcheon"  
Panel Chair

"Frederick Mykytyshyn"  
Acting Secretary

Certified a true copy of Order No. 138/18 issued  
by The Public Utilities Board

  
Acting Secretary

## SCHEDULE A

### MUNICIPALITY OF GRANDVIEW G3 URBAN UTILITY WATER & WASTEWATER UTILITY RATES BY-LAW NO. 2-2017 SCHEDULE OF QUARTERLY RATES

1. Schedule of Commodity Rates & Quarterly Service Charge

**January 1, 2019**

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$18.59	\$2.89	\$21.48

Quarterly Service Charge \$23.23

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 & Wastewater Customers**

<u>Meter Size</u>	<u>Ratio</u>	<u>Water Capacity Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Wastewater Commodity Charge</u>	<u>Water &amp; Wastewater Total Quarterly Minimum</u>
5/8 inch	1	3,000	\$23.23	\$55.77	\$8.67	\$87.67
¾ inch	2	6,000	\$23.23	\$111.54	\$17.34	\$152.11
1 inch	4	12,000	\$23.23	\$223.08	\$34.68	\$280.99
1 ½ inch	10	30,000	\$23.23	\$557.70	\$86.70	\$667.63
2 inch	25	75,000	\$23.23	\$1,394.25	\$216.75	\$1,634.23

**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**

All water sold in bulk by the Grandview G3 Utility will be charged at the rate of \$21.00 per 1,000 gallons. For any quantity of 500 gallons or less, the minimum charge will be \$3.00 for a quantity of 100 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

**January 1, 2020**

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Wastewater	Water & Wastewater
\$20.38	\$3.24	\$23.62

Quarterly Service Charge \$24.06

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 & Wastewater Customers**

	Group	Water	Customer	Water	Wastewater	Water & Wastewater
	Capacity	Included	Service	Commodity	Commodity	Total Quarterly
<u>Meter Size</u>	<u>Ratio</u>	<u>Gallons</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Minimum</u>
5/8 inch	1	3,000	\$24.06	\$61.14	\$9.72	\$94.92
¾ inch	2	6,000	\$24.06	\$122.28	\$19.44	\$165.78
1 inch	4	12,000	\$24.06	\$244.56	\$38.88	\$307.50
1 ½ inch	10	30,000	\$24.06	\$611.40	\$97.20	\$732.66
2 inch	25	75,000	\$24.06	\$1,528.50	\$243.00	\$1,795.56

**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**

All water sold in bulk by the Grandview G3 Utility will be charged at the rate of \$23.00 per 1,000 gallons. For any quantity of 500 gallons or less, the minimum charge will be \$3.00 for a quantity of 100 gallons.



1. Schedule of Commodity Rates & Quarterly Service Charge

**January 1, 2021**

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$22.18	\$3.58	\$25.76

Quarterly Service Charge                      \$24.89

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 & Wastewater Customers**

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Wastewater Commodity Charge</u>	<u>Water &amp; Wastewater Total Quarterly Minimum</u>
5/8 inch	1	3,000	\$24.89	\$66.54	\$10.74	\$102.17
¾ inch	2	6,000	\$24.89	\$133.08	\$21.48	\$179.45
1 inch	4	12,000	\$24.89	\$266.16	\$42.96	\$334.01
1 ½ inch	10	30,000	\$24.89	\$665.40	\$107.40	\$797.69
2 inch	25	75,000	\$24.89	\$1,663.50	\$268.50	\$1,956.89

**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**

All water sold in bulk by the Grandview G3 Utility will be charged at the rate of \$25.00 per 1,000 gallons. For any quantity of 500 gallons or less, the minimum charge will be \$3.00 for a quantity of 100 gallons.

**The following clauses take effect January 1, 2019:**3. Service To Customers Outside Utility's Limits

The Council of Municipality of Grandview may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of Grandview. 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 Grandview's 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 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.

5. Disconnection

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.

6. Reconnection

Any service disconnected, whether due to non-payment of account or for any other reason(s) mutually agreed to by the customer and the Municipality (i.e. repairs necessitated by negligence of the customer, changes in tenant, vacancy for an extended period of time, etc.) shall not be reconnected until a reconnection fee of \$30.00 and all arrears and penalties, if any, have been paid.

7. Outstanding Bills

Pursuant to Section 252(2) of The *Municipal Act*, the amount of all outstanding charges for water and wastewater services are a lien and charge upon the land serviced and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

8. Hydrant Charges

The Municipality of Grandview, or any other hydrant owner, will pay to the Utility an annual fee of \$100.00 for each hydrant connected to the system, which shall include the cost of water used for firefighting.

9. 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 the customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.

10. 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.

#### 11. 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 \$200. 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.

#### 12. 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:

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.

#### 13. 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 Municipality, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

14. Authorization For Officer To Enter Upon Premises

The Public Works Manager, or other employee authorized by the Municipality 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 Municipality.