

Order No. 34/25

**MUNICIPALITY OF NORFOLK TREHERNE
TREHERNE WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER RATES
EFFECTIVE APRIL 1, 2025, JANUARY 1, 2026, 2027 AND 2028
APPROVAL AND RECOVERY OF UTILITY OPERATING DEFICITS**

March 6, 2025

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

Table of Contents

1.0 Executive Summary 3

2.0 Background 4

3.0 Board Methodology..... 5

 Review Process 5

 Contingency Allowance and Utility Reserves..... 5

 Working Capital 5

 Operating Deficits 5

 Cost Allocation Methodology 6

 Unaccounted for Water..... 6

4.0 Application..... 7

 Contingency Allowance and Utility Reserves..... 9

 Working Capital 9

 Operating Deficits 10

 Cost Allocation Methodology 10

 Unaccounted for Water..... 11

5.0 Board Findings 11

6.0 IT IS THEREFORE ORDERED THAT: 13

1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) grants approval of the Municipality of Norfolk Treherne (Municipality), Treherne Water and Wastewater Utility’s (Utility) application for revised water and wastewater rates effective April 1, 2025, January 1, 2026, 2027 and 2028.

The Board grants approval for the recovery of a cumulative operating deficit of \$407,572. This deficit is the sum of seven operating deficits incurred between 2014 and 2022. \$207,531 of the total is to be recovered by a five-year rate rider of \$3.59 per 1,000 gallons and the remaining balance of \$200,040 from future surpluses in the Utility’s Accumulated Surplus Account.

The revised rates are below:

	April 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028
Quarterly Service Charge	\$ 14.25	\$ 14.57	\$ 14.89	\$ 15.20
Water (per 1,000 gallons)	\$ 15.91	\$ 16.59	\$ 17.27	\$ 17.94
Wastewater (per 1,000 gallons)	\$ 0.61	\$ 0.58	\$ 0.55	\$ 0.53
Minimum Quarterly Charge*	\$ 63.81	\$ 66.08	\$ 68.35	\$ 70.61
Treated Bulk Water (per 1,000 gallons) **	\$ 19.75	\$ 20.50	\$ 21.25	\$ 22.00
Hydrant Rental (annual)	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Deficit Recovery Rate Rider (per 1,000 gallons)	\$ 3.59	\$ 3.59	\$ 3.59	\$ 3.59

*based on 3,000 gallons

**untreated bulk water sold by the Treherne Utility will be charged a rate of \$5.00 per 1,000 gallons

Details of other rates can be found in Schedule A.

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

2.0 Background

Rates were last set in Board Order No. 110/13, with current rates coming into effect January 1, 2017.

The Utility provides water and wastewater service to 330 customers.

The Utility began operations in 1957 with the construction of the water treatment plant. The plant was upgraded in 2003. The water distribution system was put into place in 1977 with an upgrade to the reservoir at that time.

The rate study indicates the Municipality has \$4 million in its 5-year capital plan for water and wastewater line renewal, which is contingent on Infrastructure grant funding. Due to the uncertainty with funding of this project, the impact of the project has not been included in the rate study.

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.

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 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 December 13, 2023, the Board received the Municipality's application which proposed revised water and wastewater rates, Board approval of Utility operating deficits incurred between the years 2014 and 2022 and a revised Cost Allocation Methodology.

The Board issued a Public Notice of Application on January 4, 2024, affording customers the opportunity to comment to both the Board and the Municipality with respect to the proposed rate changes. The Board received one response to the Notice from a taxpayer in the Municipality who is not a customer of the Utility, expressing concern that tax revenues may be used to recover utility deficits.

The Municipality has indicated in its rate study that the Utility sells untreated bulk water. There is no untreated bulk water rate approved by the Board for this Utility in Board Order No. 110/13; however, the Municipality also operates a utility in Rathwell and in its Board Order No. 124/11, the Board approved a rate for untreated bulk water sold from the Treherne Municipal Well at \$5.00 per thousand gallons. The Utility has requested that the untreated bulk water rate remain unchanged at \$5.00 per 1,000 gallons.

The rates were calculated using the following revenue requirement projections:

	Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 4
General				
Administration (building, office, staff, etc)	16,158	16,643	17,142	17,656
Working capital contribution	3,410	3,410	3,410	3,410
Total general expenses	19,568	20,053	20,552	21,066
Penalties	1,000	1,000	1,000	1,000
Total general revenue	1,000	1,000	1,000	1,000
Net revenue requirement - general	18,568	19,053	19,552	20,066
Water				
Purification and treatment	164,782	168,078	171,439	174,868
Amortization	122,229	122,229	121,151	120,976
Interest on long term debt	11,597	10,981	10,343	9,683
Contingency				15,901
Total water expenses	298,608	301,288	302,933	321,428
Hydrant rentals	6,000	6,000	6,000	6,000
Taxation revenue	29,665	29,665	29,665	29,665
Amortization of capital grants	68,367	68,367	68,367	68,367
Connection fees	100	100	100	100
Bulk water revenue	9,754	9,754	9,754	9,754
Total water revenue	113,886	113,886	113,886	113,886
Net revenue requirement - water	184,722	187,402	189,047	207,542
Wastewater				
Wastewater collection system	8,845	9,110	9,383	9,665
Amortization	18,267	18,267	17,189	17,014
Interest on long term debt	11,597	10,981	10,343	9,683
Contingency				800
Total wastewater expenses	38,709	38,358	36,915	37,162
Lagoon tipping fees	1,663	1,663	1,663	1,663
Taxation revenue	29,665	29,665	29,665	29,665
Amortization of capital grants				
Total wastewater revenue	31,328	31,328	31,328	31,328
Net revenue requirement - wastewater	7,381	7,030	5,587	5,834

The Municipality's consultant calculated the indicated rates for the final rate year requested (2028) and requested rates be implemented to be staged over the four years but heavily weighted in the first year.

Contingency Allowance and Utility Reserves

The Municipality has included in the 2028 projections a contingency allowance of 10% of net rate requirements, less amortization expenses. This equates to \$15,901 for water and \$800 for wastewater. There is no provision for transfer to Utility Reserve proposed.

Working Capital

As per the 2023 audited financial statements, the working capital deficiency at December 31, 2023 was:

	2023
Accumulated Fund Surplus	\$2,797,257
Deduct tangible capital assets	(\$3,791,742)
Add long term debt	\$724,582
Add Asset Retirement Obligation	\$0
Add utility reserves	\$32,074
Equals Working Capital Surplus/Deficit	(\$235,806)
Operating costs	\$388,948
20% of operating costs (target)	\$77,790

Operating Deficits

The Municipality has advised the Utility has experienced seven operating deficits between the years of 2014 and 2022, with the exception of 2017 and 2020, which were surpluses as a result of connection revenues in those years. The details of the deficits are in the table below:

2014	\$ 30,039
2015	\$ 70,967
2016	\$ 33,431
2018	\$ 59,986
2019	\$ 49,424
2021	\$ 79,671
2022	\$ 84,055
	<u>\$407,573</u>

The Municipality applied for the approval and recovery of the cumulative operating deficit of \$407,573, when calculated for regulatory purposes. The deficit application stated the deficits were due to increased salary expenses and a decrease in debenture payment revenue. The Municipality proposed the deficits be recovered from a deficit rate rider as well as from the Utility's future Accumulated Surplus Account.

The Municipality proposed a rate rider of \$3.59 per 1,000 gallons over a period of five years, or until \$207,531 is recovered, which would bring the Utility to a working capital surplus of \$68,573, based on the 2021 working capital deficiency of \$138,958. The remaining \$200,042 is proposed to be recovered through the Utility's future Accumulated Fund Surplus.

Cost Allocation Methodology

The Board approved the Utility's current Cost Allocation Methodology (CAM) in Board Order No. 110/13. The Municipality proposed any changing the CAM to be based on 2% of General Government Services, less Assessment and Grants expenses.

Unaccounted for Water

The Utility indicated the 2021 unaccounted for water was 13% of water produced. The previous rate study reported average water losses of 28% between 2009 and 2011.

5.0 Board Findings

Having considered the Municipality's filing and reviewed the response to the Notice of Application, the Board has chosen a paper review process.

The Board has reviewed the application and revenue projections presented by the Municipality and finds the projections to be reasonable. The Board grants approval of the revised water and wastewater rates, effective April 1, 2025, and January 1, 2026, 2027 and 2028.

The Board is sensitive to customer reaction to the magnitude of the rate increases, particularly when coupled with the rate rider to partially recover the deficits, however, must consider the sustainability of the Utility when granting approval of revised rates.

The increases required can be considered to be rate shock, something that is common where rate requirements are not addressed for significant periods of time. In the case of Treherne Utility, it has been more than ten years since the rates have been reviewed. Consumers are generally more tolerant of regular, smaller increases. The Municipality needs to be more diligent in conducting regular reviews of its revenue requirements.

The Board has considered the deficit applications and the request to allow recovery from a combination of future surplus and rate rider. The Board grants approval of the recovery methodology but will require an elevated level of oversight to ensure the Utility's financial position is showing improvement. The Board grants approval of a deficit rate rider of \$3.59 per 1,000 gallons for a period of five years, effective April 1, 2025. It is estimated

that this will recover \$207,531 of the deficits, with the balance being recovered from future surpluses.

The Board typically requires municipalities to review the financial position of the Utility after the effective date of the last rate increase approved in its Order. In the case of Treherne, given the history of operating deficits, the recovery through future surpluses and the time between rate applications, the Board will order the Municipality to provide a report on the Treherne Utility's financial position no later than 30 days after the audited financial statements are approved each year, until such time as directed otherwise by the Board. Failure to submit reporting in a timely fashion may result in the Board's review of this decision.

If the Board determines the financial position of the Utility remains unsatisfactory, it may issue an Order revising the recovery methodology and increasing the portion of the cumulative deficit being recovered by rate rider.

The Board grants approval of the proposed revised Cost Allocation Methodology and reminds the Municipality that this methodology must be used consistently in the future and requires Board approval should any further changes be considered.

The Board directs the Municipality to prepare a Notice for its ratepayers, informing them of the decisions in this Order. The Municipality is also directed to file with the Board a copy of this Notice and an amended rate By-law, having had third reading.

The Board reminds the Municipality regular reviews are important for a financially sound utility and encourages the Municipality to review Board Order Nos. 27/23 and 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 Municipality 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 water and wastewater rates for the Municipality of Norfolk Treherne – Treherne Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective April 1, 2025, January 1, 2026, 2027 and 2028.
2. The Cost Allocation Methodology for shared services as submitted by the Municipality of Norfolk Treherne – Treherne Water and Wastewater Utility BE AND IS HEREBY APPROVED.
3. The operating deficits incurred between 2014 and 2022 totalling \$407,573, when calculated for regulatory purposes, incurred in the Municipality of Norfolk Treherne – Treherne Water and Wastewater utility, BE AND ARE HEREBY APPROVED to be recovered by a rate rider of \$3.59 per 1,000 gallons effective April 1, 2025 to March 31, 2030, with the remaining \$200,042 recovered from future Utility surpluses.
4. The Municipality of Norfolk Treherne 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.
5. The Municipality of Norfolk Treherne amend its Treherne Water and Wastewater Utility rate By-law to reflect the decisions in this Order, and submit a copy to the Board once it has received third and final reading

6. The Municipality of Norfolk Treherne submit a report on the financial position of the Treherne Water and Wastewater Utility annually, within 30 days of the audited financial statements being approved, until such time as directed otherwise by the Public Utilities Board.

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.

THE PUBLIC UTILITIES BOARD

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

"Jennifer Dubois, CPA, CMA, CTAJ"
Assistant Associate Secretary

Certified a true copy of Order No. 34/25
issued by The Public Utilities Board



Assistant Associate Secretary

MUNICIPALITY OF NORFOLK TREHERNE
TREHERNE UTILITY
BY-LAW NO.
WATER & WASTEWATER UTILITY RATES
SCHEDULE "A"
SCHEDULE OF QUARTERLY RATES

1. Schedule of Commodity Rates & Quarterly Service Charge April 1, 2025

Quarterly Service Charge	\$14.25
Deficit Rate Rider per 1,000 gallons (see Clause 4)	\$3.59

Quarterly Rates	Water	Wastewater	Water & Wastewater
Per 1,000 gallons	\$15.91	\$.61	\$16.52

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

Meter Size	Group Ratio	Water Capacity Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$14.25	\$47.73	\$1.83	\$63.81	\$10.77	\$74.58
¾ inch	2	6,000	\$14.25	\$95.46	\$3.66	\$113.37	\$21.54	\$134.91
1 inch	4	12,000	\$14.25	\$190.92	\$7.32	\$212.49	\$43.08	\$255.57
1 ½ inch	10	30,000	\$14.25	\$477.30	\$18.30	\$509.85	\$107.70	\$617.55
2 inch	25	75,000	\$14.25	\$1,193.25	\$45.75	\$1,253.25	\$269.25	\$1,522.50

b. Water Only for Customers

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

c. Wastewater Only Customers

The Wastewater only charge is the Wastewater Commodity Rate based on quarterly consumption of 9,000 gallons plus the quarterly customer service charge. The quarterly charge for wastewater only customers is $(9 \times \$0.61) + \$14.25 = \$19.74$.

3. **Bulk Water Sales**

All treated water sold in bulk by the Treherne Utility will be charged at the rate of \$19.75 per 1,000 gallons.

All untreated water sold in bulk by the Treherne Utility will be charged at the rate of \$5.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2026

Quarterly Service Charge	\$14.57
Deficit Rate Rider per 1,000 gallons (see Clause 4)	\$3.59

Quarterly Rates	Water	Wastewater	Water & Wastewater
Per 1,000 gallons	\$16.59	\$0.58	\$17.17

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

Meter Size	Group Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$14.57	\$49.77	\$1.74	\$66.08	\$10.77	\$76.85
¾ inch	2	6,000	\$14.57	\$99.54	\$3.48	\$117.59	\$21.54	\$139.13
1 inch	4	12,000	\$14.57	\$199.08	\$6.96	\$220.61	\$43.08	\$263.69
1 ½ inch	10	30,000	\$14.57	\$497.70	\$17.40	\$529.67	\$107.70	\$637.37
2 inch	25	75,000	\$14.57	\$1,244.25	\$43.50	\$1,302.32	\$269.25	\$1,571.57

b. Water Only for Residential Customers

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

c. Wastewater Only Customers

The Wastewater only charge is the Wastewater Commodity Rate based on quarterly consumption of 9,000 gallons plus the quarterly customer service charge. The quarterly charge for wastewater only customers is $(9 \times \$0.58) + \$14.57 = \$19.79$.

3. Bulk Water Sales

All treated water sold in bulk by the Treherne Utility will be charged at the rate of \$20.50 per 1,000 gallons.

All untreated water sold in bulk by the Treherne Utility will be charged at the rate of \$5.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2027

Quarterly Service Charge	\$14.89
Deficit Rate Rider per 1,000 gallons (see Clause 4)	\$3.59

Quarterly Rates	Water	Wastewater	Water & Wastewater
Per 1,000 gallons	\$17.27	\$0.55	\$17.82

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

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$14.89	\$51.81	\$1.65	\$68.35	\$10.77	\$79.12
¾ inch	2	6,000	\$14.89	\$103.62	\$3.30	\$121.81	\$21.54	\$143.35
1 inch	4	12,000	\$14.89	\$207.24	\$6.60	\$228.73	\$43.08	\$271.81
1 ½ inch	10	30,000	\$14.89	\$518.10	\$16.50	\$549.49	\$107.70	\$657.19
2 inch	25	75,000	\$14.89	\$1,295.25	\$41.25	\$1,351.39	\$269.25	\$1,620.64

b. Water Only for Residential Customers

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

c. Wastewater Only Customers

The Wastewater only charge is the Wastewater Commodity Rate based on quarterly consumption of 9,000 gallons plus the quarterly customer service charge. The quarterly charge for wastewater only customers is $(9 \times \$0.55) + \$14.89 = \$19.84$.

3. Bulk Water Sales

All treated water sold in bulk by the Treherne Utility will be charged at the rate of \$21.25 per 1,000 gallons.

All untreated water sold in bulk by the Treherne Utility will be charged at the rate of \$5.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2028

Quarterly Service Charge	\$15.20
Deficit Rate Rider per 1,000 gallons (see Clause 4)	\$3.59

Quarterly Rates	Water	Wastewater	Water & Wastewater
Per 1,000 gallons	\$17.94	\$.53	\$18.47

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

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum with Rate Rider
5/8 inch	1	3,000	\$15.20	\$53.82	\$1.59	\$70.61	\$10.77	\$81.38
¾ inch	2	6,000	\$15.20	\$107.64	\$3.18	\$126.02	\$21.54	\$147.56
1 inch	4	12,000	\$15.20	\$215.28	\$6.36	\$236.84	\$43.08	\$279.92
1 ½ inch	10	30,000	\$15.20	\$538.20	\$15.90	\$569.30	\$107.70	\$677.00
2 inch	25	75,000	\$15.20	\$1,345.50	\$39.75	\$1,400.45	\$269.25	\$1,669.70

b. Water Only for Residential Customers

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

c. Wastewater Only Customers

The Wastewater only charge is the Wastewater Commodity Rate based on quarterly consumption of 9,000 gallons plus the quarterly customer service charge. The quarterly charge for wastewater only customers is $(9 \times \$0.53) + \$15.20 = \$19.97$.

3. Bulk Water Sales

All treated water sold in bulk by the Treherne Utility will be charged at the rate of \$22.00 per 1,000 gallons.

All untreated water sold in bulk by the Treherne Utility will be charged at the rate of \$5.00 per 1,000 gallons.

4. **Deficit Rate Rider**

Deficit Rate Rider of \$3.59 per 1,000 gallons commencing April 1, 2025 for 5 years to recover a portion of 2014, 2015, 2016, 2018, 2019, 2021 and 2022 deficits totaling \$207,531.

The following clauses take effect April 1, 2025:

5. **Service To Customers Outside Utility's Limits**

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

6. **Billings And Penalties**

Accounts shall be billed quarterly based on water used. A late payment charge of 1.25% per month, compounded monthly, shall be charged on the dollar amount owing after the billing due date. The due date shall be at least 14 days after the mailing of the bills.

7. **Connection to Water Mains**

Any customer wishing to connect to the Treherne water system shall be responsible for the installation of the water service line from their residence to the water main located in the road right of way and shall be assessed a water connection inspection fee of \$100 that shall be paid as a lump sum fee. The Utility customer shall be responsible for all maintenance and repair of the service line.

8. **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.

9. 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 (ie. 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 \$25.00 and all arrears and penalties, if any, have been paid.

10. 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. Where charges and penalties pursuant to this by-law are not paid within sixty (60) days from the date when they were incurred, said charges and penalties shall be added to the taxes on the property and collected in the same manner as other taxes.

11. Hydrant Charges

The Municipality of Norfolk Treherne will pay to the utility an annual rental of \$150.00 for each hydrant connected to the system which includes the cost of water for firefighting.

12. Wastewater Surcharges

- a) There may be levied annually, in addition to the rates set forth above, a special surcharge on wastewater 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 wastewater or industrial waste.

13. Meter Testing

Any customer wishing to have a meter tested for accuracy will pay in advance a fee of \$50, plus any applicable meter testing costs. In the event the meter tests prove that the meter is recording water flows in excess of actual flows, the meter testing fee and associated costs will be refunded to the customer and the customer's account will be reviewed and adjusted accordingly.

14. Meter Tampering

Where there is evidence of meter tampering a minimum charge of \$500 will be applied to the customer's account in addition to an amount calculated to adjust for the tampering based on historical usage.

15. Cross Connections

No person shall make any connection or communication of an independent water supply with a pipe or main which is part of or connected to the waterworks system. 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.

16. 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.

17. 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