



Corix Utilities (Foothills Water) Inc.

2023-2025 Revenue Requirements and Rates Compliance
Application

December 14, 2023

Alberta Utilities Commission

Decision 28507-D01-2023

Corix Utilities (Foothills Water) Inc.

2023-2025 Revenue Requirements and Rates Compliance Application

Proceeding 28507

December 14, 2023

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1 Decision summary

1. In this decision, the Alberta Utilities Commission approves Corix Utilities (Foothills Water) Inc.'s (Corix) 2023-2025 amended revenue requirements and rates filed in its compliance application to Decision 27844-D02-2023.¹ The Commission reviewed Corix's supporting compliance documentation and for the reasons that follow, the Commission has determined that Corix has:

- complied with the directions regarding its capital costs, including reflecting the changes to additions, depreciation rates and creation of an amortization of reserve differences account;
- complied with all directions regarding changes to its operating costs;
- revised the return on equity to be 8.5 per cent;
- provided its 2022 water loss statistics and set system-specific water loss targets for its 2023 to 2025 test period and provided an actionable plan to meet those targets; and
- complied with and stated it will comply with all other directions impacting current and future operations (such as obtaining competitive bids for certain purchases) provided in Decision 27844-D02-2023.

2 Background

2. Corix filed an application with the Commission on December 2, 2022,² under the Commission's Rule 011: *Rate Application Process for Water Utilities*. In the application, Corix requested approval of new water rates for 2023 to 2025, related to its water utility serving customers in the Hamlet of Heritage Pointe, Alberta.

3. In its application, Corix requested that the proposed residential and commercial customer rates be made effective on an interim basis beginning on January 1, 2023. Corix stated it was requesting the interim rate due to the length of time associated with the regulatory review process. The Commission denied that request in Decision 27844-D01-2023,³ stating that Corix had not demonstrated that an interim rate increase was in the public interest. The Commission

¹ Decision 27844-D02-2023: Corix Utilities (Foothills Water) Inc., 2023-2025 Revenue Requirements and Rates Application, Proceeding 27844, July 25, 2023.

² Proceeding 27844, Corix Utilities (Foothills Water) Inc. 2023-2025 Revenue Requirements and Rates Application, Exhibit 27844-X0001, application, December 2, 2022.

³ Decision 27844-D01-2023: Corix Utilities (Foothills Water) Inc., 2023-2025 Revenue Requirements and Rates Application – Interim Rates, Proceeding 27844, February 23, 2023.

found there should be a continuation of the existing rates charged by Corix on an interim basis commencing on January 1, 2023, until such time as new rates are approved, transitioning to final rates.⁴

4. On July 25, 2023, the Commission issued Decision 27844-D02-2023, which provided directions regarding Corix's proposed changes to its terms and conditions, revenue requirements, rate design and rates for 2023-2025. In that decision, Corix was directed to file a compliance filing reflecting the findings and determinations to that decision, which was to be filed by August 31, 2023.

5. Subsequently, on August 24, 2023, Corix submitted a letter to the Commission requesting an extension to that deadline for the reason that an application for review and variance (R&V) had been filed in Decision 27844-D02-2023. Corix explained that the preparation of that R&V application took time away from Corix being able to work on the compliance filing, as well as research, and additional work was required to establish water loss targets and a loss improvement plan.⁵ Corix requested a 30-day extension to the August 31, 2023, deadline. The Commission approved the 30-day extension and set a new deadline of October 2, 2023, to file the compliance filing.⁶

6. Corix filed its compliance filing on September 30, 2023,⁷ and a notice was issued requesting statements of intent to participate (SIPs) in the proceeding be received by November 14, 2023.⁸ The extended deadline for SIPs was provided as Corix included this notice with its October bills to customers, so the November 14, 2023, deadline ensured customers had adequate time to receive the notice with their bills and review Corix's compliance application before deciding to participate or not.

7. No SIPs by interveners were received on this proceeding. After its review of the application, the Commission determined no further process was required and closed the record of the proceeding on November 14, 2023.⁹

3 Revenue requirements and rates

3.1 Revenue requirements

8. Corix provided a table (recreated below) in its application providing the revenue requirements for 2023 to 2025 that reflected the impacts of the directions in Decision 27844-D02-2023, and compared it to the revenue requirements for 2023 to 2025 Corix provided in its original application:¹⁰

⁴ Decision 27844-D01-2023, paragraphs 9-11.

⁵ Proceeding 27844, Post-disposition documentation, Corix correspondence to the AUC, August 24, 2023.

⁶ Proceeding 27844, Post-disposition documentation, AUC correspondence to Corix, August 29, 2023.

⁷ Exhibit 28507-X0001, application.

⁸ Exhibit 28507-X0005, notice.

⁹ Exhibit 28507-X0006, AUC correspondence, November 15, 2023.

¹⁰ Exhibit 28507-X0001, application, Table 6 Revenue requirements summary.

Table 1. 2023-2025 revenue requirements summary of the compliance application and original application*¹¹

	Decision 2023	Decision 2024	Decision 2025	Application 2023	Application 2024	Application 2025
	(\$)					
Operating and Maintenance costs	913,030	943,532	969,492	1,179,619	1,169,561	1,199,716
Franchise Fees	-	-	--	-	-	-
Depreciation	226,378	258,344	274,618	223,999	260,228	274,699
Amortization of Contributions	(7,390)	(10,515)	(13,640)	(7,390)	(10,515)	(13,640)
Amortization of Deferred Charges	786	4,972	8,612	-	-	-
Interest Expense	175,669	190,891	192,162	199,656	224,679	228,228
Equity Return	180,336	195,963	197,268	210,989	237,432	241,183
Income Tax Expense (Recovery)	0	13,216	44,088	-	6,237	43,094
Total Revenue Requirement	1,488,809	1,596,402	1,673,320	1,806,172	1,887,622	1,973,282

*Note: the leftmost "Decision" columns represent the revenue requirements in this compliance application and the rightmost columns represent the applied-for values provided in the original application.

9. The difference between the total revenue requirements in the decision columns in the table above and application columns on the right reflects the impacts of the directions found in Decision 27844-D02-2023.

10. In its application, Corix also provided the table below, showing the 2023-2025 revenue shortfall or surplus and proposed annual rate changes between the compliance application (columns labelled "Decision") and the originally applied-for application (columns labelled "Application"), as shown below:

Table 2. Revenue shortfall and proposed annual rate changes 2023-2025¹²

	Decision 2023	Decision 2024	Decision 2025	Application 2023	Application 2024	Application 2025
Prior year rates						
Forecast Revenue Requirement	\$1,488,809	\$1,596,402	\$1,673,320	\$1,806,172	\$1,887,622	\$1,973,282
Revenue at Prior Year Rates	\$1,535,911	\$1,545,532	\$1,631,550	\$1,565,598	\$1,878,026	\$1,931,874
Revenue Shortfall/(Surplus)	\$(47,103)	\$50,870	\$41,770	\$240,574	\$9,596	\$41,407
Cumulative Shortfall/(Surplus)	\$(47,103)	\$3,768	\$45,537	\$240,574	\$250,170	\$291,577
Proposed Rates						
Forecast Revenue Requirement	\$1,488,809	\$1,596,402	\$1,673,320	\$1,806,172	\$1,887,622	\$1,973,282
Revenue at Proposed Rates	\$1,488,809	\$1,596,402	\$1,673,320	\$1,806,172	\$1,887,622	\$1,973,282
Revenue Shortfall/(Surplus)	\$0	\$0	\$0	\$0	\$0	\$0

¹¹ Exhibit 28507-X0001, application, Table 6 Revenue requirements summary, PDF page 10.

¹² Exhibit 28507-X0001, application, Table 8 Revenue shortfall / (surplus) and proposed annual rate changes, PDF page 11.

	Decision 2023	Decision 2024	Decision 2025	Application 2023	Application 2024	Application 2025
Cumulative Shortfall/(Surplus)	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Annual Rate Changes	-3.6%	3.8%	3.1%	18.6%	0.6%	2.6%

11. The Commission has reviewed the adjustments made by Corix in this application and verified compliance, and therefore approves the 2023, 2024 and 2025 revenue requirements on a final basis as filed by Corix in this compliance application.

3.2 Rates

12. Corix provided residential, commercial and bulk customer rates for 2023, 2024 and 2025, based on the revenue requirement adjustments set out above in Table 1 and reflecting the Commission's directions in Decision 27844-D01-2023 as explained in sections 2.5.1 and 2.5.2 of its application. The rates for residential and commercial customers for various meter sizes were provided by Corix in its application, as below:¹³

Table 3. Decision core customer rates

	Existing rates	Decision 2023	Decision 2024	Decision 2025
	(\$)			
Rate 1 - Residential				
Basic Monthly Charge (Fixed)				
Meter size:				
15mm (5/8") *	54.88	52.89	54.87	56.58
20mm (3/4")		100.48	104.25	107.51
25mm (1")		126.92	131.69	135.80
40mm (1 1/2")		222.12	230.46	237.66
50mm (2")		317.31	329.22	339.51
75mm (3")		624.05	647.47	667.70
100mm (4")		914.92	949.26	978.92
Rate 2 - Commercial				
Basic Monthly Charge (Fixed)				
Meter size:				
15mm (5/8") *	54.88	52.89	54.87	56.58
20mm (3/4")	54.88	100.48	104.25	107.51
25mm (1") *	54.88	126.92	131.69	135.80
40mm (1 1/2") *	54.88	222.12	230.46	237.66
50mm (2") *	54.88	317.31	329.22	339.51
75mm (3") *	54.88	624.05	647.47	667.70
100mm (4")	54.88	914.92	949.26	978.92
Metered Charge (\$ per cubic metre) (Variable)**	1.93	1.86	1.93	1.99

*Note: Meter sizes in bold are currently installed for Residential and Commercial customers.
**Note: Metered charge applies to all core customers

¹³ Exhibit 28507-X0001, application, Table 21, Decision core customer rates, PDF page 35.

13. Corix compared the rate changes from existing residential and commercial rates to the forecast applied-for rates provided in this compliance application to show the forecast annual bill changes for a typical customer, as shown in the following two tables:

Table 4. Residential typical customer rates annual bill change 2022-2025¹⁴

	Existing 2022	Forecast 2023	Forecast 2024	Forecast 2025
Typical Residential Customer				
Typical consumption per year (m ³)	316	316	316	316
Basic Monthly Charge (\$) (<i>Fixed</i>)	\$54.88	\$52.89	\$54.87	\$56.58
Metered Charge (\$ per m ³) (<i>Variable</i>)	\$1.93	\$1.86	\$1.93	\$1.99
Annual Bill (\$)				
Basic Charge	\$659	\$635	\$658	\$679
Metered Charge	610	588	610	629
Rate Rider	0	0	0	0
Typical Annual Bill	\$1,268	\$1,222	\$1,268	\$1,308
Typical Monthly Bill	\$106	\$102	\$106	\$109
Typical Annual Bill Change \$		(\$46)	\$46	\$40
Typical Annual Bill Change %		-3.6%	3.8%	3.1%

Table 5. Commercial typical customer rates with standard meters annual bill change 2022-2025¹⁵

	Existing 2022	Forecast 2023	Forecast 2024	Forecast 2025
Typical Commercial Customer with Standard Meter				
Typical consumption per year (m ³)	600	600	600	600
Basic Monthly Charge (\$) (<i>Fixed</i>)	\$54.88	\$52.89	\$54.87	\$56.58
Metered Charge (\$ per m ³) (<i>Variable</i>)	\$1.93	\$1.86	\$1.93	\$1.99
Annual Bill (\$)				
Basic Charge	\$659	\$635	\$658	\$679
Metered Charge	1,158	1,116	1,158	1,194
Rate Rider	0	0	0	0
Typical Annual Bill	\$1,817	\$1,751	\$1,816	\$1,873
Typical Monthly Bill	\$151	\$146	\$151	\$156
Typical Annual Bill Change \$		(\$66)	\$66	\$57
Typical Annual Bill Change %		-3.6%	3.8%	3.1%

¹⁴ Exhibit 28507-X0001, application, Table 23, Decision residential bill impact, PDF page 37.

¹⁵ Exhibit 28507-X0001, application, Table 24, Decision commercial bill impact, PDF page 38.

14. Corix has implemented the Commission's directions to increase rates of bulk water services for 2023 (effective November 1, 2023) to 2025, and they are shown below along with forecast consumptions:

Table 6. Bulk water service (fill station) rates 2022 to 2025¹⁶

	Existing rates	Forecast 2023	Forecast 2024	Forecast 2025
Administration Charge per Bill Issued	\$12.00	\$12.00	\$12.00	\$12.00
Bulk Fill Station \$ per m ³ (Variable)	\$3.12	\$4.50	\$5.00	\$5.40
Other Bulk Water Charges:				
Key fob (each)	\$20.00	\$20.00	\$20.00	\$20.00
Application Fee for Bulk Water Service	\$25.00	\$25.00	\$25.00	\$25.00
Fill Station Consumption per m ³	–	20,349	20,552	20,758

15. Corix explained that the 2023 bulk water service rate would not be effective until November 1, 2023, as those new rates, when approved, would typically become effective within two billing cycles in line with the utility's internal processes. Corix stated it aimed to conclude these internal processes by November 1, 2023.¹⁷

16. The Corix Water Utility Tariff effective January 1, 2023, is included as [Appendix 3](#) to this decision, which provides the Commission-approved terms and conditions of service, and the approved fees and rates. The complete set of rate schedules can be found in Appendix 3 under Part C – Rate Schedules.

17. The Commission approves the 2023, 2024 and 2025 customer rates, as set out in Table 3 above, on a final basis.

4 2023 revenue requirement true-up

18. Corix currently has interim rates for 2023, which were approved in Decision 27844-D01-2023,¹⁸ and were a continuation of the 2022 customer rates. Due to the timing of this decision being released near the end of 2023, Corix will be required to make some adjustments for the revenue collected in 2023 in order to reflect the approved 2023 revenue requirement.

19. The Commission notes that in Decision 2013-082¹⁹ (regarding a Corix refiling application related to its 2013-2014 revenue requirements) it was determined that the difference in revenue collected using existing rates and what should have been collected under approved rates would be collected from customers in the form of a rate rider over a 12-month period commencing April 1, 2013. The Commission believes the same approach should be applied for 2023 in a true-up application.

¹⁶ Exhibit 28507-X0001, application, Table 22, Bulk water service (fill station) rates, PDF page 36.

¹⁷ Exhibit 28507-X0001, application, section 2.5.2, PDF page 36.

¹⁸ Decision 27844-D01-2023, paragraphs 9-11.

¹⁹ Decision 2013-082: Corix Utilities (Foothills Water) Inc., Refiling Application Pursuant to AUC Decision 2012-262, Proceeding 2193, March 8, 2013, paragraphs 67-68.

20. Corix is directed to file a 2023 true-up application by April 1, 2024, reflecting any over- or under-collection of 2023 revenue requirement due to the timing of this decision being released at the end of 2023. The Commission directs Corix to apply any true-up adjustment between the approved 2023 revenue requirement and the actual 2023 utility revenue received in the form of a rate rider over a term of length and commencement date to be proposed by Corix, either refunding or collecting the difference from customers.

5 Order

21. It is hereby ordered that:

- (1) Corix Utilities (Foothills Water) Inc.'s 2023, 2024 and 2025 final revenue requirements and rates are approved, as filed.
- (2) Corix Utilities (Foothills Water) Inc. will submit a true-up application by April 1, 2024.
- (3) Corix Utilities (Foothills Water) Inc.'s terms and conditions of service as filed in this application are approved, effective January 1, 2024.

Dated on December 14, 2023.

Alberta Utilities Commission

(original signed by)

Matthew Oliver, CD
Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
Corix Utilities (Foothills Water) Inc. (Corix)

Alberta Utilities Commission
Commission panel M. Oliver, CD, Commission Member
Commission staff C. Robertshaw E. Chu A. Hollis

Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. Corix is directed to file a 2023 true-up application by April 1, 2024, reflecting any over- or under-collection of 2023 revenue requirement due to the timing of this decision being released at the end of 2023. The Commission directs Corix to apply any true-up adjustment between the approved 2023 revenue requirement and the actual 2023 utility revenue received in the form of a rate rider over a term of length and commencement date to be proposed by Corix, either refunding or collecting the difference from customers.
..... paragraph 20

Appendix 3 – Corix Water Utility Tariff 2023-2025

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Appendix 3 - Corix
Water Utility Tariff 2
(consists of 26 pages)



APPENDIX A: WATER TARIFF



APPENDIX A-1: PROPOSED WATER TARIFF

CORIX UTILITIES (FOOTHILLS WATER) INC.

WATER UTILITY TARIFF

Effective: **JANUARY 1, 2023**

Containing Definitions, Terms and Conditions of Service, Fees and Rates
Approved by the Alberta Utilities Commission

This Tariff is available for public inspection during business hours at the office of
Corix Utilities (Foothills Water) Inc. located in Heritage Pointe, Alberta.

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Part A - DEFINITIONS

The following terms, wherever used in these Terms and Conditions, shall have the meaning set forth below.

- (a) “**Activation (Turn On) Charge**” means the fixed charge required to be paid by a Customer in the amount specified in the Standard Fees and Charges Schedule pursuant to Section 1.1.
- (b) “**Applicant**” means any Person applying for utility service from the Company subject to this Terms and Conditions Document.
- (c) “**Application Fee**” means the single initial set-up charge required to be paid by each Applicant for each Service, in the amount specified in the Standard Fees and Charges Schedule.
- (d) “**Basic Charge**” means the fixed charge required to be paid by a Customer for Services during a prescribed period in the amount specified in the Rate Schedule.
- (e) “**Bulk Water Service Customer**” means an optional customer who is taking service under the Bulk Water Service (Fill Station) rate schedule and to whom the Bulk Water Special Conditions are applicable.
- (f) “**Call-Back Charge**” means the fixed charge required to be paid by a Customer in the amount specified in the Standard Fees and Charges Schedule each time a Corix representative attends the Customer's Premises to install a new Service Connection (or a portion thereof) at the request of the Customer but, on attending, is unable to install the Service Connection because the facilities required to be provided by the Customer, for this purpose, are found to be deficient.
- (g) “**Commercial Service**” means the provision of Service supplied to commercial, institutional or small industrial operations.
- (h) “**Company**” means Corix Utilities (Foothills Water) Inc. or any division or affiliate of Corix Utilities (Foothills Water) Inc. carrying on the business of a water utility, and their respective duly authorized officers, agents and employees.
- (i) “**Customer**” means a Person who is an owner or occupant of a Premise which receives Services from the Company.
- (j) “**Person**” means any individual, corporation, partnership, cooperative, association or other entity.
- (k) “**Premise**” means a single lot or piece of ground including improvements thereon, to which Service is or will be provided by the Company.

-
- (l) “**Rate Schedule**” means a schedule attached to and forming part of these terms and conditions, which sets out the charges for Service and certain other related charges in connection with the provision of Services.
- (m) “**Regulator**” means the applicable regulatory authority.
- (n) “**Residential Premise**” means the Premise of a single Customer, whether single family dwelling, separately metered single-family townhouse, row house, apartment, or single-metered apartment blocks with four or less apartments.
- (o) “**Residential Service**” means the provision of Service provided to a Residential Premise.
- (p) “**Services**” means the provision of water utility services supplied by the Company to a Premise by the Water System and includes the operation and maintenance of the Water System and also includes provision of water at the Bulk Water Service water outlet.
- (q) “**Services Agreement**” means a written application for Services of a Customer which has been approved by the Company and which is deemed to include the terms and conditions set out herein or an agreement for Services in a form determined by the Company and signed by the Customer.
- (r) “**Service Connection**” means, in respect of any component of the Water System provided to a building, the connection point representing the demarcation between the service infrastructure owned by the Company and the equipment owned by the Customer or owner of the property. The demarcation point is the property line.
- (s) “**Tenant**” means a Person who has the temporary use and occupation of real property owned by another person.
- (t) “**Water System**” means the water treatment plant and all pipes, pumps, valves, reservoirs, manholes and appurtenances which constitute the system for supplying water to the Service Connections.

Part B - GENERAL TERMS AND CONDITIONS

1. Application for Service

The Company provides Services to Customers solely in accordance with the terms and conditions set out herein and the Rate Schedules attached hereto.

Every Person wishing to become a Customer shall apply to the Company for Services. Application for Services can be made in person, in writing, or e-mail. Applicants will be required by the Company to complete an application form or an agreement for Service in such form as determined by the Company from time to time. Applicants may be required to provide reference information and identification acceptable to the Company.

The application or agreement for Services will become a Services Agreement upon commencement of the provision of Services, and these terms and conditions will be part of said Services Agreement.

If an Applicant requests Services from the Company at more than one Premise, or for more than one separately operated business, the Applicant will be considered a separate Customer for each of the Premises and businesses. The Company will determine whether or not any building contains one or more Premises or any business is separately operated.

The Application Fee in the amount specified in the Standard Fees and Charges Schedule, shall be paid by the new Customer with respect to each Services applied for and for each account in that Customer's name for which a separate bill is rendered by the Company.

When a change of Customer occurs, an Application Fee, as set out in the Standard Fees and Charges Schedule, shall be paid by the new Customer with respect to each Services applied for and for each account in that Customer's name for which a separate bill is rendered by the Company, except if the new Customer is, or was, the spouse of the former Customer. The Company may refuse to provide Services to an Applicant if an occupant of the Applicant's Premise has an unpaid account for Services incurred while the occupant previously occupied any Premise at the same time as the Applicant.

1.1 Activation (Turn On) Charge

An Activation Charge in the amount specified in the Standard Fees and Charges Schedule shall be applicable when:

- for each turn-on of a valve at an existing curb-stop is made at a date after the service connection was installed;
- a customer becomes re-connected after service has been shut-off at the request of the customer, for non-payment of rates, or for violation of these terms and conditions.

2. Re-Application for Service

If a Customer's Services Agreement is terminated, whether or not there is a physical disconnection by the Company, and if that Customer or the spouse, servant or agent of that Customer applies for new Services within 12 months of the most recent termination date for the same Premise, then the Applicant shall pay the amount specified in the Standard Fees and Charges Schedule.

3. Assignment

A Customer shall not transfer or assign a Services Agreement to another Person without the written consent of the Company.

4. Rates

The Application Fee, the Basic Charge, and any other fees or charges to be charged by the Company, and paid by Customers to the Company for Services shall be the rates from time to time in effect. The current rates are set out in the Rate Schedules attached hereto.

The Company reserves its right to amend the rates set out in the Rate Schedules from time to time and to establish alternative rate structures for the provision of the Services subject to the approval of the Regulator.

5. Service Connections

5.1 Maintenance of Water System

The Company shall maintain the Water System and the Water System shall be and remain the property of the Company. The Company will normally serve each parcel of land with one Service Connection for each Service. If a Customer requests more than one Service Connection for a Service, the Company may install the additional Service Connection and charge the Customer the Application Fee as set out in the Standard Fees and Charges Schedule, as well as the full cost (including overhead) for the additional Service Connection installation. The Company, at its discretion, may bill for the additional Service Connection from a separate account.

5.2 Separate Service

Each Premise shall be served individually through separate service lines, unless the Company approves some other arrangement because of special circumstances.

5.3 Winter Construction

During winter construction conditions such as ground frost or excessive snow accumulations, the Company may postpone construction until winter construction conditions subside.

6. Equipment and Facilities on Private Property

The Company is not responsible for any facilities and equipment on a Customer's Premise beyond the Service Connection. All infrastructure and equipment including all pipelines used to connect a Premise to the Service Connection shall be installed, maintained and owned by the Customer or the owner of the Premise and shall be installed and maintained in a manner satisfactory to the Company.

The Company may, at its discretion, install or require the installation of meters and meter reading devices at a convenient location at the Premises and such meters and meter reading devices shall remain the property of the Company and the Customer shall ensure that the Company has reasonable access to such meters and meter reading devices.

7. Disconnection by Authorized Personnel

Services shall not be disconnected from any Premise by any person who is not an agent of the Company, except temporarily by a qualified plumber in order to perform maintenance or repairs on facilities and equipment within the Premise. No Customer, unless specifically authorized to do so by the Company, shall open or close any of the valves in the Water System or any of the Service Connections.

8. Service Reconnections

A Customer shall pay a Reconnection Charge when Services are reconnected to a Premise previously disconnected from Services for the following reasons:

- (a) at the request of the Customer;
- (b) to permit the Customer to make alterations to or on the private property;
- (c) for breach of these terms and conditions.

The Reconnection Charge also applies when the same Customer, or the spouse, employee, agent, contractor or partner of the same Customer requests reconnection of Services to the Premise within a period of one year, whether or not there is a physical disconnection by the Company.

A Customer shall not be required to pay a Reconnection Charge when the service disconnection was made for the reason of public safety or when the Company made the service disconnection for service requirements of the Company.

The Reconnection charge is the greater of:

- (a) the costs the Company incurs in reactivating the Service; and
- (b) the sum of the Basic Charges which the Customer would have paid between the time of termination and the time of reconnection of Services.

9. Change in Customer

It shall be the obligation of each Customer to notify the Company to terminate Services upon change of occupant or ownership of the Premises. The notice shall state the effective date for the change, which shall be no less than seven days after the notice is received by the Company. Upon receipt of such notice, the Company shall prepare and submit to the Customer a final bill.

10. Use Of Services

A Customer shall use the Services only for the purposes permitted under the Rate Schedules for which application is or was made.

If a Customer has separate systems for potable water and for untreated irrigation water, the Customer shall be responsible to ensure that no cross connection occurs between the two systems, and that any taps or other fixtures from which water may be consumed are connected to the potable water system.

A Customer shall use the Services so as not to endanger equipment or cause any undue or abnormal fluctuations on the Water System.

A Customer shall request permission from the Company in advance if the Customer wishes to use an excessive quantity of water, such as for filling a swimming pool or such other purpose, and the Company will approve such request provided the quantity of water can be safely delivered through the Company's Water System and other Customers are not inconvenienced thereby.

11. Service Upgrades and Extensions

The Customer may make application to the Company to upgrade or extend the Water System beyond the normal standard. If approved by the Company, the Customer will pay for any costs incurred by the Company, including a reasonable mark up in providing the upgrade or extension.

12. **Resale / Unauthorized Supply or Use**

Unless authorized in writing by the Company, a Customer shall not sell or supply Services supplied to it by the Company to other Persons or use the Services supplied to it by the Company for any purpose other than as specified herein.

A Customer shall not make any connection or extension of any kind to the Water System without the prior written authorization of the Company. If any person makes any unauthorized connection or extension to the Water System, the Company may, in addition to any other remedies, immediately discontinue Services to such unauthorized connection or extension. In the case of any dispute concerning the authority for any such connection or extension, the burden of proof shall be upon the Customer to establish the validity of such authority.

13. **Billing**

13.1 Bills will be rendered on the basis of the Customer's Service Agreement, the Rate Schedules under which the Customer is provided Services and the fees and charges contained in the Standard Fees and Charges Schedule.

13.2 Bills will be rendered as often as deemed necessary by the Company, but generally on a monthly or bi-monthly basis. The due date for payment of bills shown on the face of the bill is:

- (a) twenty-one (21) calendar days following the billing date; or
- (b) such other period as may be determined by the Company.

13.3 Customers requesting historic billing information may be charged the cost of processing and providing this information but shall be notified of such charge in advance.

14. **Back Billing**

14.1 The Company, in the circumstances specified herein, may charge, demand, collect or receive from its Customers in respect of Services rendered, a greater or lesser compensation than that specified in the subsisting Rate Schedules of the Company applicable to those Services. In the case of a minor adjustment to a Customer's bill, such adjustments do not require back-billing treatment to be applied.

14.2 Back billing means the re-billing by the Company for services rendered to a Customer because the original billings were discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the Customer or the Company and may result from the conduct of an inspection. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:

- (a) the application of an incorrect rate;
- (b) fraud, theft or any other criminal act.

14.3 If there are reasonable grounds to believe that a Customer has tampered with or otherwise used the Company's Water System or the Services in an unauthorized way, or evidence of fraud, theft or other criminal act exists, then the extent of back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of sections 14.8, 14.9, 14.10 and 14.11 below do not apply.

14.4 In addition, the Customer is liable for the direct administrative costs incurred by the Company in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.

14.5 Under-billing resulting from circumstances described above will bear interest at the rate normally charged by the Company on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.

14.6 In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect upon the Customer's ongoing bill.

14.7 In every case of over-billing, the Company will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to the Company on a monthly basis, will be paid to the Customer.

14.8 Subject to section 14.3 above, in every case of under-billing, the Company will back-bill the Customer for the shorter of the duration of the error and;

- (a) six months for Customers receiving Residential Services or Commercial Service;
or
- (b) one year for all other Customers or as set out in a special or individually negotiated Services Agreement with the Company.

14.9 Subject to section 14.3 above, in every case of under-billing, the Company will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal instalments corresponding to the normal billing cycle. However, delinquency in payment of such instalments will be subject to the usual late payment charges.

14.10 Subject to section 14.3 above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, the Company will not threaten or cause the discontinuance of Services for the Customer's failure to pay that portion of the back-billing, unless there are no reasonable grounds for the Customer to dispute that portion of the back-billing. The undisputed portion of the bill shall be paid by the Customer and the Company may discontinue Services if such undisputed portion of the bill is not paid.

14.11 Subject to section 14.3 above, in all instances of back billing where changes of occupancy have occurred, the Company will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, the over-billing or under-billing applicable to them will be cancelled.

15. Late Payment Charge

If the amount due on any bill has not been paid in full on or before the due date shown on such bill, the Utility will include in the next bill to the Customer the Late Payment Charge as set out in the Standard Fees and Charges Schedule. Notwithstanding the due date shown, to allow time for payments made to reach the Company, and to co-ordinate the billing of Late Payment Charges with scheduled billing cycles, the Company may, in its discretion, waive Late Payment Charges on payments not processed until a number of days after the due date.

16. Returned Cheque Charge

If a cheque received by the Company from a Customer in payment of any account is returned by the Customer's bank, trust company or financial institution for the reason of not sufficient funds, or any reason other than clerical error, a Returned Cheque Charge, as set out in the Standard Fees and Charges Schedule, for processing each returned cheque will be added to the amount due and payable by the Customer whether or not the service has been disconnected.

17. Refusal to Provide Service and Discontinuance of Service

17.1 The Company may refuse to provide Services or may, with 48 hours written notice, discontinue Services to any Customer or Applicant who:

- (a) failed to fully pay for Services at any Premises on or before the due date;
- (b) failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in it, by the specified date;
- (c) is in receivership or bankruptcy, or operating under the protection of any insolvency legislation and has failed to pay any outstanding bills to the Company; or
- (d) occupied the Premise with another occupant who has an outstanding account incurred for Services while occupying any Premise at the same time as the Customer.

17.2 The Company may refuse to provide Services or may discontinue Services without notice, to any Customer or Applicant who:

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- (a) refuses to provide reference information and identification acceptable to the Company, when applying for Services or at any subsequent time on request by the Company;
 - (b) breaches the terms and conditions upon which Services are provided by the Company;
 - (c) has defective pipes or appliances in the Customer's Premise;
 - (d) uses the Water System or the Services in such a manner, as in the Company's opinion may lead to a dangerous situation;
 - (e) fails to make modifications or additions to the Customer's equipment which have been required by the Company in order to prevent the danger described in 17.2(d) above;
 - (f) fraudulently misrepresents to the Company the Customer's use of the Water System or the Services or vacates the Customer's Premise; or
 - (g) has the Customer's Service Agreement terminated for any reason.

The Company shall not be liable for any loss, injury or damage suffered by any Customer by reason of the discontinuation of or refusal to provide Services.

18. Security for Payment of Bills

Customers who have not established or maintained credit to the satisfaction of the Company, may be required to provide a security deposit or equivalent form of security, the amount of which may not:

- (a) be less than \$50; or
- (b) exceed an amount equal to three months' Basic Charge.

A security deposit or equivalent form of security is not an advance payment.

The Company will pay interest on a security deposit at the rate and at the times specified in the Standard Fees and Charges Schedule. If a security deposit is returned to a Customer for any reason, the Company will credit any accrued interest to the Customer's account at that time. No interest is payable on:

- (a) any unclaimed deposit left with the Company after the account for which it is security is closed; or
- (b) on a deposit held by the Company in a form other than cash.

A security deposit (plus any accrued interest) will be returned to the Customer either after one year of good payment history, or when the Customer's Customer Agreement is terminated pursuant to section 20, whichever occurs first.

If the Company is unable to locate the Customer to whom a security deposit is payable and it remains unclaimed for 10 years, the deposit then becomes the property of the Company.

If a Customer's bill is not paid when due, the Company may apply all or any part of the Customer's security deposit or equivalent form of security and any accrued interest towards payment of the bill. Under these circumstances, the Company may still elect to discontinue Services to the Customer for failure to pay for Services.

If a Customer's security deposit or equivalent form of security is appropriated by the Company for payment of an unpaid bill, the Customer must re-establish the security deposit or equivalent form of security before the Company will reconnect or continue Services to the Customer.

19. Collection Charge

A Collection Charge, as set out in the Standard Fees and Charges Schedule, shall be paid by the Customer for each time a Company representative attends the Customer's Premise to disconnect Services following issuance of a disconnect notice.

20. Termination of Service

Unless the Services Agreement or applicable Rate Schedule specifies otherwise, the Services Agreement will terminate on the date specified by the Customer in a written termination notice to the Company, provided that the date of termination shall be at least 48 hours after delivery of the notice of termination. The Customer will be responsible for all charges outstanding for Services provided up to the date that the Services Agreement is properly terminated.

The Customer is not released from any previously existing obligations to the Company by terminating the Services Agreement.

After receiving a termination notice for a Premise, and after a reasonable period of time during which a new Customer has not applied for Services at the Premise, the Company may seal off the Service lines connected to the Premise.

The Company reserves the right to suspend or terminate Services at any time to prevent fraudulent use of the Water System or the Services and to protect its property if the Customer fails to comply with the terms of the Customer's Service Agreement, or if the Company is ordered by a competent government authority to suspend or terminate such Services.

21. Curtailment of Service

The Company will use commercially reasonable efforts to provide regular and uninterrupted Services, but it does not guarantee continuous Services.

The Company may require any of its Customers, at all times or between specified hours, to discontinue, interrupt or reduce to a specified use or quantity, the delivery of water for any of the following purposes or reasons:

- i. in the event of a temporary or permanent shortage of water, whether actual or perceived by the Company;
- ii. in the event of a breakdown or failure of the supply of water to the Company or of the Company's water supply, storage or distribution systems;
- iii. to conserve water supply, including, but not limited to, restricting or prohibiting the use of water for gardening, irrigation, sprinkling, air conditioning or filling of pools or hot tubs;
- iv. in order to comply with any legal requirements;
- v. in order to make repairs or upgrades to any part of the Company's Water System; including but not limited to the water supply, storage or distribution systems.

The Company will, to the extent practicable, give notice of its requirements and removal of its requirements to its Customers by:

- i. posting on the Utility website;
- ii. posting on notice boards located within or near to the relevant communities; and
- iii. providing notice in writing that is sent through the mail to the Customer's billing address, left at the Premises where water is delivered, or other electronic means to the Customer.

Curtailment of Service - Emergency Restriction

The Company shall have authority, in the event of any emergency or event affecting the adequacy of the supply of water to the users of the Company's Water System or the firefighting capacity or the condition of the Water System, either actual or imminent, to require any or all users to curtail or discontinue the use of water for nonessential uses and to use water only in accordance with regulations or restrictions determined by the Company. Such curtailment or discontinuance shall remain in effect for the duration of such emergency or event, as determined by the company. Notice by the Company to Customers via the notification medium listed in the subsection above shall be deemed to be sufficient notice of such curtailment or discontinuance. No Customer shall thereafter use or permit to be used water furnished by the Company except in strict compliance with such regulations or restrictions.

Nonessential uses of water are included in the following list:

- (a) use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, gardens, vegetables, flowers, or any other vegetation;

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- (b) use of water for watering golf courses other than a bare minimum to preserve turf;
 - (c) use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment;
 - (d) washing of streets, driveways, parking lots, office buildings, exteriors of homes, sidewalks, apartments, or other outdoor surfaces;
 - (e) operation of any ornamental fountain or other structures making a similar use of water;
 - (f) use of water for filling swimming or wading pools or spas;
 - (g) operation of any water-cooled comfort air conditioning which does not have water-conserving equipment;
 - (h) use of water from fire hydrants for fire department drills, or testing fire apparatus, except as deemed necessary and approved in the interest of public health or safety;
 - (i) use of water to flush a sewer line or sewer manhole; and
 - (j) use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops and livestock.

Use of water from fire hydrants for construction purposes is strictly prohibited.

If, in the opinion of the Utility, a Customer failed to comply with any requirement under section 21, the Utility may levy a fine as set out in the Schedule of Fines or suspend Service to the Customer.

22. Liability

The Company, its affiliates and their directors, officers, employees, contractors and agents are not responsible or liable for any loss, injury (including death), damage or expense incurred by any owner of a Premise or any Customer or other Person claiming by or through the Customer or owner, caused by or resulting from, directly or indirectly, any discontinuance, suspension, or interruption of, or failure or defect in the supply or delivery of the Services, unless the loss, injury, damage or expense is directly attributable to the gross negligence or wilful misconduct of the Company, its directors, officers, employees, contractors or agents provided, however, that the Company, its affiliates and their directors, officers, employees, contractors and agents are not responsible for any loss of profit, loss of revenues or other economic loss or consequential loss even if the loss is directly attributable to the gross negligence or wilful misconduct of the Company, its affiliates or their directors, officers, employees, contractors or agents.

The Customer is responsible for all expense, risk and liability with respect to the use by the Customer of the Services and for any loss or damage to the Water System caused by or resulting from the act or omission of the Customer or a Person for whom he Customer is responsible.

The Customer is responsible for all expense, risk and liability with respect to the facilities and equipment connected to the Water System at the Customer's Premise.

The Customer will indemnify and hold harmless the Company, its directors, officers, employees, contractors and agents from all claims, loss, damage, costs or injury (including death) suffered by the Customer or owner of the Premise or by any Person claiming by or through the Customer or the owner or any third party caused by or resulting from the use of the Services by the Customer or the facilities and equipment connected to the Water System at the Customer's Premise, or from the Customer or Customer's employees, contractors or agents damaging the Water System.

23. Access to Premises and Equipment

The Company's agents, contractors and employees shall have, at all reasonable times, free access to the Water System and the Customer's facilities and equipment connected to the Water System at the Customer's Premise to ascertain the method of use of Services, as well as for the purpose of reading, testing, repairing, removing and replacing meters and ancillary equipment, for turning on and off the water, for conducting leak surveys, stopping leaks, and examining and repairing pipes, fittings, connections and other equipment.

24. Taxes

The rates and charges set out in the Rate Schedules do not include Social Services Tax or any other tax which the Company may be lawfully authorized or required to add to its rates and charges.

25. Rental Premises

As a condition of providing Services to a rental Premise, an owner or operator who wishes the Company to consider dealing directly with the Tenant or Tenants may be required to enter into a rental premises agreement with the Company which provides for responsibilities of the owner or operator in relation to payment for Services used at the Premise. Notwithstanding any rental premises agreement, the Company may, at its sole option, at any time and from time to time, either:

- (a) deal directly with the owner or operator of the Premise as a Customer of the Company with respect to any or all Services to the Premise; or
- (b) subject always to the provisions of any rental premises agreement, deal directly with each Tenant as a Customer of the Company.

26. Conflicting Terms and Conditions

Whenever anything in these terms and conditions is in conflict with any special terms or conditions provided in any Rate Schedule, the terms or conditions provided in the Rate Schedule shall prevail and whenever anything in these terms and conditions or in any Rate Schedule is in conflict with the terms of any special contract the terms of such special contract shall prevail.

27. Authority of Agents of the Company

No employee, contractor or agent of the Company has authority to make any promise, agreement or representation not incorporated in these terms and conditions or in a Service Agreement, and any such unauthorized promise, agreement or representation is not binding on the Company,

28. Changes to Terms and Conditions

These terms and conditions and the rates set out in the Rate Schedules attached hereto may be amended from time to time at the sole discretion of the Company, subject to the agreement of the Regulator. The terms and conditions that are in effect at any given time may be inspected during business hours at the Company's office.

STANDARD FEES AND CHARGES SCHEDULE

Application Fee	\$ 25.00
Activation (Turn On) Charge	\$ 75.00
Re-application Charge	\$ 25.00
Call-Back Charge	\$ 45.00

Administrative Charges

Collection Charge	\$ 45.00
Returned Cheque Charge	\$ 35.00
Late Payment Charge	1.5% per month (19.6% per annum) on outstanding balance

Interest on Cash Security Deposit

The Company will pay interest on cash security deposits at the Company's prime interest rate minus 2%. The Company's prime interest rate is defined as the floating annual rate of interest which is equal to the rate of interest declared from time to time by the Company lead bank as its "prime rate" for loans in Canadian dollars.

Payment of interest will be credited to the Customer's account in January of each year.

SCHEDULE OF FINES

The following fines will be applied to customers consuming water in violation of Company notification and during emergency situations as determined by the Company and as outlined in section 21 of the Terms and Conditions of Service.

First occurrence during emergency restriction	\$200
Future occurrences during emergency restriction	\$500
First occurrence during non-emergency restriction	Warning
Future occurrences during non-emergency restriction	\$ 200
Unauthorized Use of Hydrants	\$750 per day

Part C – RATE SCHEDULES

RATE SCHEDULE 1: RESIDENTIAL SERVICE

This Rate Schedule is applicable to Services provided to each individual Residential Premise, and contains two charges: a Basic Monthly Charge; and a Metered Charge.

Basic Monthly Charge

The Basic Charge applies to a single water service connection and is a fixed charge based on meter size.

Meter Size:	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
15mm (5/8")	\$52.89	\$54.87	\$56.58
20mm (3/4")	\$100.48	\$104.25	\$107.51
25mm (1")	\$126.92	\$131.69	\$135.80
40mm (1 1/2")	\$222.12	\$230.46	\$237.66
50mm (2")	\$317.31	\$329.22	\$339.51
75mm (3")	\$624.05	\$647.47	\$667.70
100mm (4")	\$914.92	\$949.26	\$978.92

Metered Charge

	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
Metered Charge (per cubic metre)	\$1.86	\$1.93	\$1.99

RATE SCHEDULE 2: COMMERCIAL SERVICE

This Rate Schedule is applicable to Commercial Services provided to commercial businesses where separate Services are provided to each individual business. This Rate Schedule contains two charges: a Basic Monthly Charge; and a Metered Charge.

Basic Monthly Charge

The Basic Charge applies to a single water service connection and is a fixed charge based on meter size.

Meter Size:	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
15mm (5/8")	\$52.89	\$54.87	\$56.58
20mm (3/4")	\$100.48	\$104.25	\$107.51
25mm (1")	\$126.92	\$131.69	\$135.80
40mm (1 1/2")	\$222.12	\$230.46	\$237.66
50mm (2")	\$317.31	\$329.22	\$339.51
75mm (3")	\$624.05	\$647.47	\$667.70
100mm (4")	\$914.92	\$949.26	\$978.92

Metered Charge

	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
Metered Charge (per cubic metre)	\$1.86	\$1.93	\$1.99

RATE SCHEDULE 3: BULK WATER SERVICE (FILL STATION)

The Company has a fill station to dispense potable bulk water for customer use. The service is accessed by key fob.

This Rate Schedule is applicable to optional Bulk Water Services provided to customers obtaining potable bulk water at the fill station. The Bulk Water Service is interruptible. The Company shall have the right to limit or terminate the sale of fill station water in the event of a drought, conservation, high peak potable demand periods, and/or at other times of limited potable water supply. The Bulk Water Service shall be curtailed before any curtailment of service of other rate classes. In the event of curtailment of other rate classes, the Bulk Water Service will be prioritized last to resume regular service.

Metered Charge

Effective

November 1, 2023	\$ 4.50 per cubic meter
January 1, 2024	\$ 5.00 per cubic meter
January 1, 2025	\$ 5.40 per cubic meter

Other Charges:

Administration Charge per Bill issued: \$ 12.00

Key fob (each): \$ 20.00

Application Fee for Bulk Water Service: \$ 25.00

This Bulk Water Service Application Fee is a single initial set up charge payable by each Applicant for Bulk Water Service.

Bulk Water Service Security Deposit: A one-time security deposit of \$100 will be charged to new Bulk Water Service accounts. This one-time security deposit will be waived in cases of established customer credit with good payment history. This security deposit will be returned the month following when the Bulk Water Service customer account remains in good standing for 12 months. Upon termination of service the security deposit will be returned after full settlement of any outstanding account balances.

For delinquent accounts, a refundable security deposit of \$100 may also be required if accounts are not paid on time. If a Bulk Water Service customer's bill is not paid when due, the Company may apply all or any part of the customer's security deposit towards payment of the bill.

Bulk Water Service Special Terms and Conditions

1. The Company shall have the right to terminate the sale of bulk water and request payment of the Bulk Water Service customer account in full for the following reasons:
 - a. Non-payment of account within the due date of the invoice.
 - b. Improper use of fill station water outlet.
 - c. Misuse of key fob.
 - d. For any reason the Company considers reasonable.
2. Delinquent accounts can result in the cancellation of key fob privileges.
3. The Bulk Water Service customer is responsible for the security and safe keeping of all key fobs.
4. The Bulk Water Service customer will be responsible to notify the Company the termination and/or changes in the account. When notified of termination, the Company will disable the key fob(s).
5. The Bulk Water Service customer shall be liable for and shall indemnify the Company from and against all losses, costs, damages, expenses and claims arising from or relating to:
 - a. Any contamination or pollution of the Company's potable water system resulting from the Bulk Water Service customer's use of the fill station sales outlet;
 - b. Any and all physical damage caused by the Bulk Water Service customer or those for whom it is in law responsible, to the Company's fill station water sales outlet or to any other property owned by or under the care, custody, or control of the Company;
 - c. Any and all damage caused by the Bulk Water Service customer or those for whom it is in law responsible to roads, facilities or equipment relating thereto which access or service the Company's fill station water sales outlet.
6. All users of the fill station sales outlet require an approved air gap (AAG) to prevent contamination of potable water supply. The AAG requirements will be specified by the Company. The Company may update and change the AAG requirements as needed.
7. All Bulk Water Service customers will require a vehicle inspection from the Company to ensure appropriate AAG and bulk water station connection. Once the vehicle has passed inspection, the key fob will be issued.
8. All Bulk Water Service customers are responsible for proper operation and use of the bulk water fill station.
9. All Bulk Water Service customers are responsible for following procedures for safely withdrawing water from the bulk water fill station.
10. The Company is not responsible for the quality of the water once its leaves the bulk water fill station sales outlet.