



Mr. Randy Borsa, C.E.T.      Director of Operations  
Mr. Andy Dmitruk              Manager, Water and  
                                         Wastewater Operations  
Mr. Gord Steiss, C.E.T.      Consultant with Wardrop  
                                         Engineering Inc.

Others

Mr. Wally Rust                      Consumer, and owner of  
                                         Selkirk Mobile Home Park

The following information was provided at the hearing.

1. On December 4, 2000 the City held a public hearing regarding its Application and no objection or presentations came forward at that time. Subsequent to this hearing, Council proceeded with its consideration of the rate review and on December 11, 2000 gave first reading to By-law No. 4970. Subsequent to the publication of the Notice of Public Hearing, 40 customers came into the City's offices seeking details of the Application and same was provided.
2. The City of Selkirk's water utility system is comprised of four wells, one river pumping station, the Water Treatment Plant, Lime Sludge Removal facility, a 200,000 imperial gallon water tower, 2 million imperial gallon underground reservoir and pumping station, approximately 54 km of watermain lines, 480 main line valves, 372 fire hydrants and 3,071 water service lines to homes and businesses. The start up date of the water treatment plant was

May 1970. Prior to 1970 Selkirk was on ground water chlorine addition/disinfection only.

The City's sewer utility system is comprised of the Sewage Treatment Plant, Septic Receiving Station, decant sludge lagoon, four lift stations, one main pumping station, approximately 48 km of sewermain lines, 500 manholes and 3073 sewer service lines from homes and businesses. The start up date for the sewage treatment plant was 1978.

The age of the majority of Selkirk's water and sewermain lines is approximately 90 years old. As age increases, more maintenance and upkeep is required. So far in 1991, the City replaced 0.61 km of sanitary sewer mains and 3.35 km of water mains. In 1995, 0.76 km of water mains were replaced.

3. The water treatment plant produces water from the wells. It is of excellent quality, meeting or exceeding Manitoba and Federal water quality guidelines. With the new 2 million gallon reservoir constructed in 1995, and the upgrading of the existing wells, the City is sufficient in capacity to 2001 if growth is moderate as anticipated in 1992 Socio-Economic Study by Synthen Resources Ltd.
4. The sewage receiving station rates were first reviewed in 1997. The existing general water and sewer rates were implemented in 1998

At the time of the rate study it was projected that the existing rates would be insufficient to recover current operating costs and further, the additional service and/or major repair costs of \$775,330 to be incurred over the next three years. The City adopted strategic financial targets for the utility which included the building of a reserve fund sufficient to fund future capital costs without the need for increased taxation. In this regard, the proposed rates will allow for annual transfer to the reserve in the amount of \$170,000 per year.

The sewage receiving station rates were first developed without actual system performance data. Actual data now demonstrates that the City is not incurring additional costs at the sewage treatment plant and accordingly, the rates were reviewed.

5. The City will need to alter its current chlorine disinfection process in the near future to address related discharge issues into the Red River. The City is proposing to have a preliminary and detailed design done for the alternate disinfection process in the year 2001 and 2002. The approximate construction cost to implement alternate disinfection technology at the treatment plant is 2 million dollars. Initial review of the project requirements resulted in an engineering estimate of 10% of the construction cost for preliminary and detailed designs for budget purposes.

6. The proposed rates were developed using budget estimates for 2000 with the addition of the proposed major repairs and additional services for 2001 to 2003 totalling \$775,330 as noted below:

	2001	2002	2003	Total
Sewage Collection and Disposal	\$121,310	\$128,410	\$118,410	\$368,130
Water Distribution	\$124,190	\$102,940	\$180,060	\$407,190
Total	\$245,500	\$231,350	\$298,470	\$775,320

7. The projected utility operating costs were noted follows:

	Projected Utility Expenses		
	2001	2002	2003
Administration	\$ 196,977	\$ 194,460	\$ 192,142
Water Production	497,652	501,098	504,543
Water Distribution	328,563	331,408	334,253
Sewage Collection & Treatment	495,798	467,984	470,039
<b>Total</b>	<b>\$1,518,990</b>	<b>\$1,495,050</b>	<b>\$1,500,977</b>

8. As of 1999, the utility had an accumulated cash surplus balance of \$10,459.00 and reserve fund balance of \$1,975,507.
9. Water sales have declined by 6% since 1997 which is reflective of the conservation efforts of the residents of Selkirk.
10. While the unaccounted for water is 23.8% and no noticeable leaks are being reported, a leak detection survey is proposed for 2001 and it is anticipated that unaccounted for water will fall to 10%. It was noted the percentage does include

water that was used by fire hydrants, but not metered.

11. The City of Selkirk has 372 hydrants and the hydrant rental charge remains at \$105.00 per hydrant.

12. The existing sewage receiving station rates are currently generating revenues higher than required to cover operating costs. The following reflects the existing and projected costs of operating the facility.

	2000	2001
Expenditures:		
Sludge Disposal	\$125,000	\$100,000
All other costs	43,163	43,810
Total	\$168,163	\$143,810
Revenues	\$218,108	\$147,889

B.O.D. and S.S. charges currently generate \$54,896 and \$40,385 respectively, and on a forecast basis will generate \$75,348 and \$24,654, respectively.

Prior to hauling sewage to the City's Septic Receiving Station an agreement is drawn up between the City and haulers/generators of wastewater and therein is a requirement to provide analysis for B.O.D. and S.S. The City also arranges for independent analysis.

13. The City does serve customers beyond its boundaries with water and sewer as noted below:

- 1) 2 residential homes on south end of City with water and sewer.
- 2) Selkirk Healing Centre with sewage disposal.
- 3) BFI Waste Systems with leachate disposal from Prairie Green Solid Waste Landfill in RM of Rosser.

The City has had discussions and has made proposals both to the R.M. of St. Andrews and St. Clements indicating its willingness to share the water and sewer utilities with no response being received.

14. The bulk water rate and the minimum charge of \$15.00 was discussed. The City indicated that a manual system is used which is labour intensive and hence, the minimum fee. The City will examine a coin-operated, or other form of service should the demand for the service increase.
15. The penalties levied on unpaid accounts was discussed and the City indicated that the penalty is a one-time flat charge which is increasing from 2.5% to 5%.
16. Mr. Rust indicated that as an owner of a trailer park that uses, in total a substantial amount of water, he was present to gain a better understanding of the reasons for the rate increase. When he passes these increases onto his tenants, he will be better able to communicate with his customers.

## Board Findings

The Board is pleased to note that the City has long range plans for the water and sewer utility. It would appear that those issues requiring attention in the short term have been addressed by the City's Proposed Major Repairs/Additional Services For 2001 to 2003 Plan. It is these short term issues that result in the need for a rate increase. Except for these expenditures, the expenses of the utility are reasonably stable. The Board noted the capital plans of Council include the building of the utility reserve fund to reduce or eliminate the need to increase property taxes for replacement capital works. The Board observed this will be a gradual process and currently the forecast is to build the reserves to \$24 million.

In the rate study, rates were developed for 2001, 2002 and 2003. Council approved only 2003 rates. In so doing, surpluses to the utility are forecasted to be earned which will be placed in the reserve fund consistent with the City's long range plans. Council determined the reserve fund contribution through the use of a contingency allowance which is 1% of historical capital costs. The Board noted that in other circumstances, a dedicated mandatory transfer to reserve is incorporated in rates in addition to the contingency allowance leaving the contingency allowance provision for unusual expenditures. While this is not being done, after considering the impact of establishing an additional separate contingency fund would have on rates, and noting that the rates are based on 2003 expenditures, the Board will not make any change for this purpose.



The Board noted that the City is proposing reduced sewer rates for the receiving system as historically the rates, which were set without the advantage of actual data, are generating higher surpluses. The Board also noted that the rate study indicates that this matter will be reviewed annually. The Board will accept the revised rates and also, will require a report following this assessment for 2001 and 2002.

The unaccountable water percentage is of concern to the Board as such higher percentages cause higher water costs. The Board is pleased to note that the City intends to do a survey to investigate this matter, and hopefully, reduce the percentage to a lesser amount.

Following the Board's consideration of the Application in its entirety, the Board will approve the rates proposed by the City in By-law No. 4970.

**IT IS THEREFORE ORDERED THAT:**

1. By-law No. 4970 of The City of Selkirk BE AND THE SAME IS HEREBY APPROVED;
2. The water and sewer rates set forth in Schedule "A" hereto shall apply to all customers of the utility effective on the next billing in the normal course after the date of this Order.
3. The City of Selkirk file with the Board its annual assessment of the operation of the sewerage receiving station and provide some comment on the adequacy of the associated rates.

Such report to be filed for year ending December 31, 2001 and 2002 by March 31 of 2002 and 2003 respectively.

4. This Order is subject to moneys being expended from the utility reserve fund only to support existing infrastructure, unless the Board has authorized the expenditure pursuant to Section 168 of The Municipal and Various Acts Amendment Act, c.58.

Fees payable upon this Order - \$362.15

THE PUBLIC UTILITIES BOARD

"S. PROVEN"  
\_\_\_\_\_  
Acting Chairman

"G. O. BARRON"  
\_\_\_\_\_  
Secretary

Certified a true copy of  
Order No. 45/01 issued by The  
Public Utilities Board

\_\_\_\_\_  
Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 45/01

THE TOWN OF SELKIRK

WATER AND SEWER RATES

BY-LAW NO. 4970

- 1. THE City shall charge the following rates to the owners or occupants of land for the use of water and sewer systems from the City.

The greater of the amounts mentioned in paragraphs A and B below in respect of metered Water and Sewer Service for other than domestic use:

A. Minimum quarterly charge for metered service

Notwithstanding the commodity rates set forth in paragraph (B) hereof, all customers will pay the applicable minimum charges set out below which will include the water allowances indicated.

<u>Meter Size</u>	<u>Water Included Gallons</u>	<u>Quarterly Service Charge</u>	<u>Quarterly Commodity Charges</u>		<u>Total Quarterly Bill</u>
			<u>Water</u>	<u>Sewer</u>	
5/8"	3,000	\$15.80	\$ 14.13	\$ 8.73	\$ 38.66
3/4"	6,000	\$15.80	\$ 28.26	\$ 17.46	\$ 61.52
1"	12,000	\$15.80	\$ 56.52	\$ 34.92	\$ 107.24
1 1/2"	30,000	\$15.80	\$ 141.30	\$ 87.30	\$ 244.40
2"	75,000	\$15.80	\$ 325.75	\$ 218.25	\$ 559.80
3"	135,000	\$15.80	\$ 542.35	\$ 392.85	\$ 951.00
4"	270,000	\$15.80	\$1,029.70	\$ 785.70	\$1,831.20
6"	510,000	\$15.80	\$1,887.90	\$1,484.10	\$3,387.80

B. Metered Service - Water and Sewer Commodity Rate per Thousand Gallons

	<u>Water</u>	<u>Sewer</u>	<u>Water &amp; Sewer</u>
For the first 50,000 gallons per quarter	\$ 4.71	\$ 2.91	\$ 7.62
For the next 450,000 gallons per quarter	\$ 3.61	\$ 2.91	\$ 6.52
For all over 500,000 gallons per quarter	\$ 2.79	\$ 2.91	\$ 5.70

C. Deposit

All customers shall have on deposit with the City of Selkirk an amount equivalent to the minimum charge for their meter size.

2. A. Water Customer Only

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

B. Sewer Only Customers

The water from the customers private service shall be metered at the customers cost. The charge will be based upon consumption as shown above with the water charge excluded.

3. Bulk Sale Customers

All water sold in bulk by the City shall be charged at a rate of \$5.39 per 1,000 gallons on a pro-rated basis for all quantities greater than 500 gallons. The minimum charge will be \$15.00.

4. Sewage Receiving Station Rates

The City shall charge the following rates to the users of the sewage receiving station:

Administration fee -	\$18.52 per quarterly billing
Volume dumping -	\$8.11 per 1,000 gallons
B.O.D. Surcharge -	\$0.42 per kilogram
S.S. Surcharge -	\$0.21 per kilogram

5. Billings and Outstanding Bills

A. Accounts shall be billed quarterly and be due and payable up to 30 days after the date of billing.

B. Penalties at the rate of five (5%) percent shall be levied on all accounts remaining unpaid after the aforementioned period.

- C. Accounts that are outstanding and not paid by the next billing period may be added to the taxes of the property in respect of which the account is unpaid, by the Director of Finance and Administration of the City, to be collected as ordinary taxes, as authorized under Section 236(1)(b) of the Municipal Act.

6. Connections

- A. The City of Selkirk shall charge the amount of twenty-five (\$25.00) dollars to turn back on a service that has been turned off.
- B. Service may be disconnected in the event of non-payment of the account within thirty (30) days after due date.
- C. Any service disconnected due to non-payment of the account or other reason, shall not be re-connected until all arrears, penalties and the re-connection fee have been paid.

- 7. In case of a dispute arising over the accuracy or correctness of any meter reading and a request is made to have the meter checked, the City will comply with said request. The meter will receive an independent check and if the accuracy varies by more than three (3%) percent thereby creating an overcharge to the premises, then the City will bear all costs involved. If the check reveals the meter is working within three (3%) percent of accuracy, then all costs shall be borne by the property where from the request was made.

- 8. It shall be an offense for any unauthorized person to tamper, change or by-pass a meter. Said person, owner and/or occupant may be prosecuted in a Court of Law.

9. Hydrant Rentals

The City of Selkirk shall pay to the utility an annual fee of \$105.00 per hydrant for fire fighting which will include a charge for the water used.

10. Water Allowance Due to Line Freezing

That in any case where at the request of Council or their delegate, a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to that customer for the current quarter shall be the average of the billings for the last three previous quarters to the same customer, or the same premises if the occupant has changed.

11. Service to Customers Outside the City Limits

The Council of the City of Selkirk may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the City. 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 the equivalent to the frontage levy, general taxes and special taxes for utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries. In addition, all costs connecting to the utility's mains and installing and maintaining service connections will be paid by the customer.