

M A N I T O B A ) Order No. 147/01  
 )  
THE PUBLIC UTILITIES BOARD ACT ) October 1, 2001

BEFORE: S. Proven, Acting Chair  
M. Girouard, Member

**THE TOWN OF KILLARNEY  
WATER AND SEWER RATES  
BY-LAW NO. 4-2001**

In a letter dated June 18, 2001, the Town of Killarney (the "Town") applied to The Public Utilities Board (the "Board") for approval of revised water and sewer rates (the "Application") as set out in By-law No. 4-2001 filed with the Board and certified as to having been read the first time on June 11, 2001. The Town also filed financial statements and a water and sewer rate study.

Pursuant to the requirements of the Board, the Town filed an affidavit confirming the publication and posting of the Public Notice of hearing.

A public hearing was held on September 20, 2001 at 7:00 P.M. in the Council Chambers of the Town. No members of

the public were in attendance. The Application was presented by Mr. Jim Dowsett, Chief Administrative Officer of the Town.

The following information was obtained from the exhibits and/or the public hearing:

1. The Town obtains its water from Killarney Lake and treatment includes filtration and chlorination. The treatment plant was upgraded in about 1992 and is not experiencing any major problems. No major capital works are planned for the plant in the next ten years.
2. The Town follows all provincial testing requirements and is waiting for the Manitoba Water Services Board to review its operation. While taste, odour, and colour have been the subject of complaints in the past, more recently no complaints have been received.
3. Approximately 60% of the total capacity of the production plant is used.
4. The wastewater treatment plant (WWTP) was built in 1995 and has a design capacity projected to meet the needs of the Town to 2015.
5. The WWTP uses aerobic treatment and is complying with all environmental standards.

6. The Town is examining the provision of lagoon service to a single hauler who hauls from approximately 60 customer owning holding tanks in the area. No charge is proposed at this time. However, it is expected the hauler will use approximately 10% of the lagoon capacity. The hauler is expected to keep a log of use in the future. It was noted that some of the customers of the hauler pay a mill rate for the utility, and the Rural Municipality of Turtle Mountain paid for one-half the cost of the septic dumping station.
7. The Town is examining the need for one lift station at the north end of Town.
8. The water and sewer collection system was built in 1952, and currently requires considerable maintenance. Many of the lines are being replaced which was the primary reason for the financial deficits of the utility in the last two years.
9. Unaccounted for water is approximately 10%, and includes water used for line flushing.
10. The Town provides water and sewer service beyond its boundaries to a trailer park called Kerry Park. Kerry Park residents pay the same rates as residents in the Town. No surcharge is charged to recover part of the debenture cost of the Town. It was indicated that the area is used for camping

only. The Town is considering extending water service only to a feed mill, and the customer will pay the same water rates as the Town residents plus a surcharge.

11. The annual debenture cost of the Town is \$129,642.02 which is being recovered by tax. As of August 31, 2001, the utility reserve fund balance was \$206,746.78. As at December 31, 2000, the accumulated cash surplus account balance was \$195,613.
12. The Town confirmed that the administrative charge has been based on fully allocated costs to the utility.
13. The water only charge of \$65.00 was increased from \$50.00 and is reflective of the anticipated water consumption for unmetered customers.
14. The Town also confirmed that all service charges are reflective of the cost of providing the service.
15. The last rate changes were in 1993. In 2000, a utility deficit in the amount of \$19,380.50 was incurred.

16. The annual hydrant rental charge of \$100.00 is unchanged, and includes the cost of water for fire fighting.
17. The water and sewer rates were based on costs projected out three years. Assuming interest rates and inflation remain at low levels, the Town projects that the water and sewer rates should remain stable for 4 to 5 years.
18. The following reflects the expenditure forecast compared to year 2000 actuals.

	<u>2000</u>	<u>2003</u>	<u>%</u>
Water supply & Distribution	\$241,303	\$197,000	(18.3)
Sewage Collection & Disposal	53,897	82,700	53.4
Reserve Fund	<u>7,500</u>	<u>15,000</u>	<u>100.0</u>
	<u>\$302,700</u>	<u>\$294,700</u>	<u>(2.4)</u>

The Town indicated that the costs in the water and sewer area were projected forward and adjusted to reflect causation. This explains the significant shifts in expenditures.

The rates also include a \$15,000 contingency provision.

19. In light of a declining expenditure forecast, and the need for more water and sewer line replacement in the future, the Board requested that the Town review its expenditure forecast as to adequacy.

The Town responded in a fax dated received on September 25, 2001 and indicated that:

"We have reviewed the 2003 expenditure forecast and we still feel comfortable with the numbers provided. We will be scaling back on the amount of sewer and water renewal we do, therefore do not anticipate a deficit for the next few years."

#### Board Finding

Following the Board's careful examination of the Application and supporting material, the Board will approve the revised water and sewer rates as proposed by the Town with one clerical change in the minimum quarterly charge schedule.

The Board will not impose a charge on the hauler of septage at this time, but noting that a log of the use will be kept the Board will require that the Town monitor this use, and, if necessary, consider the introduction of a charge at some future date.

As the utility's rates provide for a sum of money to be placed in a utility reserve account, the Board will require that the Municipality require prior authorization from the Board for withdrawals.

**IT IS THEREFORE ORDERED THAT:**

1. By-law No. 4-2001 of The Town of Killarney BE AND THE SAME IS HEREBY APPROVED, subject to amendment of Schedule "A" to correct an error made in the minimum quarterly charge schedule.
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 Town of Killarney make application to the Board for approval of withdrawals from the water and sewer reserve fund.

Fees payable upon this Order - \$525.57.

THE PUBLIC UTILITIES BOARD

"S. PROVEN"  
\_\_\_\_\_  
Acting Chair

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

Certified a true copy of  
Order No. 147/01 issued by  
The Public Utilities Board

\_\_\_\_\_  
Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 147/01

THE TOWN OF KILLARNEY

WATER AND SEWER RATES

BY-LAW NO. 4-2001

SCHEDULE OF QUARTERLY RATES:

1. Commodity rates per 1000 gallons

	Water	Sewer	Water & Sewer
First 20,000 gal/qtr	\$3.90	\$1.40	\$5.30
Next 80,000 gal/qtr	\$2.80	\$1.40	\$4.20
Over 100,000 gal/qtr	\$1.90	\$1.40	\$3.30

2. Minimum Charges, Quarterly

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

1. Water and Sewer Customers

Metre Size	Group Capacity Ratio	Minimum Quarterly Consumption	Service Charge	Commodity Rates		Minimum Quarterly Charges
				Water	Sewer	
5/8	1	3000	5.90	11.70	4.20	21.80
¾	2	6000	5.90	23.40	8.40	37.70
1	4	12000	5.90	46.80	16.80	69.50
1¼	10	20000	5.90	78.00	28.00	111.90
1½	10	30000	5.90	106.00	42.00	153.90
2	25	75000	5.90	232.00	105.00	342.90
4	90	270000	5.90	625.00	378.00	1008.90
Unmetered Flat Rate						50.00

2. Water Only Customers

Customers with water only services shall be charged the minimum quarterly rate applicable to the customer's meter size less the sewer charge. Unmetered seasonal customers



will be charged a flat rate of \$65.00 per season including the service charge.

3. Sewer Only for Residential Customers

Customers with sewer only services shall be charged \$25.00 per quarter.

4. Sewer Only for Commercial Customers with a Private Water Supply

Larger customers connected to sewer services only and with a private water supply will meter this water at their own expense, and shall pay quarterly the service charge of \$5.90. Plus the sewer commodity rate set forth in Paragraph 1 hereof on the number of gallons of water registered by the meter on their private water supply, which will be read by the Town.

3. Bulk Sales

All water sold in bulk by the Town of Killarney shall be charged for at the rate of \$0.25 per 55 gallons or \$4.35 per 1000 gallons.

4. Service to Customers Outside the Town Limits

The Council of the Town of Killarney may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Town. 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, and which would be levied on the property concerned if it were within these boundaries. In addition, the customer will pay all costs of connecting to the utility's mains and installing and maintaining service connections.

5. Billings and Penalties

Accounts shall be billed quarterly, and shall be due and payable 20 days after the date of billing. A penalty of five (5) percent of the amount of the bill shall be added if not paid by the due date.

6. Disconnection and Reconnection

Service may be disconnected and discontinued immediately and without further notice in the event of non-payment of the account within twenty (20) days of the due date. Any service, disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$20.00 have been paid. Service may be installed,

disconnected, removed or reconnected upon receipt of a written request and payment of the applicable rate as set in the following:

Meter	Installation	Disconnection	Removal	Reconnection
5/8	\$20.00	\$7.00	\$12.50	\$20.00
3/4	\$20.00	\$7.00	\$12.50	\$20.00
1	\$30.00	\$7.00	\$12.50	\$20.00
1 1/4	\$35.00	\$7.00	\$12.50	\$20.00
1 1/2	\$65.00	\$7.00	\$12.50	\$20.00
2	\$150.00	\$7.00	\$12.50	\$20.00
4	\$500.00	\$7.00	\$12.50	\$20.00

Note: Fee of \$7.50 shall be charged to all customers for each turn-on and each turn off. The reconnection fee does not include a re-installation fee. A check valve shall be installed, at cost to the customer, with all new installations and with all renewals.

7. Outstanding Bills

Pursuant to Section 573(1)(d) of The Municipal Act, the amount of all outstanding charges for water and sewer are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

8. Hydrant Rentals

The Town of Killarney will pay to the Utility an annual rental of \$100.00 for each hydrant connected to the system which includes the cost of water for fire fighting.

9. Sewer Surcharges

- a) There may be levied annually, in addition to the rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand in excess of 300 parts per million, to be set by Resolution of council.
- b) A special surcharge for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.