

M A N I T O B A ) Order No. 177/01  
)  
THE PUBLIC UTILITIES BOARD ACT ) November 15, 2001

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

**THE RURAL MUNICIPALITY OF MINIOTA  
LOCAL IMPROVEMENT DISTRICT NO. 1 (MINIOTA)  
SEWER RATES  
BY-LAW NO. 3/2001**

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On July 20, 2001, The Rural Municipality of Miniota ("Miniota") applied to The Public Utilities Board for approval of revised sewer rates for the Local Improvement District No. 1 (Miniota) as set out in By-law No. 3/2001 filed with the Board and certified as to having been read the first time on August 14, 2001 (the Application). The Application was supported by a rate study. A public hearing was held in Miniota on November 8, 2001 commencing at 2:00 p.m. Miniota provided an affidavit confirming that a Public Notice of the public hearing had been mailed to each customer, and posted in 5 prominent locations in the community pursuant to the Board's instructions.

The following were in attendance:

Councillor Russell Still	Rural Municipality of Miniota
Councillor Barry Clark	Rural Municipality of Miniota
Ms. Brenda Edgeworth, C.A.O.	Rural Municipality of Miniota

The following information was provided at the public hearing:

1. The sewer utility consists of a gravity flow pipeline system extending from source to a two cell lagoon - all of which was constructed in about 1960.
2. Historically, only one cell of the lagoon has been used and the other only partially. Manitoba Conservation has requested Miniota to review the operation of the lagoon, and investigate for possible leakage. Some complaints have been filed by residents.
3. The utility includes 132 customers, mostly residential.
4. The rates were last reviewed in 1993.
5. Since 1993 the utility has incurred revenue deficits ranging from \$51.41 to \$2,764.29. In 2000, the deficit amounted to \$1,071.97.

6. As at December 31, 2000, the nominal surplus account balance was \$12,427.69 and the reserve fund balance was \$40,331.74.
7. Since 1993, the operating deficits have been recovered from the nominal surplus account. Miniota plans to hire an engineering consultant to review the operation of the system and plans to recover one-half of the cost, estimated to be \$26,000, from the reserve fund account. The balance will be paid for by the Manitoba Water Services Board. The work will be done in the Spring of 2002.
8. If the lagoon requires upgrading, the estimated cost is \$420,000 which will be funded by debenture.
9. In evaluating the adequacy of the rates, Miniota estimated its operating costs using the average operating costs over the last seven years.
10. Noting that past operating deficits were in part caused by new service installations, Council introduced a \$350.00 service connection charge to recover part of the costs.
11. There were no provisions made in the forecast for any changes to operating costs as result of the upgrading the lagoon.
12. The contingency allowance recovered from rates is \$40.00.

13. Miniota reviewed the number of residential equivalent units assessed on its larger customers and consistent with the Board's guidelines, proposed changes. Miniota spoke with various customers to obtain better information on the accuracy of their assessments.

14. Miniota advised that customers who, inquired about the Application, had the Application explained to them or were forwarded a copy of the rate study. No customers appeared at the hearing.

#### Board Findings

The Board is satisfied that a rate increase is necessary to ensure that the sewer utility remains viable on a break even basis. The Board accepted the position of Miniota that its proposed increased revenues will be sufficient to recover its operating costs. Miniota was advised that to the extent any upgrading is performed on the lagoon or repairs made to existing piping system, its costs may be significantly altered and will require reassessment to ensure rates are adequate in the future.

The Board notes that the contingency allowance for the utility is extremely low but will make no adjustment at this time pending the assessment of the future needs of the utility. The current nominal surplus account of the utility is at a reasonable level.

The Board reviewed the revised residential equivalent units assessed and is satisfied that the Board's guidelines had been followed. The Board noted that these larger customers' assessments were low in the past, and this Application is addressing this matter.

The Board wishes to express its concern about the operation of the system and the possibility of undetected leakage in the system and notes that Miniota together with Manitoba Conservation plan an in depth analysis of the system. The Board trusts Miniota will address this matter with dispatch.

**IT IS THEREFORE ORDERED THAT:**

1. By-law No. 3/2001 of The Rural Municipality of Miniota serving Local Improvement District No. 1 (Miniota) BE AND THE SAME IS HEREBY APPROVED;
2. The sewer rates set forth in Schedule "A" hereto shall apply to all customers of the utility effective the next billing in the normal course after the date of this Order.

Fees payable upon this Order - \$264.00

THE PUBLIC UTILITIES BOARD

"S. PROVEN"  
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Acting Chair

"G. O. BARRON"  
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Secretary

Certified a true copy of  
Order No. 177/01 issued by  
The Public Utilities Board

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Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 177/01

THE RURAL MUNICIPALITY OF MINIOTA

LOCAL IMPROVEMENT DISTRICT NO. 1 (MINIOTA)

SEWER RATES

BY-LAW NO. 3/2001

SCHEDULE OF RATES:

1. Sewer

<u>Units</u>	<u>Customer</u>	<u>Commodity Rates</u>	<u>Annual Bill</u>
1	Single family residences; Churches; Small commercial; Halls up to 250 seats	\$ 37.09	\$ 37.09
1.5	Beauty Salon, with 1 suite; Halls with 251-350 seats	\$ 49.96	\$ 49.96
2	Miniota Dairy Bar, with Coffee Shop, Convenience Store & Gas Bar; Rinks; Garage, with 1 wash rack	\$ 62.82	\$ 62.82
6	Miniota School (6 rooms @ 1.0 unit)	\$165.74	\$165.74
7	Parkissimo Lodge (10 single rooms @ ½ unit each, 2 double rooms @ 1.0 unit each)	\$191.47	\$191.47
11	Miniota Motor Inn (8 guest rooms, 100 restaurant seats, 40 beverage room seats)	\$294.39	\$294.39