

MANITOBA) Order No. 182/03
)
THE PUBLIC UTILITIES BOARD ACT) December 17, 2003

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

THE TOWN OF TEULON
SEWER RATES
BY-LAW #6/03

The Town of Teulon (the Town) applied to The Public Utilities Board (the Board) for approval of revised sewer rates as set out in By-law No. 6/03 certified as to having been read the first time on October 14, 2003.

Notice of Public Hearing was mailed to each customer and posted in the community. A public hearing was held on December 11, 2003 at 7:00 p.m. in the Council Chambers of the Town.

The following persons were in attendance:

Representing the Town:

Bert Campbell	Mayor
Lorence Gesell	Deputy Mayor
Jim Dola	Councillor
Keith Smith	Councillor
Mike Ledarney	Councillor
Ms. L. Humbert	Chief Administrative Officer
Glenn Marmonier	Town Foreman
Mr. Ken Anderson	Cochrane Engineering Ltd.

The following information was obtained from the pre-filed material or orally at the public hearing:

1. The existing rates were approved by the Board in 1996 and are set out in By-law No. 7/96.
2. The Town owns and operates a sewer system only. Residents obtain water from unmetered private wells. The collection system is mostly clay tile pipe built in the 1970's. Infiltration through the clay tile pipe has resulted in notable flows into the lagoon. From each premise sewage is gravity fed to a main lift station and then pumped to a seven cell stabilization pond located eight kilometres

north-west of the Town. The stabilization pond was constructed in 1995 and has a capacity of 401,000 cubic metres.

3. Discharges from the stabilization pond enter Netley Creek, and the Town is meeting its environmental license for such discharge.

The Town is experiencing some erosion on the banks of the stabilization pond. One third of the necessary repairs have been performed. The Town confirmed that such work is preventative in nature and that leakage is not occurring.

4. At the time of the 2001 Stats Canada Census the population of Teulon was 1053 and for the purpose of the rate study a population growth rate of 0.37% per year was assumed.
5. There are currently 450 sewer customers. The rates are based on Residential Equivalent Units (REU) which were reassessed as part of the Town's rate review. In total there are 1048.5 REU used in the rate study.
6. The Rural Municipality of Rockwood pays the Town a yearly fee of \$2,000 for dumping privileges at the lagoon. This loading totals 8% of the total loading of the lagoon.

7. The annual debenture debt cost of \$122,608 is recovered through frontage taxes and mill rates.
8. The proposed rates included an annual contingency allowance of \$2,000 to cover unforeseen expenses and an annual contribution to reserves of \$10,000. The reserve funds will be used to replace aging clay tile pipe.
9. As of December 31, 2002, the utility had a nominal surplus balance of \$56,238 and a reserve balance of \$69,437. The utility had an operating surplus of \$9,680 in 2002.
10. The following reflects 2002 operating and maintenance costs as compared to 2008 costs used in the rate study:

	2002	2008
Administration	\$13,750	\$14,308
Sewage Collection	10,963	22,373
Sewage Treatment	<u>5,742</u>	<u>14,568</u>
Total	\$30,455	\$51,250

To bring rate stability and to meet its capital renewal requirements the proposed rates were based on 2008 projections.

11. The proposed and existing rates are as follows:

	Annual Commodity Rates (per REU)	
	Existing	Proposed
Service Charge	\$20.50	\$31.00
Commodity Charge	<u>\$36.00</u>	<u>\$44.75</u>
Total	\$56.50	\$75.75

In the past, part of the administration costs were recovered in the commodity charge and the increase shown above reflects the full recovery of these costs in the service charge.

The increase in the commodity charge reflects increasing operating and maintenance costs and the reduction in the REU from 1086 REU's to 1048.5 REU's.

12. The Town indicated that the Guidelines published by The Public Utilities Board were followed in the preparation of the proposed rates.

13. Northern Goose Processing Ltd. is the Town's largest customer and accounts for nearly a third (300 REU's) of the total REU's for the Town. The Town advised no information has been found to demonstrate a need to change this allocation.

Board Findings

The Board is pleased to note that the justification for the increased rates is related to the Town's long term plans for upgrading and rate stability and not related to operating deficits. Clearly, the infrastructure needs some attention and these rates will allow the Town to conduct such upgrading.

The Town examined the number of residential equivalent units assigned to its customers and discussed any changes with its customers. No customer appeared before the Board to complain about the assessment. The Board reviewed the assessments and will approve the residential equivalent units proposed for each customer.

The Board noted that the administrative charge proposed will now recover the full cost of administering the utility. The Board believes this to be appropriate and will approve same.

Northern Goose Processing Ltd. is a significant customer for the Town. The Board expects that as Northern Goose Processing Ltd.'s business plans change the Town will be apprised to ensure the charges collected from this customer are fair and equitable.

As the proposed rates are based on projections to 2008, the Town will need to closely monitor developments in the community to ensure that the residential equivalent units continue to be appropriate.

In summary, the Board finds that the rates proposed by the Town are fair and equitable and will approve same.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 6/03 of the Town of Teulon BE AND THE SAME IS HEREBY APPROVED subject to amendment on second reading to agree with Schedule "A" attached hereto;
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;
3. Moneys shall be expended from the utility reserve fund to support existing infrastructure only, unless the Board has authorized the expenditure.

Fees payable upon this Order - \$309.70

THE PUBLIC UTILITIES BOARD

"S. PROVEN"

Acting Chair

"G. O. BARRON"

Secretary

Certified a true copy of
Order No. 182/03 issued by
The Public Utilities Board

Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 182/03

THE TOWN OF TEULON

SEWER RATES

BY-LAW #6/03

SCHEDULE OF ANNUAL SEWER RATES:

1. Annual Commodity Rate per Residential Equivalency Unit

<u>SERVICE CHARGE</u>	<u>SEWER COMMODITY</u>	<u>ANNUAL TOTAL</u>
\$31.00	\$44.75	\$75.75

2. Minimum Annual Sewer Service Charges

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charge set out below, which will be based on the customers residential equivalency allocation:

(a) Sewer Customers

COMMODITY RATES

RESIDENTIAL EQUIVALENT UNITS	SERVICE CHARGE	SEWER COMMODITY	ANNUAL TOTAL
1	\$31.00	\$ 44.75	\$ 75.75
1.5	\$31.00	\$ 67.13	\$ 98.13
2	\$31.00	\$ 89.50	\$ 120.50
2.5	\$31.00	\$ 111.88	\$ 142.88
3	\$31.00	\$ 134.25	\$ 165.25
4	\$31.00	\$ 179.00	\$ 210.00
5	\$31.00	\$ 223.75	\$ 254.75
6	\$31.00	\$ 268.50	\$ 299.50
7	\$31.00	\$ 313.25	\$ 344.25

8	\$31.00	\$	358.00	\$	389.00
9	\$31.00	\$	402.75	\$	433.75
10	\$31.00	\$	447.50	\$	478.50
11	\$31.00	\$	492.25	\$	523.25
12	\$31.00	\$	537.00	\$	568.00
13	\$31.00	\$	581.75	\$	612.75
14	\$31.00	\$	626.50	\$	657.50
15	\$31.00	\$	671.25	\$	702.25
22	\$31.00	\$	984.50	\$	1,015.50
26	\$31.00	\$	1,163.50	\$	1,194.50
31	\$31.00	\$	1,387.25	\$	1,418.25
36	\$31.00	\$	1,611.00	\$	1,642.00
52.5	\$31.00	\$	2,349.38	\$	2,380.38
300	\$31.00	\$	13,425.00	\$	13,456.00

(b) Annual Rates for Sewer Service

Customer	Residential Equiv. Units	Service Charge	Sewer Commodity	Annual Total
Single family residence; Multiple family residence, each suite; Buildings that combine both or one or more business places and one or more residences, each suite and each business, Church; Mobile home; Garage (no car wash);	1.0	\$31.00	\$ 44.75	\$ 75.75
#48 Main St. (Taste of Country) #64 Main St. (Fern's Hair Salon) #38 First Ave. S.E. (Gayle's Styling) #43 Main St. (Aphrodite's Salon) #70 Beach Rd. (Shear Magic) Small Beauty Shops Butcher Shops, small grocery	1.5	\$31.00	\$ 67.13	\$ 98.13
#379 First St. S.W. (Premier Care) #55 Main St. (Petal Peddler & Radio Shack) #36 Third Ave. S.E. (Big Way Foods) #19 Beach Rd. (Vacant) #80 Third Ave. S.E. (Church/Day Care) Medium Grocery & Meats	2.0	\$31.00	\$ 89.50	\$120.50

#66 Main St. (Ali's Enterprise)	2.5	\$31.00	\$111.88	\$142.88
#31 P.T.H. #7 (Bill & Bea's Conv. Store)				
#177 P.T.H. #7 (Antoinette's)				
#18-22 Main St. (YOR Video & Hair Salon)				
Teulon-Rockwood Arena				
Teulon Curling Club				
#14 Main St. (Centennial Centre)	3.0	\$31.00	\$134.25	\$165.25
#75 Main St. (Dueck Holdings)	4.0	\$31.00	\$179.00	\$210.00
#189 P.T.H. #7 (8 single room Motel)				
#189 P.T.H. #7 (Super 7/Car Wash/Ice Cream)				
#101 Seventh Ave. S.E. (Ft. Rouge Apts)	6.0	\$31.00	\$268.50	\$299.50
#40 Second Ave. S.E. (Ian Smith)	7.0	\$31.00	\$313.25	\$344.25
#149 First Ave. S.E. (Ft Rouge Apts)	8.0	\$31.00	\$358.00	\$389.00
#182 First Ave. S.E. (White Star Apts)				
#64 Seventh Ave. S.E. (White Star Apts)				
#27 Third Ave. S.E. (C. Biluk)	9.0	\$31.00	\$402.75	\$433.75
#20 Beach Rd. E. (Elem. School)	14.0	\$31.00	\$626.50	\$657.50
#122 Main St. (Teulon Motor Hotel)				
#169 Beach Rd. E. (Gateway Manor) (Vacant)	22.0	\$31.00	\$ 984.50	\$ 1,015.50
#102 Beach Rd. E. (Teulon Residences)	26.0	\$31.00	\$ 1,163.50	\$ 1,194.50
#100 Third St. S.E. (Fairview Place)	31.0	\$31.00	\$ 1,387.25	\$ 1,418.25
#59 First St. N.E. (Collegiate)	36.0	\$31.00	\$ 1,611.00	\$ 1,642.00
#162 Third Ave. S.E. (Teulon Hunter Memorial Health District)	52.5	\$31.00	\$ 2,349.38	\$ 2,380.38
#103 First St. S.W. (Northern Goose Processors Ltd.)	300.0	\$31.00	13,425.00	\$13,456.00

3. Billing And Penalties

That the sewerage rates as set forth herein shall be collected annually by the Administrator at the Municipal Office of Teulon, Manitoba. And shall be deemed to have been imposed and to be due and payable on the 31st day of August in each year with penalty added thereafter at the rate of 1½% per month for each portion thereof, A partial year will be proportionately charged.

4. Separate Sewer Charges

That should one or more businesses be carried on in a building, then a separate charge will be made for each such business.

5. Sewer Surcharge

That by special resolution of Council there may be levied annually a special sewer surcharge on sewage having a Biochemical Oxygen Demand (BOD5) in excess of 500 parts per million, unless an industrial use agreement states otherwise. The industrial use agreement shall dictate terms of BOD5 surcharge.

6. Arrears

Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding accounts as charged herein may be collected by the municipality in the same manner as a tax may be collected or enforced under this Act.

7. Service to Customers Outside Town Limits

The Council of the Town of Teulon may sign agreements with another municipality for the provision of Sewer services outside the Town boundaries. Such agreements shall provide for payment of the appropriate rates set out in the Commodity Rates of this schedule, as well as a surcharge set be resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for the utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries. In addition, all costs of connecting to the utility's mains

and installing and maintaining service connections will be paid by the consumer.