

M A N I T O B A                    )     Order No. 30/06  
  )  
THE PUBLIC UTILITIES BOARD ACT    )     March 1, 2006

BEFORE:  Graham F. J. Lane, C.A., Chairman  
          M. Girouard, C.G.A., Member  
          S. Proven, P.H.Ec., Member

THE RURAL MUNICIPALITY OF SHELLMOUTH-BOULTON  
LOCAL URBAN DISTRICT OF INGLIS  
WATER AND SEWER RATES  
BY-LAW NO. 0601

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### **Introduction**

The Rural Municipality of Shellmouth-Boulton (R.M.), which serves the Local Urban District of Inglis, applied to The Public Utilities Board (Board) for approval of revised water and sewer rates.

The revised rates, herein approved by the Board, reflect the R.M.'s increased cost of purchasing water from the Manitoba Water Services Board.

### **Application**

On February 9, 2006, the R.M. applied to the Board for approval of revised water and sewer rates, effective April 1, 2006. The new rates reflect the higher cost (by \$2.95/1,000 gallons) of purchasing water from the Manitoba Water Services Board.

After taking into account unaccounted for water (water purchased but not billed to customers - this due to leakage and non-billed uses), the rate increase is \$3.46 per 1,000 gallons. Accordingly, the existing commodity rate was proposed to increase from \$11.00 to \$14.46 per 1,000 gallons - a 32% increase.

Corresponding to the proposed increase in metered rates, the R.M. proposed to increase the bulk water rate from \$15.00 to \$20.00 per 1,000 gallons - a 33% increase. Residential minimum bills would increase from \$44.65 to \$55.03 each quarter, or 23%.

Sewer rates would remain unchanged.

The last increase in the R.M. rates occurred in 1995. As of December 31, 2005 the utility had approximately 127 customers and a cash surplus balance in the utility of \$11,246.

### **Board Findings**

Recognizing that the proposed increases reflect a pass-through of increased costs incurred by the R.M., increases beyond the control of the R. M., the Board will approve the application effective April 1, 2006.

The Board notes that the increases, while significant, follow ten years of no increase, and that they are representative of an average annual increase of less than 3%, compounded.

Due to the urgency of the matter, with cost increases upon the R.M., the Board will agree to an effective date of April 1, 2006.

Given that no notice was provided to the R.M.'s utility customers, the Board will approve the application on an Interim Ex Parte basis. Upon any supported complaint from a ratepayer providing new and material information contrary to the Board's current understandings, to be expressed to the Board, the Board may determine to amend this Order.

Otherwise, the Board intends to make this approval final at the time of the next rate amendment proposal of the R.M., for which a public process will be initiated (either by public hearing or by notice).

**IT IS THEREFORE ORDERED THAT:**

1. By-law No. 0601 of The Rural Municipality of Shellmouth-Boulton serving the Local Urban District of Inglis IS HEREBY APPROVED on an Interim Ex Parte basis.
2. The water and sewer rates set forth in Schedule "A" hereto shall apply to all customers of the utility effective on all water consumed and on all minimum bills effective on the next billing in the normal course after the date of this Order.
3. The Rural Municipality of Shellmouth-Boulton is to file audited financial statements for its utility for 2006 and 2007, within four months of the respective year-ends.
4. The Rural Municipality of Shellmouth-Boulton is to provide the Board with a revised rate study no later than June 30, 2007.



SCHEDULE "A"

TO BOARD ORDER NO. 30/06

THE RURAL MUNICIPALITY OF SHELLMOUTH-BOULTON

LOCAL URBAN DISTRICT OF INGLIS

WATER AND SEWER RATES

BY-LAW NO. 0601

SCHEDULE OF QUARTERLY RATES:

1. Commodity Rates per M.G.

	<u>Water</u>	<u>Sewer</u>	<u>Water &amp; Sewer</u>
All water consumption	\$14.46	\$2.25	\$16.71

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:

(a) Water and Sewer Customers

Meter Size	Group Capacity Ratio	Water Included Gallons	Customer Service Charge	<u>Commodity Charges</u>		Total Quarterly Minimum
				Water	Sewer	
5/8"	1	3,000	\$4.90	\$43.38	\$6.75	\$55.03
3/4"	2	6,000	4.90	86.76	13.50	105.16
1"	4	12,000	4.90	173.52	27.00	205.42
1 1/2"	10	30,000	4.90	433.80	67.50	506.20

(b) Water Only Customers

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

(c) Sewer Only for Residential Customers

The Rural Municipality of Shellmouth-Boulton do charge the owners or occupants of the land serviced with sewer but no water the sum of \$18.00 per quarter.

3. Bulk Sales Rate

All water sold in bulk by the Rural Municipality of Shellmouth-Boulton shall be charged for at the rate of \$20.00 per 1,000 gallons on a pro-rates basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$10.00.

4. Service to Customers Outside LUD Limits

The Council of the R. M. of Shellmouth-Boulton may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the LUD of Inglis. 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 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 customer.

5. Billings and Penalties

Accounts shall be billed quarterly and shall be due and payable 20 days after date of billing. A late payment charge of 1 ¼% shall be charged on the dollar amount owing after the billing due date. The late payment charge will compound monthly, and will appear on the customer's next quarterly bill if unpaid.

6. Disconnection

Service may be disconnected and discontinued immediately and without further notice in the event of non-payment of the account within 30 days after due date.

7. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and reconnection fee of \$30.00 have been paid.

8. Outstanding Bills

Pursuant to Section 252(2) 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.

9. Hydrant Rentals

The LUD of Inglis will pay to the utility an annual rental of \$75.00 for each hydrant connected to the system.

10. Water Allowance Due to Line Freezing

That in any case where, at the request of the Council, 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 two previous quarters to the same customers, or to the same premises if the occupant has changed.