

M A N I T O B A) Order No. 37/06
)
THE PUBLIC UTILITIES BOARD ACT) March 10, 2006

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

THE TOWN OF MORRIS
INTERIM WATER AND SEWER RATES
BY-LAW NO. 05/06

Executive Summary

By this Order, the Public Utilities Board (Board) approves new water and sewer rates for the Town of Morris (Town).

The increase of \$0.61 per thousand gallons is effective April 1, 2006, and reflects the Town's increased water from the Pembina Valley Water Cooperative (Pembina) of \$0.50 per thousand gallons, and a factor for normal and anticipated water losses.

Application

On March 6, 2006, the Town applied to the Board for approval of its By-law No. 05/06, authorizing an increase in water and sewer rates.

The increase reflects an increased cost of the Town's water supply from Pembina, an increase of \$0.50 per thousand gallons effective April 1, 2006. As on prior occasions the Town applied to the Board to pass through this increase in its water supply; when taking into account the Town's normal water losses the effective increase is \$0.61 per thousand gallons.

The increase in the cost of water purchased from Pembina is beyond the control of the Town, the water rate increase was proposed to maintain the financial health of the Town's Utility.

The Town proposed as well that sewer rates increase by 20 cents per thousand gallons as existing rates were not recovering sufficient revenue.

Existing and proposed commodity rates are:

	Existing		Proposed	
	Water	Sewer	Water	Sewer
First 15,000 gallons	\$8.18	\$0.75	\$8.79	\$0.95
Over 15,000 gallons	\$6.73	\$0.75	\$7.34	\$0.95

With the increases, residential minimum quarterly bills will rise from \$33.54 to \$36.02, an increase of 7.4%.

Board Findings

The Board accepts the Town's position that the pass-through of the water rate increase by Pembina was necessary, and that the increase will best take place concurrent with the Town's increased costs.

Given water rates will rise, the Board accepts that increasing sewer rates at the same time is reasonable, given that sewer rates were too low to recover Utility costs.

The Board will approve the increase on an Interim Ex Parte basis, i.e. without a hearing. When the Town next approaches the Board for a rate amendment, the Board intends to hold a public hearing, either by paper review, including notice to customer, or in person.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 05/06 of The Town of Morris IS HEREBY APPROVED on an Interim Ex Parte basis subject to amendment on second reading to agree with Schedule "A" attached hereto.
2. The water and sewer rates set forth in Schedule "A" hereto shall apply to all customers of the utility effective April 1, 2006.
3. The Town advise its customers of the Board's decision and rationale.

SCHEDULE "A"

TO BOARD ORDER NO. 37/06

THE TOWN OF MORRIS

INTERIM WATER AND SEWER RATES

BY-LAW NO. 05/06

SCHEDULE OF QUARTERLY RATES

1. Commodity rates per M.G.

	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
First 15,000 gallons per quarter	8.79	.95	9.74
Over 15,000 gallons per quarter	7.34	.95	8.29

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

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, Gallons</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	3,000	6.80	26.37	2.85	36.02
¾"	2	6,000	6.80	52.74	5.70	65.24
1"	4	12,000	6.80	105.48	11.40	123.68
1½"	10	30,000	6.80	241.95	28.50	277.25
2"	25	75,000	6.80	572.25	71.25	650.30

(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 Town of Morris do charge the owners or occupants of land serviced with sewer but no water the sum of \$11.30 per quarter.

3. Bulk Sales Rate

All water sold in bulk by the Town of Morris shall be charged for at the rate of \$9.93 per 1,000 gallons on a pro-rated basis for all quantities greater than 500 gallons.

4. Service to Customers outside Municipality, Town or LUD limits

The Council of the Town of Morris 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 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 connection 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 30 days after date of billing. A penalty of 1.25% of the amount of the bill shall be added if not paid by the due date.

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 a reconnection fee of \$15.00 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 service 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 Town 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 customer, or to the same premises if the occupant has changed.

11. Sewage Surcharges

(a) There may be levied annually, in addition to 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 wastes.