

M A N I T O B A) Order No. 68/06
)
THE PUBLIC UTILITIES BOARD ACT) May 8, 2006

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

**THE RURAL MUNICIPALITY OF SIGLUNES
LOCAL URBAN DISTRICT NO. 1 (ASHERN)
REVISED WATER AND SEWER RATES**

Executive Summary

By this Order, the Public Utilities Board (Board) approves the rates proposed by the Rural Municipality of Siglunes (R.M.) for the community of Ashern, Manitoba effective April 1, 2006. Metered water and sewer rates will increase by 9%; sewer only customers will incur an increase of 73%.

The R.M.'s support for its Application has been reviewed by the Board for reasonableness, and accepted. The R.M. advised that the revised rates will improve the financial integrity of its utility, and arises in the light of past operating deficit. As well, the revised rates will provide for a reasonable allowance for future unforeseen and planned expenditures.

Application

On January 25, 2006, the R.M. applied to the Board for revisions in water and sewer rates, as set out in By-law #1/06 (read for the first time on January 9, 2006). A rate study supported the application.

Rates had not been amended since 1975 for the sewer utility, and since 1998 for the water utility.

A summary of existing and proposed (revised) commodity rates are noted hereunder. (Minimum quarterly bills rely on those commodity rates.)

	Existing	Proposed
Quarterly Service Charge	\$4.90	\$8.00

Water/cubic meter	\$0.60	\$0.67
Sewer/cubic meter	-(1)	\$0.26
Flat rate residential sewer (annual)	\$45.00	\$78.00

Note 1: The R.M. did not employ a volumetric rate in the past.

The R.M. has 135 customers. The water utility had an approximate surplus of \$50,000 at December 31, 2005; because of recent deficits, the sewer utility had a negative cash position of \$806.00.

The revised rates are intended to recover contingency and reserve allowances of \$13,600 for both sewer and water services annually.

Pursuant to the Board's request, the R.M. published and posted in several prominent locations in the community a Public Notice of its Application inviting the public to respond to the Board in writing by no later than May 1, 2006. No complaints or concerns were reported to the Board.

Board Findings

The Board is satisfied that the rates proposed by the R.M. are reasonable and reflect the financial needs of the utility. Municipal utilities are required to break-even on operations, and adequate revenue is required to operate utilities prudently and effectively.

The Board is pleased to note that the R.M. plans to set aside funds in reserve for both future unforeseen and planned expenditures.

IT IS THEREFORE ORDERED THAT:

1. By-law #1/06 of The Rural Municipality of Siglunes serving Local Urban District No. 1 (Ashern) BE AND THE SAME IS HEREBY APPROVED subject to amendment of section reference in Clause 6;

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.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"GRAHAM F. J. LANE, C.A."
Chairman

"G. O. BARRON"
Acting Secretary

Certified a true copy of
Order No. 68/06 issued by The
Public Utilities Board

Acting Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 68/06

THE RURAL MUNICIPALITY OF SIGLUNES

LOCAL URBAN DISTRICT NO. 1 (ASHERN)

WATER AND SEWER RATES

BY-LAW #1/06

SCHEDULE OF QUARTERLY RATES:

1. Commodity rates for Water & Sewer Customers

All water consumption:

Meter Water	Customer Service Charges		Commodity Charge per Cu		
	Sewer	Total	Water	Sewer	Total
4.00	4.00	8.00	.67	.26	.93

2. Minimum Quarterly Charges

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

Meter Size	Minimum Quarterly Consumption	Minimum Quarterly Charges based on Cu Metres					Total
		Water	Commodity Rates		Sewer		
			Sewer	Water	Sewer		
5/8 inch (19mm)	30	4.00	4.00	0.67	0.26	35.90	
1 inch (25mm)	60	4.00	4.00	0.67	0.26	63.80	
1 ½ inch (38mm)	150	4.00	4.00	0.67	0.26	147.50	
2 inch (50mm)	375	4.00	4.00	0.67	0.26	356.75	

(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 R. M. of Siglunes do charge the owners or occupants of land serviced with sewer but no water the sum as allowances indicated:

Commodity Rates for Sewer Only Customers

Units Allocated	Customer Type	Service Charge	Sewer Rate Per Unit	Sewer Charge	Quarterly Charge	Annual Charge
1	Residential	4.00	15.50	15.50	19.50	78.00
1	Commercial	4.00	15.50	15.50	19.50	78.00
2	Commercial	4.00	15.50	31.00	35.00	140.00
3	Commercial	4.00	15.50	46.50	50.50	202.00
4	Commercial	4.00	15.50	62.00	66.00	264.00
5	Commercial	4.00	15.50	77.50	81.50	326.00
6	Commercial	4.00	15.50	93.00	97.00	388.00
7	Commercial	4.00	15.50	108.50	112.50	450.00
8	Commercial	4.00	15.50	124.00	128.00	512.00
10	Commercial	4.00	15.50	155.00	159.00	636.00
15	Commercial	4.00	15.50	232.50	236.50	946.00
20	Commercial	4.00	15.50	310.00	314.00	1,256.00

3. Bulk Sales Rate

All water sold in bulk by the R.M. of Siglunes shall be charged for at the rate of \$0.80 per Cu.M. for all quantities greater than 1 Cu.M.

4. Service to Customers Outside L.I.D. Limits

The Council of the R. M. of Siglunes may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the L.U.D. of Ashern. 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 or special taxes applicable to the utility purposes in effect at the time, or may be effect 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 the due date will be at least fourteen days after the mailing of the bills. A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date.

6. 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, after 6 months remaining unpaid, be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

7. 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 the same premises if the occupant has changed.

8. Future Hookups

Hookups to the water system for property owners within the L.U.D. of Ashern who have refused the initial hookup by the contractors shall be done:

- 1) at the expense of the property owner
- 2) by a licenced plumber
- 3) under supervision of a municipal employee

9. Keep Municipal System Isolated

Every person who has property hooked up to the municipal water system will insure that the municipal water system remains isolated from any other water system the property owner may wish to use.

10. Access for Inspections

Every property owner who is hooked up to the municipal water system will ensure that access is provided for periodic inspections by municipal personnel.

11. Billing Periods

Subject to Sections 1 and 2, the first quarterly billing will start June 1, 2006 and will cover usage for the period March 1st to May 31, 2006, continuing quarterly similarly thereafter.

12. Responsibility for Damage

Every property owner is responsible for any damage occurring to the water system on their property caused by external means, including freezing.

13. Curb Stop Adjustments

Curb stops shall be opened or closed only by authorized municipal personnel.