

M A N I T O B A) Order No. 84/10
)
THE PUBLIC UTILITIES BOARD ACT) August 5, 2010

BEFORE: Graham Lane, CA, Chairman
 Susan Proven, P.H.Ec., Member

RURAL MUNICIPALITY OF ST. ANDREWS
INITIAL SEWER RATES

Executive Summary

By this Order, the Public Utilities Board (Board) hereby declares the Rural Municipality of St. Andrew's (RM) sewer service to the Mapleton Lane Life Lease building a public utility and varies the RM's application, establishing initial sewer rates. The rates are as follows:

Sewer commodity rate: \$4.53/1,000 gallons

Minimum Quarterly Billings				
Meter Size	Included Gallons	Service Charge	Commodity Charge	Total Quarterly Minimum
2"	75,000	\$719.60	\$339.75	\$1,059.75

This utility only serves one customer however affects occupants of the Mapleton Lane Life Lease facility (facility).

Notice of the RM's application was personally served to a Board Member of the facility, along with adequate copies for distribution to residents of the facility. Notice was also posted in five locations in the municipality.

Application

In February 2010, the RM submitted By-law No 4173 and supporting information, to set initial rates for sewer services to be provided to a 49 unit life lease facility known as Mapleton Lane Life Lease. The facility is constructed adjacent to the City of Selkirk (City).

The RM's sewer system will connect to the City's sewer system.

The City will bill the RM for these services based on readings from a meter to be installed on a well that will provide water services to the facility. The water system is not to be transferred to the RM.

The infrastructure was constructed by the developer, with the sewer system to be turned over to the RM following the expiration of a two year warranty period and after the municipal engineer has issued the required acceptance certificates. The municipal engineer assesses the value of the capital assets at \$95,000.

The RM submitted the following estimated expenses:

Administration	\$ 2,744
Equity Surcharge	<u>134</u>
General Revenue Requirements	\$ 2,878
Sewer Expenses	\$ 9,649
Reserves	100
Contingency	<u>950</u>
Sewer Revenue Requirements	\$10,699

The municipal engineer estimated daily use at 60 gallons per person. Based on two persons per unit, usage was estimated 5,880 gallons per day for a total annual usage of 2.15 million gallons.

The City will be charging the RM its current sewer rate of \$4.00 per thousand gallons, with a minimum quarterly charge of \$321.32 based on a 2 inch meter.

The RM has submitted its shared costs for the utility as follows:

Council/CAO	\$ 820
Audit/Legal	\$ 180
Office	\$ 600
Public Work	<u>\$ 724</u>
Total	\$2,324

As was required by the Board, the RM circulated notice of application which invited parties to file written submissions with the Board by July 9, 2010. No responses were received.

Board Findings

The Board will vary the rates initially applied for by the RM and will require the RM to amend its by-law and attached Schedule "A". The Board finds the proposed rates noted herein to be just and reasonable.

The Board notes these rates are initial and as such, expenses and usage is estimated on a best efforts basis.

The Board will require the RM to file its 2010 and 2011 utility financial statements within three months of the utility's year end respectively. The Board will also ask the RM to provide comment as to rate adequacy following the 2011 year end results, and if required, a request for any rate amendments as may be necessary.

Even though the Board recognizes the likelihood that sewer services will not be disconnected, the Board will require the RM to include the required Board's Conditions Precedent clause in its bylaw. The Conditions Precedent set out requirements for providing adequate notice and the right of the customer to appeal a decision of the utility to disconnect services for non-

payment of account, to the Public Utilities Board.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with section 36 of the Board's Rules of Practice and Procedure.

IT IS THEREFORE ORDERED THAT:

1. The Public Utilities Board hereby declares the sewer system serving the Mapleton Lane Life Lease facility in the Rural Municipality of St. Andrews a public utility.
2. The Rural Municipality of St. Andrews amends By-law No. 4173, to agree with the provisions in this order, and the attached Schedule "A".
3. The Rural Municipality of St. Andrews files a certified copy of By-law No. 4173, with the Public Utilities Board once it has received third and final reading.
4. The Public Utilities Board approves the Shared Cost Allocation Policy as submitted by the Rural Municipality of St. Andrews, for administrative costs associated with utility.
5. The Rural Municipality of St. Andrews file a certified copy of the By-law establishing the utility reserve fund, once it has received third and final reading.

6. The Rural Municipality of St. Andrews shall file a copy of its 2010 and 2011 utility financial statements with the Public Utilities Board within three months following the year end and comments as to rate adequacy following the 2011 year end results.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"
Chairman

"KRISTINE SHIELDS"
Acting Secretary

Certified a true copy of Order No.
84/10 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 84/10
RURAL MUNICIPALITY OF ST. ANDREWS
SEWER RATES
BY-LAW NO. 4173

Schedule of Annual Rates

1. Sewer Commodity rates per Thousand Gallons (M.G.)

All consumption \$4.53

2. Minimum Charges, Quarterly

Minimum Quarterly Billings				
Meter Size	Included Gallons	Service Charge	Sewer Commodity Charge	Total Quarterly Minimum
2"	75,000	\$719.60	\$339.75	\$1,059.75

3. Billings and Penalties

Accounts shall be billed quarterly and be due and payable up to 30 days after the date of the billing.

Penalties at a rate of 1 1/4% per month shall be levied on all accounts remaining unpaid after the aforementioned period.

Accounts that are outstanding and not paid by the due date may be added to the taxes of the property to be collected as ordinary taxes, as authorized under subsection 252(2) of *The Municipal Act*.

4. Disconnection and Reconnection

The Public Utilities Board has approved Conditions Precedent to be followed by the municipality with respect to disconnection of service for non-payment including such matters as notice and the right to appeal such action to the Public Utilities Board. A copy of the Conditions Precedent is available for inspection at the municipal office.

5. It shall be an offence for any unauthorized person to tamper, change or by-pass a meter. Said person, owner and/or occupant may be prosecuted under a Court of Law.