

MANITOBA) Order No. 130/13
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THE PUBLIC UTILITIES BOARD ACT) October 21, 2013

BEFORE: Susan Proven, P.H.Ec., Acting Chair
Marilyn Kapitany, B.Sc. (Hons.), M.Sc., Member

CITY OF SELKIRK
WATER AND SEWER UTILITY
INTERIM WATER and SEWER RATES
January 1, 2014

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, revised water and sewer rates as applied for by the City of Selkirk Water and Sewer Utility (Utility).

The rates are to be effective January 1, 2014.

The approved rates are shown below.

	Current	2014	Increase/ Decrease	2015	Increase/ Decrease	2016	Increase/ Decrease
Quarterly Service Charge	\$26.50	\$24.77	-6.53%	\$23.04	-6.98%	\$21.31	-7.51%
Water \$/per cubic meter*	\$1.61	\$1.80	11.80%	\$1.80	0.00%	\$1.80	0.00%
Sewer \$/per cubic meter	\$0.96	\$1.07	11.46%	\$1.36	27.10%	\$1.66	22.06%
Minimum Quarterly- Water and Sewer**	\$61.60	\$64.95	5.44%	\$67.28	3.59%	\$69.75	3.67%
Minimum Quarterly- Water Only**	\$48.49	\$49.97	3.05%	\$48.24	-3.46%	\$46.51	-3.59%
Minimum Quarterly- Sewer Only**	\$39.61	\$39.75	-0.48%	\$42.08	5.86%	\$44.55	5.87%
Bulk Water *** \$/per cubic meter	\$1.76	\$2.60	47.73%	\$2.60	0.00%	\$2.60	0.00%
Reconnection Fee	\$25.00	\$25.00	0.00%	\$25.00	0.00%	\$25.00	0.00%
Hydrant Rental (Annual)	\$110.00	\$110.00	0.00%	\$110.00	0.00%	\$110.00	0.00%

* Current rates include water commodity at \$1.49/m³ for quarterly volumes in excess of 450,000 gallons (Approx. 10,000 m³)

** Based on 14 m³

*** Minimum Charge for any quantity will be \$20.00 (current minimum is \$15.00)

Sewage Receiving Rates:	Current	Proposed
Administrative Fee	\$26.50 per quarterly billing	\$21.31 per quarterly billing
Volume dumping	\$21.12/(1,000 gallons=4.54m ³)=\$4.65 per m ³	\$8.02 per m ³
B.O.D. Surcharge	\$0.51 per kilogram	\$0.51 per kilogram
S.S. Surcharge	\$0.25 per kilogram	\$0.25 per kilogram
Untested Dumping	\$36.44/1,000 gallons = \$8.01 per m ³	\$13.84 per m ³

Details of other rates may be found in the attached Schedule "A".

Background

The City of Selkirk (City) applied in August of 2013 for revised water and sewer rates for the Utility. The application was accompanied by a rate study prepared by the City's consultant and By-law No. 5252, read for the first time on July 29, 2013.

On October 17, 2013, the City requested that the Board consider approving the rates as applied for on an *Interim ex parte* basis.

The City requested that the rates be effective as of January 1, 2014. In the request the City stated that if the current utility rates were to continue into 2014, a deficit would likely be the result.

When reviewing an application, the Board has at its disposal several approaches. It can hold a public oral hearing at which the applicant can present its case and customers can present their concerns. In other cases, where it is deemed to be in the best interest of the Utility and its customers, the Board may review the application using a paper review process. In some cases, the Board can also establish *interim ex parte* rates, which are rates that are subject to review following a more complete process.

Application

The rates were determined based on the following budgeted expenditures.

2%	2012	2013	2014	2015	2016
General					
Administration	591,879	214,528	248,179	253,143	258,205
Equity Surcharge 1%	0	0	0	0	0
Billing and collection	44,569	45,460	46,370	47,297	48,243
Penalties	23,796	24,272	24,757	25,253	25,758
Net revenue general	612,652	235,716	269,792	275,187	280,690
Purification and treatment	589,007	600,787	610,803	623,019	635,479
Transmission and Distribution	430,606	439,218	448,002	456,962	466,101
Non-office salary costs from Administration	0	209,623	213,815	218,091	222,453
Service of Supply	115,612	117,924	120,283	122,689	125,142
Amortization/depreciation	452,064	452,064	464,712	533,225	533,225
Interest on long term debt	48,128	146,317	171,024	160,941	150,336
Sub-total-water expenses	1,635,417	1,965,933	2,028,639	2,114,927	2,132,737
Bulk water fees	0	0	4,820	4,820	4,820
Hydrant Rentals	45,540	45,540	48,730	48,730	48,730
Connection Charges	0	0	0	0	0
Total non-rate revenue - water	45,540	45,540	53,550	53,550	53,550
Net rate revenue - water	1,589,877	1,920,393	1,975,089	2,061,377	2,079,187
Sewer	0	0	0	0	0
Sewage Collection System	0	0	0	0	0

Sewage Treatment and Disposal	462,329	471,576	499,007	508,987	519,167
Lift Station Costs	81,535	83,166	84,829	86,526	88,256
Non-office salary costs from Administration	0	209,623	213,815	218,092	222,454
Amortization/depreciation	478,987	478,987	498,313	494,808	589,677
Interest on long term debt	31,298	29,108	22,754	18,439	13,903
Total sewer expenses	1,054,149	1,272,460	1,318,718	1,326,852	1,433,457
Revenue	0	0	0	0	0
Receiving Station-sewage tipping fees	27,207	30,000	30,000	30,000	30,000
Total non-rate revenue- sewer	27,207	30,000	30,000	30,000	30,000
Net rate revenue - Sewer	1,026,942	1,242,460	1,288,718	1,296,852	1,403,457

Board Findings

The Board will, on an interim *ex parte* basis, approve water and sewer rates as applied for by the City of Selkirk effective January 1, 2014.

A Notice of the Application was issued on August 26, 2013. There were no stakeholder responses to the Notice.

The Board makes this interim rate decision due to the urgent need to increase revenues to avoid a deficit from materializing.

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 City of Selkirk By-law No. 5252 BE AND IS HEREBY APPROVED on an interim *ex parte* basis, with the water and sewer rates to be effective January 1, 2014.
2. The City of Selkirk file a copy of By-law No. 5252, once it has received third and final reading.
3. The City of Selkirk provide Notice to its customers, with a copy to the Board, of the rate increases set on an interim *ex parte* basis and the rationale, as soon as possible.
4. The City of Selkirk provide the Board with audited financial statements for 2012 as soon as they are finalized.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."_
Acting Chair

"JENNIFER DUBOIS, CMA"
Acting Secretary

Certified a true copy of
Order No. 130/13 issued by
The Public Utilities Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 130/13
City of Selkirk
Water and Sewer Rates
By-law No. 5252

SCHEDULE OF QUARTERLY RATES

January 1, 2014

1. Rates per Cubic Meter

2.

Cubic Meter per quarter

Water	Sewer	Total Water & Sewer
\$1.80	\$1.07	\$2.87

3. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges set out below, which includes the water allowance as listed.

a. Water & Sewer Customers

Meter Size	Water Included Cubic Meters	Customer	Water	Sewer	Water & Sewer	Water Only	Sewer Only
		Service	Commodity	Commodity	Total Quarterly	Quarterly	Quarterly
		Charge	Charge	Charge	Minimum	Minimum	Minimum
5/8 inch	14	\$24.77	\$25.20	\$14.98	\$64.95	\$49.97	\$39.75
3/4 inch	28	\$24.77	\$50.40	\$29.96	\$105.13	\$75.17	\$54.73
1 inch	56	\$24.77	\$100.80	\$59.92	\$185.49	\$125.57	\$84.69
1 ½ inch	140	\$24.77	\$252.00	\$149.80	\$426.57	\$276.77	\$174.57
2 inch	350	\$24.77	\$630.00	\$374.50	\$1,029.27	\$654.77	\$399.27
3 inch	630	\$24.77	\$1,134.00	\$674.10	\$1,832.87	\$1,158.77	\$698.87
4 inch	1,260	\$24.77	\$2,268.00	\$1,348.20	\$3,640.97	\$2,292.77	\$1,372.97
6 inch	2,380	\$24.77	\$4,284.00	\$2,546.60	\$6,855.37	\$4,308.77	\$2,571.37

b. Metered Water Only Customers

Quarterly minimum charge will be the same for each meter size as shown in table above.

c. Sewer Only Customers

The water from the customers private service shall be metered at the customer's cost. The charge will be based upon consumption as shown above with the water charge excluded.

SCHEDULE OF QUARTERLY RATES

January 1, 2015

1. **Rates per Cubic Meter**

Cubic Meter per quarter

Water	Sewer	Total Water & Sewer
\$1.80	\$1.36	\$3.16

2. **Minimum Charges per Quarter**

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges set out below, which includes the water allowance as listed.

a. Water & Sewer Customers

	Customer	Water	Sewer	Water & Sewer	Water Only	Sewer Only	
	Water Included	Service	Commodity	Commodity	Total Quarterly	Quarterly	Quarterly
<u>Meter Size</u>	<u>Cubic Meter</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Minimum</u>	<u>Minimum</u>	<u>Minimum</u>
5/8 inch	14	\$23.04	\$25.20	\$19.04	\$67.28	\$48.24	\$42.08
3/4 inch	28	\$23.04	\$50.40	\$38.08	\$111.52	\$73.44	\$61.12
1 inch	56	\$23.04	\$100.80	\$76.16	\$200.00	\$123.84	\$99.20
1 ½ inch	140	\$23.04	\$252.00	\$190.40	\$465.44	\$275.04	\$213.44
2 inch	350	\$23.04	\$630.00	\$476.00	\$1,129.04	\$653.04	\$499.04
3 inch	630	\$23.04	\$1,134.00	\$856.80	\$2,013.84	\$1,157.04	\$879.84
4 inch	1,260	\$23.04	\$2,268.00	\$1,713.60	\$4,004.64	\$2,291.04	\$1,736.64
6 inch	2,380	\$23.04	\$4,284.00	\$3,236.80	\$7,543.84	\$4,307.04	\$3,259.84

b. Metered Water Only Customers

Quarterly minimum charge will be the same for each meter size as shown in table above.

c. Sewer Only Customers

The water from the customers private service shall be metered at the customer's cost. The charge will be based upon consumption as shown above with the water charge excluded.

SCHEDULE OF QUARTERLY RATES

January 1, 2016

1. Rates per Cubic Meter

Cubic Meter per quarter

Water	Sewer	Total Water & Sewer
\$1.80	\$1.66	\$3.46

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges set out below, which includes the water allowance as listed.

a. Water & Sewer Customers

	Customer	Water	Sewer	Water & Sewer	Water Only	Sewer Only	
	Water Included	Service	Commodity	Commodity	Total Quarterly	Quarterly	Quarterly
<u>Meter Size</u>	<u>Cubic Meters</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Minimum</u>	<u>Minimum</u>	<u>Minimum</u>
5/8 inch	14	\$21.31	\$25.20	\$23.24	\$69.75	\$46.51	\$44.55
3/4 inch	28	\$21.31	\$50.40	\$46.48	\$118.19	\$71.71	\$67.79
1 inch	56	\$21.31	\$100.80	\$92.96	\$215.07	\$122.11	\$114.27
1 ½ inch	140	\$21.31	\$252.00	\$232.40	\$505.71	\$273.31	\$253.71
2 inch	350	\$21.31	\$630.00	\$581.00	\$1,232.31	\$651.31	\$602.31
3 inch	630	\$21.31	\$1,134.00	\$1,045.80	\$2,201.11	\$1,155.31	\$1,067.11
4 inch	1,260	\$21.31	\$2,268.00	\$2,091.60	\$4,380.91	\$2,289.31	\$2,112.91
6 inch	2,380	\$21.31	\$4,284.00	\$3,950.80	\$8,256.11	\$4,305.31	\$3,972.11

b. Metered Water Only Customers

Quarterly minimum charge will be the same for each meter size as shown in table above.

c. Sewer Only Customers

The water from the customers private service shall be metered at the customer's cost. The charge will be based upon consumption as shown above with the water charge excluded.

Clauses 3 to 18 are Effective January 1, 2014

3. Bulk Water sales

All water sold in bulk by the City of Selkirk shall be charged for at the rate of \$2.60 per cubic meter. For any quantity the minimum charge will be \$20.00.

4. Sewage Receiving Rates

The City shall charge the following rates to the users for the sewage receiving station:

Administration fee: \$21.31 per quarterly billing

Volume dumping: \$8.02 per Cubic Meter

B.O.D. Surcharge: \$0.51 per kilogram

S.S. Surcharge: \$0.25 per kilogram

Untested Dumping: \$13.84 per Cubic Meter

5. Billings and Penalties

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1 ¼% monthly shall be charged on the dollar amount owing after the billing due date. The due date will be up to thirty (30) days after the mailing of the bills.

6. Outstanding Bills

Pursuant to Section 252(2) of the Municipal Act, the amount of all outstanding charges for water and sewer services, including fines and penalties, 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. Where charges and penalties pursuant to this by-law are not paid within sixty (60) days from the date when they were incurred, the Director of Finance may add said charges and penalties to the taxes on the property and collect them in the same manner as other taxes.

7. New Connections

The City of Selkirk shall charge the amount of twenty-five (\$25) dollars to connect a new service.

8. Disconnections

The Public Utilities Board has approved the Conditions Precedent to be followed by the City with respect to the 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 are available for inspection at the City office.

9. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$25.00 have been paid.

10. Meter Testing

Any customer wishing to have a meter tested for accuracy will pay in advance a fee of \$50, plus any applicable meter testing costs. In the event the meter tests prove that the meter is recording water flows more than 3% in excess of actual flows, the meter testing fee and associated costs will be refunded to the customer and the customer's account will be reviewed and adjusted accordingly.

11. Meter Tampering

Where there is evidence of meter tampering a minimum charge of \$500 will be applied to the customer's account in addition to an amount calculated to adjust for the tampering based on historical usage.

12. Hydrant Rentals

The City will pay to the Utility an annual rental of \$110.00 for each hydrant connected to the system which includes the cost of water.

13. Water Allowance due to Line Freezing

That in any case where at the request of the Director of Operations or his delegate, 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 three previous quarters to the same customer, or the same premises if the occupant has changed.

14. Service to Customers outside City of Selkirk. limits

The City of Selkirk may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the City. 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.

15. Shared Services between Municipalities

The City of Selkirk may sign agreements with municipalities for provision of sewer and water services to other municipalities. 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 project costs of a municipality connecting to the City of Selkirk's Water Utility or Sewer Utility shall be paid by that municipality. These costs shall include, but not be limited to, the cost of connection to the City of Selkirk's plants, utility mains, as well as installing and maintaining service connections.

16. 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.

17. Cross Connections

No customer or person shall connect, cause to be connected or allow to remain connected any piping, fixture, fitting, container or appliance in a manner which under any circumstances may allow water, wastewater or any harmful liquid or substance to enter the City's water system.

If a condition is found to exist which, in the opinion of the City, is contrary to the aforesaid, the City may either:

- Shut off the service or services; or
- Give notice to the customer to correct the fault at his or her own expense within a specified time period. If the customer fails to comply with such notice the City shall proceed in accordance with clause 6 of this by-law.

18. Authorization for Officer to Enter Upon Premises

The Public Works Manager, or other employee authorized by the City in the absence of the Public Works Manager, shall be authorized to enter upon any premise for the purpose of:

- affixing to any pipe, wire or apparatus connected with any such utility, a meter or any other measuring or testing device; or
- taking readings from, repairing, inspecting or removing any meter or apparatus belonging to the City.