

M A N I T O B A) **Order No.17/14**
)
THE PUBLIC UTILITIES BOARD ACT) **February 6, 2014**

BEFORE: Susan Proven, P.H.Ec., Acting Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

TOWN OF LAC DU BONNET
WATER AND SEWER UTILITY
INTERIM WATER and SEWER RATES

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, water and sewer rates applied for by the Town of Lac du Bonnet Water and Sewer Utility (Utility).

The new rates are to be effective March 1, 2014. The approved rates are shown below.

	Current	2014	Increase/ Decrease	2015	Increase/ Decrease	2016	Increase/ Decrease
Quarterly Service Charge	\$35.92	\$23.30	-35%	\$24.10	3.43%	\$24.55	1.87%
Water \$/per cubic meter	\$1.58	\$2.00	26.58%	\$2.00	0.00%	\$2.05	2.50%
Sewer \$/per cubic meter	\$0.59	\$1.50	154%	\$1.50	0.00%	\$1.50	0.00%
Minimum Quarterly*	\$66.30	\$72.30	9%	\$73.10	1.11%	\$74.25	1.57%
Sewer only**	\$67.19	\$102.80	53%	\$103.60	0.8%	\$104.05	0.4%
Truck Fill \$/per cubic meter	\$2.17	\$3.50	61.29%	\$3.50	0.00%	\$3.55	1.43%
Pail Fill \$/per 20L pail	\$3.19	\$3.30	3.45%	\$3.40	3.03%	\$3.50	2.94%
Hydrant Rental (Annual)	\$106.00	\$150.00	41.51%	\$150.00	0.00%	\$150.00	0.00%

*Based on 14 cubic meters

**Based on 53 cubic meters (water charge excluded)

Note-Tanco Only Customers-Based on 53 cubic meters at the sewer rate plus service charge (1 time only)
 SC+ (53m³ x 4 x Sewer Rate)

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

Background

The Town of Lac du Bonnet (Town) applied on December 23, 2013 for revised water and sewer rates for the Utility. The application was accompanied by a rate study prepared by the Town's consultant and By-law No. 147/13 having received 1st reading on December 19, 2013.

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. In their rate application submission, the Town requested that the Board consider approving interim rates effective March 1, 2014.

Application

The rates were determined based on the following budgeted expenditures:

	2012 Actual	2013 Projected	2014	2015	2016
General					
Administration	46,926	75,840	47,607	49,176	50,041
Billing and collection					
Consultants	1,800	3,200	3,620	3,728	3,840
Total general expenses	48,726	79,040	51,227	52,904	53,881
Penalties	2,019	2,320	2,320	2,320	2,320
Total general revenue	2,019	2,320	2,320	2,320	2,320
Net revenue general	46,707	76,720	48,907	50,584	51,561
Staffing/Training	0	31,078	55,697	57,368	59,089
Purification and treatment	106,116	74,500	75,000	77,250	79,567
Regulatory	0	0	18,700	8,000	8,240
Service of Supply	0	700	12,826	13,211	13,607
Transmission and Distribution	99,734	19,000	25,400	26,162	26,947
Other water supply costs	0	15,000	3,600	3,708	3,819
Connection Costs	0	500	7,000	7,210	7,426
Amortization	123,782	123,782	123,782	124,582	125,382
Reserves	50,222	0	50,000	105,000	105,000
Minor Capital Upgrades	0	3,000	0	0	0
Contingency	0	0	33,500	33,500	33,500
Interest on long term debt	132,047	128,325	124,385	120,198	115,840
Sub-total- water expenses	511,901	395,885	529,890	576,189	578,417
Connection Fees	28,972	3,750	3,750	3,750	3,750
Hydrant Rentals	3,200	3,200	6,300	6,300	6,300
Investment Income	5,348	5,400	5,500	2,000	2,000
Amortization of Capital Grants	59,184	59,184	54,036	50,649	47,091
Glen Howard Inn/RM	0	6,830	6,830	6,830	6,830
Taxation Revenues	194,124	194,131	194,131	194,131	194,131
Gas Tax Revenue	0	0	0	55,000	55,000
Other Revenue	2,421	1,040	1,000	1,000	1,000
Total non-rate revenue - water	293,249	273,535	271,547	319,660	316,102
Net rate revenue - water	218,652	122,350	258,343	256,529	262,315

	2012 Actual	2013 Projected	2014	2015	2016
Staffing	0	31,078	17,765	18,298	18,847
Sewage Collection System	22,287	12,226	22,200	22,866	23,552
Lift Station Costs	8,106	9,700	7,700	7,931	8,169
Sewage Treatment and Disposal	0	2,000	20,400	21,012	21,642
Other	5,784	1,000	9,000	1,000	1,030
Connection/Net Loss	5,290	1,000	2,000	2,060	2,122
Amortization	6,250	6,250	6,250	10,250	10,250
Reserves	0	0	55,000	0	0
Future Remediation-Lagoon enhancement	0	0	200,000	0	0
Minor Capital Upgrades	0	0	57,000	57,000	57,000
Contingency	0	0	10,000	10,000	10,000
Total sewer expenses	47,717	63,254	407,315	150,417	152,612
Connection Revenue/Reserves	0	0	200,000	0	0
Taxation Revenue-Gas Tax	0	0	55,000	0	0
Other Revenue-Tanco	0	0	3,700	3,700	3,700
Total non-rate revenue - sewer	0	0	258,700	3,700	3,700
Net rate revenue - sewer	47,717	63,254	148,615	146,717	148,912

Board Findings

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

The Board makes this interim rate decision due to the historical delays experienced in processing Lac du Bonnet's rate application.

The Board does not approve the By-law changes in Sections 3.0 through 8.0 (vi) and 10.0 through 12.0 (ii). Only the water and sewer and bulk water rates are to be changed in the By-law. The proposed changes to the connection fees will be reviewed once the Board has the opportunity to consider the application more thoroughly.

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. Interim *ex parte* water and sewer rates effective March 1, 2014, as shown on Schedule "A" attached to this Order for the Town of Lac du Bonnet BE AND ARE HEREBY APPROVED.
2. The Town of Lac du Bonnet file a copy of By-law No. 147/13, once it is revised to reflect the decision in this Order and has received third and final reading.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

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

"JENNIFER DUBOIS, CMA"
Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO
TOWN OF LAC DU BONNET
WATER AND SEWER RATES
BY-LAW NO.147/13
(effective March 1, 2014 P.U.B. Order No. 17/14)

Year 2014

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.00	\$1.50	\$3.50
Truck fill per m ³	\$3.50		
Pail fill per 20 L pail	\$3.30		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	

Water and Sewer Customers

5/8"	1	14	\$23.30	\$28.00	\$21.00	\$72.30
3/4"	2	28	\$23.30	\$56.00	\$42.00	\$121.30
1"	4	56	\$23.30	\$112.00	\$84.00	\$219.30
1 1/2"	10	140	\$23.30	\$280.00	\$210.00	\$513.30
2"	25	350	\$23.30	\$700.00	\$525.00	\$1,248.30

b) Water Only Customers:

Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered):

Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered)

The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$23.30 + (53m³ X 4 X 1.50)

Year 2015

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.00	\$1.50	\$3.50
Truck fill per m ³	\$3.50		
Pail fill per 20 L pail	\$3.40		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included, m³</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	

Water and Sewer Customers

5/8"	1	14	\$24.10	\$28.00	\$21.00	\$73.10
3/4"	2	28	\$24.10	\$56.00	\$42.00	\$122.10
1"	4	56	\$24.10	\$112.00	\$84.00	\$220.10
1 1/2"	10	140	\$24.10	\$280.00	\$210.00	\$514.10
2"	25	350	\$24.10	\$700.00	\$525.00	\$1,249.10

b) Water Only Customers:

Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered):

Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered)

The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$24.10 + (53m³ X 4 X 1.50)

Year 2016

1.0--SCHEDULE OF QUARTERLY RATES

A schedule of rates per cubic meter (m³) per quarter

Commodity Rates	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic per m ³	\$2.05	\$1.50	\$3.55
Truck fill per m ³	\$3.55		
Pail fill per 20 L pail	\$3.50		

2.0 --MINIMUM QUARTERLY CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1.0 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

Meter <u>Size</u>	Group Capacity <u>Ratio</u>	Water Included, <u>m³</u>	Customer Service <u>Charge</u>	<u>Commodity Charges</u>		Total Quarterly <u>Minimum</u>
				<u>Water</u>	<u>Sewer</u>	

Water and Sewer Customers

5/8"	1	14	\$24.55	\$28.70	\$21.00	\$74.25
3/4"	2	28	\$24.55	\$57.40	\$42.00	\$123.95
1"	4	56	\$24.55	\$114.80	\$84.00	\$223.35
1 1/2"	10	140	\$24.55	\$287.00	\$210.00	\$521.55
2"	25	350	\$24.55	\$717.50	\$525.00	\$1,267.05

b) Water Only Customers:

Total Quarterly Minimum charges will be the same as shown above for each meter size; however, the sewer commodity charge will be excluded.

c) Sewer Only Customers (unmetered):

Total Quarterly Minimum charges will be based on the average residential water consumption of 53m³ plus the service charge ; however, the water charge will be excluded.

d) Tanco Only Customers (unmetered)

The annual commodity charge, based on the average quarterly residential water consumption of 53 m³, plus the service charge (which shall be charged 1 time only), shall be \$24.55 + (53m³ X 4 X 1.50)

3.0--WATER AND SEWER CONNECTIONS

- i) Each customer or developer, as the case may be, applying for a new water connection to the mainline shall be assessed a water connection inspection fee in the amount of \$750.00. The assessed amount shall be paid as a lump sum fee.
- ii) Each customer or developer, as the case may be, applying for a new sewer connection to

the mainline shall be assessed a sewer connection inspection fee in the amount of \$350.00. The assessed amount shall be paid as a lump sum fee.

- iii) Each customer or developer, as the case may be, installing a new water service connection to the water mainline shall be responsible for installing and connecting the water service line to the water main and to pay all charges. Conditions on Town property to be returned to original state as before water line installations.
- iv) Each customer or developer, as the case may be, installing a new sewer service connection to the sewer mainline shall be responsible for installing and connecting the sewer service line to the sewer main and to pay all charges. Conditions on Town property to be returned to original state as before sewer line installations.
- v) Each consumer applying for water turn on or turn off of service during any quarter, shall pay the proportionate part of the current minimum quarterly charge provided that in computing same a broken half month shall be considered as a full month. In all cases any excess water used will be charged at the rates set forth under Commodity Rates.
- vi) All costs for new connections and maintenance thereafter shall be paid by the customer or developer, as the case may be, and such connections are to be approved by the Council of the Town of Lac du Bonnet.
- vii) A service charge of Twenty Five (\$25.00) Dollars shall be paid before any water is turned on, shall be the responsibility of the owner.

4.0--HYDRANT RENTALS

The annual charge for hydrant rentals shall be one hundred (\$150.00) Dollars to the Town of Lac du Bonnet.

5.0--RATES TO CUSTOMERS LOCATED OUTSIDE THE LIMITS OF THE TOWN OF LAC DU BONNET

- a) Customers located outside the Town of Lac du Bonnet shall be required to sign agreements

with the Town which sets out the rights and obligations of each party. Such agreements shall provide that the consumer shall pay;

- i) The appropriate rate as set out in paragraph 1.0 and 2.0 hereof, based on the units allotted to the services;
 - ii) All costs of constructing and maintaining all connection pipes and other items required to allow service to be used;
- b) The Rural Municipality of Lac du Bonnet shall pay, to cover service provided to residences on the properties in the Tanco subdivision
- i) The Utility rates set forth in paragraph 1.0 and 2.0 hereof;
 - ii) Any additional surcharge sufficient to cover all taxes for the sewage lagoon which it would be required to pay if such residences were located in the Town.
- c) That the above levies are due and payable July 1st of the year in which they are levied.

6.0--BILLING AND PAYMENTS

- i) All accounts shall be billed after the end of each quarter. Bills will be due and payable as per due date as stated on the bills presented. A late payment penalty will apply as per due date as stated on the bills presented. A penalty of one and one quarter percent per month of the bills shall be charged if not paid by the due date. The late payment charge will compound quarterly, and will appear on the customer's next quarterly bill if unpaid

Unpaid Accounts May be Added to Taxes on Land

- ii) Pursuant to section 252 of the Municipal Act. L.R.M.1996, c. 58, the amount of all outstanding charges, including penalties, for water and sewer service are a lien and charge upon that land, and shall be collected in the same manner in which ordinary taxes on the land are collectable, and with like remedies.
- iii) If any account is not paid within three (3) months after the due date, the service may be disconnected without further notice. Any service so disconnected shall not be reconnected

until all arrears, penalties and a reconnection fee of fifty (\$50.00) Dollars has been paid.

7.0--COMPLAINTS AND ADJUSTMENTS

If a consumer believes that his/her meter reading is in error, he/she may present his/her claim in writing to the Corporation's Office before the bill becomes delinquent, 30 days from the billing date.

Such claim, if made after the bill has come delinquent, shall not be effective in preventing discontinuance of service. The consumer may pay such bill under protest and said payment shall not prejudice his/her claim.

8.0--METERS

- i) That all water connections be metered. The meter is to be supplied by and is to remain the property of the Utility. The cost of the meter shall be paid by the customer.

Meter Repairs

- ii) Where a Town of Lac du Bonnet water meter is damaged as a result of negligence of a user, such user shall pay the cost of repairing the damaged meter and the said amount will immediately become a debt due and owing to the Town of Lac du Bonnet within ten (10) days of the demand of same, the water service of the said user may be disconnected. A fee of fifty (\$50.00) Dollars shall be charged for a re-connection of the service disconnected under this paragraph.

Meter Testing

- iii) Any consumer who desires and requests that his/her water meter be tested for accuracy, shall deposit a sum of Fifty (\$50.00) Dollars with the Town of Lac du Bonnet and if the meter when tested shall be found to register in excess of the allowable limits, the deposit shall be refunded and the consumer's account adjusted for the preceding four month's use.

Meter Fees

- iv) Fees for the disconnection, removal or reconnection of water meters shall be Twenty-five (\$25.00) Dollars.

Meter Tampering

- v) Any consumer who tampers with the meter seal is to pay a meter reinstatement fee of Twenty-five (\$25.00) Dollars to have the meter resealed. The quarterly billings for the year prior to resealing of the meter will have the volumes readjusted according to the two quarters after the resealing of the meter if the volumes are greater than 10% lower than the two quarters after resealing of the meter then the difference in volume for each of the previous four quarters will be adjusted to reflect the increase and will be invoiced to the consumer. Any consumer who tampers with the meter subsequent to the first tampering will pay a fine of One Hundred and Fifty (\$150.00) Dollars for each occurrence.

Meter Circumventing

- vi) Any consumer who circumvents the water meter by installing a bypass line around the meter or by a dual line from the water main so as to illegally draw water that has not been metered shall pay a fine of \$1,000.00 plus a charge for un-metered water consumed for each occurrence. The consumer will upon discovery by the Town immediately cease the use of the bypass line and remove the bypass line within 24 hours of discovery. The Town has the right to terminate all water services to the consumer in the event of failure to eliminate the bypass and pay the fine and water charges.

9.0--BULK SALES

That the following rates shall be charged for treated water received from the truck fill system and the pail fill system at rate of Three Dollars and Fifty cents (\$3.50) per m³ be charged for treated water received from to the truck fill system and \$3.30/20 L pail (or portion thereof) be charged for treated water received from the pail fill system.

	<u>Truck fill</u>	<u>Pail fill</u>
2014	\$3.50/m3	\$3.30/m3
2015	\$3.50/m3	\$3.40/m3
2016	\$3.55/m3	\$3.50/m3

10.0--BILLINGS

All accounts for minimum quarterly charges for metered services as set forth in this Schedule of Quarterly rates shall be billed at the end of each quarter together with any excess charges for metered water and sewer services supplied to them at the rates and terms set out in this Schedule.

11.0--METER READINGS

Quarterly Meter Readings

- i) Except for remote meter reading, the Town will read the consumer meter quarterly for quarterly billing purposes. In the event that the consumer is not home or does not grant access, a meter reading card will be provided to the consumer for consumer self read meter reading and recording. The consumer is responsible for reading and recording the current meter reading for each quarter on the provided meter reading card and returning the card to the Town administration office. Failure to provide the current meter reading for billing purposes will result in estimated quarterly charges based on consumer average consumption for metered service being billed.

Annual Meter Reading

- ii) On an annual basis or on a schedule determined by the Town, the consumer will provide access to the Town meter reader to record the water meter reading and to inspect the meter. In the event that the consumer is not home or does not grant access, the consumer will be notified that they must arrange a time and date for an appointment with the water utility to have the meter reading recorded and inspected within 30 days of the water utility notice. Failure to arrange and provide access to the water utility within 30 days of the notice will result in a \$50.00 fine. After a period of 60 days from the water utility notice and a failure to arrange and provide access to the water utility, the water service may be shut off. Fees for disconnection and reconnection according to section 8.0 will apply.

12.0--On Site Private Wastewater Holding and Disposal Facilities and Private Well Water Systems

- i) On site private wastewater holding and disposal facilities are not allowed in the Town.
- ii) On site private well water systems are not allowed in the Town.