

MANITOBA) **Order No. 141/15**
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THE PUBLIC UTILITIES BOARD ACT) **December 21, 2015**

BEFORE: The Hon. Anita Neville, P.C., B.A. (Hons.), Acting Chair
Marilyn Kapitany, B.Sc. (Hons.), M.Sc., Member

RURAL MUNICIPALITY OF OAKVIEW
TOWN OF RAPID CITY
WATER AND WASTEWATER UTILITY
INTERIM RATES

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, water and wastewater rates applied for by the Rural Municipality of Oakview for the Town of Rapid City water and wastewater utility (Utility).

The new rates are to be effective January 1, 2016. The approved rates are shown below.

	Current By-law 2-08	Proposed By-law (2015-18) 2016	Increase/ Decrease	Proposed By-law (2015-18) 2017	Increase/ Decrease	Proposed By-law (2015-18) 2018	Increase/ Decrease
Water \$/1,000 gallons	\$12.51	\$26.07	108.39%	\$26.77	2.69%	\$27.49	2.69%
Wastewater \$/ 1,000 gallons	\$2.87	\$2.85	-0.70%	\$2.94	3.16%	\$3.00	2.04%
Quarterly Service Charge	\$18.75	\$27.12	44.64%	\$28.23	4.09%	\$29.19	3.40%
Minimum Quarterly/ Water and Wastewater*	\$64.89	\$113.88	75%	\$117.36	3.06%	\$120.66	2.81%
Wastewater only/ Quarter**	\$47.00	\$51.35	9%	\$53.22	3.64%	\$54.69	2.76%
Reconnection Fee	\$40.00	\$40.00	0%	\$40.00	0.00%	\$40.00	0.00%
Hydrant Rental (Annual)	\$95.00	\$95.00	0%	\$95.00	0.00%	\$95.00	0.00%

*based on 3,000 gallons per quarter

**based on 8,500 gallons per quarter

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

Background

The Rural Municipality of Oakview (RM) applied on September 28, 2015 for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the RM and By-law No. 2015-18 having received 1st reading on September 8, 2015.

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. 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

On September 29, 2015, the Rural Municipality of Oakview made application to the Board for revised rates. On November 3, 2015, the Board received Resolution No. 476/15 from the RM of Oakview. The cover letter and resolution requested that the Board consider approving the revised water and wastewater rates on an interim *ex parte* basis for the Rapid City Utility so that the increase in utility operating costs can be passed on to the consumers as at January 1, 2016.

To consider approving interim *ex parte* rates, the Board asks that the applicant provide information showing there is an urgent need in approving the rates without the application having been fully reviewed using the Board's regular process. The RM submitted that the utility began purchasing water from the Minto-Odanah water pipeline in November 2014. In January of 2015, the RM of Saskatchewan and the RM of Blanshard amalgamated with the Town of Rapid City to form the Rural Municipality of Oakview, and with the many challenges faced in the amalgamation, it was not noted

until April 2015 that the Rapid City utility needed to increase their water rates. A resolution was passed immediately to allow for a consultant to complete a water rate study. The RM submits that with the increased costs of purchasing water, repairs to water lines and lost water, it is imperative that the rates be increased as soon as possible.

In response to the RM's request, the Board sent a letter dated November 9, 2015 requesting additional information and supporting rationale for the revised rates applied for in the September 29, 2015 submission. In response to these questions, the RM revised By-law No. 2015-18 and gave it second reading November 10, 2015.

Board Findings

The Board will, on an interim *ex parte* basis, approve water and wastewater rates as applied for by the RM effective January 1, 2016.

The Board makes this interim rate decision due to the urgent need to avoid deficits that may occur due to the increased operating expenses that are not reflected in the current rate. Current rates were set in 2008.

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 Rural Municipality of Oakview - Rapid City Utility By-law No. 2015-18 BE AND IS HEREBY APPROVED on an Interim *ex parte* basis, with the water and wastewater rates to be effective January 1, 2016.
2. The Rural Municipality of Oakview file a copy of By-law No. 2015-18, once it has received third and final reading.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"The Hon. Anita Neville, P.C., B.A. (Hons.)"
Acting Chair

"JENNIFER DUBOIS, CPA, CMA"
Acting Secretary

Certified a true copy of Order No. 141/15
issued by The Public Utilities Board

Acting Secretary

SCHEDULE "A"
 RURAL MUNICIPALITY OF OAKVIEW
 L.U.D OF RAPID CITY
 WATER AND SEWER RATES
 BY-LAW NO. 2015-18

SCHEDULE OF QUARTERLY RATES:

1. Commodity rates per M.G.

	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
All water consumption 2016	\$26.07	\$2.85	\$29.97
All water consumption 2017	\$26.77	\$2.94	\$31.17
All water consumption 2018	\$27.49	\$3.00	\$30.49

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:

2016

Meter Size	Group Capacity Ratio	Water Included, Gallons	Customer Service Charge	Commodity Charges		Total Quarterly Minimum
				Water	Sewer	
5/8"	1	3,000	\$27.12	\$78.21	\$8.55	\$113.88
3/4"	2	6,000	\$27.12	\$156.42	\$17.10	\$200.64
1"	4	12,000	\$27.12	\$312.84	\$34.20	\$374.16
1 1/2 "	10	30,000	\$27.12	\$782.10	\$85.50	\$894.72
2"	25	75,000	\$27.12	\$1,955.25	\$213.75	\$2,196.12

Sewer Only Customers

The Rural Municipality of Oakview do charge the owners or occupants of land serviced with sewer but no water the sum of \$51.35 per quarter based on an average of 8,500 gallons per quarter.

2017

Meter Size	Group Capacity Ratio	Water Included, Gallons	Customer Service Charge	Commodity Charges		Total Quarterly Minimum
				Water	Sewer	
5/8"	1	3,000	\$28.23	\$80.31	\$8.82	\$117.36
3/4"	2	6,000	\$28.23	\$160.62	\$17.64	\$206.49
1"	4	12,000	\$28.23	\$321.24	\$35.28	\$384.75
1 1/2 "	10	30,000	\$28.23	\$803.10	\$88.20	\$919.53
2"	25	75,000	\$28.23	\$2,007.75	\$220.50	\$2,256.48

Sewer Only Customers

The Rural Municipality of Oakview do charge the owners or occupants of land serviced with sewer but no water the sum of \$53.22 per quarter based on an average of 8,500 gallons per quarter.

2018

Meter Size	Group Capacity Ratio	Water Included, Gallons	Customer Service Charge	Commodity Charges		Total Quarterly Minimum
				Water	Sewer	
5/8"	1	3,000	\$29.19	\$82.47	\$9.00	\$120.66
3/4"	2	6,000	\$29.19	\$164.94	\$18.00	\$212.13
1"	4	12,000	\$29.19	\$329.88	\$36.00	\$395.07
1 1/2 "	10	30,000	\$29.19	\$824.70	\$90.00	\$943.89
2"	25	75,000	\$29.19	\$2,061.75	\$225.00	\$2,315.94

Sewer Only Customers

The Rural Municipality of Oakview do charge the owners or occupants of land serviced with sewer but no water the sum of \$54.69 per quarter based on an average of 8,500 gallons per quarter.

3. Billings & Penalties

Accounts will be billed quarterly. The due date will be at least fourteen days after the mailing of the bills. A late payment charge of 1.25% shall be charged on the dollar amount owing after the billing due date. Additional penalties of 1.25% will be charged monthly and compounded monthly on any outstanding dollar amounts

4. DISCONNECTION AND RECONNECTION

The Public Utilities Board has approved the Condition of Precedent to be followed by the municipality 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 is attached as Schedule "B" and shall form part of the water and sewer By-Law. Any service disconnected due to the non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$40.00 have been paid.

5. 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 a tax may be collected or enforced under the *Municipal Act*.

6. Hydrant Rentals

The Rural Municipality of Oakview will pay to the utility an annual rental of \$95.00 for each hydrant connected to the system, which includes the cost of water for firefighting.

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 similar previous quarters to the same customer. If the occupant has changed, an average will be used from a similar occupancy consumption.

8. 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 special 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.

9. **Water Meters**

Water meters are owned by the municipality but are the responsibility of the property owner to maintain. If they are broken, frozen, etc. you will be billed for a new meter at the current cost of replacement.

10. **Mobile Homes**

Water meters that are under mobiles, should be brought up to the main level for easier access to read the meter and to prevent them from freezing.

11. **Service to customers outside the LUD of Rapid City**

The Council of the Rural Municipality of Oakview may sign agreements with customers for the provision of water and sewer services to properties located outside the boundaries of the Municipality. Such agreements shall provide for payment of the appropriate rates as set forth in paragraphs 1 and 2 of this schedule, as well as a surcharge, set by resolution of Council, which shall be equivalent to the frontage levy, and general and special taxes for Utility purposes in effect at the time, or as may be in effect from time to time, and would be levied on the property concerned 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.