

M A N I T O B A) **Order No. 95/15**
)
THE PUBLIC UTILITIES BOARD ACT) **October 2, 2015**

BEFORE: Régis Gosselin, B ès Arts, MBA, CPA, CGA, Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

PRAIRIE VIEW MUNICIPALITY
BIRTLE UTILITY
WATER AND WASTEWATER RATES

Summary:

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates effective July 1, 2015 for the Birtle water and wastewater utility (Utility), in the Municipality of Prairie View as follows:

	Current	July 1
Customer Service Charge	\$16.45	\$16.45
Water \$/1,000 gallons	\$8.40	\$17.19
Wastewater \$/1,000 gallons	\$1.42	\$2.91
Minimum Quarterly Charge*	\$45.91	\$76.75
*based on 3,000 gallons		

Details of the rates are attached as Schedule "A", including the addition of a 3" meter size to the schedule, to accommodate a new customer of the Utility.

Background:

On October 11, 2013 the Board issued Order No. 121/13 approving water and wastewater rates effective October 1, 2013; January 1, 2014; and January 1, 2015. Rates were set based on residential equivalency units (REUs), one REU being the volume of water estimated to be used by the average single family residence. Units allocated to other customers are based on estimated water they will use, as compared with a residence. REUs are used in communities with unmetered distribution and collection systems, where information regarding actual consumption is unavailable.

The former Town of Birtle (Town) submitted a request on August 27, 2014 to vary Board Order No. 121/13. The Town had recently completed a project to install meters throughout the community, and requested the Board's approval to change their rates

from REU's to actual consumption. This request was approved by Board Order Nos. 102/14 and 126/14.

On May 21, 2015 the Board received a request from the Prairie View Municipality to review and vary Board Order Nos. 102/14 and 126/14. This request was based on the significant impact that the metering project had had on the water consumption in the community and a larger than anticipated difference between the amount of water leaving the water treatment plant and the amount of water actually being metered for billing purposes. The Utility experienced a \$28,000 shortfall in the first quarter of billing based on meter readings.

The Municipality requested that the rates be revised to reflect the volumes of water actually being billed on a quarterly basis, with no change in the revenue requirements reviewed and approved by the Board by Board Order No. 121/13. The Municipality also requested that Schedule "A" be revised to include a 3" meter, to accommodate billing a new utility customer.

At the urging of the Board, the Municipality sent out a Notice to its customers dated May 12, 2015. The Board received one ratepayer response, expressing concern in particular over the cost of lost water being included in the new rates. The Municipality responded to the ratepayer on June 16, 2015 and provided a copy of its response the Board.

Board Findings:

The Board approves revised water and wastewater rates to be effective July 1, 2015. The Board will amend Schedule "A" to include the minimum quarterly charge for a 3" meter, using the Group Capacity Ratio found in the Board's Guidelines.

The Board commends the Municipality for acting swiftly to mitigate the impact of the reduced revenues and attempt to prevent utility deficits. The Board is sympathetic to

the ratepayer's concern about paying for unaccounted for water. The Municipality has responded that options to rectify the situation through leak detection are being investigated. The Board is satisfied that the Municipality is taking the situation very seriously. The Board will expect to see an improvement in the amount of unaccounted for water by the next rate study.

The Board will require the Municipality to return with an updated rate application on or before June 30, 2016. This will give the Utility one year of metered historical information and six months to prepare and submit the rate study.

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 (Rules). The Board's Rules may be viewed on the Board's website at www.pub.gov.mb.ca.

IT IS HEREBY ORDERED THAT:

1. Revised water and wastewater rates for the Municipality of Prairie View Birtle Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A", effective July 1, 2015.
2. The Municipality of Prairie View amend its water and wastewater rate By-law for the Birtle Utility to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
3. The Municipality of Prairie View review its water and wastewater rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than June 30, 2016.

Fees payable upon this Order – \$500.00

THE PUBLIC UTILITIES BOARD

"Régis Gosselin, B ès Arts, MBA, CPA, CGA"
Chair

"Jennifer Dubois, CPA, CMA"
Acting Secretary

Certified a true copy of Order No. 95/15
issued by The Public Utilities Board

Acting Secretary

Schedule "A"
Prairie View Municipality
Birtle Utility System
Water & Sewer Rates

1. Commodity Rates per 1,000 Gallons:

	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Effective July 1, 2015	17.19	2.91	20.10

2. Minimum Charges, Quarterly

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

a) Water & Sewer Customers

Effective July 1, 2015

<u>Meter Size</u>	<u>Water Inc Gallons</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Quarterly Minimum</u>
			<u>Water</u>	<u>Sewer</u>	
5/8"	3,000	\$16.45	\$51.57	\$8.73	\$76.75
3/4"	6,000	\$16.45	\$103.14	\$17.46	\$137.05
1"	12,000	\$16.45	\$206.28	\$34.92	\$257.65
1 1/4"	21,000	\$16.45	\$360.99	\$61.11	\$438.55
1 1/2"	30,000	\$16.45	\$515.70	\$87.30	\$619.45
2"	75,000	\$16.45	\$1,289.25	\$218.25	\$1,523.95
3"	135,000	\$16.45	\$2,320.65	\$392.85	\$2,729.95

Note: All calculations are based on the following:

Total Water expenses:	2015	<u>\$ 242,777</u>
Total water usage		14,120
Total Sewer expenses	2015	<u>\$ 41,019</u>
Total sewage usage		14,120

1. Invoicing:

Invoices for accounts shall be issued the second month in each quarter, and shall be due and payable 15 days after the invoice date. Where water is turned on for a customer, the invoice shall be issued at the beginning of the next month and shall cover services from that time to the end of the quarter.

2. Late Payment Charge:

A late payment charge of 1¼% shall be charged on the dollar amount owing after the billing due date.

3. Disconnection for non-payment:

The Public Utilities Board has approved the Conditions 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 available for inspection at the Municipality's office.

6. Service to Customers outside Town limits:

The Council of the Town of Birtle may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Town of Birtle. 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 connecting to the utility's mains and installing and maintaining service connections will be paid by the customer.

7. Hydrant Rentals

The Town of Birtle will pay to the utility an annual rental of \$100.00 for each hydrant connected to the system, which includes the cost of water, used for fire fighting and line flushing.

8. Disconnection and Reconnection Charges:

The charge for the disconnection and/or reconnection of service whether at the customer's request or because of disconnection for non-payment is \$50.00 per disconnection or reconnection.

9. Turn-on and turn-off Charges:

Water turned off for repairs and on again at the request of the customer shall have a charge of \$25.00 for services.

10. 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 ordinary taxes upon the land are collectible, and with like remedies.

11. Valve:

Property owners are required to install and operate a suitable valve or other mechanical device for shutting off or controlling the water connection in the cellar or basement of the owner's dwelling unit.

12. Bulk Sales:

The charge for bulk sales for customers *within the local urban district* shall be \$ 10.00 per 4550 litres/1000 gal. or \$1.00 per 455-litres/100 gal. The charge to customers *outside the local urban district* shall be \$13.00 per 4550 litres/1000 gal or \$ 1.30 per 455 litres/100 gal.

13. 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.