

**M A N I T O B A** ) **Order No. 21/16**  
)  
***THE PUBLIC UTILITIES BOARD ACT*** ) **February 16, 2016**

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

**RURAL MUNICIPALITY OF MOUNTAIN  
BIRCH RIVER UTILITY  
INTERIM *EX PARTE* WATER and WASTEWATER 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 Mountain-Birch River utility (Utility).

The rates are to be effective April 1, 2016, October 1, 2016 and July 1, 2017 and 2018.

The approved rates are shown below:

	Current By-law (07/13)	Proposed By-law (06-15) April 1, 2016	Increase/ Decrease	Proposed By-law (06-15) Oct 1, 2016	Increase/ Decrease	Proposed By-law (06-15) July 1, 2017	Increase/ Decrease	Proposed By-law (06-15) July 1, 2018	Increase/ Decrease
<i>NON METERED RATES</i>									
Residential Equivalency Units-1 REU-Water only	\$70.92	\$100.85	42%						
<i>NON METERED RATES</i>									
Residential Equivalency Units-1 REU- Water/Sewer	\$117.98	\$120.60	2%						
Quarterly Service Charge	\$29.76	\$31.02	4%	\$31.02	0%	\$31.64	2%	\$32.27	2%
<i>METERED RATES</i>									
Water* \$/cubic meter/Quarter				\$3.85	n/a	\$3.93	2%	\$4.01	2%
<i>METERED RATES</i>									
Sewer* \$/cubic meter/Quarter				\$0.75	n/a	\$0.77	3%	\$0.79	3%
Minimum Quarterly Charges - Water only	\$100.68	\$131.87	31%	83.38**	n/a	85.09**	2%	86.81**	2%
Minimum Quarterly Charges - Water/Sewer	\$147.74	\$151.62	3%	93.58**	n/a	95.56**	2%	97.55**	2%
Bulk Water per 1,000 gallons	\$12.00	\$20.00	67%	\$20.00	0%	\$20.00	0%	\$20.00	0%
Lagoon Tipping Fee/ 1,500 gallon tank	\$15.00	\$15.00	0%	\$15.00	0%	\$15.00	0%	\$15.00	0%
Hydrant Rental (Annual)	\$100.00	\$100.00	0%	\$100.00	0%	\$100.00	0%	\$100.00	0%
Reconnection Fee	\$40.00	\$50.00	25%	\$50.00	0%	\$50.00	0%	\$50.00	0%
*Previously charged by Residential Equivalency Unit (REU) \$70.92 per REU (Water), \$47.06 per REU (Wastewater) plus \$29.76 for Minimum Quarterly Charge of \$147.74 (1 REU)-NON METERED									
**Based on 13.6 cubic meters-(Metered rate only)									
<b>NB</b> Rate Rider from BO No. 160/12 \$16,256 annually for 5 years effective January 1, 2013									

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

## **Application**

The RM of Mountain (RM) applied on December 22, 2015 for revised water and wastewater rates for the Birch River Utility. The application was accompanied by a rate study prepared by the RM's consultant and By-law No.06/15 having received 1<sup>st</sup> reading on December 16, 2015. Rates were previously set in 2012 by Board Order No. 160/12 and revised in No. 98/13.

The RM submitted Council Resolution No. 471/15 requesting interim ex parte rates. The reason for this was to mitigate any further deficits to the Utility as it is currently experiencing operating shortfalls. The current residential equivalency unit (REU), per By-law No. 07/13, is \$70.92 for water and \$47.06 for wastewater plus a service charge of \$29.76 for an REU total of \$147.74 quarterly.

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.

The RM advised that residential equivalency units (REUs) are currently in use for this utility, 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.

In the case of the Birch River utility, the current By-law consists of unmetered rates only.

The proposed By-law accompanying the rate study included metered rates. The RM advised by email January 28, 2016 that the metering project is now expected to be complete by October 2016.

To try and prevent a 2016 deficit, the RM requested unmetered interim rates be effective for April 1, 2016 and the metered rates from By-law No. 06/15 be effective on October 1, 2016, July 1, 2017 and 2018.

### **Board Findings**

The Board will, on an interim ex parte basis, approve water and wastewater rates for the Birch River utility as applied for by the RM, effective April 1, 2016, October 1, 2016, July 1, 2017 and 2018. The Board makes this interim rate decision to mitigate further deficits to the Utility.

A Notice of the Application will be issued to inform the ratepayers of the increase.

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 Mountain's application for revised water and wastewater rates for the Birch River utility BE AND IS HEREBY APPROVED on an interim *ex parte* basis to be effective April 1, 2016, October 1, 2016 and July 1, 2017 and 2018.
2. The Rural Municipality of Mountain amend its water and wastewater by-law for the Birch River utility to reflect the decisions in this Order and submit a copy once it has received third and final reading.

Fees payable upon this Order – \$150.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."

Acting Chair

"DARREN CHRISTLE"

Secretary

Certified a true copy of Order No. 21/16  
issued by The Public Utilities Board

\_\_\_\_\_  
Secretary

RURAL MUNICIPALITY OF MOUNTAIN – LUD OF BIRCH RIVER  
 WATER AND SEWER RATES BY-LAW NO.06/15  
 SCHEDULE "A"

**SCHEDULE OF QUARTERLY RATES**

**April 1, 2016**

**Non-Metered**

1. Rates per Residential Equivalency Unit (REU)

Water-	\$100.85
Sewer-	\$120.60
Quarterly Service Charge	\$31.02
Minimum Quarterly Charge –Water	\$131.87
Minimum Quarterly Charge –Water & Sewer	\$151.62

2. Bulk Water sales

The charge for bulk water sales shall be at the rate of \$20.00 per thousand gallons of water.

**SCHEDULE OF QUARTERLY RATES**

**October 1, 2016**

**Metered**

3. Rates per Cubic Meter

<u>Cubic Meter per Quarter</u>		
Water	Sewer	Water & Sewer
\$3.85	\$ .75	\$4.60

4. 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.

Minimum Quarterly Charges

Meter Size	Group Capacity Ratio	Minimum Quarterly Consumption	Customer Service Charge	Water	Sewer	Quarterly Minimum Charge (Water /Sewer)
5/8"	1	13.6	\$31.02	\$52.36	\$10.20	\$93.58
3/4"	2	27.2	\$31.02	\$104.72	\$20.40	\$156.14
1"	4	54.4	\$31.02	\$209.44	\$40.80	\$281.26
2"	25	340.0	\$31.02	\$1,309.00	\$255.00	\$1,595.02

5. Bulk Water sales

The charge for bulk water sales shall be at the rate of \$20.00 per thousand gallons of water.

**SCHEDULE OF QUARTERLY RATES**

**July 1, 2017**

1. Rates per Cubic Meter

Cubic Meter per Quarter

Water	Sewer	Water & Sewer
\$3.93	\$ .77	\$4.70

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.

Minimum Quarterly Charges

Meter Size	Group Capacity Ratio	Minimum Quarterly Consumption	Customer Service Charge	Water	Sewer	Quarterly Minimum Charge (Water /Sewer)
5/8"	1	13.6	\$31.64	\$53.45	\$10.47	\$95.56
3/4"	2	27.2	\$31.64	\$106.90	\$20.94	\$159.48
1"	4	54.4	\$31.64	\$213.79	\$41.89	\$287.32
2"	25	340.0	\$31.64	\$1,336.20	\$261.80	\$1,629.64

3. Bulk Water sales

The charge for bulk water sales shall be at the rate of \$20.00 per thousand gallons of water.

**SCHEDULE OF QUARTERLY RATES**

**Rates per Cubic Meter**

**July 1, 2018**

Water	Sewer	Water & Sewer
\$4.01	\$ .79	\$4.80

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.

Minimum Quarterly Charges

Meter Size	Group Capacity Ratio	Minimum Quarterly Consumption	Customer Service Charge	Water	Sewer	Quarterly Minimum Charge (Water /Sewer)
5/8"	1	13.6	\$32.27	\$54.54	\$10.74	\$97.55
3/4"	2	27.2	\$32.27	\$109.07	\$21.49	\$162.83
1"	4	54.4	\$32.27	\$218.14	\$42.98	\$293.39
2"	25	340.0	\$32.27	\$1,363.40	\$268.60	\$1,664.27

3. **Bulk Water sales**

The charge for bulk water sales shall be at the rate of \$20.00 per thousand gallons of water.

**The Following Clauses are Effective April 1, 2016**

4. **Lagoon Tipping Fees**

In accordance with PUB Order No. 98/13, the charge for dumping waste at the Birch River Lagoon will be set as follows:

- \$15.00 per 1,500 gallon tank
- \$30.00 per 3,000 gallon tank

5. In accordance with PUB Order # 160/12 a rate rider for deficit recovery which states:

"The deficits for the year of 2009 of \$35,818, \$18,889 in 2010 and \$26,573 in 2011 for a total of \$81,280 are HEREBY APPROVED to be recovered by a rate rider over the next five years, in the amount of \$16,256 per year as requested in Resolution No. 387/12."

6. Service to Customers outside L.U.D. of Birch River limits

The Council of the Rural Municipality of Mountain may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the L.U.D. 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.

7. Billings and Penalties

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1 ¼% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least twenty (20) days after the mailing of the bills.

8. Disconnections

The Public Utilities Board has approved the Conditions Precedent to be followed by the Rural 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 Rural Municipal 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 \$50.00 have been paid.

10. 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, said charges and penalties shall be added to the taxes on the property and collected in the same manner as other taxes.

11. Hydrant Rentals

An annual charge of one hundred dollars (\$100.00) per hydrant shall be made by the said utility to the L.U.D. of Birch River for fire protection services, which annual charge shall include water used.

12. Rural Municipality to be Notified of Failure of Meter

In the case of breakage, stoppage or irregularity in a water meter, the customer shall notify the Designated Officer immediately upon such condition being discovered. All installation, repair and disconnection of any water meter shall be performed only by those authorized to do such work by the municipality.

13. Meter Testing

Any customer wishing to have a meter tested for accuracy will pay in advance a fee of \$100, plus any applicable meter testing costs. In the event the meter tests prove that the meter is recording water flows 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.

14. 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.

15. 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 Rural Municipality's water system.

If a condition is found to exist which, in the opinion of the Rural Municipality, is contrary to the aforesaid, the Rural Municipality 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 Rural Municipality shall proceed in accordance with clause 1 of this section.

16. Authorization for Officer to Enter Upon Premises

The Public Works Foreman, or other employee authorized by the Rural Municipality in the absence of the Public Works Foreman, 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 Rural Municipality.

17. Actual Turn Off/On of Water Service

That the charge for physically turning off, or on, a water service shall be \$50.00