

MANITOBA) Order No.4/15
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THE PUBLIC UTILITIES BOARD ACT) January 13, 2015

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

RURAL MUNICIPALITY OF ST.CLEMENTS
EAST SELKIRK 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, initial water and sewer rates as applied for by the Rural Municipality of St. Clements East Selkirk Water and Sewer Utility (Utility).

The new rates are to be effective January 1, 2015. The approved rates are shown below.

	Effective January 1, 2015 By-law 14-2014
Quarterly Service Charge	\$25.27
Water \$/per cubic meter	\$3.30
Sewer \$/per cubic meter	\$0.23
Minimum Quarterly- Water and Sewer*	\$74.69
Minimum Quarterly- Water Only*	\$71.47
Minimum Quarterly- Sewer Only*	\$28.49
Service Call-Out Fee- Residential /call	\$75.00
Service Call-Out Fee- Business/Institutions /hour**	\$50.00
Septage Dumping Charges for Registered Haulers /load	\$70.00
Reconnection Fee	\$30.00
Hydrant Rental (Annual)	\$200.00

*Based on 14 cubic meters

**After hours charge \$100.00 /hour plus cost of private contractor

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

Application

The Rural Municipality of St. Clements (RM) applied on December 19, 2014 for interim initial water and sewer rates for the Hamlet of East Selkirk Utility. The application was accompanied by a rate study prepared by the RM's consultant and By-law No. 14-2014 having received 1st reading on December 9, 2014.

When reviewing an application, the Board has at its disposal two approaches, either a paper or a public hearing review. After the publication of the Notice of Application, the Board will consider the application and stakeholder responses and determine which method of review is most appropriate.

A public hearing process allows the Utility and stakeholders the opportunity to present their application and any concerns to the Board in person.

The paper review process considers all written materials submitted by the Utility and stakeholders, as well as any information requests and responses between the Board and the Utility. This process can save on regulatory costs.

Where there is an urgent need for a rate increase and the Board determines it to be in the best interest of all parties, the Board may also establish interim *ex parte* rates. Interim rates are typically approved as applied for and are then subject to a Public Notice of Application and review using one of the processes outlined above before being confirmed as final by Board Order.

In 2009, with Municipal Board approval, the RM of St. Clements gave third reading to By-law No. 12-2009. The By-law authorized the borrowing and expenditure of money for the installation of a water and sewer system as a local improvement in the Hamlet of East Selkirk. Under the terms of the By-law, a portion of the costs (\$1.63M) was to be recovered through the utility rates over a 20 year period.

The Water and Sewer Project consists of a well into the deeper aquifer, a water treatment plant with an in-ground reservoir that meets Manitoba Water Services Board (MWSB) storage requirements for firefighting, watermains with hydrants, low pressure sewer mains, a lift station, service lines and a lagoon that is to be constructed. All have been constructed with the potential for growth in mind.

The wastewater treatment lagoons and associated works are being constructed under a separate borrowing by-law which is to be paid by the taxpayers at large.

Though the wastewater lagoon is currently under construction, the primary cells are operational. The majority of the system has been operational since 2012.

The RM is presently undertaking to connect all of the residences to the low pressure lines.

The water leaving the plant and the water entering the customer premises are metered. The RM intends to install "remote-read" system in the future.

The RM has advised that it plans to submit a comprehensive rate study following a full year of service. It will then be able to incorporate actual costs and any other pertinent information to calculate the rates for the following years. The RM requested interim rates for this reason.

Board Findings

The Board will, on an interim *ex parte* basis, approve initial water and sewer rates as applied for by the RM effective January 1, 2015. Over the course of the project ratepayers have been updated with brief status reports including that the rate by-law has been given third reading.

The Board makes this interim *ex parte* rate decision due to the urgent need to have rates in place due to the fact that this is a new utility that is providing service to customers without collecting from them.

The Board will also require the RM to submit a rate study on or before September 30, 2016.

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 RM of St. Clements' By-law No. 14-2014 BE AND IS HEREBY APPROVED on an Interim *ex parte* basis, with the initial water and sewer rates to be effective January 1, 2015.
2. The RM of St. Clements file a copy of By-law No. 14-2014, once it has received third and final reading.
3. The RM of St. Clements provide the Board with audited financial statements for 2012 and 2013 as soon as they are finalized.
4. The RM of St. Clements review its rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates, if required, on or before September 30, 2016.

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. 4/15 issued by The
Public Utilities Board

Acting Secretary

SCHEDULE "A"
WATER & SEWER RATES
BY-LAW NO. 14-2014

1. COMMODITY RATES – WATER & SEWER – PER CUBIC METRE

All Water Consumption	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
January 1 st , 2015	\$ 3.30	\$ 0.23	\$ 3.53

2. MINIMUM CHARGED PER QUARTER – WATER & Sewer

January 1st, 2015

Meter Size	Water Included m ³	Service Charge	Water	Sewer	Total Minimum Quarterly
1/2 – 5/8"	14	\$25.27	\$46.20	\$3.22	\$74.69
3/4"	28	\$25.27	\$92.40	\$6.44	\$124.11
1"	54	\$25.27	\$178.20	\$12.42	\$215.89
1.5"	135	\$25.27	\$445.50	\$31.05	\$501.82
2"	350	\$25.27	\$1,155.00	\$80.50	\$1,260.77
3"	630	\$25.27	\$2,079.00	\$144.90	\$2,249.17
4"	1260	\$25.27	\$4,158.00	\$289.80	\$4,473.07
6"	2600	\$25.27	\$8,580.00	\$598.00	\$9,203.27

3. SERVICE CALL-OUTS

- (a) The Property owners of the residential premises will be charged a set fee of \$75.00 for each and every call out concerning blocked sewer services, maintenance of service, thawing of frozen services, repairs to the water meter, etc.
- (b) There will be a charge to businesses and/or institutions for a call out rate of \$50.00 per hour, during regular working hours, for municipal staff plus actual costs for any private contractor to clean out the sewer service and/or disconnect, reconnect, flush and/or thaw the water services or repair the water meter for the businesses and/or institutions.

After hours call out rate is \$100.00 per hour plus actual cost for a private contractor.

4. WATER ONLY CUSTOMERS

Under all sections of the above referred to in Clauses 1 and 2, a consumer having only water service shall pay a minimum charge made up of the service charge plus the water commodity charge.

5. SEWER ONLY CUSTOMERS

Customers connected to the utility's sewer system only, and who obtain their water supply from other than the Rural Municipality of St. Clements, are required to meter their water supply at their own expense and shall be billed for sewage on the water meter reading at rates set forth in Paragraph 1 plus the quarterly service charge as per Paragraph 2. The minimum billing shall be based on 14 cubic meters per quarter plus the service charge.

6. BULK SALE OF WATER

Bulk sales of water at the treatment plant shall be charged at a rate of \$18.00 per cubic meter.

7. SEPTAGE DUMPING CHARGES

Dumpage from either septic or holding tanks by registered haulers shall be charged at a rate of \$70.00 per load.

8. SEWER SURCHARGES

(a) There will be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen Demand (B.O.D.) in excess of 300 parts per million in the amount of .40 cents per 100 pounds of B.O.D.

(b) A special surcharge for substance requiring special treatment shall be charged on the actual costs of treatment required for the particular sewage or industrial wastes.

9. HYDRANT RENTALS

The East Selkirk utility hydrant rental charge shall be set at \$200.00 per hydrant per annum which includes water for firefighting purposes.

10. SALE OF WATER TO CUSTOMERS OUTSIDE EAST SELKIRK UTILITY BOUNDARIES

- (a) The Rural Municipality of St. Clements may enter into agreements and municipalities, corporations and individuals outside the legal boundaries of the East Selkirk Utility for the purpose of supplying water to such municipalities, corporations and individuals.
- (b) The rates to be charged to such outside users shall be the same rates charged to consumers in the East Selkirk Utility for comparable service. Such outside users shall also pay a surcharge which shall be equivalent to frontage levy, general taxes and special taxes for utility purposes in effect at the time, or which may be in effect from time to time, and which would be levied on the property concerned as if it were within East Selkirk Utility boundaries. In addition, all costs of connecting to the utility mains and installing, maintaining, and repairing service connections will be paid by the customer.

11. WATER ALLOWANCE DUE TO LINE FREEZING

That in an case where, at the request of the Council, a customer allows water to run continuously for any period 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 that last two previous quarters to the same customers, or to the same premises if the occupant has changed.

12. BILLINGS TO PENALTIES

Accounts shall be billed quarterly, and shall be due and payable fourteen days after the date of billing. A late payment charge of 1 ¼% per month shall be charged on the dollar amount owing after the billing due date and shall compound monthly.

13. DISCONNECTING FOR NON-PAYMENT

- (a) 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 Municipal office.
- (b) In the event that services are disconnected in accordance with the above noted Conditions Precedent, there shall be a termination fee of \$30.00 charged to the consumers account.

- (c) Prior to services being reconnected, payment of all arrears, penalties, disconnection charges, etc. as well as a reconnection fee of \$30.00 must be paid in full or suitable payment arrangements made.

14. OUTSTANDING UTILITY CHARGES

Any account that remains outstanding for more than 30 days may be added to the property taxes in accordance with Subsection 252(2) of *The Municipal Act*. Because water and sewer services may be provided and billed to a tenant, information about accounts outstanding may be shared with the property owner.