

Order No. 175/19

**RURAL MUNICIPALITY OF ALEXANDER
GREAT FALLS WATER AND WASTEWATER UTILITY
INTERIM *EX PARTE* WATER AND WASTEWATER RATES**

November 29, 2019

BEFORE: Irene Hamilton, Q.C., Panel Chair
Mike Watson, Panel Member

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, revised water and wastewater rates as applied for by the Rural Municipality of Alexander (RM), for the Great Falls Water and Wastewater Utility (Utility).

The revised rates are to be effective January 1, 2020. The approved rates are shown in the table as follows:

	Current Rates	January 1, 2020
Quarterly Service Charge	\$ 15.00	\$ 15.00
Water (per 1,000 gallons)	\$ 14.00	\$ 31.40
Wastewater (per 1,000 gallons)	\$ 10.65	\$ 10.65
Minimum Quarterly Charge*	\$ 88.95	\$ 141.15
Bulk Sales Rate	\$ 13.75	\$ 31.40**
Hydrant Rental	\$ 100.00	\$ 100.00

*Based on 3,000 gallons

**For any quantity of 500 gallons or less the minimum charge will be \$15.70

Details of other rates may be found in the attached Schedule A to this Order.

2.0 Application

On October 18, 2019, the RM applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the RM's consultant and By-Law 05/19 having had first reading October 8, 2019.

The RM's Utility rates were last approved in Board Order No 60-15 with the last rate increase occurring January 1, 2014.

The RM is requesting interim rates due to the construction of a new water treatment plant. Until recently, Manitoba Hydro owned and operated a water treatment plant in Great Falls and provided treated water to the Great Falls Water and Wastewater Utility at no charge. The new water treatment plant is owned by the Great Falls Water and Wastewater Utility.

As per the 2018 Audited Financial Statements, the working capital at December 31, 2018 was:

	2018
Utility Fund Surplus/Deficit	\$3,219,925
Deduct Tangible Capital Assets	(3,890,229)
Add Long-Term Debt	-
Add Utility Reserves	61,567
Equals Working Capital Surplus (Deficit)	\$(608,737)
Operating Expenses	41,647
20% of Operating Expenses (Target)	\$8,329

The Working capital does not meet the Board's target of 20% of operating expenses.

When reviewing an application the Board can either: hold a public hearing at which the applicant can present its case and customers can present their concerns; or where it is deemed to be in the best interests of a utility and its customers, the Board can review the application using a paper review process without holding a public hearing. The paper review process considers all written materials submitted by the Utility and the public, as well as any information requests and responses between the Board and the Utility. This process may reduce regulatory costs to the Utility.

A public hearing process allows the Utility and the public the opportunity to review the application and address any concerns with the Board present.

The Board has chosen a paper review process for the RM's application.

Where there is an urgent need for initial or revised rates and the Board determines it to be in the best interest of all parties, the Board may establish interim *ex parte* rates. Interim rates are typically approved as applied for and are then subject to a standard Board review process, including a Public Notice of Application, before being confirmed as final by Board Order.

The Board received Council Resolution No. 2019 481 from the RM dated October 22, 2019 requesting interim *ex parte* rates.

3.0 Board findings

The Board approves, on an interim *ex parte* basis, the water and wastewater rates as applied for by the RM effective January 1, 2020. The Board makes this interim rate decision to provide for the increased operating costs related to water purification and treatment and amortization and interest for the new water treatment plant.

A Notice of the Application to inform the ratepayers of the interim water and wastewater rate increases will be issued as soon as possible.

The Board notes the RM has advised it is planning a rate study for further revised rates in October 2020 once it has collected better data on the operating costs of the new water treatment plant and analyzed it.

4.0 IT IS THEREFORE ORDERED THAT:

1. The Rural Municipality of Alexander's application for revised water and wastewater rates for the Great Falls Water and Wastewater Utility BE AND ARE HEREBY APPROVED on an interim *ex parte* basis in accordance with the attached Schedule A, effective January 1, 2020.
2. The Rural Municipality of Alexander amend its water and wastewater By-Law to reflect the decisions in this Board Order and file a copy with the Public Utilities Board, as soon as it has received third and final reading.
3. The Rural Municipality of Alexander, Great Falls Water and Wastewater Utility provide notice of the interim rates to its customers as soon as possible.

Fees payable upon this Order - \$150.00

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.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."

Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 175/19
issued by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A
RURAL MUNICIPALITY OF ALEXANDER
GREAT FALLS WATER AND WASTEWATER UTILITY
WATER & WASTEWATER UTILITY RATES BY-LAW NOT. 05/19
SCHEDULE OF QUARTERLY RATES

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2020

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$31.40	10.65	\$42.05

Quarterly Service Charge \$15.00

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

a) Water & Wastewater Customers

<u>Meter Size</u>	<u>Water Included (Gallons)</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Wastewater Commodity Charge</u>	<u>Water & Wastewater Total Quarterly Minimum</u>
5/8 inch	3,000	\$15.00	\$94.20	\$31.95	\$141.15
¾ inch	6,000	\$15.00	\$188.40	\$63.90	\$267.30
1 inch	12,000	\$15.00	\$376.80	\$127.80	\$519.60

b) Water Only Customers

The minimum charge will be the same for each meter size as shown above, but the Wastewater Commodity Charge will be excluded.

c) Wastewater Only Customers

The minimum charge will be the same for each meter size as shown above, but the Water Commodity Charge will be excluded.

3. Bulk Water Sales

All water sold in bulk by the Great Falls Water and Wastewater Utility shall be charged for at the rate of \$31.40 per 1,000 gallons on a prorated basis for all quantities greater 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$15.70.

The following clauses take effect January 1, 2020:

4. Service to Customers Outside Utility's Limits

- a) The Council of the Rural Municipality of Alexander may sign Agreements with customers for the provision of water and wastewater services to properties located outside the legal boundaries of the Unincorporated Community of Great Falls. 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.
- b) All costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

5. Billings And Penalties

Accounts shall be billed quarterly and shall be due and payable the last working day of the month following the month in which the bills are issued. A late payment penalty charge of 1.25% compounded monthly shall be charged on the dollar amount owing after the billing due date.

6. Disconnection

- a) The Public Utilities Board has approved the Conditions Precedent to be followed by the Rural Municipality with respect to 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 Municipality's office.
- b) Service may be disconnected upon request of the property owner following a payment of \$50.00 for said disconnection service.

7. 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.

8. Outstanding Bills

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for water and wastewater services, including fines and penalties, are a lien and charge upon the land serviced, and may be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

9. Hydrant Charges

The Unincorporated Community of Great Falls will pay to the Utility an annual rental fee of \$100.00 for each hydrant connected to the system.

10. Water Allowance Due to Line Freezing

The in any case where, at the request of the Rural Municipality, 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 previous quarters to the same customer, or to the same premises off the occupant has changed.

11. Wastewater Surcharges

- a) There may be levied annually, in addition to the 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 waste.

12. Water Meters

- a) All customers of the Utility, connected to the Water Utility, shall be metered.
- b) Any new residential customer shall be required to have the meter installed by a qualified plumber certified by the Province of Manitoba, at their sole cost. The certified plumber shall be responsible to:
 - i. Install the meter plus the appropriate Meter Reading mechanism as provided by the Utility; and
 - ii. Ensure that the installation is inspected by the Utility's representative and secured in such a manner as established by the Utility
- c) Ownership, inspection and maintenance of meters shall remain the responsibility of the Utility System. Commercial meter maintenance will be the responsibility of the Utility System, but will be billed to the Commercial User.
- d) Upon inspection, if it is found that the security mechanism has been altered in any manner, the owner of the property shall be assessed a fee of \$100.00 to ensure an accurate reading, inside meter and outside reader plus re-securing the meter.

13. Meter Testing Charges

- a) Any consumer desiring and requesting that a meter be tested for accuracy shall deposit with the Rural Municipality of Alexander the sum of \$25.00 which shall be retained by the Rural Municipality if the meter, when tested, is found to register within the allowable limits of variation from accuracy. If the meter shall be found to register in excess of allowable limits the deposit shall be refunded and the consumer's account adjusted.
- b) The allowable limit of variation shall be 4% of average flow.