

Order No. 42/19

**THE MUNICIPALITY OF CARTWRIGHT-ROBLIN
CARTWRIGHT WATER AND WASTEWATER RATES
July 1, 2019, January 1, 2020, 2021 AND 2022**

April 11, 2019

**BEFORE: Shawn McCutcheon, Panel Chair
Carol Hainsworth, C.B.A., Member**

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1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) varies the revised water and wastewater rates for the Municipality of Cartwright-Roblin (Municipality), Cartwright Water and Wastewater Utility (Utility) as follows, effective July 1, 2019, January 1, 2020, January 1, 2021, and January 1, 2022. The approved rates are provided below

| | Previous By-law (236/04) | By-law (17-2016) July 1, 2019 | By-law (17-2016) Jan 1, 2020 | By-law (17-2016) Jan 1, 2021 | By-law (17-2016) Jan 1, 2022 |
|---------------------------------------|--------------------------------|--|---|---|---|
| Water \$/1,000 gallons* | \$10.15 | \$13.70 | \$15.10 | \$15.40 | \$15.71 |
| Wastewater \$/1,000 gallons | \$3.21 | \$5.50 | \$7.26 | \$7.41 | \$7.56 |
| Quarterly Service Charge | \$6.66 | \$14.00 | \$19.99 | \$20.39 | \$20.80 |
| Minimum Quarterly Charges** | \$66.79 | \$71.60 | \$87.07 | \$88.82 | \$90.61 |
| Bulk Water \$/1,000 gallons | \$10.45 | \$15.23 | \$20.00 | \$20.00 | \$20.00 |
| Bulk Water \$/gallon*** | \$2.61 | \$5.00 | \$5.00 | \$5.00 | \$5.00 |
| Hydrant Rental (Annual) | \$0.00 | \$150.00 | \$150.00 | \$150.00 | \$150.00 |
| Reconnection Fee | \$15.00 | \$40.00 | \$40.00 | \$40.00 | \$40.00 |
| Installation/Removal of Meters**** | \$15.00 | \$40.00 | \$40.00 | \$40.00 | \$40.00 |

*Previous charge for water over 20,000 gallons per quarter \$8.84

**Minimum Quarterly previously based on 4,500 gallons and proposed charge based on 3,000 gallons

***Minimum charge for any quantity of 250 gallons or less

****Includes: Disconnection/Removal, Re-Connection, Installation

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

Rationale for the PUB's decisions may be found under "Board Findings".

2.0 Background

The Municipality owns and operates a water and wastewater utility. The Utility services 190 water and wastewater customers, and one (1) water-only customer. All water customers are metered and billed quarterly separate from the property tax bills. There are no customers serviced outside the Cartwright area. Rates were last set in Board Order No. 153/06 for years 2007 and 2008.

Water Supply and Distribution

The Utility's raw water is from a well drilled in 2010 with an older well as a backup source. The water treatment consists of a reverse osmosis membrane with a sand filtration system. Sodium hydroxide is added to the treated water for PH control after which the water is chlorinated.

Wastewater Collection and Treatment

The Utility's wastewater collection system pumps through a lift station to a two-cell earthen lagoon. The lagoon has a 1960 environmental licence that sets the storage days required, which is well below the current 230 days storage normally required. As a result, the lagoon is at capacity and the Municipality is in the process of investigating options to increase the lagoon's storage capacity. The lagoon discharges to Badger Creek.

Unaccounted for Water

As per the Board's Water and Wastewater Rate Application Guidelines the acceptable percentage of unaccounted for water is 10%, which is also the industry standard. If the percentage is above this, the applicant is to explain why and provide the plan to remedy the problem.

As stated in the application and through information requests the unaccounted for water was 18.10% in 2014, 20.46% in 2015, 15.69% in 2016, and 12.73% in 2017, all above the

industry standard. The Municipality repairs leaks as it becomes aware of them and is not aware of any consistent problem within the water system that is causing leaks.

3.0 Application

On April 4, 2016, the Municipality submitted an application for revised water and wastewater rates, accompanied by a rate study prepared by the Municipality's consultant and By-law No. 17-2016 having had first reading March 22, 2016. The application had requested four (4) years of rates be effective July 1, 2016, 2017, 2018 and 2019.

The Utility has a two-step water rate and a single-step wastewater rate. Water rates for consumption for the first 20,000 gallons per quarter is \$10.15 and water consumption over 20,000 gallons is \$8.84. The hospital is the only Utility customer with consumption regularly over 20,000 gallons per quarter. Due to the minimal difference between the two water rates and in the interests of water conservation, this application proposes to implement a single-step water and wastewater rate structure.

The Municipality is also proposing in this application to change the current minimum consumption of 4,500 gallons to 3,000 gallons, to comply with the Public Utilities Board recommendations. This could help mitigate the impact of the increased Utility rates on lower volume users.

In addition to changing the quarterly minimum consumption, the Municipality would also like to change the billing cycle, to align with the calendar year, and therefore the audited financial statements for the Utility.

A Public Notice of Application was issued on June 20, 2016, affording customers the opportunity to comment to both the Board and the Municipality with respect to the proposed increases. The Board received no responses to the Notice.

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 considers the application and stakeholder responses, and determines which method of review is most appropriate.

A public hearing process allows the Utility and stakeholders the opportunity to present the application and any concerns to the Board in person. The Board may also review the application using a paper review process, which saves the cost of a public hearing. The Board has decided to review this application using a paper-based review.

On April 11, 2017, the Board sent an information request letter to the Municipality with a response due date of May 9, 2017. The Board received no response. On September 6, 2017, the Board sent a follow-up requesting a response from the Municipality with a due date of September 20, 2017. On September 11, 2017, the Municipality provided an email response stating it was awaiting the 2015 audit to be completed, but no responses to the information requests. On March 24, 2018, the Board received a formal response from the Municipality (by way of a consultant) for the April 11, 2017 information requests, almost a year late.

The rate application was based on the following revenue projections, using a 2% rate of inflation for the calculations.

| SCHEDULE OF UTILITY RATE REQUIREMENTS - CARTWRIGHT | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|
| 2012 and 2013 Actual Audited; 2014 actual unaudited; 2015 budget; 2016 to 2018 Forecasts | | | | | | | | |
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| | Actual | Actual | Unaudited | Unaudited | Forecast | Forecast | Forecast | Forecast |
| General | | | | | | | | |
| Expenses: | | | | | | | | |
| Administration | 5,001 | 4,454 | 2,522 | 12,342 | 12,589 | 12,841 | 13,097 | 13,359 |
| Training costs | 2,010 | 2,064 | - | 8,144 | 1,500 | 1,530 | 1,561 | 1,592 |
| Utilities | 360 | 485 | - | - | - | - | - | - |
| Billing and collection | 73 | 62 | - | - | - | - | - | - |
| Total general expenses | 7,444 | 7,065 | 2,522 | 20,486 | 14,089 | 14,371 | 14,658 | 14,951 |
| Revenue | | | | | | | | |
| Penalties | 136 | 158 | 127 | 152 | 152 | 152 | 152 | 152 |
| Investment income | - | 410 | - | - | - | - | - | - |
| Other income | - | - | 502 | - | - | - | - | - |
| Total general revenues | 136 | 568 | 629 | 152 | 152 | 152 | 152 | 152 |
| Net Costs General | 7,308 | 6,497 | 1,893 | 20,334 | 13,937 | 14,219 | 14,506 | 14,799 |
| Water | | | | | | | | |
| Expenses | | | | | | | | |
| Purification and treatment | 10,036 | 21,685 | 36,046 | 39,828 | 40,625 | 41,437 | 42,266 | 43,111 |
| Transmission and distribution | 56,511 | 61,127 | 24,329 | 21,171 | 29,594 | 30,186 | 30,790 | 31,406 |
| Service of Supply | - | - | - | - | - | - | - | - |
| Other Water Supply Costs | - | - | 2,265 | - | - | - | - | - |
| Connection costs | - | - | - | - | - | - | - | - |
| Amortization | 6,922 | 15,089 | 12,733 | 12,733 | 12,733 | 12,733 | 12,733 | 12,733 |
| Interest on long term debt | - | 4,599 | 5,226 | 4,938 | 4,639 | 4,328 | 4,005 | 3,669 |
| Total water expenses | 73,469 | 102,500 | 80,599 | 78,670 | 87,591 | 88,684 | 89,794 | 90,919 |
| Revenue | | | | | | | | |
| Bulk Water fees | - | - | - | 800 | 800 | 800 | 800 | 800 |
| Hydrant rentals - 22 hydrants @\$150 | - | - | - | - | - | 3,300 | 3,300 | 3,300 |
| Installation service | - | - | - | - | - | - | - | - |
| Connection charges | 45 | 60 | - | - | - | - | - | - |
| Other income | - | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - |
| Total revenue | 45 | 60 | - | 800 | 800 | 4,100 | 4,100 | 4,100 |
| Net rate costs - Water | 73,424 | 102,440 | 80,599 | 77,870 | 86,791 | 84,584 | 85,694 | 86,819 |
| Sewer | | | | | | | | |
| Expenses | | | | | | | | |
| Collection system costs | 8,710 | 4,734 | 20,244 | 21,057 | 21,478 | 21,908 | 22,346 | 22,793 |
| Treatment and disposal costs | 3,281 | 6,315 | 1,090 | 4,980 | 5,080 | 5,181 | 5,285 | 5,391 |
| Lift Station | - | - | 6,433 | 5,935 | 6,054 | 6,175 | 6,298 | 6,424 |
| Connection costs | 19,605 | 5,422 | - | - | - | - | - | - |
| Amortization | - | - | - | - | - | - | - | - |
| Interest on long term debt | - | - | - | - | - | - | - | - |
| Total water expenses | 31,596 | 16,471 | 27,767 | 31,972 | 32,611 | 33,264 | 33,929 | 34,608 |
| Revenue | | | | | | | | |
| Lagoon tipping fees | - | - | - | - | - | - | - | - |
| Total revenue | - | - | - | - | - | - | - | - |
| Net rate costs - Sewer | 31,596 | 16,471 | 27,767 | 31,972 | 32,611 | 33,264 | 33,929 | 34,608 |
| Water and Sewer Billing Revenues | | | | | | | | |
| Water and sewer billings | 83,663 | 83,757 | 82,228 | 84,038 | 98,730 | 127,400 | 129,996 | 132,563 |
| | - | - | - | - | - | - | - | - |
| | 83,663 | 83,757 | 82,228 | 84,038 | 98,730 | 127,400 | 129,996 | 132,563 |
| Property Taxes | | | | | | | | |
| Tsr from Gen. Optg. Property Taxes for Debt Payments-Water only | - | 11,758 | 12,663 | 12,663 | 12,663 | 12,663 | 12,663 | 12,663 |
| Tsr from Gen. Optg. Property Taxes for Debt Payments-Sewer only | - | - | - | - | - | - | - | - |
| | - | 11,758 | 12,663 | 12,663 | 12,663 | 12,663 | 12,663 | 12,663 |
| Net Revenue/(Expense) | (28,665) | (29,893) | (15,368) | (33,475) | (21,947) | 7,996 | 8,500 | 9,001 |

| | | | | | | | | |
|--|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital Grants - PUB Adjustments | | | | | | | | |
| Deduct Capital Grants Amortization - Water | - | 4,898 | 4,898 | 4,898 | 4,898 | 4,898 | 4,898 | 4,898 |
| Deduct Capital Grants Amortization - Sewer | - | - | - | - | - | - | - | - |
| Add Amortization of Capital Grants | - | - | - | - | - | - | - | - |
| Add Amortization of Contributed TCA | - | - | - | - | - | - | - | - |
| Net Operating Surplus (Deficit) with PUB Adjustments | (28,665) | (24,995) | (10,470) | (28,577) | (17,048) | 12,895 | 13,398 | 13,899 |
| Transfers | | | | | | | | |
| Transfers from (to) General Operating for Capital | - | - | 12,716 | 55,000 | - | - | - | - |
| Transfers from Gen Optg and Govt. for Capital-entry to be made | - | - | 249,781 | - | - | - | - | - |
| Transfers from Government for Capital | 5,883 | | | | | | | |
| Transfers from (to) reserve | - | - | - | - | - | - | - | - |
| Change in Utility Fund Balance after Transfers | (22,782) | (24,995) | 252,027 | 26,423 | (17,048) | 12,895 | 13,398 | 13,899 |
| Reverse PUB Adjustments to Adjust Surplus to PSAB | | | | | | | | |
| Capital Grants - Reverse PUB Adjustments | | | | | | | | |
| Deduct Amortization of Water Capital Grants | - | (4,898) | (4,898) | (4,898) | (4,898) | (4,898) | (4,898) | (4,898) |
| Deduct Amortization of Sewer Capital Grants | - | - | - | - | - | - | - | - |
| FUND SURPLUS, BEGINNING OF YEAR | 101,852 | 79,070 | 49,177 | 296,306 | 317,831 | 295,885 | 303,882 | 312,382 |
| FUND SURPLUS, END OF YEAR | \$ 79,070 | \$ 49,177 | \$ 296,306 | \$ 317,831 | \$ 295,885 | \$ 303,882 | \$ 312,382 | \$ 321,383 |

Deficits

By law, Manitoba utilities are not allowed to incur deficits. In *The Municipal Act*, the Utility is required to obtain Board approval for both the deficit and recovery methodology should a deficit occur. The Board issued Order No. 151/08 on November 7, 2008 requires all water and/or wastewater utilities to report an actual year-end deficit to the Board.

At the time of the application, the Municipality expected to incur deficits for 2015 and 2016, even with the proposed rate increase, which did materialize once the audits were completed. The application projected working capital deficits from years 2015 to 2019.

Based on the audited financial statements, the Municipality has incurred consecutive deficits for five (5) years, 2012 through to 2016, that have not been addressed. To date the Municipality has not filed for approval or recovery of these deficits. The accumulated working capital will not be able to absorb any deficits. Without a rate increase the Utility has continued to incur deficits and expects deficits to materialise for 2017, 2018 and 2019.

Working Capital Surplus

Board Order No. 93/09 established that utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus is defined as the Utility fund balance, excluding any capital related items plus Utility reserve funds. As per the 2016 audited financial statements, the most recent information available, the working capital deficit at December 31, 2016 was:

| | 2016 | 2015 | 2014 |
|--------------------------------|-------------|-------------|-------------|
| Fund Deficit | \$273,264 | (\$10,274) | \$34,030 |
| Deduct Tangible Capital Asset | (\$761,929) | (\$754,480) | (\$759,433) |
| Add Long-Term Debt | \$111,684 | \$119,708 | \$127,432 |
| Add Utility Reserves | \$13,566 | \$18,589 | \$13,261 |
| Equals Working Capital Deficit | (\$363,415) | (\$626,457) | (\$584,710) |
| | | | |
| Expenses | \$128,512 | \$144,107 | \$110,890 |
| 20% of Expenses (Target) | \$25,702 | \$28,821 | \$22,178 |

The above-noted working capital calculation for the Utility is in a deficit position. As a result, there is no surplus or reserve amounts available to absorb any deficits. Recovery of any deficit would have to be from utility rates.

Cost Allocation Methodology

The Board requires all municipalities to review the costs shared between the general operations of the Municipality and the Utility, and to allocate appropriate and reasonable costs to the Utility based on a policy known as a Cost Allocation Methodology (CAM). This policy must be submitted to the Board for approval and cannot be changed without receiving approval from the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

The rate application applied the new CAM by calculating 5% of office staffs' salaries plus 5% of office, legal and audit costs. The Municipality's proposed new policy estimates that approximately 5% of office staffs' time is spent on the Cartwright Utility.

| Municipality of Cartwright-Roblin – Water & Wastewater Utility Allocation Plan for Non-Direct Shared Services | | | February 2016 |
|--|---|--|--|
| Category | Sub-category | Options | |
| 1.0 Administrative Staff | | Activity based (Note1) | |
| | CAO | | 5% |
| | Assistant Administrator | | 5% |
| | Office staff | | 5% |
| 1.1 | Billing services –meter reading to receipting and collection. | | Actual operations staff time |
| 1.2 | Accounting/ auditing/ including bylaw making and enforcement. | | 5% of audit costs |
| 1.3 | Common office space | | 5% of office space |
| 1.4 | Office overheads (telephone, photocopier, computer, etc.) | | 5% of office costs |
| 2.0 Operating, construction and maintenance costs | | | |
| 2.1 | Vehicle – fuel, maintenance, lease costs, capital costs | | Costs for insurance, fuel, repair and maintenance are charged to the Utility |
| 2.2 | Labor – full time, part time, on call, sick time, vacation (Note 2) | Based on time sheets – time worked is charged to the Utility | |
| 2.3 | Public works building and property. | - | - |
| 2.4 | Road repairs and alike (Note 3) | Based on actual costs | - |

| 3.0 Major projects | | |
|---------------------------|--------------------------------------|-----------------------------|
| Interest/ financing | | Debenture Debt and Reserves |
| Labor | Based on actual costs | - |
| External costs | Direct charge (dedicated consulting) | - |

Note 1 – Allocation must be updated periodically to reflect impacts of inflation.

Note 2 – Including salaries and benefits.

Note 3 – If a project involves work benefitting both the Utility and general operations the costs may be shared (i.e. If reconstructing a road and replacing services at the same time, a portion of the roadwork costs may be allocated to the Utility.)

Contingency Allowance and Utility Reserves

As per the Board's Guidelines, a yearly allowance equal to 10% of the variable operating costs is recommended for a contingency allowance.

A contingency allowance for 10% of operating costs was included in the study. The Utility infrastructure is older and a contingency allowance for unforeseen repair and maintenance costs is deemed necessary.

At the time of this application, there was no capital work scheduled for the next five (5) years, 2017-2021, and therefore no amount for utility reserves was included.

4.0 Board Findings

The Board has reviewed the application and the projections presented by the Municipality, and the information provided subsequently in response to Board queries. The Board notes the Municipality's application has spent significant time in the queue for review; however, the amount of time the Municipality took to respond the Board's requests was one year. This response time is unacceptable and the application should have been removed from the Board's queue and sent back to the Municipality. The Board was reluctant to return the application because of the financial challenges of the Utility and the urgent need for increased rates. Any further delay would be been unfair to the ratepayers of the Utility. The Board cautions the Utility on the length of time in responding to Board requests, and notes that deadlines are directives to be followed.

The Board notes the Utility changed from two-step water rates to a single-step water rate and commends the Utility for its efforts to move to a unitary rate in this application.

The Municipality requested four years of rates beginning July of each year, and has since advised the billing cycle will change to align with the calendar year, January to December.

The increases required to improve the Utility's financial position can be considered "rate shock", something that is common where rate requirements are not addressed for significant periods. The Board is sensitive to the effect of the rate increases on customers; however, the Board must balance this effect with the financial sustainability of the Utility when approving rates. For this reason, the Board is implementing a phased-in rate for six (6) months, effective July 2019 to December 31, 2019 (year one rates), to help close the gap between the old rates and proposed rates included in this study.

The Board approves the rates for year one through to three listed in the rate application and varies the effective dates to January 1, 2020, 2021 and 2022. The Board denies the fourth year of rates requested in the rate study. The Board also approves the minimum quarterly consumption change from 4,500 gallons to 3,000 gallons that will also help mitigate the impact of the rate increase. The approved rates are as outlined below:

| | Year 1 July 1, 2019 | Year 2 January 1, 2020 | Year 3 January 1, 2021 | Year 4 January 1, 2022 |
|-------------------------------|------------------------|------------------------------|------------------------------|------------------------------|
| Water \$/1,000 gallons | \$13.70 | \$15.10 | \$15.40 | \$15.71 |
| Wastewater \$/1,000 gallons | \$5.50 | \$7.26 | \$7.41 | \$7.56 |
| Quarterly Service Charge | \$14.00 | \$19.99 | \$20.39 | \$20.80 |
| Minimum Quarterly Charges* | \$71.60 | \$87.07 | \$88.82 | \$90.61 |
| Bulk Water \$/1,000 gallons | \$15.23 | \$20.00 | \$20.00 | \$20.00 |
| Bulk Water \$/gallon** | \$5.00 | \$5.00 | \$5.00 | \$5.00 |

*Minimum Quarterly charges based on 3,000 gallons

**Minimum charge for any quantity of 250 gallons or less

As of the date of this Order, the Municipality's 2017 audited financial statements are not available for review. This makes it difficult to determine the current financial position of the Utility, and delays deficit recoveries. The Board encourages the Municipality to work with the auditors to ensure timely delivery of the financial statements.

The Municipality has incurred actual utility operating deficits for five (5) consecutive years, 2012 through to 2016, with anticipated utility operating deficits for 2017, 2018 and 2019. The Utility is also in a working capital deficit position. This is a clear indication that rates are not sufficient for the operations of this utility. The Board directs the Municipality to file deficit applications for years 2012, 2013, 2014, 2015 and 2016 on or before September 1, 2019. The Board also directs the Municipality to file the audited financial statements for years 2017, 2018 and 2019 once they become available with accompanying deficit applications.

It has been approximately eleven (11) years since a rate change has taken place for the Cartwright Utility. In the Board's view, this is too long a time-period between rate increases and likely a review. Regular rate reviews submitted on a timelier three-year period, as per the Board's Guidelines, protect the financial position of the Utility and mitigate the need for substantial rate increases. In this Utility, substantial rate increases are now required to meet financial needs and the additional cost of a rate rider becomes necessary to recover utility deficits.

It is the Utility's responsibility to review the rates and ensure rates are adequate to recover the cost of service provided to its customers. Customers are generally more tolerant of regular, smaller increases. The Municipality needs to be much more diligent in conducting regular reviews of its revenue requirements.

The Board notes that there is no provision for reserves in the rate study. With aging infrastructure, the Board encourages the Utility to include a provision to build its reserves in its next rate study. The Board would also encourage the Utility, should capital work be required in the immediate future, to apply for government capital and operating grants for utility upgrades.

The Board notes the rate of unaccounted for water has been decreasing, 20.46% in 2015, 15.69% in 2016 and 12.73% in 2017 but is still above the industry standard of 10%. The Municipality indicates it will repair leaks if there are any and that it is not aware of anything in the water system that is leaking at this time. The Board recommends the

Utility continue to monitor and investigate ways and means of reducing the water loss to bring it closer to the acceptable percentage of 10%.

The Board approves the cost allocation methodology as submitted by the Municipality. The approach adopted by the Municipality, which estimates approximately 5% of office staffs' time is spent on the Utility, is consistent with the methodology approved in Board Order 93/09. The Board reminds the Municipality that this methodology must be used consistently in the future, and requires Board approval should any further changes be considered.

Lastly, the Board directs the Municipality to provide adequate notice to its customers of the billing changes related to the quarterly minimum consumption and billing cycle. Because of the changes in the Utility's billing cycle the Board suggests that, the Utility consider billing customers with a separate bill for June instead of combining four (4) months on one bill.

5.0 IT IS THEREFORE ORDERED THAT:

- 1) Revised water and wastewater rates for the Municipality of Cartwright-Roblin-Cartwright Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A", effective July 1, 2019, January 1, 2020, 2021 and 2022.
- 2) Revised quarterly minimum consumption of 3,000 gallons BE AND IS HEREBY APPROVED.
- 3) The Municipality of Cartwright-Roblin is to submit deficit applications for all outstanding years (2012-2016), on or before September 1, 2019.
- 4) The Municipality of Cartwright-Roblin is to submit the audited financial statements for years 2017, 2018 and 2019 with accompanying deficit applications as soon as the statements are available.
- 5) The revised cost allocation methodology applied by the Municipality of Cartwright-Roblin-Cartwright Utility BE AND IS HEREBY APPROVED.
- 6) The Municipality of Cartwright-Roblin is to provide a notice to its customers, including the decisions found in this Order, as soon as possible, with a copy provided to the Public Utilities Board.
- 7) The Municipality of Cartwright-Roblin amend its water and wastewater By-law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
- 8) The Municipality of Cartwright-Roblin review the Cartwright Utility's 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 January 1, 2022.

Fees payable upon this Order - \$500.00

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. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

Shawn M^cCutcheon
Panel Chair

Rachel M^cMillin, B. Sc.
Assistant Associate Secretary

Certified a true copy of Order No. 42/19 issued by
The Public Utilities Board

Assistant Associate Secretary

SCHEDULE "A"

CARTWRIGHT-ROBLIN MUNICIPALITY CARTWRIGHT WATER & WASTEWATER UTILITY RATES BY-LAW NO.17-2016

1. Schedule of Commodity Rates

July 1, 2019

Rates per 1,000 gallons

1,000 gallons per quarter

| Water | Wastewater | Water & Wastewater |
|---------|------------|--------------------|
| \$13.70 | \$5.50 | \$19.20 |

Quarterly Service Charge

\$14.00

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

| Meter Size | Group Capacity Ratio | Water Included Gallons | Customer Service Charge | Water Commodity Charge | Wastewater Commodity Charge | Water & Wastewater Total Quarterly Minimum |
|------------|----------------------|------------------------|-------------------------|------------------------|-----------------------------|--|
| 5/8 inch | 1 | 3,000 | \$14.00 | \$41.10 | \$16.50 | \$71.60 |
| 3/4 inch | 2 | 6,000 | \$14.00 | \$82.20 | \$33.00 | \$129.20 |
| 1 inch | 4 | 12,000 | \$14.00 | \$164.40 | \$66.00 | \$244.40 |
| 1 ½ inch | 10 | 30,000 | \$14.00 | \$411.00 | \$165.00 | \$590.00 |

b. Water Only Customers

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

3. Bulk Sales

All water sold in bulk by the Cartwright Utility will be charged at the rate of **\$15.23** per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons. For any quantity of 250 gallons or less, the minimum charge will be **\$5.00**.

1. Schedule of Commodity Rates

January 1, 2020

Rates per 1,000 gallons

1,000 gallons per quarter

| Water | Wastewater | Water & Wastewater |
|---------|------------|--------------------|
| \$15.10 | \$7.26 | \$22.36 |

Quarterly Service Charge

\$19.99

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

| Meter Size | Group Capacity Ratio | Water Included Gallons | Customer Service Charge | Water Commodity Charge | Wastewater Commodity Charge | Water & Wastewater Total Quarterly Minimum |
|------------|----------------------|------------------------|-------------------------|------------------------|-----------------------------|--|
| 5/8 inch | 1 | 3,000 | \$19.99 | \$45.30 | \$21.78 | \$87.07 |
| 3/4 inch | 2 | 6,000 | \$19.99 | \$90.60 | \$43.56 | \$154.15 |
| 1 inch | 4 | 12,000 | \$19.99 | \$181.20 | \$87.12 | \$288.31 |
| 1 ½ inch | 10 | 30,000 | \$19.99 | \$453.00 | \$217.80 | \$690.79 |

b. Water Only Customers

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

3. Bulk Sales

All water sold in bulk by the Cartwright Utility will be charged at the rate of **\$20.00** per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons. For any quantity of 250 gallons or less, the minimum charge will be **\$5.00**.

1. Schedule of Commodity Rates

January 1, 2021

Rates per 1,000 gallons

1,000 gallons per quarter

| | Water | Wastewater | Water & Wastewater |
|--------------------------|---------|------------|--------------------|
| | \$15.40 | \$7.41 | \$22.81 |
| Quarterly Service Charge | \$20.39 | | |

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 & Sewer Customers

| Meter Size | Group Capacity Ratio | Water Included Gallons | Customer Service Charge | Water Commodity Charge | Wastewater Commodity Charge | Water & Wastewater Total Quarterly Minimum |
|------------|----------------------|------------------------|-------------------------|------------------------|-----------------------------|--|
| 5/8 inch | 1 | 3,000 | \$20.39 | \$46.20 | \$22.23 | \$88.82 |
| 3/4 inch | 2 | 6,000 | \$20.39 | \$92.40 | \$44.46 | \$157.25 |
| 1 inch | 4 | 12,000 | \$20.39 | \$184.80 | \$88.92 | \$294.11 |
| 1 ½ inch | 10 | 30,000 | \$20.39 | \$462.00 | \$222.30 | \$704.69 |

b. Water Only Customers

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

3. Bulk Sales

All water sold in bulk by the Cartwright Utility will be charged at the rate of **\$20.00** per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons. For any quantity of 250 gallons or less, the minimum charge will be **\$5.00**.

1. Schedule of Commodity Rates

January 1, 2022

Rates per 1,000 gallons

1,000 gallons per quarter

| | | | |
|--------------------------|---------|------------|--------------------|
| | Water | Wastewater | Water & Wastewater |
| | \$15.71 | \$7.56 | \$23.27 |
| Quarterly Service Charge | \$20.80 | | |

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 & Sewer Customers

| Meter Size | Group Capacity Ratio | Water Included Gallons | Customer Service Charge | Water Commodity Charge | Wastewater Commodity Charge | Water & Wastewater Total Quarterly Minimum |
|------------|----------------------|------------------------|-------------------------|------------------------|-----------------------------|--|
| 5/8 inch | 1 | 3,000 | \$20.80 | \$47.13 | \$22.68 | \$90.61 |
| 3/4 inch | 2 | 6,000 | \$20.80 | \$94.26 | \$45.36 | \$160.42 |
| 1 inch | 4 | 12,000 | \$20.80 | \$188.52 | \$90.72 | \$300.04 |
| 1 ½ inch | 10 | 30,000 | \$20.80 | \$471.30 | \$226.80 | \$718.90 |

b. Water Only Customers

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

3. Bulk Sales

All water sold in bulk by the Cartwright Utility will be charged at the rate of **\$20.00** per 1,000 gallons on a pro-rated basis for all quantities greater than 250 gallons. For any quantity of 250 gallons or less, the minimum charge will be **\$5.00**.

The following clauses take effect July 1, 2019:1. Service To Customers Outside Municipality Limits

The Council of Cartwright-Roblin Municipality 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 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 the 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 the Municipality's boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining, will be paid by the customer.

2. Billings And Penalties

Accounts shall be billed quarterly and shall be due and payable the last business day of the billing month.

A late payment charge of 1.0% per month shall be charged on the dollar amount owing after the billing due date. The billing due date will be at least 14 days after the mailing of the bills.

3. Disconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the 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 Municipality's office.

4. Reconnection

Any service disconnected due to 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 services 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.

6. Installation and Removal of Meters

The Municipality shall provide and install, connect, disconnect and/or remove a water meter from a premise within the boundaries of the Municipality. The fee shall be as follows:

| | | |
|------|------------------------------|---------|
| i. | Disconnection and/or removal | \$40.00 |
| ii. | Re-connection | \$40.00 |
| iii. | Installation | \$40.00 |

7. Hydrant Charges

Cartwright-Roblin Municipality shall pay to the Utility an annual hydrant charge of \$150.00 for each hydrant connected to the System.

8. Water Allowance Due To Line Freezing

Where, at the request of Council, a customer is allowed to run water 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 billings for the last two quarters for the same customer, or the same premises if the occupant has changed.

9. Sewer 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.

10. Meter Testing

Any customer wishing to have a meter tested for accuracy will pay in advance a fee of \$40, 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.

11. 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 Municipality's water system. If a condition is found to exist which, in the opinion of the Municipality, is contrary to the aforesaid, the 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.

12. Authorization For Officer To Enter Upon Premises

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