

Order No. 87/21

**TOWN OF CARBERRY
CARBERRY WASTEWATER UTILITY
REVISED WASTEWATER RATES
SIMPLIFIED RATE APPLICATION**

August 6, 2021

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

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1.0 Executive Summary

By this Order, the Public Utilities Board approves the revised wastewater rates to be effective January 1, 2022, for the Town of Carberry (Town) Wastewater Utility (Utility). The approved rates are shown below:

	Current rates	Rates effective Jan 1, 2022
Annual wastewater rates per REU*	\$ 144.20	\$ 148.53

*Residential equivalency unit

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

The rationale for the Board's decisions may be found under the Board Findings section below.

2.0 Background

The Town owns and operates a wastewater only utility that serves approximately 750 residences, plus numerous businesses, two schools, and a hospital, with an assignment of 937 residential equivalency units (REUs) as of the last full rate application. The billing cycle is once a year, sent to customers with their tax bills.

Where a system has no meters, including systems with wastewater service only, volume of water used and/or volume of effluent returned to the wastewater system are based on residential equivalent units; one unit being the volume of wastewater estimated to be produced by the average single family residence. Rates were set based on residential equivalency units (REUs).

Rates were last set in Board Order No. 63/18, with current rates coming into effect for 2020.

Wastewater Treatment and Collection System

The Town's wastewater treatment system consists of a two-cell wastewater treatment lagoon which receives wastewater from the Town's collection system via a lift station and a forcemain.

The wastewater treatment lagoon was constructed in 1958 and originally only consisted of one cell. The lagoon was upgraded in 1992 to a two-cell system, which collectively function in the treatment and storage of wastewater. A 20mil PVC liner system is installed in both lagoon cells. The lagoon is discharged by irrigation.

The lagoon receives wastewater from dwellings connected to the communal piped collection system. In addition, the lagoon receives sewage from 135 residences with septic tanks and 27 residences with holding tanks located in the Rural Municipality of North Cypress. Currently, there is no truck dumping station at the existing lagoon and sewage trucks dump sewage into a manhole at the existing lift station, which pumps collected wastewater into the lagoon.

3.0 Application

On May 13, 2021, the Town applied to the Board for revised wastewater rates for the Utility. The Application was submitted using the Simplified Rate Application Process and accompanied by By-Law No. 9/2021 having received first reading on May 11, 2021. The Town provided an Affidavit certifying: the Utility meets all Board requirements for the Simplified Filing Process; the Utility has no outstanding operating deficits; and the requested wastewater rates are expected to be adequate to meet operating costs for the 2022 calendar year.

Rates were last set using the regular Rate Application Process/review in Board Order No. 63/18 for the calendar years 2018 up to and including 2020.

A Public Notice of Application was issued on July 5, 2021, affording customers the opportunity to comment to both the Board and the Town with respect to the proposed rate increases. No responses were received.

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.

Whenever reasonable, the Board will review the application using a paper review process, which saves the cost of a public hearing process. The Board has chosen this option for this application.

The Town has applied for revised rates to provide for inflationary cost increases anticipated for 2022.

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 reserves.

As per the 2019 Audited Financial Statements, the working capital surplus at December 31, 2019:

	2019
Fund Surplus	\$1,120,922
Deduct: Tangible Capital Assets	(\$721,302)
Add: Long-Term Debt	\$0
Add: Utility Reserve	\$140,252
Equals Working Capital Surplus	\$539,872
Operating Expenses	\$170,763
20% of operating expenses (Target)	\$34,153

The Utility currently meets the Board minimum working capital surplus of 20%.

4.0 Board Findings

The Board finds the Town meets the required criteria, as set out in Board Order No. 86/17, to apply for revised rates using the Simplified Rate Application Process and approves the rates as applied for, effective January 1, 2022.

The Board notes the Utility has a significant amount available in its working capital surplus, and the Town has advised this is strategic and will be used to offset the amount borrowed when adding another cell to the lagoon. The Town anticipates this will be required in within the next five years.

The Board requires the Town to review its wastewater rates for the Utility 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 December 31, 2022.

Regular reviews are important for a financially sound utility and the Board encourages the Town to continue to assess its ability to apply using the Simplified Rate Application Process.

5.0 IT IS THEREFORE ORDERED THAT:

1. Revised wastewater rates for the Town of Carberry Wastewater Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective January 1, 2022.
2. The Town of Carberry amend its wastewater rate By-Law to reflect the decisions in this Board Order and submit a copy to the Board once it has received third and final reading.
3. The Town of Carberry is to provide a notice to its customers as soon as possible, including all decisions found in this Order.

4. The Town of Carberry review its 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 December 31, 2022.

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. 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

"Jennifer Dubois, CPA, CMA"

Assistant Associate Secretary

Certified a true copy of Order No. 87/21 issued by
The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A**THE TOWN OF CARBERRY
WASTEWATER RATES
BY-LAW NO. 9/2021**

SCHEDULE OF YEARLY RATES:

1. Wastewater Only for Residential Customers

The Town of Carberry do charge the owners or occupants of land services with wastewater but no water as follows:

(a) For the fiscal year of 2022 the unit rate will be \$148.53;

2. That the unit rate will remain at \$148.53 annually from 2022 forward unless amended by by-law at another point in time.

3. A Unit is to be a charge per year, which is the residential equivalent unit - one unit being the volume of water estimated to be used by an average single-family residence. Units allocated to other customers are based on the estimated water they will use compared to a residence.

TYPEUNIT

Single family dwelling including mobile homes, single commercial business includes offices, grocery stores, meat markets, hardware, banks, credit unions, garages, halls, churches, drop-in centres, etc

1.0

Residence with one suite or commercial with one suite

1.5

Apartments with suites, including senior citizens apartments, and apartments with commercials

- first suite

1.0

- each additional

0.5

Cafés or Restaurants

- for every 20 seats

1.5

- with residence

1.0

Schools - per classroom

1.0

Hospitals & Personal Care Homes

- per bed

1.0

Hotels & Motels

- per room	0.25
- every 20 restaurant seats	1.5
- every 15 beverage seats	1.5
Car Washes - each wash rack	2.0
Curling Rinks, Skating Rinks	1.5
Swimming Pools	2.0
Laundromats - for each washing machine	1.0
Abattoir	2.0
Drive-In Restaurant	1.0
Commercial Multiple	
- first commercial	1.0
- each additional commercial	0.5

- (a) That any residence with more than one suite shall use apartment rate.
- (b) Any use in conjunction with another use with a rate specification shall be subject to the total of both rates:
i.e. Laundromats and Commercials, Garages and Cafés, etc.
- (c) Duplexes shall be deemed as two single-family dwellings.