

Order No. 30/24

**MUNICIPALITY OF BOISSEVAIN-MORTON
BOISSEVAIN WATER AND WASTEWATER UTILITY
INTERIM *EX PARTE* UNTREATED BULK WATER RATES
EFFECTIVE APRIL 1, 2024**

March 5, 2024

**BEFORE: Shawn McCutcheon, Panel Chair
Marilyn Kapitany, B.Sc. (Hon), M.Sc., Member**

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, new untreated bulk water rates as applied for by the Municipality of Boissevain-Morton (Municipality), for the Boissevain Water and Wastewater Utility (Utility).

The revised rates are to be effective April 1, 2024 and are shown in the table as follows:

	Current Rates	April 1, 2024
Treated Bulk Water (per 1,000 gallons)	\$22.00	\$22.00
Untreated Bulk Water (per 1,000 gallons)	-	\$7.50

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

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

2.0 Background

The Utility last had rates approved on June 16, 2022 in Board Order No. 65/22 using the Board's Simplified Rate Application Process, with the most recent rates coming into effect August 1, 2022. The Utility last had deficits approved on September 6, 2018 in the amounts of \$32,316 for 2014, \$77,548 for 2015, and \$125,879 for 2016 (or a total three-year deficit of \$235,743 in Board Order No. 121/18 to be recovered by a rate rider of \$1.68 per 1,000 per customer per quarter, effective February 1, 2019 for a period of five years or until the deficit is fully recovered, whichever comes first.

3.0 Application

On January 11, 2024, the Municipality applied to the Board for interim, *ex parte* untreated bulk water rates. The Municipality's application was supported by By-Law No. 2023-03 and Council Resolution # 2023-236. The Municipality is requesting interim rates to begin charging the new untreated bulk water rate, as soon as possible, prior to the next rate study.

A Public Notice of Application was issued on January 16, 2024 allowing for any questions or comments with respect to the proposed new untreated bulk water rate to the Board and/or the Municipality on or before March 1, 2024. There were no responses to the Notice.

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.

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 a paper review for this application.

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 as well as the Board's review using one of the processes outlined above, before being approved as final by Board Order.

Since this process allows a municipality to temporarily circumvent the Board's review process, it is reserved for instances where a municipality can show there is a compelling argument to allow it. This is usually done by demonstrating to the Board the utility is experiencing multi-year operating deficits and will continue to do so if revised rates are not approved in an expedited manner.

Working Capital Calculation

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/deficit is defined as the Utility fund balance, excluding any capital related items plus Utility reserves.

As per the 2021 Audited Financial Statements for the Utility, the most recent information available, the working capital deficit as at December 31, 2021 is as follows:

	2021
Utility Fund Surplus/Deficit	\$1,881,828
Deduct: Tangible Capital Assets	(2,635,271)
Add: Long-Term Debt	-
Add: Utility Reserves	5,011
Equals Working Capital Surplus (Deficit)	\$(748,432)
Operating Expenses	639,610
20% of Operating Expenses (Target)	\$127,922

The Utility's working capital does not meet the Board's minimum requirement of 20% of operating expenses.

Cost Allocation Methodology

The Board requires all municipal governments to review the costs shared between its general operations and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology. This allocation 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 Municipality has included \$1,500 for public works salaries and \$750 for hydro expenses in its calculation of the untreated bulk water rate. These amounts represent 20% of the five-year average costs applicable to a municipal well. The Municipality has confirmed these amounts were not previously included in the Board approved Cost Allocation Methodology approved in the current utility rates.

4.0 Board Findings

The Board has reviewed the Municipality's application and approves, on an interim *ex parte* basis, the untreated bulk water rate as applied for by the Municipality effective April 1, 2024.

The Board notes, the Municipality submitted Council Resolution # 2023-062 requesting an extension to January 31, 2024 submit a rate study to the Board for the Utility. To date the Board has not received a rate study from the Municipality and directs the Municipality to submit a rate study for the Utility by May 1, 2024.

The Board also notes, the Municipality has not yet submitted its 2022 Audited Financial Statements and reminds the Municipality audited financial statements are to be reported to the Board no later than June 30 of the following year. The Board directs the Municipality to submit its 2022 Audited Financial Statements as soon as they are available.

5.0 IT IS THEREFORE ORDERED THAT:

1. The Municipality of Boissevain-Morton's application for a new untreated bulk water rate for the Boissevain Water and Wastewater Utility BE AND ARE HEREBY APPROVED on an interim *ex parte* basis in accordance with the attached Schedule "A", effective April 1, 2024.
2. The Shared Cost Allocation Methodology for the Municipality of Boissevain-Morton, untreated bulk water rates BE AND IS HEREBY APPROVED
3. The Municipality of Boissevain-Morton 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.
4. The Municipality of Boissevain-Morton, Boissevain Water and Wastewater Utility provide notice of the interim rates to its customers as soon as possible.
5. The Municipality of Boissevain-Morton review its water and wastewater rates for adequacy for the Boissevain Water and Wastewater Utility and file a report with the Public Utilities Board, as well as an application for revised rates if required, by May 1, 2024.
6. The Municipality of Boissevain-Morton submit its 2022 Audited Financial Statements as soon as they are available.

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.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"

Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 30/24 issued
by The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A

**MUNICIPALITY OF BOISSEVAIN-MORTON
BOISSEVAIN WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER RATES BY-LAW #2022-01**

1. Schedule of Commodity Rates & Quarterly Service Charge

August 1, 2022

Rates per 1,000 Gallons

1,000 Gallons per quarter

	Water	Wastewater	Water & Wastewater
	\$17.88	\$4.17	\$22.05

Quarterly Service Charge \$21.52

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**

With Deficit Rate Rider

<u>Meter Size</u>	<u>Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Deficit Rate</u>		<u>Water & Wastewater Total Quarterly Minimum</u>
				<u>Wastewater Rider Commodity Charge</u>	<u>Wastewater Rider Commodity (see Clause 3) Charge</u>	
5/8 inch	3,000	\$21.52	\$53.63	\$12.51	\$5.04	\$92.70
3/4 inch	6,000	\$21.52	\$107.26	\$25.03	\$10.08	\$163.89
1 inch	12,000	\$21.52	\$214.52	\$50.06	\$20.16	\$306.26
1 ¼ inch	18,000	\$21.52	\$321.79	\$75.08	\$30.24	\$448.63
1 ½ inch	30,000	\$21.52	\$536.31	\$125.14	\$50.40	\$733.37
2 inch	75,000	\$21.52	\$1,340.78	\$312.85	\$126.00	\$1,801.15

Without Deficit Rate Rider

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8 inch	3,000	\$21.52	\$53.63	\$12.51	\$87.66
3/4 inch	6,000	\$21.52	\$107.26	\$25.03	\$153.81
1 inch	12,000	\$21.52	\$214.52	\$50.06	\$286.10
1 ¼ inch	18,000	\$21.52	\$321.79	\$75.08	\$418.39
1 ½ inch	30,000	\$21.52	\$536.31	\$125.14	\$682.97
2 inch	75,000	\$21.52	\$1,340.78	\$312.85	\$1,675.15

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 for Residential Customers

The wastewater only charge is based on average quarterly consumption of 9,000 gallons plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(9 * \$4.17) + \$21.52 = \$59.05$

d) Treated Bulk Water Sales

All treated water sold in bulk by the Boissevain Utility will be charged at the rate of \$22.00 per 1,000 gallons (includes Deficit Rate Rider; see Clause 3).

e) Untreated Bulk Water Sales (effective April 1, 2024)

All untreated water sold in bulk by the Boissevain Utility will be charged at the rate of \$7.50 per 1,000 gallons.

7. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Municipality with a deposit of \$100.00. The Municipality will then remove the subject meter and send it to an independent lab for testing. If the meter is found to be faulty, all costs associated with the testing process will be borne by the Municipality and the deposit will be refunded to the customer. If the meter is found to be in proper working order, all costs associated with the testing process will be borne by the customer and the customer will be billed or refunded any balance owing.

8. Disconnection and Reconnection

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.

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$15.00 have been paid.

9. Service To Customers Outside Utility's Limits

The Council of the Municipality of Boissevain-Morton may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the Municipality. Such Agreements shall provide for payment of the appropriate rates set out in this 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 service connections, will be paid by the customer.

10. Water Allowance Due to Line Freezing

That in any case where, at the request of Council, 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 if the occupant has changed.

11. Providing Water Meter Read On/Or Before Due Date

Anyone not providing their meter reading on/or before the due date of their quarterly billing will automatically receive a \$10.00 surcharge on their next water billing.

12. 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.

13. 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.

14. Conditions of Disrepair

In the event that there are conditions of disrepair in the wastewater and water works on a property that detrimentally affects the system as a whole and, upon the failure of the owner of the property to correct the condition within a reasonable time, the Municipality, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

15. 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.