

**Order No. 23/22**

**RIVERDALE MUNICIPALITY  
RIVERS WATER AND WASTEWATER UTILITY  
INTERIM *EX PARTE* WATER AND WASTEWATER RATES**

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**February 28, 2022**

**BEFORE:** Shawn McCutcheon, Panel Chair  
Irene Hamilton Q.C., Panel Member

## 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 Riverdale Municipality (Municipality), for the Rivers Water and Wastewater Utility (Utility).

The revised rates are to be effective March 1, 2022. The approved rates are shown in the table as follows:

	Current Rates	March 1, 2022
Monthly Service Charge	\$ 11.27	\$ 15.25
Water (per 1,000 gallons)	\$ 10.15	\$ 14.89
Wastewater (per 1,000 gallons)	\$ 1.48	\$ 6.51
Debenture Surcharge - WTP Upgrade (per 1,000 gallons)*	\$ 7.31	\$ 7.31
Debenture Surcharge - WTP Upgrade (per 1,000 gallons)**	\$ 0.55	\$ 0.55
Debenture Surcharge - Lagoon Upgrade (per 1,000 gallons)**	\$ 11.05	\$ 11.05
Minimum Monthly Charge***	\$ 41.81	\$ 55.56
Wastewater Only Customers	\$ 26.43	\$ 32.81
Untreated Bulk Water (per 1,000 gallons)****	\$ 10.00	\$ 15.00
Hydrant Rental	\$ 125.00	\$ 150.00

Note – WTP = Water Treatment Plant

\*Board Order No. 85/18

\*\*Board Order No. 106/20

\*\*\*Based on 1,000 gallons

\*\*\*\*Minimum charge will be \$10.00 for any quantity under 1,000 gallons.

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

## 2.0 Application

On May 28, 2021, the Municipality applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the Municipality's Chief Administrative Officer (CAO) and By-Law No. 2021-04 having had first reading May 18, 2021.

On August 4, 2021, Board staff sent a letter to the Municipality requesting clarification regarding discrepancies for the rates requested between the By-Law and the rate study. Board staff also identified actual operating deficits for the Utility for 2018 and 2019 and requested the Municipality submit Deficit Applications accordingly in order for the Board to review the Municipality's Application.

On January 24, 2022, the Municipality revised its Application and requested rates be approved on an interim *ex parte* basis, and submitted Council Resolution No. 17-22 requesting rates be set on an interim *ex parte* basis to prevent further deficits given the Utility currently has insufficient working capital to absorb any deficit recoveries.

The Municipality's Utility rates were last approved in Board Order No. 75/15 with the last rate increase occurring September 1, 2015.

As per the 2020 Audited Financial Statements, the most recent information available, the working capital at December 31, 2020 was:

	2020
Utility Fund Surplus/Deficit	\$5,749,764
Deduct Tangible Capital Assets	(11,543,877)
Add Long-Term Debt	4,622,694
Add Utility Reserves	198,751
<b>Equals Working Capital Surplus (Deficit)</b>	<b>\$(972,668)</b>
Operating Expenses	1,032,886
<b>20% of Operating Expenses (Target)</b>	<b>\$206,577</b>

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

When reviewing an application, the Board has at its disposal several approaches. It can hold a public hearing at which the applicant can present its case and customers can present their concerns. In other cases, where it is deemed to be in the best interests of the Utility and its customers, the Board may review the application using a paper review process.

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.

### 3.0 Board findings

The Board has reviewed the Municipality's request for interim rates and finds it to be reasonable. The Board therefore approves, on an interim *ex parte* basis, the water and wastewater rates as applied for by the Municipality effective March 1, 2021. The Board makes this interim rate decision to mitigate the ongoing operating deficits Utility is experiencing.

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 it has been seven years since the Municipality's rates were last approved. This is too long a time-period between rate reviews. Regular rate reviews should be submitted every three years, as per the Board's Guidelines, to protect the financial position of the Utility, exhibit consideration for the finances of ratepayers, and mitigate the need for substantial rate increases.

It is the Utility's responsibility to review its rates and ensure rates are adequate to recover the cost of the service provided to its customers. Customers are generally more tolerant of regular, smaller increases than one significant increase after years of stagnant rates. The Municipality needs to be much more diligent in conducting regular reviews of its revenue requirements and filing Rate/Deficit Applications with the Board accordingly.

#### 4.0 IT IS THEREFORE ORDERED THAT:

1. Riverdale Municipality's application for revised water and wastewater rates for the Rivers Water and Wastewater Utility BE AND ARE HEREBY APPROVED on an interim *ex parte* basis in accordance with the attached Schedule "A", effective March 1, 2022.
2. The Riverdale Municipality 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 Riverdale Municipality, Rivers 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](http://www.pubmanitoba.ca).

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"

Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 23/22  
issued by The Public Utilities Board



Assistant Associate Secretary

## SCHEDULE A

### RIVERDALE MUNICIPALITY RIVERS WATER AND WASTEWATER UTILITY WATER & WASTEWATER UTILITY RATES BY-LAW NO. 2021-04

#### SCHEDULE OF MONTHLY RATES

**March 1, 2022**

1. Rates per 1,000 gallons

1,000 gallons per month

	Water	Wastewater	Total Water & Wastewater
Rates	\$14.89	\$ 6.51	\$21.40
Debenture Surcharges	\$ 7.86	\$11.05	\$18.91

Monthly Service Charge                    \$15.25

2. Minimum Charges per Quarter

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

**a) WATER & WASTEWATER CUSTOMERS**

Meter Size (Inches)	Group Capacity Ratio	Minimum Monthly Consumption	Service Charge	Water	Wastewater	Minimum Monthly Charges
5/8	1	1,000	\$15.25	\$22.75	\$17.56	\$55.56
3/4	2	2,000	\$15.25	\$45.50	\$35.12	\$95.87
1	4	4,000	\$15.25	\$91.00	\$70.24	\$176.49
2	25	25,000	\$15.25	\$568.75	\$439.00	\$1,023.00
3	45	45,000	\$15.25	\$1,023.75	\$790.20	\$1,829.20

\*Rates include debenture surcharges (as noted in item 1. Above) from Board Order No. 85/18 (\$7.31) per 1,000 gallons and 106/20 (\$0.55 per 1,000 gallons) for water & 106/20 (\$11.05 per 1,000 gallons) for wastewater,

**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**

Riverdale Municipality will charge a flat monthly amount of \$32.81 to the owners or occupants of land services with wastewater but no water. (Wastewater Rate \$6.51 + Service Charge \$15.25 + Debenture Surcharge \$11.05)

**The following clauses take effect March 1, 2022:**

**3. BULK SALES:**

All un-treated water sold in bulk by Riverdale Municipality will be charged for at a rate of \$15.00 per 1,000 gallons on all quantities. For any quantity of less than 1,000 gallons, the minimum charge will be \$10.00.

**\*\*FOR UNTREATED WELL USE FOR OUT OF MUN  
PROJECTS/CONTRACTORS\*\***

**4. SERVICE TO CUSTOMERS OUTSIDE MUNICIPALITY LIMITS:**

The Council of Riverdale Municipality may sign Agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of Rivers. 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 Community boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining, will be paid by the customer.

**5. BILLINGS AND PENALTIES:**

Accounts shall be billed monthly and the due date shall be at least 14 days after the mailing of the bills.

A late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date.

**6. 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 Municipal office.

**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:**

Where charges and penalties pursuant to this By-Law are not paid within ninety (90) days from the date in which they were incurred, said charges and penalties shall be added to the taxes on the property and collected in the same manner as other taxes as per authority of Section 252(2) of *The Municipal Act*. Each



occurrence will be charged a \$50.00 administrative fee; equivalent to a re-connection fee.

**9. Hydrant Charges:**

Riverdale Municipality shall pay to the Utility an annual hydrant charge of \$150.00 for each hydrant connected to the System. In addition, Riverdale Municipality will pay for water used for firefighting.

**10. 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 month shall be the average of billings for the last three months for the same customer, or the same premises if 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.
- c) Septic Waste Disposal Fee = \$2.22/100 gallons

**12. 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:

- 1) Shut off the service or services; or
- 2) Give notice to the customer to correct the fault at his or her own expense within a specified time period.

**13. DAMAGE AND/OR TAMPERING**

- i) Costs for any damage and labour for repairs to the water meter and associated equipment shall be the responsibility of the property owner.
- ii) The charge to remove a meter for testing at the request of a customer shall be \$100.00 plus any charges incurred for the testing of said meter. Should the meter test indicate that the meter is faulty, the charges will be waived.

- iii) Where there is evidence of meter tampering, a minimum charge of \$500.00 will be applied to any account plus the value of the estimated unmetered water consumed.
- iv) Where there is damage to a meter resulting in negligence on the property owners' part (i.e. not protected from freezing); the property owner will be responsible for the cost to replace the meter. The cost to the property owner will be the cost of the meter plus 10% for installation.

#### **14. AUTHORIZATION FOR OFFICER TO ENTER UPON PREMISES**

The Utility operator in charge, or other employee authorize by the Municipality in the absence of the Utility operator in charge, shall be authorized to enter upon any premises 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.