

M A N I T O B A) Order No. 166/02
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THE PUBLIC UTILITIES BOARD ACT) September 13, 2002

BEFORE: G. D. Forrest, Chairman
S. Proven, Member
M. Girouard, Member

**THE TOWN OF RIVERS
WATER AND SEWER RATES
BY-LAW NO. 6 OF 2002**

The Town of Rivers applied to the Board for approval of revised water and sewer rates as set out in By-law No. 6 of 2002. Pursuant to the Board's instructions Public Notice of the Application was provided to customers by means of public advertisement in the local newspaper and posting.

In response to the Public Notice the Board received written responses from Nancy Lam dated July 23, 2002, Brian R. English dated July 18, 2002, Joyce Sage dated July 17, 2002, and Mavis Bray dated received by the Board on July 19, 2002.

At the request of the Board, the officials of the Town of Rivers met with these individuals on August 26, 2002, with the exception of Mr. English who was unable to attend.

The individuals who wrote the Board expressed concerns about the size of the increase and the impact such increase have on their livelihoods, about the timing of the application so near to the municipal elections, about efficiency of the operation of the utility. They also expressed concern about the level of unaccountable water in the system which has a cost to

the ratepayers, as well as the comparability of the rates with other communities and about the large volume of water being sold to certain customers for non-domestic purposes, for example, farm use.

Following the meeting, the Town provided the minutes of the meeting on August 30, 2002. Ms. Sage and Mr. English, in letters dated August 28 and August 23, 2002 respectively, were not prepared to withdraw their complaints. The minutes refer to the exchange with Ms. Lam and Ms. Bray, but no further correspondence was received from these individuals.

Board Comments

The Board shares the views of many respondents that the level of water and sewer rates should be reviewed on a more frequent basis to avoid rate shock on both businesses, and individuals on fixed incomes. The Board also agrees that utilities need to be operated prudently and the issue of unaccounted for water, for example, should be investigated promptly as it does have a cost to the ratepayers.

The Board believes these messages were made very clear by the customers at the special meeting of Council, and the Board trusts, these matters will be addressed by Council in the future and taken into consideration on a more regular basis.

The Board would note, however, some level of unaccounted for water is not unexpected but a level beyond 15% after accounting for water used for maintenance is quite high.

The Board notes that By-law No. 6 of 2002 is under consideration and existing By-law No. 12-95 does provide for the Town to sell water beyond its boundaries and the establishment of a surcharge, to be determined by Council for the recovery of part of the capital costs, or debenture debt of the system. The Town confirmed no such customers are served beyond the Town limits. This provision only applies to services provided by pipeline. For bulk water, the rate is higher than the domestic rate (\$7.00 per 1,000 gallons versus \$6.83 per 1,000 gallons) which provides some contribution to capital or debentures debt.

In the Board's opinion utilities do have an obligation to operate the utility on a break even basis to allow the user pay system to work most effectively. Comparability of rates

with other communities is not always helpful due to the fact that many factors could be different in each community.

The utility did incur a deficit in 2001, the first since the last rate approval in 1995, and Council, correctly, in the Board's opinion, immediately reviewed the rates and brought forward a rate study to support a rate change. To do otherwise may impact on the financial integrity of the utility.

The Board is satisfied the issues raised by the interested ratepayers has been clearly stated, and fully considered by all parties including the Board, and no further hearing is required.

Based on all of the foregoing the Board will approve the application of the Town as filed.

The Board notes that the utility rate study which accompanied the application provided for a sum of money to be placed in a utility reserve account, and the Board therefore desires to ensure that these moneys be expended in an appropriate fashion.

Furthermore, the Board notes that the charges for sewer only for residential customers was amended from \$45.52 to \$33.78 and this amendment is to be incorporated into the By-law.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 6 of 2002 of the Town of Rivers BE AND THE SAME IS HEREBY APPROVED subject to amendment upon second and third reading revising Clauses 2(c) and 8 of Schedule "A" as follows:

2(c) Sewer Only for Residential Customers

The Town of Rivers do charge the owners or occupants of land serviced with sewer but no water the sum of \$33.78 per quarter.

SCHEDULE "A"

TO BOARD ORDER NO. 166/02

THE TOWN OF RIVERS

WATER AND SEWER RATES

BY-LAW NO. 6 OF 2002

SCHEDULE OF QUARTERLY RATES:

1. Commodity rates per M.G.

		<u>Per Quarter</u>	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
Domestic	First	20,000	6.83	3.90	10.73
Intermediate	Next	130,000	5.47	3.90	9.37
Wholesale	Over	150,000	4.33	3.90	8.23

2. Minimum Charges, Quarterly

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

(a) Water and Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
¾"	1	3,000	\$18.79	\$ 20.49	\$ 11.70	\$ 50.98
1"	2	6,000	18.79	40.98	23.40	83.17
2"	12.5	37,500	18.79	232.33	146.25	397.37
3"	22.5	67,500	18.79	396.43	263.25	678.47
4"	45	135,000	18.79	765.65	526.50	1,310.94

(b) Water Only Customers

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

(c) Sewer Only for Residential Customers

The Town of Rivers do charge the owners or occupants of land serviced with sewer but no water the sum of \$33.78 per quarter.

3. Bulk Sales Rate

All water sold in bulk by the Town of Rivers shall be charged for at the rate of \$7.00 per 1,000 gallons on a prorated basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$3.50.

4. Services to Customers outside Municipality, Town or L.I.D. Limits

The Council of the Town of Rivers may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Town 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 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. In addition, 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 30 days after date of billing. A penalty of 10% of the amount of the bill shall be added if not paid by the due date.

6. Disconnection

Service may be disconnected and discontinued immediately and without further notice in the event of non-payment of the account within 30 days after due date.

7. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$30.00 have been paid.

8. Outstanding Bills

Pursuant to Section 252(2) of *The Municipal Act*, the amount of all outstanding charges for Water and 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.

9. Hydrant Rentals

The Town of Rivers will pay to the utility an annual rental of \$100.00 for each hydrant connected to the system.

10. Water Allowance Due to Line Freezing

That in any case where, at the request of the 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. Sewage Surcharges

- (a) There may be levied annually, in addition to 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 wastes.