

M A N I T O B A) Order No. 23/04
)
THE PUBLIC UTILITIES BOARD ACT) February 13, 2004

BEFORE: S. Proven, Acting Chair
M. Girouard, Member

**THE TOWN OF ROBLIN
WATER AND SEWER RATES
BY-LAW NO. 445-03**

The Town of Roblin (the Town) applied to The Public Utilities Board (the Board) for approval of revised water and sewer rates as set out in By-law No. 445-03 certified as to having been read the first time on December 3, 2003 (the Application). In support of the Application, the Town filed a water and sewer rate study prepared by Meyers Norris Penny (MNP) dated November, 2003.

Pursuant to the instructions of the Board, the Town published and posted the Public Notice of Public Hearing and filed an Affidavit confirming same. A public hearing was held in the Council Chambers of the Town on February 4, 2004, at 7:00

p.m. This hearing was conducted by Member S. Proven, Acting Chair on a hear and report basis.

The following persons were in attendance.

Town Representatives:

Lorne Boguski	Mayor
Brad Galatiuk	Councillor
Wayne Kozmeniuk	Councillor
Betty Nykyforak	Councillor
Merv Safronetz	Councillor
Marna Bulbuck	Chief Administrative Officer
Alison Wallace	Assistant Chief Administrative Officer
Don Todorovich	Town Public Works Foreman

Public Presentations:

Rashna Bundan	Consumer
Merv Nykyforak	Owner of the Roblin Trailer Park
Bill Procyshyn	Owner of Roblin Dry Cleaners

The following information was obtained from the material pre-filed or obtained at the public hearing:

1. The last rate changes approved by the Board were in 1992.
2. The utility has not incurred any deficits since the last rate change. A small surplus of \$316.85 (unaudited) was earned for 2003.

3. MNP used the guidelines adopted by the Board for the development of revised water and sewer rates. The proposed rates continue the 3-step commodity rate structure.
4. The utility had a cash surplus of \$203,916 and a utility reserve fund balance of \$35,250 at the end of 2002.
5. The entire utility system has an approximate historical capital cost of \$9,021,000 as noted hereunder. Also, as noted hereunder is the contingency allowance included in the rates:

	Capital Cost	Contingency Allowance
Water Production System	\$2,695,000	\$ 6,738
Water Distribution System	\$3,340,000	8,350
Sewer Collection and Disposal System	<u>\$2,986,000</u>	<u>7,465</u>
	<u>\$9,021,000</u>	<u>\$22,553</u>

6. There are currently 840 customers.
7. The unaccounted for water amounts to 6% of total water produced.
8. There are 98 hydrants and the hydrant rental charge proposed is \$100.00 per hydrant per year - an increase from \$50.00.

9. An annual contribution to the reserve fund has been included in the rates as follows:

Water	\$33,333
Sewer	<u>\$16,667</u>
Total	\$50,000

10. The Water Treatment Plant has a capacity to supply water for a maximum population of 4,275 and is currently, operating at about 42.5% capacity. The distribution system is currently operating at about 76% capacity.

There is a capacity concern as it relates to fire protection. There are no plans to remedy this problem in the near future. However, to meet fire protection needs raw water can be drawn from the system.

11. The sewage lagoon has four cells, two primary and two secondary. Discharge from the secondary cells of the lagoon is directed to an engineered 4 cell wetland and to a spray irrigation system. This system, built in 1998, has won the Town many awards. However, the Town indicated it is costly to operate when considering the alternative.

12. The collection system has the capacity to serve up to 4,190 people. At present 43% of the system is utilized.

13. Distribution pumps, fire-pumps, piping and electrical upgrades started in 2003, are hoped to be completed in 2004 and 2005. A chemical room is scheduled to be added onto the water treatment plant in 2004. The Town has a long range capital plan extending to 2006. These capital costs will be funded by many sources and perhaps to some extent ongoing operations.

14. The water distribution and sewage collection system was started in 1959. Approximately 30% of the water mains have been renewed and a 10 year plan exists to complete the replacement program. A coloured diagram showing the replacement program in stages was filed at the hearing.

15. The Town tests for Total Coliform Counts and Fluoride content. Tests are performed daily for a Free Chlorine Residual at the water plant and the distribution system. Iron and Manganese are also tested at the plant after treatment. The Town advised that Manitoba Environment (ME) was contacted to review the risk, if any, of contamination from the surrounding agricultural land use. ME confirmed no problem exist.

16. The Town employs certified operators with a continuing education program.

17. All requirements for environmental licenses are being met.
18. The Town, for the purpose of the rate study, used 2003 expenses plus an upward adjustment of 7.5% with the expectation that the proposed rates will sustain the operation until 2006.
19. The Town determined that for the average residential customer the rate increase will approximate 47%. The bill will increase to \$93.99 from \$63.88.

Public Response

Ms. Bundan advised that water quality was an issue in the community. Iron levels are extremely high. Residents are addressing the issue in many ways including purchasing water softeners; incorporating reverse osmosis systems and/or purchasing bottled water. Mr. Procyshyn operates a laundromat in Town and advised that at times it is difficult to keep white clothing white and iron spotting is often observed. The chemical costs are higher when serving the hotel's laundering needs. The laundromat has 2 large softeners.

The Town advised that the office has not received complaints about the quality of the water for some time. While the Town has studied alternative treatment methods, the cost of such methods are unaffordable for the community. The Town assured residents that the water is safe. The Town expects that

with the replacement of some old cast iron mains and the removal of dead ends in the system the problems will be reduced.

Mr. Nykyforak is a landlord who is concerned about the significant cost increase and would have preferred the Town address any rate deficiencies sooner rather than in a one time large increase.

The Town indicated that in the future this approach will be followed and for internal reasons, this approach could not be achieved in the last few years.

Board Finding

The Board is satisfied that the proposed rates are just and reasonable and reflect the needs of the utility to operate a sufficient and safe public water and wastewater distribution and collection system respectively.

The Board accepts that the rate increase is significant and agrees with those residents that a preferred approach is to review the rates on a more frequent basis. The Board noted that the percentage is large. However, the bill increase is approximately \$30.00 per quarter for the average residential customer. While this may not be troublesome for most customers, the Board appreciates those on fixed incomes and businesses would have preferred smaller increases to allow time to adjust.

The Board is pleased to note that the Town is executing long range planning and also, upgrading to address fire protection needs and water quality issues.

IT IS THEREFORE ORDERED THAT:

1. By-law No. 445-03 of the Town of Roblin BE AND THE SAME IS HEREBY APPROVED subject to the following amendments:

i) Clause 2(b) be amended to read as follows:

"Each residential consumer connected to the sewer system but not connected to the water system shall pay a flat rate per quarter as set out in Schedule "A" paragraph 2(c)."

ii) Clause 4 be amended to read as follows:

"Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding charges for water and sewer service 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."

iii) Clause 1 of Schedule "A" be amended to read as follows:

1.0 Schedule of Quarterly Rates

A schedule of water rates per cubic meter (220.2 imperial gallons)

<u>Commodity Rates Per Cubic Meter</u>	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
First 115 cm per quarter (Domestic Rate)	\$1.43	\$0.68	\$2.11
Next 1 000 cm per quarter (Intermediate Rate)	\$1.06	\$0.68	\$1.74
Over 1 115 cm per quarter (Wholesale Rate)	\$0.78	\$0.68	\$1.46

2. The water and sewer rates set forth in Schedule "A" hereto shall apply to all customers of the utility effective on the next billing in the normal course after the date of this Order.

Fees payable upon this Order - \$878.54

THE PUBLIC UTILITIES BOARD

"S. PROVEN"
Acting Chair

"G. O. BARRON"
Secretary

Certified a true copy of
Order No. 23/04 issued by The
Public Utilities Board

Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 23/04

THE TOWN OF ROBLIN

WATER AND SEWER RATES

BY-LAW NO. 445-03

1.0 Schedule of Quarterly Rates

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2.0 Minimum Quarterly Charges

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

Meter Size	Capacity Ratio	Min. Water Allowance Quarterly in Cm	Quarterly Service Chg.	Quarterly Commodity Charges		Minimum Quarterly Bill
				Water	Sewer	
5/8"	1	15	\$11.70	\$21.45	\$ 10.20	\$ 43.35
3/4"	2	30	11.70	42.90	20.40	75.00
1"	4	60	11.70	85.80	40.80	138.30
1 ½"	10	150	11.70	201.55	102.00	315.25
2"	25	375	11.70	440.05	255.00	706.75
3"	45	675	11.70	758.05	459.00	1228.75

b) Water Only Customers

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

c) Sewer Only Customers

The quarterly commodity charge, based on the average residential water consumption in the community plus the service charge and shall be \$21.90.

3.0 Bulk Sales Rate

All water sold in bulk shall be charged at the rate of \$1.90 per cubic meter. Charges for water sold in bulk are payable at the time of delivery.

4.0 Surcharge For Connecting Customers Outside the Town Limits

The Council of the Town of Roblin may sign agreements with customers for the provision of water services to properties located outside the legal boundaries of the Town of Roblin. 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 the equivalent to the frontage levy, general taxes and special taxes for utility purposes in effect at the time, or which 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.

5.0 Billings and Outstanding Bills

Rates and charges billed to consumers are due and payable on the last day of the first month of the quarter being billed in advance and accounts not paid on or before the last day of the first month of the applicable quarter shall be subject to a penalty of ten per cent (10%) of the total amount of the bill.

6.0 Disconnection

Where any account for water and sewer service remains outstanding for a period of two consecutive quarters, the service through that meter shall be disconnected as soon as possible after the last day of the second month of the applicable quarter.

7.0 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 has been paid.

8.0 Multi-Use Customers

If more than one business is carried on in a building, or if a building is used for both business and residential purposes, a separate minimum charge shall be made for each such business or residential premises, if connected to the water system.

9.0 Hydrant Rentals

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

10.0 Water Meters

All new residential customers for sewer and water shall be charged a turn-on service charge of \$40.00. Ownership, inspection and maintenance of meters will remain the responsibility of the utility system of the Town of Roblin. Commercial meter maintenance will be the responsibility of the utility system of Roblin but will be billed to the commercial user.

11.0 Re-checking of Meter Readings

Any customer requesting their meter reading be rechecked for accuracy shall be levied a charge of \$10.00 on their next regular utility billing if the meter reading is found to have been read correctly in the first place.

12.0 Meter Testing Charges

Any customer desiring and requesting their meter be tested for accuracy shall deposit with the Town the sum of \$15.00, which will be retained if the meter when tested shall be found to register within the allowable limits of variation from accuracy. If the meter shall be found to register in excess of allowable limits the deposit shall be refunded and the consumer's account adjusted.

The allowable limit of variation shall be 4% of average flow.

13.0 Water Allowance Due to Line Freezing

That in any case, at the request of Council of the Town of Roblin, 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 the same premises if the occupant has changed.