

# Rural Municipality of St. Andrews

## South St. Andrews Wastewater Utility Rate Study

November, 2020

Revised April 24, 2021

*Prepared by:*

*Dale Lyle, CPA, CGA, CMAA*



# South St. Andrews Wastewater Utility

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## Rural Municipality of St. Andrews South St. Andrews Wastewater Utility Rate Study – Revised

### Executive Summary

The Rural Municipality of St. Andrews has completed construction of the South St. Andrews Wastewater Utility infrastructure. The new Utility will provide wastewater collection services to St. Andrews residents with wastewater treatment being provided by the City of Winnipeg at the North End Water Pollution Control Centre. As a condition of providing wastewater treatment services, the City of Winnipeg requires that all Utility customers must install water meters on their wells.

The City of Winnipeg and RM of St. Andrews signed a Memorandum of Understanding dated October 14, 2014 indicating their intent to enter into a municipal service-sharing agreement to enable the City to provide wastewater treatment services to the RM. A draft version of the service-sharing agreement has recently been negotiated by municipal staff and the final version of the agreement is scheduled to go to City and RM Councils for ratification in the near future.

South St. Andrews Wastewater Utility is a low pressure wastewater system serving approximately 1,800 parcels of land in St. Andrews. The low pressure wastewater lines discharge into 2 lift stations that flow wastewater into a gravity wastewater main in West St. Paul. The gravity main in West St. Paul is jointly owned by the RMs of West St. Paul and St. Andrews.

Through a local improvement process, the RM of St. Andrews notified affected property owners that the RM proposed to construct a wastewater collection system in South St. Andrews. The estimated local improvement cost of the wastewater system was established at \$7,390 per property. In addition, property owners are responsible for the service line connection costs to connect their septic tank to the curb stop in the boulevard at their property line. There is also a “Utilities Buy-In Charge” payable to the City of Winnipeg that property owners must pay to the RM of St. Andrews on connection to the wastewater system. The Buy-In Charge payable to City of Winnipeg for an existing property with a residential size water meter, is \$2,680 in 2021 and \$3,000 in 2022.

South St. Andrews Wastewater Utility is located within *the Manitoba Conservation Red River Corridor Designated Area* which was established in 2009 by Provincial Regulation. This Regulation prohibits the replacement or modification of existing septic fields or construction of new septic fields in the Corridor.

The RM has not mandated any requirement to connect to the wastewater system and connection requirements are governed by Provincial law. Newly constructed residences must be connected to the wastewater system and existing residences that are sold must also connect.

Current Provincial legislation allows property owners up to 5 years to connect to the wastewater system under the Onsite Wastewater Management System Regulation of *The Environment Act* of Manitoba which states in part as follows:

“Requirement to connect to new wastewater collection system

8.1(1) If a wastewater collection system is installed in an area not previously serviced by a wastewater collection system, an owner of land in that area must

- (a) connect his or her wastewater sources to the wastewater collection system; and
- (b) take any onsite wastewater management system or privy located on the land out of service and decommission it;  
before the earlier of
- (c) the passing of a period of five years from the day that the wastewater collection system was installed; or
- (d) the transfer or subdivision of the land.”

## Rural Municipality of St. Andrews South St. Andrews Wastewater Utility Rate Study – Revised

### Process to Establish Initial Utility Rates

Following is a list of critical path steps required to establish initial utility rates:

- complete service agreement with City of Winnipeg;
- proceed with advertising and public hearing for special service levy by-law for unconnected properties and 1<sup>st</sup> reading of by-law and submission to Municipal Board;
- proceed with 1<sup>st</sup> reading of utility rate by-law and submit by-law and utility rate study to the Public Utilities Board;
- provide additional information to potential customers;
- depending on objections and feedback, Municipal Board determines whether or not to hold a Public Hearing in the RM of St. Andrews regarding special service levy for unconnected properties;
- depending on objections and feedback, Public Utilities Board determines whether or not to hold a Public Hearing in the RM of St. Andrews regarding proposed utility rates;
- Municipal Board approves, amends or rejects RM of St. Andrews special service levy by-law;
- if Municipal Board approves or amends the special service levy by-law, RM of St. Andrews may proceed with 2<sup>nd</sup> and 3<sup>rd</sup> reading of by-law and unconnected property fee;
- PUB approves, amends or rejects RM of St. Andrews utility rate by-law; and
- if PUB approves or amends the utility rate by-law, RM of St. Andrews proceeds with 2<sup>nd</sup> and 3<sup>rd</sup> reading of by-law and implements new rates.

### Capital Cost

Total estimated capital cost and funding of the South St. Andrews Wastewater Utility is as follows:

Phase 1 & 2 Construction Cost	31,709,124
Water meters	245,014
Main St. Sewer main jointly owned with West St. Paul; net cost	2,300,000
<b>Total construction costs</b>	<b>34,254,138</b>
Less: Canada/Mb Infrastructure Funding	(8,500,000)
Mb. Water Services Board Funding	(8,263,129)
Mb. Water Services Board Funding - water meters	(122,507)
St. Andrews funding - water meters	(122,507)
St. Andrews Gas Tax Reserve Funding	(794,999)
St. Andrews Gas Tax Reserve Funding - Main St. sewer main	(2,300,000)
	<u>(20,103,142)</u>
<b>Local Improvement Funding</b>	<b><u>14,150,996</u></b>

### Survey and Customer Input

The RM of St. Andrews advised potential utility customers directly by phone, text, email and Facebook in addition to a direct mail card, newspaper advertising and an insert in the tax bill, that there was a survey and information concerning the new Utility on the RM's website.

655 completed surveys were received and the survey and data analysis are attached as appendices to this report.

### Number of Utility Customers

Survey results indicate property owner intent to hook into the wastewater system as follows:

	<u>Survey Results</u>	<u>Extrapolated – 1,800 Customers</u>
As soon as possible	16.84%	303
In a year or two	13.78%	248
Subtotal – Customers in two years		551
In about three or four years	6.80%	<u>122</u>

## Rural Municipality of St. Andrews South St. Andrews Wastewater Utility Rate Study – Revised

Total customers in four years

673

Based on extrapolation of the survey responses over the total potential number of customers results in 551 potential customers in two years. For purposes of the Utility rate study, an estimate of 500 customers within the first 3 years has been used.

### **Estimated Costs**

Cost estimates to operate the wastewater system have been provided by the RM's consultants. In addition, a Request for Proposal has been circulated to obtain more definitive costs for lift station operations. There are amortization and wastewater lift station costs that are fixed in nature and don't vary significantly with volume.

PVC pipe used for the low pressure wastewater system and pressurized wastewater mains were assumed to be amortized over a 75 year time span. Only recently have some new municipal utilities extended the amortization period for pipelines from 50 years to 75 years.

In addition the City of Winnipeg charges an annual Participation Fee per connected customer which is estimated at \$284.46 in 2022 and a 2022 volumetric charge of \$2.91 per cubic meter of wastewater.

Rate calculations are based on RM of St. Andrews estimated costs plus City of Winnipeg charges.

### **Charge for Unconnected Properties**

Based on recent survey information, the RM of St. Andrews is forecasting that 500 customers will connect to the Utility in the first 3 years of operation. The minimum and average utility billing costs per property drop significantly as more customers are connected and start to plateau after 1,200 customers are connected.

With rates significantly higher for the first 1,200 customers to connect, an alternative to increase utility revenues until all customers are connected was explored.

St. Andrews is required to commence providing wastewater services on completion of construction of the wastewater system, sometime in early 2021. With the Municipality's estimate of 500 customers connected within 3 years, the option of instituting a per parcel charge for unconnected customers, is proposed to make the Utility financially viable.

A per parcel annual fee on unconnected properties significantly reduces the utility billing costs for properties connected and makes the Utility viable, especially for the first few years as properties start connecting.

### **Initial Rates**

Two options for establishing initial utility rates were reviewed:

1. Utility rates based on 500 connected customers paying rates calculated to create an annual operating surplus in accordance with PUB rate setting methodologies; and
2. Utility rates based on 500 connected customers with an annual charge for unconnected customers that creates a scenario of minimal reductions in rates as numbers of connected customers increase.

## Rural Municipality of St. Andrews South St. Andrews Wastewater Utility Rate Study – Revised

### Option 1 – Rates on Connected Properties Only

Setting utility rates based on assuming 500 connected customers results in minimum quarterly billings of \$165.10. Assuming average quarterly consumption of 36 cubic meters, quarterly billings would be \$297.54.

<b>Wastewater Rates</b>	<b>Number of Customers</b>						
	<u>100</u>	<u>200</u>	<u>500</u>	<u>1,000</u>	<u>1,200</u>	<u>1,800</u>	
Quarterly Customer Service Charge	\$94.62	\$85.99	<b>\$80.82</b>	\$79.09	\$78.80	\$78.32	
Wastewater rate per Cubic Meter	\$15.20	\$9.05	<b>\$5.37</b>	\$4.14	\$3.93	\$3.59	
	C.M.						
<b>Minimum Quarterly Billing</b>	14	\$307.42	\$212.69	<b>\$156.00</b>	\$137.05	\$133.82	\$128.58
Minimum Annual Billing	56	\$1,229.68	\$850.76	\$624.00	\$548.20	\$535.28	\$514.32
	C.M.						
<b>Average Quarterly Billing</b>	36	\$641.82	\$411.79	<b>\$274.14</b>	\$228.13	\$220.28	\$207.56
Average Annual Billing	144	\$2,567.28	\$1,647.16	\$1,096.56	\$912.52	\$881.12	\$830.24

However, until the Utility reaches 500 customers, under this scenario, the Utility could incur significant operating deficits. For example, setting the rates based on 500 customers (ie. minimum bill of \$156.00), if only 100 customers connect initially will result in a forecast operating deficit of \$130,000 and with 200 customers connected the deficit is forecast at \$89,000. With 500 customers connected the Utility is forecast to have an operating surplus of \$17,960.

### Option 2 – Rates with \$100 Annual Charge on Unconnected Properties

Establishing an annual charge of \$100 for unconnected properties and basing utility rates on 500 connected customers results in minimum quarterly billings of \$130.80 and average quarterly billings of \$209.34.

<b>Wastewater Rates</b>	<b>Number of Customers</b>						
	<u>100</u>	<u>200</u>	<u>500</u>	<u>1,000</u>	<u>1,200</u>	<u>1,800</u>	
Quarterly Customer Service Charge	\$94.62	\$85.99	<b>\$80.82</b>	\$79.09	\$78.80	\$78.32	
Wastewater rate per Cubic Meter	\$3.47	\$3.54	<b>\$3.57</b>	\$3.59	\$3.93	\$3.59	
	C.M.						
<b>Minimum Quarterly Billing</b>	14	\$143.20	\$135.55	<b>\$130.80</b>	\$129.35	\$133.82	\$128.58
Minimum Annual Billing	56	\$572.80	\$542.20	\$523.20	\$517.40	\$535.28	\$514.32
	C.M.						
<b>Average Quarterly Billing</b>	36	\$219.54	\$213.43	<b>\$209.34</b>	\$208.33	\$220.28	\$207.56
Average Annual Billing	144	\$878.16	\$853.72	\$837.36	\$833.32	\$881.12	\$830.24

Under this scenario with the unconnected property charge and rates set assuming 500 customers, if fewer customers initially connect, with the revised rates there are no deficits. The Utility is forecast to have a surplus of \$13,652 with 100 customers, \$18,740 with 200 customers and a surplus of \$17,460 with 500 customers.

### Comparison of Options

With Utility rates only, assuming 500 connected customers, results in the minimum bill dropping from \$156.00 to \$128.58, or 18%, as the Utility grows to 1,800 customers. The average bill is forecast to drop from \$274.14 to \$207.56 or 24%.

## **Rural Municipality of St. Andrews South St. Andrews Wastewater Utility Rate Study – Revised**

An annual fee of \$100 per unconnected property and assuming 500 connected customers, results in the minimum bill dropping from \$130.80 to \$128.58, or 2%, when 1,800 customers are connected. The average bill is forecast to drop from \$209.34 to \$207.56 or 1%.

With utility rates only, there is potential initially for significant operating deficits until the Utility grows and more customers connect. The addition of a fee for unconnected properties dramatically reduces the risk of the Utility incurring large operating deficits in the first few years.

### **Recommendation - \$100 Fee for Unconnected Properties**

An annual fee of \$100 per unconnected property with utility rates based on assuming 500 properties connected, reduces the operating deficit in the first few years and smooths out utility rates.

With customers identified who must over 5 years connect and who have paid Local Improvement charges, all customers, connected and unconnected, have a stake in the financial viability of the utility and in having utility bills that don't fluctuate dramatically.

It is therefore recommended that an annual fee of \$100 per unconnected property be instituted and the balance of this report provides information on proposed utility rates on that basis.

### **Authorization for Unconnected Fee**

Municipal Utilities exercise authority to charge for utility services under section 252(1) of the Municipal Act.

“A municipality exercising powers in the nature of those referred to in clauses 250(2)(b), (c) and (e) may set terms and conditions in respect of users, including (a) setting the rates or amounts of deposits, fees and other charges, and charging and collecting them;...”

Section 252(1) is very specific in referencing “users” and a fee for unconnected properties does not seem to be permissible under this section.

It appears that the best way to institute an unconnected parcel fee would be as a Special Service levy under Section 312 of the Municipal Act. The process to enact a Special Services levy is similar to a Local Improvement and requires Municipal Board approval.

The RM will require approval from the PUB for utility rates and from the Municipal Board for the unconnected property charge as a Special Service.

### **Customer Service Charge**

Based on 500 utility customers, the Customer Service Charge is comprised of a City of Winnipeg participation fee that is charged to St. Andrews Wastewater Utility customers, plus an amount to cover St. Andrews administration and insurance costs:

<b><u>Calculation of Customer Service Charge</u></b>	<b>500</b>
Net Administration costs	<b>161,630</b>
Number of customers	<b>500</b>
Annual consumer service charge	<b>\$323.26</b>
Quarterly consumer service charge	<b>\$80.82</b>



**Rural Municipality of St. Andrews**  
**South St. Andrews Wastewater Utility Rate Study – Revised**

**Break down of Customer Service Charge**

City of Winnipeg fee	142,230
St. Andrews South Utility Administration costs	19,400
	<u>161,630</u>
Winnipeg portion of Quarterly Customers Service Charge	\$71.12
St. Andrews portion of Quarterly Customers Service Charge	\$9.70
Total Quarterly Customer Service Charge	<u>\$80.82</u>

**Wastewater Commodity Rates**

Wastewater rates are comprised of a City of Winnipeg wastewater treatment charge and St. Andrews wastewater collection and lift station costs:

**Calculation of Wastewater Rates**

	<u>500</u>
Total net Wastewater expenses	1,248,889
Less: annual fee to non-connected properties	(130,000)
Less: amortization of capital grants - Wastewater	(286,844)
Less: Debt paid by taxation - Wastewater	(590,671)
Transfer to Utility Reserve	-
Contingency allowance	17,743
	<u>259,118</u>

Wastewater volume Cubic Meters	72,500
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Wastewater rate per CM	<u>\$3.57</u>
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**Break down of Wastewater Rates**

**Wastewater Rate per Cubic Meter**

City of Winnipeg wastewater treatment rate - 2022	\$2.91
St. Andrews South wastewater conveyance & lift station rate	\$0.66
Total Wastewater Rate per CM	<u>\$3.57</u>

**Working Capital**

The Public Utilities Board requires that water and wastewater utilities have a minimum working capital position equal to 20% of Utility expenditures. Working capital is calculated by deducting the tangible capital asset balance from the Utility's accumulated surplus and adding the Utility reserve balance and the outstanding debt balance.

The South St. Andrews Wastewater Utility is forecast to have a nil balance for Working Capital Surplus on initial start up of the Utility with the capital fully funded through Grants, Gas Tax Reserve and Local Improvement levies.

The first full year of operation of the South St. Andrews Wastewater Utility, based on 500 connected customers, results in a forecast Working Capital Surplus of \$48,278.

**Rural Municipality of St. Andrews  
South St. Andrews Wastewater Utility Rate Study – Revised**

	Capital Costs	500
<b><u>Working Capital Surplus/Deficit</u></b>		
Fund Surplus	\$ 25,763,541	\$ 25,494,157
Less Tangible Capital Assets	(34,254,138)	(33,680,214)
Add Long term debt	8,490,598	8,186,485
Add Utility Reserve	-	-
	<u>\$0</u>	<u>\$ 428</u>
<b>Working Capital Surplus/Deficit</b>		
Minimum working capital surplus = 20% of expenses		
Proposed to Exclude Winnipeg Fees	<u>\$0</u>	<u>\$211,963</u>

**Cost Allocation**

As a new Utility with customers connecting voluntarily over the next few years, it is proposed that cost allocation for Administration costs initially be based on \$30 per customer. As the Utility grows, this cost allocation method should be reviewed. Adding in insurance costs and netting out penalty revenue, results in the St. Andrews Utility portion of the customer service charge being \$9.70 per quarter. Adding the City of Winnipeg cost participation fee of \$71.12 (\$284.46 a year) equals the \$80.82 quarterly customer service charge.

**Operating Surplus/(Deficit)**

South St. Andrews Wastewater Utility is forecast to have a PSAB, PUB adjusted, net operating surplus of \$17,870 in the first full year of operation, based on 200 connected customers with an annual fee of \$100 for unconnected customers. A surplus of \$17,460 is forecast within the first 3 years as more customers connect.

	200	500
<b>Net Operating Surplus (Deficit) with PUB Adjustments</b>	<u>17,870</u>	<u>17,460</u>

The reduction in the interest rate that debt is issued at from 4.5% estimated in the December, 2020 rate study, to the actual interest rate that the Local Improvement debt is to be issued at, of 3.375% results in more principle and less interest expense in the annual debt payments. This change, coupled with lower overall capital costs, from what was previously estimated, results in net annual costs per customer of approximately \$100. With the proposed unconnected customer levy of \$100, the Utility should not be susceptible to deficits caused as a result of a lack of connected customers. The RM will closely monitor financial operation of the Utility and encourage customer connections.

**Contingency Allowance and Reserves**

There is a Contingency Allowance of \$17,743 representing 10% of net rate costs excluding amortization expenses, interest costs and City of Winnipeg charges, included in the rate study.

As this is a new utility with capital projects being funded through grants and debenture debt, there is no transfer to reserve proposed at this time.

**Rural Municipality of St. Andrews  
South St. Andrews Wastewater Utility Rate Study – Revised**

**Utility Billing Impact – Minimum and Average Billing**

**Wastewater Rates**

	<b>500</b>
Quarterly Customer Service Charge	<b>\$80.82</b>
Wastewater rate per Cubic Meter	<b>\$3.57</b>

	C.M.	
<b>Minimum Quarterly Billing</b>	14	<b>\$130.80</b>
Minimum Annual Billing	56	\$523.20

	C.M.	
<b>Average Quarterly Billing</b>	36	<b>\$209.34</b>
Average Annual Billing	144	\$837.36

Rural Municipality of St. Andrews  
 South St. Andrews Water and Wastewater Utility  
 Water and Wastewater Utilities – Minimum Filing Requirements for Municipalities  
 Filing Applications for Revised Rates with the Public Utilities Board (Board)  
 Full Process (MFRFP)

The Application shall include 1 paper copy and an electronic copy which can be forwarded by email, via Dropbox or provided on a USB drive.

**Application and Financial:**

1. Utility rates by-law, after first reading only, detailing rates, billing information, penalties, fees, etc. and rescinding past by-law.
2. Rate study using Board guidelines as applicable.
3. Commentary on the reasons for the rate increase.   
*N/A; new Utility*
4. Available on Mb Municipalities Online: prior year’s utility financial statements (audited, if available, noting Schedule 9 prepared for the Board’s purposes is unaudited), current year’s utility budget (page 6\*), current year capital plan (page 13\*), 5 year utility capital plan (page 14\*), utility debenture schedules (page 12\*) and operating forecast for the next 2 years.   
*\*pages from municipal Financial Plan template.*
5. Proposed method of financing 5 year Capital Plan.   
*New Utility; construction just completed.*

Phase 1 & 2 Construction Cost	31,709,124
Water meters	245,014
Main St. Sewer main jointly owned with West St. Paul; net cost	2,300,000
<b>Total construction costs</b>	<b>34,254,138</b>
Less: Canada/Mb Infrastructure Funding	(8,500,000)
Mb. Water Services Board Funding	(8,263,129)
Mb. Water Services Board Funding - water meters	(122,507)
St. Andrews funding - water meters	(122,507)
St. Andrews Gas Tax Reserve Funding	(794,999)
St. Andrews Gas Tax Reserve Funding - Main St. sewer main	(2,300,000)
	<u>(20,103,142)</u>
<b>Local Improvement Funding</b>	<b>14,150,996</b>
6. Cost Allocation Policy with respect to shared services and equipment between the utility and general operations.<sup>1</sup>   
*As a new Utility with customers connecting voluntarily over the next few years, it is proposed that cost allocation for Administration costs initially be based on \$30 per customer. As the Utility grows, this cost allocation method should be reviewed.*
7. Statement on the need for contingency.   
*There is a Contingency Allowance of \$17,743 representing 10% of net rate costs excluding amortization expenses, interest costs and City of Winnipeg charges, included in the rate study.*
8. Statement on the need for reserves, if requested.   
*As this is a new utility with capital projects being funded through grants and debenture debt, there is no transfer to reserve proposed at this time.*

<sup>1</sup> In the Board’s Order No. 93/09, the Board referred to a suggested cost allocation matrix to be followed by municipalities noting that once a policy was developed any changed thereto required the Board’s approval.

<sup>2</sup> Target equity position is determined as per Board Order 93/09.

9. Statement on adequacy of equity position and plans to address if insufficient (below the Board’s 20% of prior year’s operating expenses target level).<sup>2</sup>

*The South St. Andrews Wastewater Utility is forecast to have a nil balance for Working Capital Surplus on initial start up of the Utility with the capital fully funded through Grants, Gas Tax Reserve and Local Improvement levies.*

*The first full year of operation of the South St. Andrews Wastewater Utility, based on 500 connected customers, results in a forecast Working Capital Surplus of \$48,278.*

	Capital Costs	500
<b><u>Working Capital Surplus/Deficit</u></b>		
Fund Surplus	\$ 25,763,541	\$ <b>25,494,157</b>
Less Tangible Capital Assets	(34,254,138)	<b>(33,680,214)</b>
Add Long term debt	8,490,598	<b>8,186,485</b>
Add Utility Reserve	-	-
<b>Working Capital Surplus/Deficit</b>	<b>\$0</b>	<b>\$ 428</b>
Minimum working capital surplus = 20% of expenses		
Proposed to Exclude Winnipeg Fees	\$0	\$211,963

10. Summary of operating deficits in the last 5 years and method of recovery ie. amount and approved method of recovery, including Board Order No. granting approval.

*N/A; new Utility.*

11. Details of any incentives or special rate treatment provided to large volume users with an explanation.

*None.*

12. If rates are determined on a Residential Equivalent Unit basis, confirmation that the assessments have been reviewed and remain accurate. Comment on the potential use of meters.

*All wastewater utility customers will have meters installed on their water wells and wastewater volume will be measured and billed based on water meter readings.*

13. Details of connection charges and developer agreements related to the extension of service.

*There will be a connection fee for newly subdivided properties equal to the local improvement charge existing properties are being charged for the wastewater system, plus an annual inflationary adjustment.*

**Details of Operating System:**

14. Description of the system(s) indicating age, condition and capacity to meet current and future needs of the ratepayers.

*The Rural Municipality of St. Andrews has completed construction of the South St. Andrews Wastewater Utility infrastructure in 2020. The new Utility will provide wastewater collection services to St. Andrews residents through a low pressure wastewater system that includes two lift stations with odour and corrosion control.*

*Wastewater is piped through a gravity wastewater main jointly owned with the RM of West St. Paul to the City of Winnipeg North End Water Pollution Control Centre.*

15. If the Utility has been notified it is non-compliant with water quality and environmental regulation, provide the timeline and manner of recovery of any associated costs to become compliant.

*New Utility. Wastewater treatment being provided by City of Winnipeg.*

- 16. Statement as to whether service is extended beyond the municipality or LID boundary and if so, details of any surcharges levied or proposed. 

*South St. Andrews Utility does not extend services beyond the Municipality's boundaries.*
- 17. Details of any plant being decommissioned and any resulting expenses set up as an environmental liability to be collected in rates. 

*N/A*
- 18. Commentary on unaccounted for water if the amount exceed 10% and if related to a deteriorating system, provide a plan to address. 

*N/A; wastewater utility*

**Other:**

- 19. If a declining block rate is used, provide commentary on any consideration given to reducing or eliminating such blocks. 

*There is only one unitary utility rate for all customers.*
- 20. Commentary as to whether an increased block rate has been considered. 

*An increasing block rate has not been considered at this time.*
- 21. Details of any notification of revised rates provided to customers and summary of response. 

*The proposed rate increase will be advertised in accordance with PUB requirements and any responses will be summarized and reported to the PUB.*
- 22. If utility rates are collected with tax bills, confirmation that utility operating costs are not being offset by the Education Property Tax Credit. 

*Utility bills are mailed out quarterly separate from property tax bills.*
- 23. If any public consultation has been held or is planned in anticipation of the application, provide details. 

*The RM has undertaken a variety of public notifications and public consultation as part of the Local Improvement process and also recently as a survey to investigate different methods of funding operation of the Utility. The most recent survey is attached to this report.*
- 24. A signed statement from the applicant with the statement “the information contained within this application is certified as true and accurate”

## RURAL MUNICIPALITY OF ST. ANDREWS

### By-Law No. 4350

BEING A BY-LAW OF THE RURAL MUNICIPALITY OF ST. ANDREWS TO ESTABLISH WASTEWATER RATES FOR THE SOUTH ST. ANDREWS WASTEWATER UTILITY.

WHEREAS the Rural Municipality of St. Andrews owns and operates the South St. Andrews Wastewater Utility;

AND WHEREAS The Rural Municipality of St. Andrews has undertaken a wastewater rate study for the newly created South St. Andrews Utility to establish initial wastewater rates;

AND WHEREAS Section 232 (1) and (2) and 252 (1) of The Municipal Act, S.M. 1996, c. 58, provides in part as follows:

232(1) A council may pass by-laws for municipal purposes respecting the following matters:

(l) public utilities;

232(2) Without limiting the generality of subsection (1), a council may in a by-law passed under this Division....

(d) establish fees or other charges for services, activities or things provided or done by the municipality or for the use of property under the ownership, direction, management or control of the municipality;

252(1) A municipality exercising powers in the nature of those referred to in clauses 250(2)(b), (c) and (e) may set terms and conditions in respect of users, including

(a) setting the rates or amounts of deposits, fees and other charges, and charging and collecting them;

AND WHEREAS it is deemed advisable to provide initial rates to be paid by persons to whom wastewater collection is supplied by the South St. Andrews Utility and to provide for the collection thereof;

NOW THEREFORE THE COUNCIL OF THE RURAL MUNICIPALITY OF ST. ANDREWS IN SESSION DULY ASSEMBLED, HEREBY ENACTS A BY-LAW AS FOLLOWS:

- 1) THAT all accounts for minimum quarterly charges for metered services for the South St. Andrews Utility as set forth in the Schedule of Quarterly Rates shall be billed quarterly. Consumers shall pay for wastewater service supplied to them by the Utility at the rates and terms set out in Schedule "A" attached hereto and forming part of this by-law.
- 2) No person shall tamper with the water meter. Any damage through neglect or otherwise, by a contractor for the owner or occupant, to the water meter shall be the responsibility of the owner or occupant.
- 3) THAT no person shall wilfully or maliciously hinder or cause to hinder The Rural Municipality of St. Andrews or its representative in the exercise of their duties in relation to the operation and maintenance of the wastewater system.
- 4) THAT any person violating any provision of this by-law shall:
  - a) be guilty of an offence and, upon conviction, liable to a fine not exceeding one thousand dollars (\$1,000) and costs for each violation;
  - b) be liable to The Rural Municipality of St. Andrews for any expense, loss or damage suffered by the Municipality as a result of the violation;

- c) be liable for the repairs and costs of the repairs to the system as a result of the violation. If that person is in default of effecting the repairs, the Municipality may affect the repairs and charge the cost thereof to that persons, or add the cost to property taxes and collect those property taxes in the same manner as other property taxes.
- 5) This by-law and rates established by this by-law, shall come into force and be effective on, from and after both approval of the Public Utilities Board of Manitoba and receipt of third and final reading thereof.

PASSED AND ENACTED BY THE RURAL MUNICIPALITY OF ST. ANDREWS IN COUNCIL  
DULY ASSEMBLED THIS                    day of                    , 2021.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Administrative Officer

Read a first time this 8<sup>th</sup> day of December, 2020.  
Read a second time this    day of                    , 2021.  
Read a third time            day of                    , 2021.



**RURAL MUNICIPALITY OF ST. ANDREWS  
SOUTH ST. ANDREWS WASTEWATER UTILITY  
SCHEDULE "A" TO WASTEWATER UTILITY RATES BY-LAW NO. 4350  
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge

Wastewater Rate per Cubic Meter	\$3.57
Quarterly Customer Service Charge	\$80.82

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) **Wastewater Customers**

Meter Size	Wastewater Included C.M.	Customer Service Charge	Wastewater Commodity Charge	Wastewater Total Quarterly Minimum
5/8 inch	14	\$80.82	\$49.98	\$130.80
3/4 inch	28	\$80.82	\$99.96	\$180.78
1 inch	56	\$80.82	\$199.92	\$280.74
1 ½ inch	140	\$80.82	\$499.80	\$580.62
2 inch	350	\$80.82	\$1,249.50	\$1,330.32
3 inch	630	\$80.82	\$2,249.10	\$2,329.92
4 inch	1,260	\$80.82	\$4,498.20	\$4,579.02

3. Billings and Penalties

Accounts shall be billed quarterly based on water used and are payable within 30 days of the billing date. A late payment penalty charge of 1 ¼% compounded monthly shall be charged on the dollar amount owing after the billing due date.

4. 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.

5. Liability for Charges

Pursuant to Section 252 (2) of the Municipal Act, the amount of all outstanding charges for Wastewater services, including fines and penalties, are a lien and charge upon the land serviced, and may be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

6. Service To Customers Outside Utility's Limits

The Council of Rural Municipality of St. Andrews may sign Agreements with customers for the provision of Wastewater services to properties located outside the legal boundaries of the South St. Andrews Wastewater Utility. 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 local improvement 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 Utility's boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections and any charges due and payable to the City of Winnipeg, will be paid by the customer.

7. Meter Tampering

Where there is evidence of meter tampering a minimum charge of \$500 will be applied to the customer's account in addition to an amount calculated to adjust for the tampering based on historical usage.

8. 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 for 5/8" or 3/4" meters and \$225 for meters 1" and larger. The Municipality will then remove the subject meter and send it to an independent lab for testing. If the meter is found to be recording water flows more than 3% in excess of actual flows, all costs associated with the testing process will be borne by the Municipality and the deposit will be refunded to the customer and the customer's account will be adjusted for the preceding six (6) months.

9. Water Meters

Water meters are owned by the Municipality but are the responsibility of the utility customer to maintain. If the water meter is broken, frozen, etc., the utility customer will be billed for a new meter at the current cost of replacement.

10. Utilities Buy-In Charge – City of Winnipeg

Every property connecting to the South St. Andrews Wastewater Utility shall pay a Utilities Buy-In Charge to the Rural Municipality of St. Andrews in accordance with the Service Sharing Agreement between the City of Winnipeg and the Rural Municipality of St. Andrews.

**SCHEDULE OF UTILITY RATE REQUIREMENTS - SOUTH ST. ANDREWS WASTEWATER UTILITY**

Based on 2022 costs; full year of operation

	Note	Capital Costs	Number of Customers				
			100	200	500	1,000	1,200
<b>General</b>							
<b>Expenses:</b>							
Administration for St. Andrews costs; estimated @ \$30 per customer		\$3,000	\$6,000	<b>\$15,000</b>	\$30,000	\$36,000	\$54,000
City of Winnipeg Participation fee cost	1	28,446	56,892	<b>142,230</b>	284,460	341,352	512,028
Insurance		6,900	6,900	<b>6,900</b>	6,900	6,900	6,900
Billing and collection (stationary, office supplies)		-	-	-	-	-	-
Total general expenses		<u>38,346</u>	<u>69,792</u>	<u><b>164,130</b></u>	<u>321,360</u>	<u>384,252</u>	<u>572,928</u>
<b>Revenue</b>							
Penalties		500	1,000	<b>2,500</b>	5,000	6,000	9,000
Investment income		-	-	-	-	-	-
Other income		-	-	-	-	-	-
Total general revenues		<u>500</u>	<u>1,000</u>	<u><b>2,500</b></u>	<u>5,000</u>	<u>6,000</u>	<u>9,000</u>
<b>Net Costs General</b>		<u>37,846</u>	<u>68,792</u>	<u><b>161,630</b></u>	<u>316,360</u>	<u>378,252</u>	<u>563,928</u>
<b>Wastewater</b>							
<b>Expenses</b>							
City of Winnipeg Treatment and disposal cost	2	42,195	84,390	<b>210,975</b>	421,950	506,340	759,510
Main line collection system costs in West St. Paul; cost shared		-	-	-	-	-	-
Low pressure sewer line repair and maintenance		5,000	5,000	<b>5,000</b>	5,000	5,000	5,000
Lift station; Selkirk staffing contract		103,480	103,480	<b>103,480</b>	103,480	103,480	103,480
Water Well operation		832	832	<b>832</b>	832	832	832
Lift station; odour control system		5,200	5,200	<b>5,200</b>	5,200	5,200	5,200
Lift station; corrosion control system		39,520	39,520	<b>39,520</b>	39,520	39,520	39,520
Emergency generators		5,200	5,200	<b>5,200</b>	5,200	5,200	5,200
Water meter installation & curb stops		1,040	1,040	<b>1,040</b>	1,040	1,040	1,040
Wastewater effluent testing		10,400	10,400	<b>10,400</b>	10,400	10,400	10,400
Lift station grounds maintenance		2,600	2,600	<b>2,600</b>	2,600	2,600	2,600
Preparation of annual report for City of Winnipeg		1,560	1,560	<b>1,560</b>	1,560	1,560	1,560
Water meter reading		1,560	1,560	<b>1,560</b>	1,560	1,560	1,560
Remote monitoring of Flygt SCADA system		1,040	1,040	<b>1,040</b>	1,040	1,040	1,040
Amortization	3	573,924	573,924	<b>573,924</b>	573,924	573,924	573,924
Interest on long term debt	3	286,558	286,558	<b>286,558</b>	286,558	286,558	286,558
Total Wastewater expenses		<u>1,080,109</u>	<u>1,122,304</u>	<u><b>1,248,889</b></u>	<u>1,459,864</u>	<u>1,544,254</u>	<u>1,797,424</u>
<b>Revenue</b>							
Other revenue		-	-	-	-	-	-
Total Wastewater revenues		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net rate costs - Wastewater</b>		<u>1,080,109</u>	<u>1,122,304</u>	<u><b>1,248,889</b></u>	<u>1,459,864</u>	<u>1,544,254</u>	<u>1,797,424</u>
<b>Wastewater Billing Revenues</b>							
Annual fee to non-connected properties		<u>\$100</u>	170,000	<b>130,000</b>	80,000	-	-
Wastewater billings		88,163	171,452	<b>420,465</b>	836,910	1,062,060	1,500,894
		258,163	331,452	<b>550,465</b>	916,910	1,062,060	1,500,894

	Note	Number of Customers					
		Capital Costs	100	200	500	1,000	1,200
<b>Property Taxes - Local Improvement Debt Payments</b>							
Transfer from Gen. Optg. - Wastewater			590,671	590,671	590,671	590,671	590,671
<b>Net Revenue/(Expenses)</b>			<b>(269,121)</b>	<b>(268,973)</b>	<b>(269,383)</b>	<b>(268,643)</b>	<b>(269,775)</b>
<b>Capital Grant Amortization</b>							
Amortization of Wastewater capital grants	3		286,844	286,844	286,844	286,844	286,844
<b>Net Operating Surplus (Deficit) with PUB Adjustments</b>			<b>17,722</b>	<b>17,870</b>	<b>17,460</b>	18,200	<b>17,068</b>
<b>Transfers</b>							
Transfers from Government - Capital	3	16,885,636	-	-	-	-	-
Local Improvement Connection Fees	3	5,660,398	-	-	-	-	-
Transfers from/(to) Utility Reserve		-	-	-	-	-	-
Transfers from General Optg.-Gas Tax Reserve; Main St. Sewer	3	2,300,000	-	-	-	-	-
Transfers from General Optg.-for water meters	3	122,507	-	-	-	-	-
Transfers from General Optg. - Gas Tax Reserve	3	794,999	-	-	-	-	-
<b>Change in Utility Fund Balance after Surplus Transfers</b>		<b>25,763,541</b>	<b>17,722</b>	<b>17,870</b>	<b>17,460</b>	18,200	<b>17,068</b>
<b>Water and Sewer Billing Deficit Rate Rider Revenues</b>		-	-	-	-	-	-
<b>Reverse PUB Adjustments to Adjust Surplus to PSAB</b>							
<b>Capital Grants - Reverse PUB Adjustments</b>							
Deduct Amortization of Capital Grants		-	(286,844)	(286,844)	(286,844)	(286,844)	(286,844)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<b>-</b>	<b>25,763,541</b>	<b>25,763,541</b>	<b>25,763,541</b>	25,763,541	<b>25,763,541</b>
<b>FUND SURPLUS, END OF YEAR</b>		<b>\$ 25,763,541</b>	<b>\$ 25,494,419</b>	<b>\$ 25,494,567</b>	<b>\$ 25,494,157</b>	\$ 25,494,897	<b>\$ 25,493,765</b>
<b>Working Capital Surplus/Deficit</b>							
Fund Surplus		\$ 25,763,541	\$ 25,494,419	\$ 25,494,567	\$ 25,494,157	\$ 25,494,897	\$ 25,493,765
Less Tangible Capital Assets	3	(34,254,138)	(33,680,214)	(33,680,214)	(33,680,214)	(33,680,214)	(33,680,214)
Add Long term debt	3	8,490,598	8,186,485	8,186,485	8,186,485	8,186,485	8,186,485
Add Utility Reserve		-	-	-	-	-	-
<b>Working Capital Surplus/Deficit</b>		<b>\$0</b>	<b>\$ 690</b>	<b>\$ 838</b>	<b>\$ 428</b>	<b>\$ 1,168</b>	<b>\$ 36</b>
Minimum working capital surplus = 20% of expenses							
Proposed to Exclude Winnipeg Fees		\$0	\$209,563	\$210,163	\$211,963	\$214,963	\$216,163

note 1

City of Winnipeg Participation Fee

	100	200	500	1,000	1,200	1,800
Estimated # of customers						
Winnipeg Participation fee 2020 rate \$263 + 4% per year for 2021 & 2022	\$284.46	\$284.46	\$284.46	\$284.46	\$284.46	\$284.46
Estimated Participation Fee	\$28,446	\$56,892	\$142,230	\$284,460	\$341,352	\$512,028

Note	Capital Costs	Number of Customers					
		100	200	500	1,000	1,200	1,800
<u>note 2</u>							
<u>City of Winnipeg Sewage Treatment &amp; Disposal Cost</u>							
Estimated # of customers		100	200	500	1,000	1,200	1,800
Estimated flow volume in Cubic Meters (see Schedule of Rate Calculations)		14,500	29,000	72,500	145,000	174,000	261,000
Winnipeg wastewater treatment fee 2022 rate; per cubic meter		\$2.91	\$2.91	\$2.91	\$2.91	\$2.91	\$2.91
		<u>\$42,195</u>	<u>\$84,390</u>	<u>\$210,975</u>	<u>\$421,950</u>	<u>\$506,340</u>	<u>\$759,510</u>

<u>note 3</u>	
Phase 1 & 2 Construction Cost	31,709,124
Water meters	245,014
Main St. Sewer main jointly owned with West St. Paul; net cost	<u>2,300,000</u>
<b>Total construction costs</b>	<b><u>34,254,138</u></b>
Less: Canada/Mb Infrastructure Funding	(8,500,000)
Mb. Water Services Board Funding	(8,263,129)
Mb. Water Services Board Funding - water meters	(122,507)
St. Andrews funding - water meters	(122,507)
St. Andrews Gas Tax Reserve Funding	(794,999)
St. Andrews Gas Tax Reserve Funding - Main St. sewer main	<u>(2,300,000)</u>
	<u>(20,103,142)</u>
<b>Local Improvement Funding</b>	<b><u>14,150,996</u></b>

Percentage of Local Improvement charges prepaid by property owners	40%	<u>5,660,398</u>
Percentage of Local Improvement charges to be paid by debt issuance	60%	<u>8,490,598</u>

note - RM of St. Clements for East Selkirk sewer project had 31% prepaid and 69% on property taxes.

<u>Capital Cost</u>		Amortization	Annual	Capital Grant
		Period	Amortization	Amortization
				Based on %
Lift Stations & Odour Control	9,275,893	29%	231,897	122,593
PVC Lines	<u>22,433,231</u>	71%	299,110	158,125
Local Improvement project cost	31,709,124		531,007	280,719
Water meters	245,014	20	12,251	6,125
Sewer trunk main in West St. Paul; net cost	<u>2,300,000</u>	75	30,667	
	<u>34,254,138</u>		<u>573,924</u>	<u>286,844</u>

South St. Andrews Wastewater Utility  
Schedule of Rate Calculations

**Wastewater Customers**

	Number of Customers					
	100	200	500	1,000	1,200	1,800
Subtotal - Customers	100	200	500	1,000	1,200	1,800
Estimated average annual wastewater volume per customer (note 1)	145	145	145	145	145	145
Total estimated average annual wastewater volume; cubic meters	14,500	29,000	72,500	145,000	174,000	261,000
Total estimated average annual wastewater volume; gallons	3,200,000	6,400,000	16,000,000	32,000,000	38,400,000	57,600,000

note 1	Cubic Meters	Imperial Gallons
Estimated Average annual wastewater volume	145	32,000
Estimated Average quarterly wastewater volume	36	8,000

West St. Paul 2017 average annual consumption is 158 CM (35,000 gallons) and includes some multi family residential units. For purposes of this estimate, an annual average of 145 cubic meters was used.

**Annual Debenture Cost**

Utility Optg. Fund Debenture Debt, Year 1	\$8,490,598
Year 1 Debenture costs	\$590,671

**Contingency Allowance**

	100	200	500	1,000	1,200	1,800
Wastewater Net Rate Costs	1,080,109	1,122,304	1,248,889	1,459,864	1,544,254	1,797,424
Less Winnipeg wastewater Treatment Costs	(42,195)	(84,390)	(210,975)	(421,950)	(506,340)	(759,510)
Less Wastewater Amortization	(573,924)	(573,924)	(573,924)	(573,924)	(573,924)	(573,924)
Less Wastewater Interest Costs	(286,558)	(286,558)	(286,558)	(286,558)	(286,558)	(286,558)
	177,432	177,432	177,432	177,432	177,432	177,432
	10%	10%	10%	10%	10%	10%
Wastewater Contingency Allowance	17,743	17,743	17,743	17,743	17,743	17,743

**Calculation of Customer Service Charge**

	100	200	500	1,000	1,200	1,800
Net Administration costs	\$37,846	68,792	161,630	316,360	378,252	563,928
Number of customers	100	200	500	1,000	1,200	1,800
Annual customer service charge	\$378.46	\$343.96	\$323.26	\$316.36	\$315.21	\$313.29
Quarterly customer service charge	\$94.62	\$85.99	\$80.82	\$79.09	\$78.80	\$78.32

**Breakdown of Customer Service Charge**

City of Winnipeg fee	28,446	56,892	142,230	284,460	341,352	512,028
St. Andrews South Utility Administration costs	9,400	11,900	19,400	31,900	36,900	51,900
	37,846	68,792	161,630	316,360	378,252	563,928
Winnipeg portion of Quarterly Customers Service Charge	\$71.12	\$71.12	\$71.12	\$71.12	\$71.12	\$71.12
St. Andrews portion of Quarterly Customers Service Charge	\$23.50	\$14.88	\$9.70	\$7.98	\$7.69	\$7.21
Total Quarterly Customer Service Charge	\$94.62	\$85.99	\$80.82	\$79.09	\$78.80	\$78.32

**Calculation of Wastewater Rates**

	100	200	500	1,000	1,200	1,800
Total net Wastewater expenses	1,080,109	1,122,304	1,248,889	1,459,864	1,544,254	1,797,424
Less: annual fee to non-connected properties	(170,000)	(160,000)	(130,000)	(80,000)	-	-
Less: amortization of capital grants - Wastewater	(286,844)	(286,844)	(286,844)	(286,844)	(286,844)	(286,844)
Less: Debt paid by taxation - Wastewater	(590,671)	(590,671)	(590,671)	(590,671)	(590,671)	(590,671)
Transfer to Utility Reserve	-	-	-	-	-	-
Contingency allowance	17,743	17,743	17,743	17,743	17,743	17,743
	<u>50,338</u>	<u>102,533</u>	<u>259,118</u>	<u>520,093</u>	<u>684,483</u>	<u>937,653</u>

Wastewater volume Cubic Meters

	14,500	29,000	72,500	145,000	174,000	261,000
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Wastewater rate per CM

	<u>\$3.47</u>	<u>\$3.54</u>	<u>\$3.57</u>	<u>\$3.59</u>	<u>\$3.93</u>	<u>\$3.59</u>
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**Break down of Wastewater Rates**

Wastewater Rate per Cubic Meter

City of Winnipeg wastewater treatment rate - 2022

	\$2.91	\$2.91	\$2.91	\$2.91	\$2.91	\$2.91
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St. Andrews South wastewater conveyance & lift station rate

	\$0.56	\$0.63	\$0.66	\$0.68	\$1.02	\$0.68
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Total Wastewater Rate per CM

	<u>\$3.47</u>	<u>\$3.54</u>	<u>\$3.57</u>	<u>\$3.59</u>	<u>\$3.93</u>	<u>\$3.59</u>
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**Number of Customers**

**Wastewater Rates**

Quarterly Customer Service Charge

	100	200	500	1,000	1,200	1,800
Quarterly Customer Service Charge	\$94.62	\$85.99	\$80.82	\$79.09	\$78.80	\$78.32

Wastewater rate per Cubic Meter

Wastewater rate per Cubic Meter	\$3.47	\$3.54	\$3.57	\$3.59	\$3.93	\$3.59
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C.M.

**Minimum Quarterly Billing**

14	\$143.20	\$135.55	\$130.80	\$129.35	\$133.82	\$128.58
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Minimum Annual Billing

56	\$572.80	\$542.20	\$523.20	\$517.40	\$535.28	\$514.32
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C.M.

**Average Quarterly Billing**

36	\$219.54	\$213.43	\$209.34	\$208.33	\$220.28	\$207.56
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Average Annual Billing

144	\$878.16	\$853.72	\$837.36	\$833.32	\$881.12	\$830.24
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**South St. Andrews Wastewater Utility  
Schedule of Billing Revenues**

Customer Service Charge Revenues

Number of Customers	100	200	<b>500</b>	1,000	1,200	1,800
Annual Customer Service Charge	378.48	343.96	<b>323.28</b>	316.36	315.20	313.28
	37,848	68,792	<b>161,640</b>	316,360	378,240	563,904

Sewer Fees

Number of Customers	<u>100</u>	<u>200</u>	<b>500</b>	<u>1,000</u>	<u>1,200</u>	<u>1,800</u>
Sewer Volume in cubic meters	14,500	29,000	<b>72,500</b>	145,000	174,000	261,000
Sewer Rate per cubic meter	3.47	3.54	<b>3.57</b>	3.59	3.93	3.59
	50,315	102,660	<b>258,825</b>	520,550	683,820	936,990

Total Billing Revenues	88,163	171,452	<b>420,465</b>	836,910	1,062,060	1,500,894
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**SCHEDULE OF UTILITY RATE REQUIREMENTS - SOUTH ST. ANDREWS WASTEWATER UT**  
**Based on 2022 costs; full year of operation**

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	Note	<u>Capital Costs</u>
<b>General</b>		
<b>Expenses:</b>		
Administration for St. Andrews costs; estimated @ \$30 per customer		
City of Winnipeg Participation fee cost	1	
Insurance		
Billing and collection (stationary, office supplies)		
Total general expenses		
<b>Revenue</b>		
Penalties		
Investment income		
Other income		
Total general revenues		
<b>Net Costs General</b>		
<b>Wastewater</b>		
<b>Expenses</b>		
City of Winnipeg Treatment and disposal cost	2	
Main line collection system costs in West St. Paul; cost shared		
Low pressure sewer line repair and maintenance		
Lift station; Selkirk staffing contract		
Water Well operation		
Lift station; odour control system		
Lift station; corrosion control system		
Emergency generators		
Water meter installation & curb stops		
Wastewater effluent testing		
Lift station grounds maintenance		
Preparation of annual report for City of Winnipeg		
Water meter reading		
Remote monitoring of Flygt SCADA system		
Amortization	3	
Interest on long term debt	3	
Total Wastewater expenses		
<b>Revenue</b>		
Other revenue		
Total Wastewater revenues		

## Net rate costs - Wastewater

### Wastewater Billing Revenues

Annual fee to non-connected properties	<u>\$100</u>
Wastewater billings	

### Property Taxes - Local Improvement Debt Payments

Transfer from Gen. Optg. - Wastewater

### Net Revenue/(Expenses)

#### Capital Grant Amortization

Amortization of Wastewater capital grants	3
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### Net Operating Surplus (Deficit) with PUB Adjustments

#### Transfers

Transfers from Government - Capital	3	16,885,636
Local Improvement Connection Fees	3	5,660,398
Transfers from/(to) Utility Reserve		-
Transfers from General Optg.-Gas Tax Reserve; Main St. Sewer	3	2,300,000
Transfers from General Optg.-for water meters	3	122,507
Transfers from General Optg. - Gas Tax Reserve	3	<u>794,999</u>

**Change in Utility Fund Balance after Surplus Transfers** **25,763,541**

**Water and Sewer Billing Deficit Rate Rider Revenues** -

#### Reverse PUB Adjustments to Adjust Surplus to PSAB

##### Capital Grants - Reverse PUB Adjustments

Deduct Amortization of Capital Grants		-
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**FUND SURPLUS, BEGINNING OF YEAR** -

**FUND SURPLUS, END OF YEAR** \$ 25,763,541

#### Working Capital Surplus/Deficit

Fund Surplus		\$ 25,763,541
Less Tangible Capital Assets	3	(34,254,138)
Add Long term debt	3	8,490,598
Add Utility Reserve		<u>-</u>

**Working Capital Surplus/Deficit** \$0

Minimum working capital surplus = 20% of expenses  
 Proposed to Exclude Winnipeg Fees

\$0

note 1

City of Winnipeg Participation Fee

Estimated # of customers

Winnipeg Participation fee 2020 rate \$263 + 4% per year for 2021 & 2022

Estimated Participation Fee

note 2

City of Winnipeg Sewage Treatment & Disposal Cost

Estimated # of customers

Estimated flow volume in Cubic Meters (see Schedule of Rate Calculations)

Winnipeg wastewater treatment fee 2022 rate; per cubic meter

note 3

Phase 1 & 2 Construction Cost 31,709,124

Water meters 245,014

Main St. Sewer main jointly owned with West St. Paul; net cost 2,300,000

**Total construction costs 34,254,138**

Less: Canada/Mb Infrastructure Funding (8,500,000)

Mb. Water Services Board Funding (8,263,129)

Mb. Water Services Board Funding - water meters (122,507)

St. Andrews funding - water meters (122,507)

St. Andrews Gas Tax Reserve Funding (794,999)

St. Andrews Gas Tax Reserve Funding - Main St. sewer main (2,300,000)

(20,103,142)

**Local Improvement Funding 14,150,996**

Percentage of Local Improvement charges prepaid by property owners 40%

Percentage of Local Improvement charges to be paid by debt issuance 60%

note - RM of St. Clements for East Selkirk sewer project had 31% prepaid and 69% on property tax

<u>Capital Cost</u>			<u>Amortization Period</u>
Lift Stations & Odour Control	9,275,893	29%	40
PVC Lines	22,433,231	71%	75
Local Improvement project cost	<u>31,709,124</u>		
Water meters	245,014		20
Sewer trunk main in West St. Paul; net cost	2,300,000		75
	<u><u>34,254,138</u></u>		

ILITY

Number of Customers

100	200	500	1,000	1,200
\$3,000	\$6,000	<b>\$15,000</b>	\$30,000	\$36,000
28,446	56,892	<b>142,230</b>	284,460	341,352
6,900	6,900	<b>6,900</b>	6,900	6,900
-	-	-	-	-
<u>38,346</u>	<u>69,792</u>	<u><b>164,130</b></u>	<u>321,360</u>	<u>384,252</u>
500	1,000	<b>2,500</b>	5,000	6,000
-	-	-	-	-
-	-	-	-	-
<u>500</u>	<u>1,000</u>	<u><b>2,500</b></u>	<u>5,000</u>	<u>6,000</u>
<u>37,846</u>	<u>68,792</u>	<u><b>161,630</b></u>	<u>316,360</u>	<u>378,252</u>
42,195	84,390	<b>210,975</b>	421,950	506,340
-	-	-	-	-
5,000	5,000	<b>5,000</b>	5,000	5,000
103,480	103,480	<b>103,480</b>	103,480	103,480
832	832	<b>832</b>	832	832
5,200	5,200	<b>5,200</b>	5,200	5,200
39,520	39,520	<b>39,520</b>	39,520	39,520
5,200	5,200	<b>5,200</b>	5,200	5,200
1,040	1,040	<b>1,040</b>	1,040	1,040
10,400	10,400	<b>10,400</b>	10,400	10,400
2,600	2,600	<b>2,600</b>	2,600	2,600
1,560	1,560	<b>1,560</b>	1,560	1,560
1,560	1,560	<b>1,560</b>	1,560	1,560
1,040	1,040	<b>1,040</b>	1,040	1,040
573,924	573,924	<b>573,924</b>	573,924	573,924
286,558	286,558	<b>286,558</b>	286,558	286,558
<u>1,080,109</u>	<u>1,122,304</u>	<u><b>1,248,889</b></u>	<u>1,459,864</u>	<u>1,544,254</u>
-	-	-	-	-
-	-	-	-	-

<u>1,080,109</u>	<u>1,122,304</u>	<u><b>1,248,889</b></u>	<u>1,459,864</u>	<u>1,544,254</u>
170,000	160,000	<b>130,000</b>	80,000	-
88,163	171,452	<b>420,465</b>	836,910	1,062,060
<u>258,163</u>	<u>331,452</u>	<u><b>550,465</b></u>	<u>916,910</u>	<u>1,062,060</u>
<u>590,671</u>	<u>590,671</u>	<u><b>590,671</b></u>	<u>590,671</u>	<u>590,671</u>
<b>(269,121)</b>	<b>(268,973)</b>	<b>(269,383)</b>	(268,643)	<b>(269,775)</b>
286,844	286,844	<b>286,844</b>	286,844	286,844
<u>17,722</u>	<u>17,870</u>	<u>17,460</u>	<u>18,200</u>	<u>17,068</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>17,722</u>	<u>17,870</u>	<u>17,460</u>	<u>18,200</u>	<u>17,068</u>
-	-	-	-	-
(286,844)	(286,844)	<b>(286,844)</b>	(286,844)	(286,844)
<u>25,763,541</u>	<u>25,763,541</u>	<u>25,763,541</u>	<u>25,763,541</u>	<u>25,763,541</u>
<u><b>\$ 25,494,419</b></u>	<u><b>\$ 25,494,567</b></u>	<u><b>\$ 25,494,157</b></u>	<u>\$ 25,494,897</u>	<u><b>\$ 25,493,765</b></u>
\$ 25,494,419	\$ 25,494,567	<b>\$ 25,494,157</b>	\$ 25,494,897	\$ 25,493,765
(33,680,214)	(33,680,214)	<b>(33,680,214)</b>	(33,680,214)	(33,680,214)
8,186,485	8,186,485	<b>8,186,485</b>	8,186,485	8,186,485
-	-	-	-	-
<u>\$ 690</u>	<u>\$ 838</u>	<u><b>\$ 428</b></u>	<u>\$ 1,168</u>	<u>\$ 36</u>

<u>\$209,563</u>	<u>\$210,163</u>	<u>\$211,963</u>	<u>\$214,963</u>	<u>\$216,163</u>
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100	200	<b>500</b>	1,000	1,200
<u>\$284.46</u>	<u>\$284.46</u>	<u><b>\$284.46</b></u>	<u>\$284.46</u>	<u>\$284.46</u>
<u>\$28,446</u>	<u>\$56,892</u>	<u><b>\$142,230</b></u>	<u>\$284,460</u>	<u>\$341,352</u>

<u>100</u>	<u>200</u>	<u><b>500</b></u>	<u>1,000</u>	<u>1,200</u>
14,500	29,000	<b>72,500</b>	145,000	174,000
<u>\$2.91</u>	<u>\$2.91</u>	<u><b>\$2.91</b></u>	<u>\$2.91</u>	<u>\$2.91</u>
<u>\$42,195</u>	<u>\$84,390</u>	<u><b>\$210,975</b></u>	<u>\$421,950</u>	<u>\$506,340</u>

<u>5,660,398</u>
<u>8,490,598</u>

axes.

Annual Amortization	Capital Grant Amortization Based on %
<u>231,897</u>	<u>122,593</u>
<u>299,110</u>	<u>158,125</u>
<u>531,007</u>	<u>280,719</u>
12,251	6,125
<u>30,667</u>	<u>286,844</u>
<u>573,924</u>	<u>286,844</u>

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1,800

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\$54,000  
512,028  
6,900

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572,928

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9,000

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9,000

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563,928

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759,510

-

5,000

103,480

832

5,200

39,520

5,200

1,040

10,400

2,600

1,560

1,560

1,040

573,924

286,558

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1,797,424

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1,797,424

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1,500,894

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1,500,894

590,671

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**(269,787)**

286,844

**17,056**

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**17,056**

(286,844)

**25,763,541**

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**\$ 25,493,753**

\$ 25,493,753

(33,680,214)

8,186,485

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**\$ 24**



\$219,763

1,800

\$284.46

\$512,028

1,800

261,000

\$2.91

\$759,510

**Rural Municipality of St. Andrews; South St. Andrews Wastewater Utility  
Allocation Plan for Non-Direct Shared services**

December, 2020

Category	Sub-category	Options		
1.0 Administrative Staff				\$30 per connected customer
	1.1 Billing services – meter reading to receipting and collection.			
	1.2 Accounting/ auditing/ including bylaw making and enforcement.			
	1.3 Common office space			
	1.4 Office overheads (telephone, photocopier, computer, etc)			
2.0 Operating, construction and maintenance costs				
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs			No charge
	2.2 Labour – full time, part time, on call, sick time, vacation, Note 2			Lift station maintenance will be contracted out. Wastewater line maintenance will be undertaken by Public Works staff and direct time spent will be charged to the Utility.
	2.3 Public works building and property.			There is no charge to the Utility for the Public Works Building use
	2.4 Road repairs and alike (Note 3)	Based on actual costs		
3.0 Major projects				
	Interest/ financing			N/A
	Labour	Based on actual costs		
	External costs	Direct charge (dedicated consulting)		

Note 1: Allocation must be updated periodically to reflect the impacts of inflation.

Note 2: Including salaries and benefits.

Note 3: If a project involves work benefitting both the utility and general operations, the costs may be shared e.g. re-constructing a road and replacing services at the same time – a portion of the road work may be allocated to the utility.