

Order No. 41/18

**VILLAGE OF DUNOTTAR
WASTEWATER UTILITY
WASTEWATER RATES FOR 2018, 2019 and 2020**

March 21, 2018

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

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) hereby approves the rates as applied for by the Village of Dunnottar Wastewater Utility (Utility) and approves wastewater rates effective for years 2018, 2019 and 2020.

The approved rates are as follows:

	Current By-Law 924/15	Proposed Year 1	Proposed Year 2	Proposed Year 3
Annual customer service charge	\$ 2.00	\$ 3.40	\$ 3.40	\$ 3.40
Annual charge per REU	\$ 495.00	\$ 502.60	\$ 502.60	\$ 516.60
1 Residential equivalency unit*	\$ 497.00	\$ 506.00	\$ 506.00	\$ 520.00
1.5 Residential equivalency unit*	\$ 745.00	\$ 757.30	\$ 757.30	\$ 778.30
2 Residential equivalency unit*	\$ 992.00	\$ 1,008.60	\$ 1,008.60	\$ 1,036.60

*Total per annum

Details of other rates and charges may be found in Schedule "A" attached.

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

2.0 Background

The Village operates a wastewater only utility, servicing 1173 dwellings with an assignment of 1173 on residential equivalence units as per the rate application. The wastewater system services approximately 75% seasonal customers and 25% permanent residences. The billing cycle is once a year sent to customers on their tax bills.

Where a system has no meters, including systems with wastewater service only, volume of water used and/or volume of effluent returned to the wastewater system are based on residential equivalent units; one unit being the volume of wastewater estimated to be produced by the average single family residence. Rates were set based on residential equivalency units (REUs).

Wastewater Collection

The Village has a contract with a service provider to check tanks and pump every holding tank in the Village once per week during the 26 week summer period, as required. In the winter, checks and pump-outs continue to be provided for the permanent residents once per week. Seasonal property owners requesting winter pump-outs are served on an as-need basis, at no additional cost.

3.0 Application

On July 24, 2017, the Village applied for revised wastewater rates, to be effective for years 2018, 2019 and 2020 as set out in By-law No. 940/17, read for the first time on July 19, 2017. The application was supported by worksheets of projected utility revenues and expenses prepared by the Village. The Village states the reason for the new wastewater rates is required due to the current septic contract that is to be concluded on April 30, 2018 and a new contract has been initiated with the same contractor with increased costs. Rates were previously set in 2016 by Board Order No. 88/16.

In the application, the Village also advised that as of 2017 Winnipeg Beach has made the necessary upgrades to their lagoon and are accepting waste from the provincial park customers that previously used the Village of Dunnottar Lagoon. Therefore, the Village no longer anticipates revenue from septic tipping fees for years 2018 forward.

A Public Notice of Application was issued on August 24, 2017 affording customers the opportunity to comment to both the Board and Village with respect to the proposed rate increases. There were three responses received.

When reviewing an application, the Board has at its disposal two approaches, either a paper or a public hearing review. After the publication of the Notice of Application, the Board considers the application and stakeholder responses, and determine which method of review is most appropriate.

A public hearing process allows the Utility and stakeholders the opportunity to present their application and any concerns to the Board in person. The Board may also review the application using a paper review process, which saves the cost of a public hearing process.

Having considered the stakeholder responses, the Board decided to process this application with a paper-based review.

4.0 Board Findings

The Board has reviewed the application and revenue projections presented by the Village and finds it to be acceptable. The Board approves the wastewater rates for years 2018, 2019 and 2020.

As it did in Order 74/15 and again in Order 88/16, The Board recommends that the Village introduce a separate bill for utility charges: the practice of including the charges on the tax bill may cause confusion for ratepayers. The Board also recommends that the Village do more consultations with ratepayers prior to submitting its next rate application.

The Board reminds the Village that should a deficit occur prior to the next rate application, an application for approval of the deficit and recovery method chosen should be submitted to the Board.

The Board expects that the Village is following the internal policies and procedures determined by Council for tendering and procurement practices, as stated by the Municipal Act.

The Board is concerned with the methodologies used to assign REUs, as the rate application was not submitted using the Board's template. The Board suggests that the Village consider increasing its knowledge of completing a rate study, including the Minimum Filing Requirement checklist, by familiarizing itself with the Board's Guidelines and Board Order 86/17 Schedule "B" found on the Public Utilities Board website.

The Board will require the Village of Dunnottar to review its wastewater rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, on or before June 30, 2021.

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.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised wastewater rates for the Village of Dunnottar – Village of Dunnottar Wastewater Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedule “A” to this order, effective for years 2018, 2019 and 2020.
2. The Village of Dunottar amend its wastewater rate By-law for the Village of Dunnottar Wastewater Utility to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
3. The Village of Dunnottar is to provide a notice to its customers, including the decisions found in this Order.
4. The Village of Dunnottar review its wastewater rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, on or before June 30, 2021.

Fees payable upon this Order - \$150.00.

THE PUBLIC UTILITIES BOARD

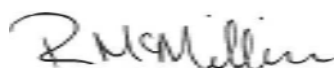
"MARILYN KAPITANY, BSc. (Hon), M.Sc."

Panel Chair

"RACHEL MCMILLIN, B.Sc."

Acting Secretary

Certified a true copy of Order No. 41/18
issued by The Public Utilities Board



Acting Secretary

SCHEDULE "A"**VILLAGE OF DUNNOTTAR****BY-LAW NO. 940/17****1. SCHEDULE OF ANNUAL RATES** **JANUARY 01, 2018 &****JANUARY 01, 2019**

Annual Customer Service Charge	3.40
Annual charge per REU	502.60
1 Residential equivalency unit – total per annum	506.00
1.5 Residential equivalency units – total per annum	757.30
2 Residential equivalency units – total per annum	1,008.60

2. SCHEDULE OF ANNUAL RATES **JANUARY 01, 2020**

Annual Customer Service Charge	3.40
Annual charge per REU	516.60
1 Residential equivalency unit – total per annum	520.00
1.5 Residential equivalency units – total per annum	778.30
2 Residential equivalency units – total per annum	1,036.60

3. SEWAGE RECEIVING RATES

The Village shall charge \$30.00 per 3,000 gallon truck load or portion thereof to the outside users of the Village lagoon.

4. BILLINGS AND PENALTIES

Accounts shall be billed annually on the municipal taxbill, this amount shall show as a separate line item. Late payment penalty charge of 1 ¼ % monthly shall be charged on the dollar amount owing after the tax due date. The due date will be June 30 of each year.