

Order No. 43/18

**TOWN OF WINNIPEG BEACH
WINNIPEG BEACH UTILITY
INTERIM *ex parte* WATER AND WASTEWATER RATES**

March 26, 2018

**BEFORE: Shawn McCutcheon, Panel Chair
Carol Hainsworth, C.B.A., Member**

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1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) approves, on an interim *ex parte* basis, water and wastewater rates as applied for by the Town of Winnipeg Beach (Town), Winnipeg Beach Utility (Utility).

The revised rates are to be effective April 1, 2018. The approved interim rates are as follows:

Current Charge (Based on REU)	Current By-Law 4-2011	Proposed Year 1 By-Law 5/2018	Proposed Year 2 By-Law 5/2018	Proposed Year 3 By-Law 5/2018	Proposed Year 4 By-Law 5/2018
Water Charge	\$ 53.71				
Wastewater Charge	\$ 8.29				
Quarterly Service Charge	\$ 24.26				
Total Quarterly Charge	\$ 86.26				
Seasonal Water Charge	\$ 107.42				
Seasonal Wastewater Charge	\$ 16.58				
Seasonal Service Charge	\$ 48.52				
Seasonal Total Charge	\$ 172.52				
Seasonal Connection/Disconnection Charge	\$ 50.00				
Wastewater Only Annual Service Charge	\$ 3.52				
Wastewater Only Annual Charge	\$ 33.16				
Wastewater Only Total Annual Charge	\$ 36.68				
Proposed Rates (Based on Consumption)					
Water (\$/1,000 gallons)		\$ 7.15	\$ 7.29	\$ 7.44	\$ 7.59
Wastewater (\$/1,000 gallons)		\$ 2.73	\$ 2.78	\$ 2.84	\$ 2.90
Water and Wastewater (\$/1,000 gallons)		\$ 9.88	\$ 10.07	\$ 10.28	\$ 10.49
Quarterly Service Charge		\$ 10.18	\$ 10.38	\$ 10.59	\$ 10.80
Minimum Quarterly Charge*		\$ 39.82	\$ 40.59	\$ 41.43	\$ 42.27
Proposed Rates (Based on REU) LID #3					
Wastewater Only Customers (unmetered) **		\$ 79.17	\$ 80.75	\$ 82.37	\$ 84.02
Annual Service Charge		\$ 10.18	\$ 10.38	\$ 10.59	\$ 10.80
Total Wastewater Only Customers (unmetered)**		\$ 89.35	\$ 91.13	\$ 92.96	\$ 94.82
Bulk water sales (\$/1,000 gallons)	\$ -	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00
Connection/Disconnection Charge		\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
*Based on 3,000 gallons					
**Based on Residential Equivalency Units (REU)					

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

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

2.0 Background

The Town owns and operates a water and wastewater utility, which currently consists of a water treatment plant, water distribution system, two lagoons and wastewater collection system. The Utility serves 1,734 customers of that 114 are metered water and wastewater customers and 1,620 are unmetered wastewater only customers with an allocation of 1,666 Residential Equivalency Units (REUs). The Utility does not service any customers outside the Town of Winnipeg Beach boundary.

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.

The water and wastewater customers are billed quarterly while the wastewater only customers are billed annually on their property taxes. The last water and wastewater rates were set, in August 2011 in Board Order No. 106/11.

Meters for the 114 water and wastewater customers were installed late in 2016 and the Utility started gathering consumption data in January 2017. New rates based on consumption are contained in the Town's rate application and interim rate application.

A large capital project for the Town's wastewater lagoon has just been completed. The lagoon expansion and upgrade project was required as a result of a letter issued November 19, 2010 from Manitoba Conservation and Water Stewardship recommending immediate action to address the hydraulic capacity issues at the lagoon. As per the 2017 Winnipeg Beach Public Water System report, there are no major areas of non-compliance and final commissioning is anticipated to be completed in Spring 2018.

3.0 Application

On March 6, 2018, the Board received an application for approval of interim water and wastewater rates on *ex parte* basis from the Town that was accompanied by Council Resolution # 43/2018.

As per the interim rate application and Council Resolution, the Town is seeking interim rates because the Town has recently installed water meters and utility rates based on consumption need to be established and the Town recently undertook a large water treatment plant upgrade project (\$582,419) and a lagoon expansion upgrade project (\$3.4 million). The Town's application states there will be a significant operating cost increases approximately \$3.9 million directly related to these upgrades.

The Town currently has a rate application before the Board. The application was received on March 8, 2018, for the approval of revised water and wastewater rates for April 1, 2018/January 1, 2018, January 1, 2019, January 1, 2020 and January 1, 2021. The application was accompanied by a rate study prepared by the City's consultant and By-law No. 5/2018 having received first reading on February 28, 2018.

4.0 Board Findings

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 establish interim *ex parte* rates. Interim rates are typically approved as applied for without a review process before being confirmed 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 typically done by showing the Board that the Utility is experiencing operating deficits or will experience a significant operating deficit if revised rates are not approved in an expedited manner.

The Board approves, on an interim *ex parte* basis, the water and wastewater rates as applied for effective April 1, 2018 (metered) and January 1, 2018 (unmetered). As a rule, the Board does not grant retroactive rate increases; however, it has determined that in this case an exception is appropriate because it is an annual rate for the unmetered customers.

The Board makes this decision due to the urgent need to increase revenues to avoid future deficits. This decision is consistent with the Board's principle of user-pay, and approving these rates will allow for billing based on consumption for the newly metered customers. This interim approval is subject to a variation upon completion of a more detailed review of the Town's rate application.

A Notice of Application to inform the ratepayers of the interim water and wastewater rate increases will be issued.

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. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

5.0 IT IS THEREFORE ORDERED THAT:

- 1) Revised water and wastewater rates for the Town of Winnipeg Beach, Winnipeg Beach Utility BE AND ARE HEREBY APPROVED on an interim *ex parte* basis, in accordance with the attached Schedule “A”, effective April 1, 2018 (metered) and January 1, 2018 (unmetered).
- 2) The Town of Winnipeg Beach amend its water and wastewater By-law to reflect changes in this Board Order and submit a copy to the Public Utilities Board once it has received third and final reading.
- 3) The Town of Winnipeg Beach, Winnipeg Beach Utility provide notice to its customers.

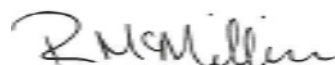
Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

“SHAWN MCCUTCHEON”
Panel Chair

“Rachel McMillin, B.Sc.”
Acting Secretary

Certified a true copy of Order No. 43/18
issued by The Public Utilities Board



Acting Secretary

SCHEDULE "A"
TOWN OF WINNIPEG BEACH
WATER & SEWER UTILITY RATES BY-LAW NO.
SCHEDULE OF RATES

QUARTERLY RATES – METERED CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge
 Rates per 1,000 Gallons

APRIL 1, 2018

1,000 Gallons per quarter

	Water	Sewer	Water & Sewer
	\$7.15	\$2.73	\$9.88
Quarterly Service Charge	\$10.18		

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) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Sewer Commodity Charge</u>	<u>Water & Sewer Total Quarterly Minimum</u>
5/8 inch	1	3,000	\$10.18	\$21.45	\$8.19	\$39.82
3/4 inch	2	6,000	\$10.18	\$42.90	\$16.38	\$69.46
1 inch	4	12,000	\$10.18	\$85.80	\$32.76	\$128.74
1 ½ inch	10	30,000	\$10.18	\$214.50	\$81.90	\$306.58
2 inch	25	75,000	\$10.18	\$536.25	\$204.75	\$751.18
3 inch	45	135,000	\$10.18	\$965.25	\$368.55	\$1,343.98

b) Water Only Customers

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

c) Metered Sewer Only Customers

There shall be no minimum charge for Metered sewer only customers. The quarterly charge will be based on metered sewer volume at the sewer rate per 1,000 gallons plus the customer service charge.

d) Bulk Water Sales

All water sold in bulk by the Winnipeg Beach Utility will be charged at the rate of \$18.00 per 1,000 gallons.

ANNUAL CHARGES – UNMETERED SEWER ONLY CUSTOMERS

3. Schedule of Sewer Rates for Properties within Local Improvement District No. 3

JANUARY 1, 2018

All accounts shall be billed annually on the property tax bill and shall be based on equivalent units as set out below.

<u>Customer</u>	<u>Equivalent Units</u>	<u>Service Charge</u>	<u>Sewer Only</u>	<u>Total Annual Bill</u>
Single Family Residential	1	\$10.18	\$79.17	\$89.35
Multi-family dwelling, per unit	1	\$10.18	\$79.17	\$89.35
Senior Citizens housing, per unit	1	\$10.18	\$79.17	\$89.35
Pleasant Homes Estates	6	\$10.18	\$475.02	\$485.20
Winnipeg Beach Car Wash	6	\$10.18	\$475.02	\$485.20
Gateway	32	\$10.18	\$2,533.44	\$2,543.62

QUARTERLY RATES – METERED CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2019

Rates per 1,000 Gallons

1,000 Gallons per quarter

<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
\$7.29	\$2.78	\$10.07

Quarterly Service Charge \$10.38

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) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Sewer Commodity Charge</u>	<u>Water & Sewer Total Quarterly Minimum</u>
5/8 inch	1	3,000	\$10.38	\$21.87	\$8.34	\$40.59
3/4 inch	2	6,000	\$10.38	\$43.74	\$16.68	\$70.80
1 inch	4	12,000	\$10.38	\$87.48	\$33.36	\$131.22
1 ½ inch	10	30,000	\$10.38	\$218.70	\$83.40	\$312.48
2 inch	25	75,000	\$10.38	\$546.75	\$208.50	\$765.63
3 inch	45	135,000	\$10.38	\$984.15	\$375.30	\$1,369.83

b) Water Only Customers

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

c) Metered Sewer Only Customers

There shall be no minimum charge for Metered sewer only customers. The quarterly charge will be based on metered sewer volume at the sewer rate per 1,000 gallons plus the customer service charge.

d) Bulk Water Sales

All water sold in bulk by the Winnipeg Beach Utility will be charged at the rate of \$18.00 per 1,000 gallons.

ANNUAL CHARGES – UNMETERED SEWER ONLY CUSTOMERS

3. Schedule of Sewer Rates for **JANUARY 1, 2019**
Properties within Local Improvement
District No. 3

All accounts shall be billed annually on the property tax bill and shall be based on equivalent units as set out below.

Customer	Equivalent Units	Service Charge	Sewer Only	Total Annual Bill
Single Family Residential	1	\$10.38	\$80.75	\$91.13
Multi-family dwelling, per unit	1	\$10.38	\$80.75	\$91.13
Senior Citizens housing, per unit	1	\$10.38	\$80.75	\$91.13
Pleasant Homes Estates	6	\$10.38	\$484.50	\$494.88
Winnipeg Beach Car Wash	6	\$10.38	\$484.50	\$494.88
Gateway	32	\$10.38	\$2,584.00	\$2,594.38

QUARTERLY RATES – METERED CUSTOMERS

1. Schedule of Commodity Rates & **January 1, 2020**
Quarterly Service Charge

Rates per 1,000 Gallons	<u>1,000 Gallons per quarter</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
	\$7.44	\$2.84	\$10.28

Quarterly Service Charge \$10.59

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) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Sewer Commodity Charge</u>	<u>Water & Sewer Total Quarterly Minimum</u>
5/8 inch	1	3,000	\$10.59	\$22.32	\$8.52	\$41.43
3/4 inch	2	6,000	\$10.59	\$44.64	\$17.04	\$72.27
1 inch	4	12,000	\$10.59	\$89.28	\$34.08	\$133.95
1 ½ inch	10	30,000	\$10.59	\$223.20	\$85.20	\$318.99
2 inch	25	75,000	\$10.59	\$558.00	\$213.00	\$781.59
3 inch	45	135,000	\$10.59	\$1,004.40	\$383.40	\$1,398.39

b) Water Only Customers

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

c) Metered Sewer Only Customers

There shall be no minimum charge for Metered sewer only customers. The quarterly charge will be based on metered sewer volume at the sewer rate per 1,000 gallons plus the customer service charge.

d) Bulk Water Sales

All water sold in bulk by the Winnipeg Beach Utility will be charged at the rate of \$18.00 per 1,000 gallons.

ANNUAL CHARGES – UNMETERED SEWER ONLY CUSTOMERS

3. Schedule of Sewer Rates for Properties within Local Improvement District No. 3

JANUARY 1, 2020

All accounts shall be billed annually on the property tax bill and shall be based on equivalent units as set out below.

<u>Customer</u>	<u>Equivalent Units</u>	<u>Service Charge</u>	<u>Sewer Only</u>	<u>Total Annual Bill</u>
Single Family Residential	1	\$10.59	\$82.37	\$92.96
Multi-family dwelling, per unit	1	\$10.59	\$82.37	\$92.96
Senior Citizens housing, per unit	1	\$10.59	\$82.37	\$92.96
Pleasant Homes Estates	6	\$10.59	\$494.22	\$504.81
Winnipeg Beach Car Wash	6	\$10.59	\$494.22	\$504.81
Gateway	32	\$10.59	\$2,635.84	\$2,646.43

QUARTERLY RATES – METERED CUSTOMERS

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2021

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Sewer	Water & Sewer
\$7.59	\$2.90	\$10.49

Quarterly Service Charge \$10.80

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) Water & Sewer Customers

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included Gallons</u>	<u>Customer Service Charge</u>	<u>Water Commodity Charge</u>	<u>Sewer Commodity Charge</u>	<u>Water & Sewer Total Quarterly Minimum</u>
5/8 inch	1	3,000	\$10.80	\$22.77	\$8.70	\$42.27
3/4 inch	2	6,000	\$10.80	\$45.54	\$17.40	\$73.74
1 inch	4	12,000	\$10.80	\$91.08	\$34.80	\$136.68

1 ½ inch	10	30,000	\$10.80	\$227.70	\$87.00	\$325.50
2 inch	25	75,000	\$10.80	\$569.25	\$217.50	\$797.55
3 inch	45	135,000	\$10.80	\$1,024.65	\$391.50	\$1,426.95

b) Water Only Customers

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

c) Metered Sewer Only Customers

There shall be no minimum charge for Metered sewer only customers. The quarterly charge will be based on metered sewer volume at the sewer rate per 1,000 gallons plus the customer service charge.

d) Bulk Water Sales

All water sold in bulk by the Winnipeg Beach Utility will be charged at the rate of \$18.00 per 1,000 gallons.

ANNUAL CHARGES - UNMETERED SEWER ONLY CUSTOMERS

3. Schedule of Sewer Rates for Properties within Local Improvement District No. 3

JANUARY 1, 2021

All accounts shall be billed annually on the property tax bill and shall be based on equivalent units as set out below.

<u>Customer</u>	<u>Equivalent Units</u>	<u>Service Charge</u>	<u>Sewer Only</u>	<u>Total Annual Bill</u>
Single Family Residential	1	\$10.80	\$84.02	\$94.82
Multi-family dwelling, per unit	1	\$10.80	\$84.02	\$94.82
Senior Citizens housing, per unit	1	\$10.80	\$84.02	\$94.82
Pleasant Homes Estates	6	\$10.80	\$504.12	\$514.92
Winnipeg Beach Car Wash	6	\$10.80	\$504.12	\$514.92
Gateway	32	\$10.80	\$2,688.64	\$2,699.44

The following clauses take effect April 1, 2018:

4. Billings and Penalties

Accounts shall be billed quarterly based on water used. A late payment penalty charge of 1 ¼% compounded monthly shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen (14) days after the mailing of the bills.

5. Hydrant Charges

The Town of Winnipeg Beach, or any other hydrant owner, will pay to the Utility an annual fee of \$150.00 for each hydrant connected to the system which shall include the cost of water used for firefighting.

6. Liability for Charges

Pursuant to Section 252 (2) of the Municipal Act, the amount of all outstanding charges for water and sewer 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. The Town will add a service fee of \$30.00 for each utility account added to property taxes.

7. Meter Testing

That in any case where a utility customer requests that a meter be tested for accuracy, the customer will provide the Town with a deposit of \$100. The Town will then remove the subject meter and send it to an independent lab for testing. If the meter is found to be faulty, all costs associated with the testing process will be borne by the Town and the deposit will be refunded to the customer. If the meter is found to be in proper working order, all costs associated with the testing process will be borne by the customer and the customer will be billed or refunded any balance owing.

8. Disconnection and Reconnection

The Public Utilities Board has approved the Conditions Precedent to be followed by the Town 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.

9. Water or Sewer Turn-on/Turn-off

- a. The Town shall charge a fee of \$35.00 for any water or sewer service turned on or off at the customer's request.
- b. Any water or sewer service turned off as a result of non-payment shall not be reconnected until all arrears, penalties and a reconnection fee of \$35.00 have been paid.

10. Sewage Tipping Fees

The sewage tipping fee for septage trucks to dump septage from Town Utility customers into the Town sewage lift station or sewage lagoon shall be \$25 per truck.

The Town may by standing written policy or resolution of Council provide a period of time each year, in compliance with restrictions imposed in the facility's operating license, in the spring and/or fall to waive the sewage tipping fee into the sewage lift station or sewage lagoon. Notice will be placed in a local newspaper once per year.

11. Service To Customers Outside Utility's Limits

The Council of the Town of Winnipeg Beach may sign Agreements with customers for the provision of water and sewer services to properties located outside the boundaries of the Town. 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 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 Town's boundaries. In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

12. Water Allowance Due to Line Freezing

That in any case where, at the request of 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.

13. Sewer 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.

14. 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 Town's water system.

If a condition is found to exist which, in the opinion of the Town, is contrary to the aforesaid, the Town may either:

Shut off the service or services; or

Give notice to the customer to correct the fault at his or her own expense within a specified time period.

15. Conditions of Disrepair

In the event that there are conditions of disrepair in the sewer and water works on a property that detrimentally affects the system as a whole and, upon the failure of the owner of the property to correct the condition within a reasonable time, the Town, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

16. Authorization For Officer To Enter Upon Premises

The Utility Operator or Public Works Manager, or other employee authorized by the Town in the absence of the Utility Operator or Public Works Manager, shall be authorized to enter upon any premise 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 Town.