

RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST

By-law No. 2019-06

Disclaimer:

This information has been provided solely for research convenience. Official bylaws are available from the Municipal Office and must be consulted for purposes of interpretation and applications of the law.

OFFICE CONSOLIDATION

INGLIS UTILITY RATES

By-law No. 2019-06

Including Amendments to

This By-law has been consolidated under the authority of the Chief Administrative Officer. It represents proof, in absence of evidence to the contrary of:

- a) The original by-law and all by-laws amending it; and
- b) The fact of passage of the original and all amending bylaws.

AMENDMENTS

DATE PASSED

BY-LAW NO. 2019-06

INGLIS UTILITY RATE

THE COUNCIL OF THE RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST ENACTS AS FOLLOWS:

TITLE

1. This by-law may be referred to as "the Rural Municipality of Riding Mountain West Inglis Utility Rates By-Law".

AUTHORITY

2. Section 232(1) of *The Public Utilities Board Act*, provides that a council may pass by-laws for municipal purposes respecting the following matters:

- 1) public utilities.

And

Section 232(2) provides that 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.

GENERAL PROVISIONS

3. The Rural Municipality of Riding Mountain West Inglis Utility provides utility rates for January 1, 2020, January 1, 2021 and January 1, 2022 which are to be paid by persons to whom water and sewer collection is supplied by the Inglis Utility and to provide for the collection thereof.
4. All accounts for minimum quarterly charges for metered services for the Inglis Utility as set forth in the Schedule of Quarterly Rates shall be billed quarterly. Consumers shall pay for water and sewer 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.
5. The Rural Municipality of Riding Mountain West reserves the right to discontinue the supply of water for fountains, jets, hoses and sprinklers, or to limit the hours for use of the same, whenever, at the discretion of Council it is in the best interests of the public to do so.
6. No person, other than the Fire Chief or someone acting on his/her behalf, or a representative of the Rural Municipality of Riding Mountain West duly authorized in writing by the Chief Administrative Officer, shall open or use any fire hydrant, either for construction purposes, street cleaning, or any other purpose.
7. The meter shut off valve inside premises serviced with water by the Rural Municipality of Riding Mountain West's Inglis Utility, shall be readily accessible and not used by the owner except for the protection of the premises. No person shall tamper with the meter or cause the water supply to bypass

the meter. All pipes and valves inside the premises shall be kept in good repair by the owner or occupant. Any damage through neglect or otherwise, by a contractor for the owner or occupant, to the water service pipes from the street to the premises including the meter shall be the responsibility of the owner or occupant.

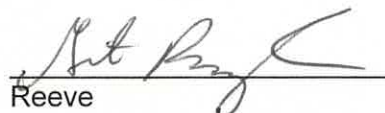
8. No person shall wilfully or maliciously hinder or cause to hinder the Rural Municipality of Riding Mountain West or its representative in the exercise of their duties in relation to the operation and maintenance of the water or sewer system.
9. Any person violating any provision of this by-law shall:
 - a) be guilty of an offence and, upon conviction, liable to a fine not exceeding five hundred dollars (\$500) and costs for each violation;
 - b) be liable to the Rural Municipality of Riding Mountain West 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 effect 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.
10. This By-law and rates for January 1, 2020, January 1, 2021 and January 1, 2022 and thereafter, 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.

REPEAL

11. This By-law repeals the following any and all previous Inglis Utility Rate By-laws of the former Rural Municipalities of Shellmouth, Shellmouth-Boulton and Riding Mountain West, specifically but not limited to:
 - a) The former Rural Municipality of Shellmouth-Boulton By-law 1007
 - b) The Rural Municipality of Silver Creek By-law 2005-04
 - c) The Rural Municipality of Riding Mountain West By-law 2018-01

AND THAT this By-Law shall come into full force and effect on January 1, 2020 and upon final approval by the Public Utilities Board of Manitoba.

DONE AND PASSED in Council assembled in Inglis, Manitoba this 18th day of December 2019


Reeve


Chief Administrative Officer

Read a first time this 20th day of March 2019.

Read a second and third time this 18th day of December 2019.

Read a third and final time this 18th day of December 2019.

**RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
INGLIS UTILITY
WATER & SEWER UTILITY RATES BY-LAW NO.
SCHEDULE "A"
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates &
Quarterly Service Charge

January 1, 2020

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Sewer	Water & Sewer
\$20.87	\$4.43	\$25.30

Quarterly Service Charge \$10.39

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**

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum
5/8 inch	3,000	\$10.39	\$62.61	\$13.29	\$86.29
3/4 inch	6,000	\$10.39	\$125.22	\$26.58	\$162.19
1 inch	12,000	\$10.39	\$250.44	\$53.16	\$313.99
1 ½ inch	30,000	\$10.39	\$626.10	\$132.90	\$769.39
2 inch	75,000	\$10.39	\$1,565.25	\$332.25	\$1,907.89

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.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$26.00 per 1,000 gallons.

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

January 1, 2021

<u>1,000 Gallons per quarter</u>		
Water	Sewer	Water & Sewer
\$24.94	\$4.66	\$29.60

Quarterly Service Charge \$10.88

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>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	3,000	\$10.88	\$74.82	\$13.98	\$99.68
3/4 inch	6,000	\$10.88	\$149.64	\$27.96	\$188.48
1 inch	12,000	\$10.88	\$299.28	\$55.92	\$366.08
1 ½ inch	30,000	\$10.88	\$748.20	\$139.80	\$898.88
2 inch	75,000	\$10.88	\$1,870.50	\$349.50	\$2,230.88

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.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$30.00 per 1,000 gallons.

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

January 1, 2022

			<u>1,000 Gallons per quarter</u>		
			Water	Sewer	Water & Sewer
			\$29.01	\$4.88	\$33.89

Quarterly Service Charge \$11.36

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**

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum
5/8 inch	3,000	\$11.36	\$87.03	\$14.64	\$113.03
3/4 inch	6,000	\$11.36	\$174.06	\$29.28	\$214.70
1 inch	12,000	\$11.36	\$348.12	\$58.56	\$418.04
1 ½ inch	30,000	\$11.36	\$870.30	\$146.40	\$1,028.06
2 inch	75,000	\$11.36	\$2,175.75	\$366.00	\$2,553.11

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.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$34.00 per 1,000 gallons.

The following clauses take effect January 1, 2020:

4. Billings and Penalties

Accounts shall be billed quarterly based on water used and are payable within 20 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.

5. Disconnection

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.

6. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$30.00 have been paid. Water turned on or off at the request of the customer shall be charged a fee of \$30.00 for each turn on or turn off.

7. 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.

8. Hydrant Charges

The Rural Municipality of Riding Mountain West shall pay to the Utility an annual hydrant charge of \$125 for each hydrant connected to the Inglis Utility. This will include the cost of water used for fire fighting.

9. 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.

10. Lagoon Dumping Fee

Each septic truck company shall pay the Inglis Utility an annual fee of \$2,000 per year plus \$.01 per gallon of sewage dumped at the Inglis sewage lagoon.

11. Service To Customers Outside Utility's Limits

The Council of Rural Municipality of Riding Mountain West may sign Agreements with customers for the provision of water and sewer services to properties located outside the boundaries of the Municipality. 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 Municipality'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. 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.

13. 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. The Municipality 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 Municipality and the deposit will be refunded to the customer and the customer's account will be adjusted for the preceding four (4) months. 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.

14. 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.

15. 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 Municipality's water system.

If a condition is found to exist which, in the opinion of the Municipality, is contrary to the aforesaid, the Municipality 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.

16. 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 Municipality, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

17. Authorization For Officer To Enter Upon Premises

The Public Works Manager, or other employee authorized by the Municipality in the absence of the 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 Municipality.

November 29, 2019

Ms. Estha Baseley
Interim Chief Administrative Officer
Rural Municipality of Riding Mountain West
118 Main Street
Box 110
Inglis, MB R0J 0X0

Dear Ms. Baseley:

Re: Rural Municipality of Riding Mountain West – Inglis Water and Wastewater Utility

Please find enclosed a certified copy of Public Utilities Board (Board) Order No. 174/19. Please review the Order for full details.

Please note the Rural Municipality of Riding Mountain West is required to follow the below directives:

1. The revised water and wastewater rates for the Rural Municipality of Riding Mountain West, Inglis Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective January 1, 2020, 2021 and 2022.
2. The actual and anticipated deficits, when calculated for regulatory purposes, in 2016 through 2021, in the cumulative amount of \$148,916, incurred in the Rural Municipality of Riding Mountain West, Inglis Water and Wastewater Utility, are HEREBY APPROVED to be recovered from the Utility Accumulated Surplus.
3. The request to pass through wholesale water price increases from the Manitoba Water Services Board, using the steps outlined in this Board Order, for the Inglis Water and Wastewater Utility, BE AND ARE HEREBY APPROVED.

4. The Cost Allocation Methodology for shared administrative services as submitted by the Rural Municipality of Riding Mountain West, Inglis Water and Wastewater Utility BE AND IS HEREBY APPROVED.
5. The Rural Municipality of Riding Mountain West is to provide a notice of the decisions found in this Order to its customers as soon as possible, with a copy provided to the Public Utilities Board.
6. The Rural Municipality of Riding Mountain West amend its water and wastewater rate By-Law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
7. The Rural Municipality of Riding Mountain West review the lagoon tipping fees for the Inglis Water and Wastewater Utility and file a report with the Board, as well as an application for revised rates if required, by no later than June 30, 2020.
8. The Rural Municipality of Riding Mountain West review the water and wastewater rates for the Inglis Water and Wastewater Utility and file a report with the Board, as well as an application for revised rates if required, by no later than December 31, 2023.

You will note fees owing regarding the Order amount to \$1,500.00.

Please make your cheque payable to the Minister of Finance. There will be no separate invoice issued. The Board Order is the invoice and amounts owed are stated within. Please quote the Board Order number with payment.

If you have any questions about the requirements contained in the Order, please do not hesitate to contact me.

Yours truly,



Jennifer Dubois, CPA, CMA
Assistant Associate Secretary

JD/dv
Encl.

Order No. 174/19

**RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
INGLIS WATER AND WASTEWATER UTILITY
ACTUAL AND ANTICIPATED OPERATING DEFICITS 2016 TO 2021
REVISED WATER AND WASTEWATER RATES**

November 29, 2019

**BEFORE: Shawn McCutcheon, Panel Chair
Mike Watson, Panel Member**

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SCHEDULE "A" 15

1.0 Executive Summary

By this Order, the Public Utilities Board (Board or PUB) grants approval of revised water and wastewater rates for the Rural Municipality of Riding Mountain West (RM), Inglis Water and Wastewater Utility (Utility) as shown below. The Board grants approval of actual and anticipated operating deficits for the years 2016 to 2021, inclusive, to be recovered from the Utility Accumulated Surplus.

	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
Quarterly service charge	\$ 10.39	\$ 10.88	\$ 11.36
Water per 1,000 gallons	\$ 20.87	\$ 24.94	\$ 29.01
Wastewater per 1,000 gallons	\$ 4.43	\$ 4.66	\$ 4.88
Minimum quarterly charge*	\$ 86.29	\$ 99.68	\$ 113.03
Bulk water sales per 1,000 gallons	\$ 26.00	\$ 30.00	\$ 34.00

*Based on 3,000 gallons

Details of other rates are in the attached Schedule A.

The reasons for the Board's decisions are found under Board Findings.

2.0 Background

The RM owns and operates a water and wastewater utility serving approximately 216 customers. Utility bills are mailed out quarterly separate from property tax bills. Rates were last approved in Board Order No. 70/07 for the former RM of Shellmouth-Boulton. The RM of Shellmouth-Boulton and the RM of Silver Creek amalgamated in 2015 to form the RM of Riding Mountain West.

Water Supply/Distribution

The Utility provides water services to 216 customers, including 69 cabins at Asessippi Ski Hill. The water treatment plant is 14 years old and is operated by the Manitoba Water Services Board (MWSB). RM staff operate the water plant and the MWSB reimburses the Utility for their wages. The Utility purchases treated water from the MWSB at a wholesale rate of \$17.58 per 1,000 gallons. This wholesale rate is set by MWSB and not subject to regulation by the Public Utilities Board.

Wastewater Collection/Treatment

The Utility provides piped wastewater services to 127 customers, and charges wastewater rates to the Asessippi cabins and provides septic holding tank pump out services.

Unaccounted for Water

Unaccounted for water in 2017 was 27%, which is nearly triple the Board's target level of 10%. The Utility stated it plans to compare quarterly billing volumes and water purchase volumes going forward and track unaccounted for water on an ongoing basis. The RM will also recalibrate the large outflow meter that records water purchase volumes. The RM provided updated information to the Board advising 2018 unaccounted for water was 31% and 2019 is estimated to be 23%. The RM also advised it will be installing a meter to record the volume of water used at the Inglis Fire Station.

3.0 Application

On April 23, 2019, the Board received an application for revised water and wastewater rates from the RM. The application was accompanied by a rate study completed by the RM's consultant and By-law 2019-09 read for the first time on March 20, 2019. Rates were last approved in 2007 in Board Order No. 70/07.

The RM states the proposed rate increases are primarily required to provide contingency funding, as a result of increases in administration and water purchase costs and prevent ongoing deficits. In addition, an agreement providing for an annual developer lagoon maintenance fee of \$5,625 is expiring in 2019, increasing the rate revenue required for wastewater customers.

Lagoon tipping fees are currently composed of an annual fee of \$2,000 per septic truck company, plus \$.01 per gallon of sewage dumped at the sewage lagoon. The Utility has proposed to leave these rates unchanged, and has advised it will review tipping fees separately at some time in the near future.

The application submitted by the RM also requested the Board grant authorization to pass through any increases in the wholesale water rate that the MWWSB charges to the customers of the Inglis Utility, without applying for further approval from the Board, known as "pass through" rate increases.

The Board issued a Public Notice of Application with respect to the proposed rate increases on May 2, 2019 allowing for stakeholder questions or comments on or before June 1, 2019. The Board received one response through its online form and a petition signed by 32 individuals.

When reviewing an application the Board can either: hold a public hearing at which the applicant can present its case and customers can present their concerns; or where it is deemed to be in the best interests of a utility and its customers, the Board can review the application using a paper review process without holding a public hearing. The paper

review process considers all written materials submitted by the Utility and the public, as well as any information requests and responses between the Board and the Utility. This process may reduce regulatory costs to the Utility.

A public hearing process allows the Utility and the public the opportunity to review the application and address any concerns with the Board present.

Whenever reasonable, the Board will review the application using a paper review process, which saves the cost of a public hearing process.

In this case, the Board elected to hold a public hearing, given the significant public response. A Notice of Public Hearing was issued on September 26, 2019 and a public hearing was held on October 24, 2019 at the Lake of the Prairies Conservation District Center in Inglis.

Prior to the Hearing, the Board sent information requests to the RM on July 26, 2019 requesting additional information and clarification regarding the RM's rate study. The Board received the RM's response on August 9, 2019.

The rates were calculated using the following projected revenue requirements.

	2020	2021	2022
General Expenses			
Administration (building, office, staff, etc)	12,054	12,295	12,541
Total expenses general	12,054	12,295	12,541
Investment Income	2,000	2,000	2,000
Penalties	727	727	727
Total revenue general	2,727	2,727	2,727
Net revenue requirement - general	9,327	9,568	9,814
Water Expenses			
Purification and treatment	46,846	47,782	48,738
Water purchases	101,363	103,390	105,457
Amortization	9,336	9,336	9,336
Interest on long term debt	3,301	2,553	1,756
Other	378	385	393
Reserves			
Contingency	12,263	12,263	12,263
Total expenses water	173,487	175,709	177,943
Hydrant rentals - 13 @ \$125	1,625	1,625	1,625
Amortization of capital grants	989	989	989
Bulk water fees	6,442	6,442	6,442
MWSB salary reimbursement	22,776	23,232	23,697
Taxation revenues	14,586	14,586	14,586
Connection fees	200	200	200
Total revenue water	46,618	47,074	47,539
Net revenue requirement - water	126,869	128,635	130,404
Wastewater Expenses			
Wastewater collection system	1,909	1,947	1,986
Lift station costs	968	987	1,007
Amortization	33,897	33,897	33,897
Total expenses wastewater	36,774	36,831	36,890
Lagoon tipping fees	17,000	17,000	17,000
Amortization of capital grants	3,401	3,401	3,401
Total revenue wastewater	20,401	20,401	20,401
Net revenue requirement - wastewater	16,373	16,430	16,489

The RM's consultant calculated the indicated rates for the final rate year requested (2022) and requested rates be implemented in a stable and predictable rate change year over year.

Contingency Allowance and Utility Reserves

The Board's Water and Wastewater Rate Application Guidelines recommend an annual contingency allowance equal to 10% of the variable operating costs. The RM has included in the 2022 projections a contingency allowance of 10% of water net rate requirements, less amortization and interest expenses. Due to lagoon tipping fee revenues, the contingency for wastewater would be negative, therefore no provision has been made for wastewater.

The rates do not include any annual provision for reserves. The RM advises this is because the Utility has a large working capital surplus and no future capital projects identified in the five year capital plan.

Working Capital Surplus

Board Order No. 93/09 established utilities should maintain a minimum Working Capital Surplus, in an amount equal to 20% of annual expenses. The Working Capital Surplus is the Utility fund balance, excluding any capital-related items plus Utility reserves.

As per the 2018 audited financial statements, the Working Capital Surplus at December 31, 2018 was:

	2018
Accumulated fund surplus	\$ 1,058,149
Deduct tangible capital assets	\$ 776,967
Add long term debt	\$ 60,411
Add utility reserves	\$ 28,247
Equals Working Capital Surplus/Deficit	\$ 369,840
Operating costs	\$ 198,102
20% of operating costs (target)	\$ 39,620

Operating Deficits

The Utility also applied to the Board for approval of operating deficits for the years 2016 through 2021, inclusive, to be recovered from the Utility Accumulated Surplus. The detailed amounts of the deficits are shown below.

Year	Amount
2016	(29,305)
2017	(36,520)
2018	(20,358)
2019	(35,028)
2020	(22,566)
2021	(5,139)
Total	(148,916)

Cost Allocation Methodology

The Board requires all municipal governments to review the costs shared between general operations and the Utility, and to allocate appropriate and reasonable costs to the Utility, based on a policy known as a Cost Allocation Methodology (CAM). This allocation must be submitted to the Board for approval and cannot be changed without receiving approval from the Board. The Board's requirements regarding cost allocation methodologies can be found in Board Order No. 93/09.

The rate application included a proposal that administration cost allocation be based on 2% of Financial Plan General "At Large" Government Services less Assessment and Grants expenses.

4.0 Public Hearing

A Public Hearing took place on October 24, 2019, in accordance with the Notice of Hearing. Seven members of the public attended, including the Reeve and two members of the RM's Council. The consultant who prepared the rate study presented on behalf of the Utility, explaining the rationale for the proposed revised rates. There were no registered presenters for the Hearing.

The RM, the consultant, and the members of council responded to questions that were made by the Board and public.

The RM was asked about the possibility of assuming operations of the water treatment plant from Manitoba Water Services Board, and if that would result in a significant increase in the price of water. The response was that whether the plant is operated by MWSB or the RM, the users of the Utility are ultimately responsible for any costs, including capital costs.

5.0 Board Findings

The Board has reviewed the application and revenue projections presented by the RM and finds the projections to be acceptable. The Board finds the RM's request to phase in the rate increases over a three year period to be acceptable, due to the Utility's ability to absorb the expected deficits by way of the current Working Capital Surplus.

The Board grants approval of the rates as requested by the RM for January 1, 2020, 2021 and 2022, as set out in Schedule A of this Order.

The Board grants approval of the actual and anticipated deficits for 2016 through 2021, in the amount of \$148,916, to be recovered through the Utility Accumulated Surplus.

The Board grants approval of the Shared Cost Allocation Methodology and reminds the RM this methodology must be used consistently and requires Board approval should any changes be considered.

The RM's rate study did not include any increase to lagoon tipping fees, although wastewater rates are increasing by 8% over a three year period. The submission stated the RM would review tipping fees separately "at sometime in the near future". The Board will direct the RM to review the tipping fees and make a submission to the Board on or before June 30, 2020.

The Utility is currently experiencing 27% unaccounted for water, which is in excess of the Board's acceptable limit of 10%. The RM has advised there is a plan to replace 35 meters, and does not believe the water losses are a result of leaks. The Board expects the RM to monitor water losses and make further plans to address this issue, if it persists.

Pass through rate approval request

The Board grants approval of the RM's request to allow for pass through rate increases resulting from any increases in the wholesale rate set by the MWSB. Pass through rate increases are typically used when a PUB regulated utility purchases water from another PUB regulated utility.

The Board typically does not allow for pass through rate increases from unregulated utilities because it would not provide ratepayers with the protections afforded by Board oversight and notice requirements. In the case of MWSB wholesale rates, under section 8(2) of *The Manitoba Water Services Board Act*, the purchasing utility (in this case, Inglis), has the opportunity to appeal to the Board any rate it believes to be excessive and MWSB uses methodology that aligns with that of the Board. In addition, the Board will require the Utility to follow the requirements for pass through rate increases as established in section 3.10 of [Board Order No. 124/09](#), with the addition of a 90 day notice period for ratepayers.

The process to be followed is as follows:

Step 1. The RM of Riding Mountain West shall consider the implication of any increase in wholesale water rates approved by the MWSB for the Inglis Utility, and determine whether

or not the increase needs to be passed on to its ratepayers to maintain the adequacy of rates.

Step 2. If the cost increase is to be reflected in the rates of the Inglis Utility, and with the one exception that changes in the rate of water losses in the system may also be included, the RM need only inform its ratepayers/customers and the Board of the pass through rate change, with a minimum of 90 days notice. This Notice must include information for ratepayers on their ability to respond to the Board regarding the increase.

Step 3. If rates are to change for any other reason or in any amount other than the exact wholesale increase, the RM must make application to the Board, which may decide to proceed to hear the application by way of a paper-based process or by way of an oral public hearing.

Step 4. For such pass through rate changes, the RM shall file an amended rate By-law with Board, along with a copy of the Notice provided to ratepayers.

The Board reminds the Municipality regular reviews are important for a financially sound utility and encourages the Municipality to review Board Order No. 86/17 for future rate applications. The Order outlines the Simplified Rate Application Process for municipally owned public utilities. If, after its rate review, the Municipality finds it meets the designated criteria for a simplified rate application, it should apply for future rates using the Simplified Rate Application Process.

The Board requires the Municipality to review its water and wastewater rates for adequacy and file a report with the Board, as well as an application for revised rates if required, on or before December 31, 2023.

6.0 IT IS THEREFORE ORDERED THAT:

1. The revised water and wastewater rates for the Rural Municipality of Riding Mountain West, Inglis Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective January 1, 2020, 2021 and 2022.
2. The actual and anticipated deficits, when calculated for regulatory purposes, in 2016 through 2021, in the cumulative amount of \$148,916, incurred in the Rural Municipality of Riding Mountain West, Inglis Water and Wastewater Utility, are HEREBY APPROVED to be recovered from the Utility Accumulated Surplus.
3. The request to pass through wholesale water price increases from the Manitoba Water Services Board, using the steps outlined in this Board Order, for the Inglis Water and Wastewater Utility, BE AND ARE HEREBY APPROVED.
4. The Cost Allocation Methodology for shared administrative services as submitted by the Rural Municipality of Riding Mountain West, Inglis Water and Wastewater Utility BE AND IS HEREBY APPROVED.
5. The Rural Municipality of Riding Mountain West is to provide a notice of the decisions found in this Order to its customers as soon as possible, with a copy provided to the Public Utilities Board.
6. The Rural Municipality of Riding Mountain West amend its water and wastewater rate By-Law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.
7. The Rural Municipality of Riding Mountain West review the lagoon tipping fees for the Inglis Water and Wastewater Utility and file a report with the Board, as well as an application for revised rates if required, by no later than June 30, 2020.

8. The Rural Municipality of Riding Mountain West review the water and wastewater rates for the Inglis Water and Wastewater Utility and file a report with the Board, as well as an application for revised rates if required, by no later than December 31, 2023.

Fees payable upon this Order - \$1,500.00

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.

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon" _____

Panel Chair

"Jennifer Dubois, CPA, CMA" _____

Assistant Associate Secretary

Certified a true copy of Order No. 174/19
issued by The Public Utilities Board



Assistant Associate Secretary

RURAL MUNICIPALITY OF RIDING MOUNTAIN WEST
INGLIS UTILITY
WATER & SEWER UTILITY RATES BY-LAW NO.
SCHEDULE "A"
SCHEDULE OF QUARTERLY RATES

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2020

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Sewer	Water & Sewer
\$20.87	\$4.43	\$25.30

Quarterly Service Charge \$10.39

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**

Meter Size	Water Included Gallons	Customer Service Charge	Water Commodity Charge	Sewer Commodity Charge	Water & Sewer Total Quarterly Minimum
5/8 inch	3,000	\$10.39	\$62.61	\$13.29	\$86.29
3/4 inch	6,000	\$10.39	\$125.22	\$26.58	\$162.19
1 inch	12,000	\$10.39	\$250.44	\$53.16	\$313.99
1 ½ inch	30,000	\$10.39	\$626.10	\$132.90	\$769.39
2 inch	75,000	\$10.39	\$1,565.25	\$332.25	\$1,907.89

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.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$26.00 per 1,000 gallons.

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
\$24.94	\$4.66	\$29.60

Quarterly Service Charge \$10.88

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>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	3,000	\$10.88	\$74.82	\$13.98	\$99.68
3/4 inch	6,000	\$10.88	\$149.64	\$27.96	\$188.48
1 inch	12,000	\$10.88	\$299.28	\$55.92	\$366.08
1 ½ inch	30,000	\$10.88	\$748.20	\$139.80	\$898.88
2 inch	75,000	\$10.88	\$1,870.50	\$349.50	\$2,230.88

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.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$30.00 per 1,000 gallons.

1. Schedule of Commodity Rates & Quarterly Service Charge

January 1, 2022

Rates per 1,000 Gallons

1,000 Gallons per quarter

Water	Sewer	Water & Sewer
\$29.01	\$4.88	\$33.89

Quarterly Service Charge . \$11.36

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>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	3,000	\$11.36	\$87.03	\$14.64	\$113.03
3/4 inch	6,000	\$11.36	\$174.06	\$29.28	\$214.70
1 inch	12,000	\$11.36	\$348.12	\$58.56	\$418.04
1 ½ inch	30,000	\$11.36	\$870.30	\$146.40	\$1,028.06
2 inch	75,000	\$11.36	\$2,175.75	\$366.00	\$2,553.11

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.

3. Bulk Water

All water sold in bulk shall be charged for at a rate of \$34.00 per 1,000 gallons.

The following clauses take effect January 1, 2020:

4. Billings and Penalties

Accounts shall be billed quarterly based on water used and are payable within 20 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.

5. Disconnection

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.

6. Reconnection

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$30.00 have been paid. Water turned on or off at the request of the customer shall be charged a fee of \$30.00 for each turn on or turn off.

7. 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.

8. Hydrant Charges

The Rural Municipality of Riding Mountain West shall pay to the Utility an annual hydrant charge of \$125 for each hydrant connected to the Inglis Utility. This will include the cost of water used for fire fighting.

9. 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.

10. Lagoon Dumping Fee

Each septic truck company shall pay the Inglis Utility an annual fee of \$2,000 per year plus \$.01 per gallon of sewage dumped at the Inglis sewage lagoon.

11. Service To Customers Outside Utility's Limits

The Council of Rural Municipality of Riding Mountain West may sign Agreements with customers for the provision of water and sewer services to properties located outside the boundaries of the Municipality. 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 Municipality'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. 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.

13. 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. The Municipality 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 Municipality and the deposit will be refunded to the customer and the customer's account will be adjusted for the preceding four (4) months. 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.

14. 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.

15. 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 Municipality's water system.

If a condition is found to exist which, in the opinion of the Municipality, is contrary to the aforesaid, the Municipality 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.

16. 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 Municipality, or its agents, may enter the property, effect repairs and charge the cost thereof against the subject property as ordinary taxes.

17. Authorization For Officer To Enter Upon Premises

The Public Works Manager, or other employee authorized by the Municipality in the absence of the 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 Municipality.