

**TOWN OF BEAUSEJOUR
BEAUSEJOUR WATER & WASTEWATER UTILITY
BY-LAW NO. 1798-23
WATER & WASTEWATER UTILITY RATES**

BEING a By-law of the Town of Beausejour to establish new water and wastewater rates for the Beausejour Water and Wastewater Utility.

WHEREAS the Town of Beausejour has undertaken a water and wastewater rate study for the Beausejour Water and Wastewater Utility that indicates water and wastewater rates require to be increased;

AND WHEREAS *The Municipal Act*, S.M. 1996, C58, states in part:

- 232(1)** A Council may pass by-laws for municipal purposes respecting the following matters:
- (i)** 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;
- 250(2)** Without limiting the generality of subsection (1), a municipality may for municipal purposes do the following:
- (c)** acquire, establish, maintain and operate services, facilities and utilities;
- 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;
 - (b)** providing for a right of entry onto private property to determine compliance with other terms and conditions, to determine the amount of deposits, fees or other charges, or to disconnect a service; and
 - (c)** discontinuing or disconnecting a service and refusing to provide the service to users who fail to comply with the terms and conditions.

252(2) A charge referred to in clause (1)(a) may be collected by the municipality in the same manner as a tax may be collected or enforced under this Act.”

AND WHEREAS it is deemed advisable to provide rates for April 1, 2024, and January 1 2025, 2026, 2027 and thereafter to be paid by persons to whom water and wastewater services are supplied by the Beausejour Utility and to provide for the collection thereof;

NOW THEREFORE the Council of the Town of Beausejour, in session duly assembled, hereby enacts as follows:

1. THAT all accounts for minimum quarterly charges for metered services as set forth in the Schedule of Quarterly Rates shall be billed quarterly. Consumers shall pay for water and wastewater service supplied to them by the Beausejour Utility within the Town of Beausejour at the rates and terms set out in Schedule “A” attached hereto and forming part of this by-law.
2. THAT the Town of Beausejour 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.
3. THAT no person, other than the Fire Chief or someone acting on their behalf, or a representative of the Town duly authorized in writing by the Town’s Chief Administrative Officer, shall open or use any fire hydrant, either for construction purposes, street cleaning, or any other purpose.
4. THAT the meter shut off valve inside premises serviced with water by the Town 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.
5. THAT no person shall wilfully or maliciously hinder or cause to hinder the Town or its representative in the exercise of their duties in relation to the operation and maintenance of the water or wastewater system.
6. 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 Town of Beausejour for any expense, loss or damage suffered by the Town 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 Town 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.
7. THAT this by-law and rates for April 1, 2024, and January 1, 2025, 2026, 2027, 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.
8. THAT By-law No. 1768-19 and its amendments are hereby repealed as of April 1, 2024 and upon final approval of this By-law by the Public Utilities Board of Manitoba.

PASSED AND ENACTED by the Town of Beausejour in the Province of Manitoba, in council duly assembled this 28th day of may 2024.



Mayor



Chief Administrative Officer

READ a First time this 9th day of may, 2023.

READ a Second time this 28th day of may, 2024.

READ a Third time and **PASSED** this 28th day of may, 2024.

**TOWN OF BEAUSEJOUR
BEAUSEJOUR UTILITY
BY-LAW NO. 1798-23
WATER & WASTEWATER UTILITY RATES
SCHEDULE "A"
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge April 1, 2024

Quarterly Service Charge \$28.42

Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$1.68	\$1.01	\$2.69

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8	1	14	\$ 28.42	\$ 23.52	\$ 14.14	\$ 66.08
3/4	2	28	\$ 28.42	\$ 47.04	\$ 28.28	\$ 103.74
1	4	56	\$ 28.42	\$ 94.08	\$ 56.56	\$ 179.06
1 ¼	6.7	94	\$ 28.42	\$ 157.92	\$ 94.94	\$ 281.28
1 ½	10	140	\$ 28.42	\$ 235.20	\$ 141.40	\$ 405.02
2	25	350	\$ 28.42	\$ 588.00	\$ 353.50	\$ 969.92
3	45	630	\$ 28.42	\$ 1,058.40	\$ 636.30	\$ 1,723.12
4	90	1,260	\$ 28.42	\$ 2,116.80	\$ 1,272.60	\$ 3,417.82
6	170	2,380	\$ 28.42	\$ 3,998.40	\$ 2,403.80	\$ 6,430.62

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.01) + \$28.42 = \$73.87$

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2025

Quarterly Service Charge \$31.50

Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$1.81	\$1.05	\$2.86

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8 inch	1	14	\$ 31.50	\$ 25.34	\$ 14.70	\$ 71.54
3/4 inch	2	28	\$ 31.50	\$ 50.68	\$ 29.40	\$ 111.58
1 inch	4	56	\$ 31.50	\$ 101.36	\$ 58.80	\$ 191.66
1 1/4 inch	6.7	94	\$ 31.50	\$ 170.14	\$ 98.70	\$ 300.34
1 1/2 inch	10	140	\$ 31.50	\$ 253.40	\$ 147.00	\$ 431.90
2 inch	25	350	\$ 31.50	\$ 633.50	\$ 367.50	\$ 1,032.50
3 inch	45	630	\$ 31.50	\$ 1,140.30	\$ 661.50	\$ 1,833.30
4 inch	90	1,260	\$ 31.50	\$ 2,280.60	\$ 1,323.00	\$ 3,635.10
6 inch	170	2,380	\$ 31.50	\$ 4,307.80	\$ 2,499.00	\$ 6,838.30

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.05) + \$31.50 = \$78.75$

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2026

Quarterly Service Charge \$34.58

Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$1.94	\$1.09	\$3.03

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8 inch	1	14	\$ 34.58	\$ 27.16	\$ 15.26	\$ 77.00
3/4 inch	2	28	\$ 34.58	\$ 54.32	\$ 30.52	\$ 119.42
1 inch	4	56	\$ 34.58	\$ 108.64	\$ 61.04	\$ 204.26
1 1/4 inch	6.7	94	\$ 34.58	\$ 182.36	\$ 102.46	\$ 319.40
1 1/2 inch	10	140	\$ 34.58	\$ 271.60	\$ 152.60	\$ 458.78
2 inch	25	350	\$ 34.58	\$ 679.00	\$ 381.50	\$ 1,095.08
3 inch	45	630	\$ 34.58	\$ 1,222.20	\$ 686.70	\$ 1,943.48
4 inch	90	1,260	\$ 34.58	\$ 2,444.40	\$ 1,373.40	\$ 3,852.38
6 inch	170	2,380	\$ 34.58	\$ 4,617.20	\$ 2,594.20	\$ 7,245.98

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.09) + \$34.58 = \$83.63$

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2027

Quarterly Service Charge \$37.64

Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$2.06	\$1.14	\$3.20

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8 inch	1	14	\$ 37.64	\$ 28.84	\$ 15.96	\$ 82.44
3/4 inch	2	28	\$ 37.64	\$ 57.68	\$ 31.92	\$ 127.24
1 inch	4	56	\$ 37.64	\$ 115.36	\$ 63.84	\$ 216.84
1 1/4 inch	6.7	94	\$ 37.64	\$ 193.64	\$ 107.16	\$ 338.44
1 1/2 inch	10	140	\$ 37.64	\$ 288.40	\$ 159.60	\$ 485.64
2 inch	25	350	\$ 37.64	\$ 721.00	\$ 399.00	\$ 1,157.64
3 inch	45	630	\$ 37.64	\$ 1,297.80	\$ 718.20	\$ 2,053.64
4 inch	90	1,260	\$ 37.64	\$ 2,595.60	\$ 1,436.40	\$ 4,069.64
6 inch	170	2,380	\$ 37.64	\$ 4,902.80	\$ 2,713.20	\$ 7,653.64

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.14) + \$37.64 = \$88.94$

The following clauses take effect April 1, 2024:

3. Service To Customers Outside Utility's Limits

The Council of the Town of Beausejour may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the Beausejour Utility. Such Agreements shall provide for payment of the appropriate rates set out in the 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 Beausejour Utility boundaries.

In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

4. Billings And Penalties

Accounts shall be billed quarterly and the due date shall be at least fourteen (14) days after the mailing of the bills.

A late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date.

5. Change of Service

The charge to sign up as a customer of the Utility shall be \$10.00 to recover the cost of completing the change of customer for that service.

6. Meter Reading

Beausejour Water and Wastewater Utility customers are responsible for reading their own water meter, and will be responsible to provide the meter reading to the Municipal office.

In the event that a Utility customer fails to deliver the water meter reading during the appropriate time period, the Town will read the meter and will assess a fee of \$25.00 for this service.

If the Town is unable to access and read the meter within an appropriate time period, an estimate of the water consumption will be made and the customer will still remain liable for the service fee.

7. 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 Town's office.

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$50.00 have been paid.

8. Liability for Charges

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

9. Hydrant Charges

The Town of Beausejour will pay to the Utility an annual rental of \$150.00 for each hydrant connected to the system.

10. Water Allowance Due To Line Freezing

That in any case where, at the request of the CAO, 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 the 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.

11. Wastewater Surcharges

a) There may be levied annually, in addition to the rates set forth above, a special surcharge on wastewater 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 wastewater or industrial waste.

12. Water Meters

Water meters are owned by the Town, 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.

13. 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 \$100.00 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, 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. 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 wastewater 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 Public Works Supervisor, or other employee authorized by the Town in the absence of the Public Works Supervisor, 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.

Order No. 59/24

**TOWN OF BEAUSEJOUR
BEAUSEJOUR WATER AND WASTEWATER UTILITY
REVISED WATER AND WASTEWATER RATES
EFFECTIVE APRIL 1, 2024, JANUARY 1, 2025, JANUARY 1, 2026,
AND JANUARY 1, 2027**

MAY 16, 2024

**BEFORE: Shawn McCutcheon, Panel Chair
Susan Boulter, Panel Member**

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1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the revised water and wastewater rates for the Town of Beausejour (Town), Beausejour Water and Wastewater Utility (Utility), effective April 1, 2024, January 1, 2025, January 1, 2026, and January 1, 2027.

The approved rates are as follows:

	Current Rates	April 1, 2024	January 1, 2025	January 1, 2026	January 1, 2027
Quarterly Service Charge	\$25.34	\$28.42	\$31.50	\$34.58	\$37.64
Water (per cubic meter)	\$1.55	\$1.68	\$1.81	\$1.94	\$2.06
Wastewater (per cubic meter)	\$0.97	\$1.01	\$1.05	\$1.09	\$1.14
Minimum Quarterly Charge*	\$60.62	\$66.08	\$71.54	\$77.00	\$82.44
Minimum Quarterly Charge – Wastewater Only**	\$68.99	\$73.87	\$78.75	\$83.63	\$88.94

*Based on 14 cubic meters

**Based on 45 cubic meters

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

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

2.0 Background

The Town operates a water and wastewater utility, servicing 1,478 water and wastewater customers and one water only customer (or a total of 1,479 customers). Rates were last approved for the Utility in 2020 in Board Order No. 66/20, with current rates effective January 1, 2022.

Water Supply and Distribution

The water system was constructed in the 1950s and a new well was installed in 1995. In 2009, an infrastructure assessment found the water treatment plant was operating at capacity and several components need to be upgraded and an engineering report identified over \$6,000,000 of older cast iron watermain pipes that require replacement.

The Town has included \$15,800,000 for a new water treatment plant and \$1,900,000 for watermain renewals in its forecasted capital plan included in its rate study.

Wastewater Collection and Treatment

The wastewater system was constructed in the 1950s and the lagoons were expanded in 1990 to accommodate customer growth.

Unaccounted for Water

The acceptable percentage of unaccounted for water is 10% based on industry standards. If the percentage is above this amount, the applicant is to explain why and provide a plan to remedy.

The Town's rate study reports unaccounted for water at 11.77% as of 2021. The Town's firehall is currently unmetered and is exploring options to meter the facility.

Meter revolver and/or data entry errors contributed to reporting of 7,784 cubic meters of negative consumption, thereby inflating unaccounted for water volume.

3.0 Application

On June 23, 2024, the Town applied for revised water and wastewater rates for the Utility. The application was accompanied by a rate study prepared by the Town's consultant and By-Law No. 1798-23 read for the first time on May 9, 2023.

A Public Notice of Application was issued on June 29, 2023 allowing for any questions or comments with respect to the proposed rate increases to the Board and/or the Town on or before August 13, 2023. There were no responses to the Notice.

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. The Board has chosen a paper review process for the Town's application.

The rates were calculated based on the following projections and include an annual inflation rate of 3% in the calculations:

Schedule of Utility Rate Requirements				
Town of Beausejour – Beausejour Water and Wastewater Utility				
2024 to 2027 Budget Forecasts (\$)				
	2024	2025	2026	2027
	Forecast			
General Expenses				
Administration	206,263	212,451	218,825	225,389
Training	2,589	2,676	2,756	2,839
Billing and Collection	993	1,023	1,054	1,085
Total General Expenses	209,845	216,150	222,635	229,313
Revenue				
Penalties	5,272	5,272	5,272	5,272
Other Income	895	895	895	895
Total General Revenues	6,167	6,167	6,167	6,167
Net Costs General	203,678	209,983	216,468	223,146
Water Expenses				
Purification and Treatment	96,105	98,988	101,958	105,017
Transmission and Distribution	167,114	172,128	177,292	182,610
Service of Supply	54,051	86,573	89,170	91,845
Other Water Supply Costs	500,000	-	-	-
Amortization	100,172	552,787	550,775	550,775
Interest on Long-Term Debt	-	274,206	266,467	258,290
Contingency	37,947	37,947	37,947	37,947
Reserve	189,000	189,000	189,000	189,000
Total Water Expenses	1,144,389	1,411,629	1,412,609	1,415,484
Revenue				
Hydrant Rentals (176)	26,400	26,400	26,400	26,400
Connection Charges	1,260	1,260	1,260	1,260
Total Water Revenue	27,660	27,660	27,660	27,660
Net Water Costs	1,116,729	1,383,969	1,384,949	1,387,824
Wastewater Expenses				
Collection System	95,113	97,966	100,905	103,932
Treatment and Disposal	67,218	69,235	71,312	73,451
Lift Station	45,889	47,266	48,684	50,145
Amortization	207,490	207,920	208,350	210,311
Interest on Long-Term Debt	43,502	37,577	31,439	25,080
Contingency	22,753	22,753	22,753	22,753

Reserve	111,000	111,000	111,000	111,000
Total Wastewater Expenses	592,965	593,717	594,443	596,672
Net Wastewater Costs	592,965	593,717	594,443	596,672
Net Operating Costs	1,913,372	2,187,669	2,195,860	2,207,642

The proposed Utility rate increases are primarily due to increased operating costs for a water meter replacement program, water line repairs resulting from a new treatment plant operating at higher pressure, an increased allocation for the Director of Operations, and amortization and interest for a new water treatment plant capital project.

Contingency Allowance and Utility Reserves

As per the Board's Water and Wastewater Rate Application Guidelines, a yearly allowance equal to 10% of the variable operating costs is recommended for a contingency allowance.

The Town has included a contingency allowance of \$37,947 for water and \$22,753 for wastewater to a total annual contingency allowance of \$60,700.

The Town has included an annual reserve allowance of \$189,000 for water and \$111,000 for wastewater (or a total reserve allowance of \$300,000) to provide for the expansion of Utility lines (\$636,000), a Water Treatment Plant Project (\$15,800,000), the Park Avenue Water Renewal (\$1,900,000), and ongoing wastewater relining (\$125,000 per year).

Working Capital Surplus/Deficit

Board Order No. 93/09 established that utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus/deficit is defined as the Utility fund balance, excluding any capital related items plus Utility reserves.

As per the 2022 Audited Financial Statements, the most recent information available, the working capital deficit for the Utility at December 31, 2022 was:

	2022
Utility Fund Surplus/Deficit	\$8,424,494
Deduct: Tangible Capital Assets	(12,190,840)
Add: Long-Term Debt	1,385,524
Add: Utility Reserve	1,291,038
Equals Working Capital Surplus (Deficit)	\$(1,089,794)
Operating Expenses	946,623
20% of Operating Expenses (Target)	\$189,325

The Utility does not meet the Board minimum working capital surplus of 20%. The Utility's consultant advised, the Utility added \$2,714,264 in capital assets under construction in 2022 for a new water treatment plant. As of the 2022 Audited Financial Statements, a grant of \$5,609,059 has been received, but a portion of deferred grant revenue, equal to the capital expenditure, has not yet been recognized. The working capital deficit is therefore a result of timing and will be corrected upon completion of the new water treatment plant and the deferred grant revenue has been recognized accordingly by the Utility.

Cost Allocation Methodology

The Board requires all municipal governments to review the costs shared between its 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. 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 Town's allocation plan for shared costs is as follows:

**Town of Beausejour
Beausejour Water and Wastewater Utility
Allocation Plan for Non-Direct Shared Services (see Note 1)**

as at May, 2023

Category	Sub-category	Options	
1.0	Administrative Staff		27% of general government services (as defined in Financial Plan), excluding assessment and grant expenses
	1.1 Billing services – meter reading to receipting and collection.		Meter reading – N/A; receipting and collection part of admin. staff allocation
	1.2 Accounting/ auditing/ including bylaw making and enforcement.		27% of audit costs
	1.3 Common office space		27% of office costs, utilities
	1.4 Office overheads (telephone, photocopier, computer, etc.)		27% of printing, postage, and stationary
2.0	Operating, construction, and maintenance costs		
	2.1 Vehicle – fuel, maintenance, lease costs, capital costs		The Utility owns its own vehicles.
	2.2 Labor – full time, part time, on call, sick time, vacation (see Note 2)		Based on actual costs (staff on timesheets).
	2.3 Public works building and property.		Costs that could be charged to the Utility are minimal and nothing is currently allocated to the Utility.
	2.4 Road repairs and alike (see 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 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 (i.e. If reconstructing a road and replacing services at the same time, a portion of the roadwork costs may be allocated to the Utility.)

25% of the Director of Operations salary (\$21,204 in 2022) was included in previous years under administration expenses. In 2024 and future years, the allocation will be revised to 33%, allocated 65% to Water Transmission expense and 35% to Wastewater Collection expense.

4.0 Board Findings

The Board has reviewed the Town’s application for revised rates and the projections presented by the Town in its rate application and notes the calculations used to formulate the Utility’s rates are not consistent with Public Utilities Board Guidelines, but instead have been designed to phase-in rates to mitigate rate-shock and high year-over-year rate increases.

The Board approves the revised Cost Allocation Methodology and reminds the Town the methodology must be used consistently. Board approval is required should any further changes be considered.

The Board notes the Town’s forecast includes major capital projects as follows:

Project	Forecasted Cost	Funding Source	Year
Industrial Park Utility Line Expansion	\$636,000	General Operating (Dedicated Reserve)	2023
Watermain Renewal	\$1,900,000	Grants - \$950,000 Utility Reserves - \$900,000 Utility Operating - \$50,000	2023-2024
Wastewater Relining	\$125,000/year	Utility Operating	2023 - 2027
New Water Treatment Plant	\$15,800,000	Grants - \$10,600,000 Debenture Debt - \$4,850,000 Utility Reserves - \$350,000	2024
Total	\$18,961,000		

The Board approves the rates applied for, effective April 1, 2024, January 1, 2025, January 1, 2026, and January 1, 2027.

The Board requires the Town to review its water and wastewater rates for the Utility for adequacy and file a report with the Board, as well as an application for revised rates (if required) on or before July 1, 2026.

The Board directs the Town to return to the Board as soon as possible to request revised Utility rates if the forecasted rate requirements are insufficient to provide for Utility expenses for 2024, 2025, 2026, or 2027.

The Board notes the Utility has expiring taxation revenue for water and wastewater debt. The Board reminds the Town to be cognizant of these revenues when reviewing and setting rates. If the Town does not take action to provide for expiring taxation revenues accordingly, upon expiring of these revenues, Utility customers will incur large increase to rates all at one time.

The Board also notes the Town's Audited Financial Statements do not distinguish between amortization of capital grants between water and wastewater. The Board directs the Town work with its auditor(s) to review and correct this treatment in future year's audits so the amortization of capital grants may be properly applied for accounting and forecasting purposes.

5.0 IT IS HEREBY ORDERED THAT:

1. The revised water and wastewater rates for the Town of Beausejour, Beausejour Water and Wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective April 1, 2024, January 1, 2025, January 1, 2026, January 1, 2027.
2. The Shared Cost Allocation Methodology for the Town of Beausejour BE AND IS HEREBY APPROVED.
3. The Town of Beausejour 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.
4. The Town of Beausejour 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.

5. The Town of Beausejour review its water and wastewater rates for the Beausejour Water and Wastewater Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than July 1, 2026.
6. The Town of Beausejour work with its auditor(s) to review and correct its treatment of amortization of capital grants and to properly allocate and delineate between the amounts for water and wastewater.

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.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"

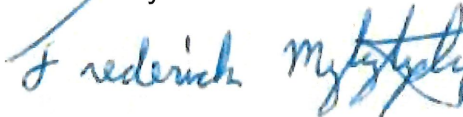
Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 59/24

Issued by The Public Utilities Board



Assistant Associate Secretary

**SCHEDULE A
TOWN OF BEAUSEJOUR
BEAUSEJOUR WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER UTILITY RATES BY-LAW NO. 2022/07
SCHEDULE OF QUARTERLY RATES**

1. Schedule of Commodity Rates & Quarterly Service Charge April 1, 2024

Quarterly Service Charge	\$28.42		
Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$1.68	\$1.01	\$2.69

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8	1	14	\$ 28.42	\$ 23.52	\$ 14.14	\$ 66.08
3/4	2	28	\$ 28.42	\$ 47.04	\$ 28.28	\$ 103.74
1	4	56	\$ 28.42	\$ 94.08	\$ 56.56	\$ 179.06
1 1/4	6.7	94	\$ 28.42	\$ 157.92	\$ 94.94	\$ 281.28
1 1/2	10	140	\$ 28.42	\$ 235.20	\$ 141.40	\$ 405.02
2	25	350	\$ 28.42	\$ 588.00	\$ 353.50	\$ 969.92
3	45	630	\$ 28.42	\$ 1,058.40	\$ 636.30	\$ 1,723.12
4	90	1,260	\$ 28.42	\$ 2,116.80	\$ 1,272.60	\$ 3,417.82
6	170	2,380	\$ 28.42	\$ 3,998.40	\$ 2,403.80	\$ 6,430.62

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.01) + \$28.42 = \$73.87$

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2025

Quarterly Service Charge \$31.50

Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$1.81	\$1.05	\$2.86

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8	1	14	\$ 31.50	\$ 25.34	\$ 14.70	\$ 71.54
3/4	2	28	\$ 31.50	\$ 50.68	\$ 29.40	\$ 111.58
1	4	56	\$ 31.50	\$ 101.36	\$ 58.80	\$ 191.66
1 1/4	6.7	94	\$ 31.50	\$ 170.14	\$ 98.70	\$ 300.34
1 1/2	10	140	\$ 31.50	\$ 253.40	\$ 147.00	\$ 431.90
2	25	350	\$ 31.50	\$ 633.50	\$ 367.50	\$ 1,032.50
3	45	630	\$ 31.50	\$ 1,140.30	\$ 661.50	\$ 1,833.30
4	90	1,260	\$ 31.50	\$ 2,280.60	\$ 1,323.00	\$ 3,635.10
6	170	2,380	\$ 31.50	\$ 4,307.80	\$ 2,499.00	\$ 6,838.30

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.05) + \$31.50 = \$78.75$

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2026

Quarterly Service Charge \$34.58

Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$1.94	\$1.09	\$3.03

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8	1	14	\$ 34.58	\$ 27.16	\$ 15.26	\$ 77.00
3/4	2	28	\$ 34.58	\$ 54.32	\$ 30.52	\$ 119.42
1	4	56	\$ 34.58	\$ 108.64	\$ 61.04	\$ 204.26
1 1/4	6.7	94	\$ 34.58	\$ 182.36	\$ 102.46	\$ 319.40
1 1/2	10	140	\$ 34.58	\$ 271.60	\$ 152.60	\$ 458.78
2	25	350	\$ 34.58	\$ 679.00	\$ 381.50	\$ 1,095.08
3	45	630	\$ 34.58	\$ 1,222.20	\$ 686.70	\$ 1,943.48
4	90	1,260	\$ 34.58	\$ 2,444.40	\$ 1,373.40	\$ 3,852.38
6	170	2,380	\$ 34.58	\$ 4,617.20	\$ 2,594.20	\$ 7,245.98

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.09) + \$34.58 = \$83.63$

1. Schedule of Commodity Rates & Quarterly Service Charge January 1, 2027

Quarterly Service Charge \$37.64

Commodity Rates	Water	Wastewater	Water & Wastewater
Per Cubic Meter	\$2.06	\$1.14	\$3.20

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 & Wastewater Customers

Meter Size (Inches)	Group Capacity Ratio	Water Included (C.M.)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum
5/8	1	14	\$ 37.64	\$ 28.84	\$ 15.96	\$ 82.44
3/4	2	28	\$ 37.64	\$ 57.68	\$ 31.92	\$ 127.24
1	4	56	\$ 37.64	\$ 115.36	\$ 63.84	\$ 216.84
1 1/4	6.7	94	\$ 37.64	\$ 193.64	\$ 107.16	\$ 338.44
1 1/2	10	140	\$ 37.64	\$ 288.40	\$ 159.60	\$ 485.64
2	25	350	\$ 37.64	\$ 721.00	\$ 399.00	\$ 1,157.64
3	45	630	\$ 37.64	\$ 1,297.80	\$ 718.20	\$ 2,053.64
4	90	1,260	\$ 37.64	\$ 2,595.60	\$ 1,436.40	\$ 4,069.64
6	170	2,380	\$ 37.64	\$ 4,902.80	\$ 2,713.20	\$ 7,653.64

b. Water Only for Residential Customers

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

c. Wastewater Only for Residential Customers

The wastewater only charge is based on quarterly consumption of 45 cubic meters plus the quarterly customer service charge.

The quarterly charge for wastewater only customers is $(45 * \$1.14) + \$37.64 = \$88.94$

The following clauses take effect April 1, 2024:

3. Service To Customers Outside Utility's Limits

The Council of the Town of Beausejour may sign Agreements with customers for the provision of water and wastewater services to properties located outside the boundaries of the Beausejour Utility. Such Agreements shall provide for payment of the appropriate rates set out in the 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 Beausejour Utility boundaries.

In addition, all costs of connecting to the Utility's mains, and installing and maintaining service connections, will be paid by the customer.

4. Billings And Penalties

Accounts shall be billed quarterly and the due date shall be at least fourteen (14) days after the mailing of the bills.

A late payment charge of 1.25% per month shall be charged on the dollar amount owing after the billing due date.

5. Change of Service

The charge to sign up as a customer of the Utility shall be \$10.00 to recover the cost of completing the change of customer for that service.

6. Meter Reading

Beausejour Water and Wastewater Utility customers are responsible for reading their own water meter, and will be responsible to provide the meter reading to the Municipal office.

In the event that a Utility customer fails to deliver the water meter reading during the appropriate time period, the Town will read the meter and will assess a fee of \$25.00 for this service.

If the Town is unable to access and read the meter within an appropriate time period, an estimate of the water consumption will be made and the customer will still remain liable for the service fee.

7. 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 Town's office.

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties, and a reconnection fee of \$50.00 have been paid.

8. Liability for Charges

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

9. Hydrant Charges

The Town of Beausejour will pay to the Utility an annual rental of \$150.00 for each hydrant connected to the system.

10. Water Allowance Due To Line Freezing

That in any case where, at the request of the Chief Administrative Officer (CAO), 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 the 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.

11. Wastewater Surcharges

a) There may be levied annually, in addition to the rates set forth above, a special surcharge on wastewater 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 wastewater or industrial waste.

12. Water Meters

Water meters are owned by the Town, 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.

13. 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 \$100.00. 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, 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. 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 wastewater 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 Public Works Supervisor, or other employee authorized by the Town in the absence of the Public Works Supervisor, 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.

