

M A N I T O B A) Order No.76/14
)
THE PUBLIC UTILITIES BOARD ACT) July 7, 2014

BEFORE: Susan Proven, P.H.Ec, Acting Chair
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

RURAL MUNICIPALITY OF SPRINGFIELD
LAGOON TIPPING FEES AND RESIDENTIAL EQUIVALENCY UNITS

Summary

By this Order, the Public Utilities Board (Board) approves the revised residential equivalency unit (REU) assignment and initial lagoon tipping fees for the Springfield Water and Sewer Utility (Utility) in the Rural Municipality of Springfield (RM).

The new rates are effective September 1, 2014.

Details may be found in the attached Schedule "A".

Background

The RM of Springfield operates a water and sewer utility in the communities of Anola, Dugald and Oakbank. There are currently 861 metered water and sewer customers, and 880 sewer-only customers who are billed using a residential equivalency unit (REU) system. REUs are used where a system has no meters, one unit being the volume of water estimated to be used by the average single family residence. Units are allocated to other customers based on estimated water they will use, as compared with a residence. With the Board's approval of the new REU assignment, the RM has 846 single REU customers and 34 multiple REU customers.

The RM advises there are six septic haulers using the lagoon, and historically they have been charged an annual lump sum fee of \$1,500.

Rates were last set in 2013 by Board Order No. 79/13 after a Public Hearing on March 26, 2013. The Order also directed the RM to complete and submit to the Board for approval both a review of the current listing of REUs and the policies and procedures for septic haulers. These submissions were to be provided to the Board on or before December 31, 2013. The Board received the submission on December 24, 2013.

A Notice of Application was issued February 18, 2014 and five stakeholder responses were received.

The Board has at its disposal two alternative processes to deal with applications. It may determine a public hearing is warranted or a paper review process is sufficient. The Board

reviewed the stakeholder responses, some of which called for another Public Hearing. While the responses, some of which were quite lengthy, brought forth some valuable comments, the Board has a responsibility to balance the regulatory oversight of the Utility with the proper use of resources. The Board concluded a paper hearing was in the best interests of the stakeholders and the Utility.

Application

The RM submitted a review of the REU assignment and a proposal for lagoon tipping fees on December 24, 2013, accompanied by a copy of By-law No. 13-14, which had received first reading December 17, 2013. By-law 13-14 is an amendment to By-law 12-15.

The By-law included a listing of proposed REU assignments. Since the Notice of Application the assignments have undergone some changes. The most recent version of the proposed assignments follows:

Customer	Residential Equivalency Unit	Service Charge	Commodity Charge	Quarterly Bill
Single family or small business	1	\$8.52	\$56.25	\$64.77
Building with more than one residence or business:				
35117 PTH 15 RD 60N	1.1	\$8.52	\$61.88	\$70.40
530 Main St. unit 2	1.2	\$8.52	\$67.50	\$76.02
659 Main St.	1.3	\$8.52	\$73.13	\$81.65
667 Main St.	1.5	\$8.52	\$84.38	\$92.90
530 Main St. unit 10	1.6	\$8.52	\$90.00	\$98.52
2 residences or businesses	2	\$8.52	\$112.50	\$121.02
630 Balsam Cres.	2	\$8.52	\$112.50	\$121.02
646 Pine Dr.	2	\$8.52	\$112.50	\$121.02
576 Balsam Cres.	2	\$8.52	\$112.50	\$121.02
573 Main St.	2	\$8.52	\$112.50	\$121.02
559 Main St.	2	\$8.52	\$112.50	\$121.02
559 Main St.	2	\$8.52	\$112.50	\$121.02
27030 PTH 15 60N unit B	2.25	\$8.52	\$126.56	\$135.08
530 Main St. unit 1	2.25	\$8.52	\$126.56	\$135.08
777 Cedar Ave	2.6	\$8.52	\$146.25	\$154.77

Customer	Residential Equivalency Unit	Service Charge	Commodity Charge	Quarterly Bill
3 residences or businesses	3	\$8.52	\$168.75	\$177.27
567 Main St.	3	\$8.52	\$168.75	\$177.27
582 Balsam Cres	3	\$8.52	\$168.75	\$177.27
639 Main St.	2.5	\$8.52	\$140.63	\$149.15
623 Balsam Cres.	3	\$8.52	\$168.75	\$177.27
27055 Oakwood Rd.	3	\$8.52	\$168.75	\$177.27
26157 Oakwood Rd.	3.4	\$8.52	\$191.25	\$199.77
27030 PTH 15 60N unit A	3.75	\$8.52	\$210.94	\$219.46
644 Willow Ave	4.5	\$8.52	\$253.13	\$261.65
1016 Almey Ave	4.5	\$8.52	\$253.13	\$261.65
643 Main St. carwash	5	\$8.52	\$281.25	\$289.77
689 Main St.	5.5	\$8.52	\$309.38	\$317.90
674 Main St.	6.19	\$8.52	\$348.19	\$356.71
36003 PTH 15 RD 60N	8.35	\$8.52	\$469.69	\$478.21
544 Main St.	10.82	\$8.52	\$608.63	\$617.15
860 Cedar Ave	13.1	\$8.52	\$736.88	\$745.40
27047 Oakwood Rd.	13.82	\$8.52	\$777.38	\$785.90
520 Main St.	14.95	\$8.52	\$840.94	\$849.46
826 Cedar Ave	17.72	\$8.52	\$996.75	\$1,005.27
680 Pine Dr.	23.6	\$8.52	\$1,327.50	\$1,336.02
841 Cedar Ave	33.75	\$8.52	\$1,898.44	\$1,906.96

Public Response

The Board received five responses from stakeholders. Some of the concerns voiced were:

- The REU policy should be approved by a Council By-law
- There may be customers missing from the quarterly billings
- A lack of security at the lagoon and the use of the "honour system" with the haulers
- Discrepancies with the list of multiple REU customers provided in the Notice of Application

There were also a number of concerns which are beyond the scope of this application and, in some cases, the jurisdiction of the Public Utilities Board. Although the responses requested another Public Hearing be convened, the Board decided this was not in the best interest of all parties and proceeded with a paper review process.

Board Findings

The Board thanks the stakeholders from the RM of Springfield for taking the time to respond to the Notice of Application and the municipal staff who worked to respond to the Board in a timely and cooperative manner.

The Board recommended in Order No. 79/13 that the municipality engage in further public hearings for the many concerns voiced which fell outside of the scope of the March 2013 hearing, and

this remains a recommendation of the Board at this time.

The Board urges the RM to continue reviewing the REU assignment listing and do everything possible to ensure that all customers are being billed in an equitable manner.

The Board is aware of the limitations of billing customers based on REUs; it is an inherently unfair, albeit equitable, system. The RM advises they have recently applied to the Manitoba Water Services Board for grant money for a meter installation project. Given that the majority of contention with the REU assignment seems to relate to the multiple REU customers, the RM may want to consider installing meters for those customers and charge them on consumption, even if the larger meter project is not approved.

The Board would also remind the RM that if the utility rates By-law is amended due to any changes to the multiple REU customer listing, a copy should be forwarded to the Board once it has had third reading. The RM might want to consider replacing this listing with the general REU policy instead; the Board does not require such a detailed listing within the By-law.

Several of the respondents expressed a desire to review a detailed list of each property being billed quarterly. This is a very unusual request, and could be complicated by the personal nature of this information. The Board has not requested this information, and does not require it for the purposes of this application. Requests for this information should be directed to the RM.

The use of the "honour system" for haulers using the lagoon is not an unusual practice in Manitoba. The Board is confident that the RM researched the options available and determined that this is the most appropriate solution available to implement at this time. The RM has advised the Board that they are currently investigating the possibility of requiring all haulers to have GPS tracking systems installed in their trucks.

The Board encourages the RM to review this issue from time to time, and continue to implement any new improvements when it is reasonable and financially viable to do so.

The Board will approve the revised residential equivalency unit assignment and initial lagoon tipping fees for the Springfield Water and Sewer Utility. These revisions are to come into effect September 1, 2014.

The Board will require the RM to submit the By-law once it has received third and final reading.

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.

IT IS THEREFORE ORDERED THAT:

1. The revised residential equivalency unit assignment as shown on Schedule "A" attached to this Order for the Rural Municipality of Springfield BE AND ARE HEREBY APPROVED effective September 1, 2014.
2. The initial lagoon tipping fees as shown on Schedule "A" attached to this Order for the Rural Municipality of Springfield BE AND ARE HEREBY APPROVED effective September 1, 2014.
3. The Rural Municipality of Springfield file with the Board the By-law, once it has received third and final reading.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."
Acting Chair

"JENNIFER DUBOIS, CMA"
Acting Secretary

Certified a true copy of Order No.
76/14 issued by The Public
Utilities Board

Acting Secretary

SCHEDULE "A"

THE RURAL MUNICIPALITY OF SPRINGFIELD

WATER AND SEWER RATES

BY-LAW NO. 13-14
 AMENDING BY-LAW 12-15

1 (1). By-law No. 12-15 is amended by this section.

1 (2) Clause B - "The Quarterly Sewer Only Charges - Sewer Service Only" section be deleted and replaced with:

Customer	Residential Equivalency Unit	Service Charge	Commodity Charge	Quarterly Bill
Single family or small business	1	\$8.52	\$56.25	\$64.77
Building with more than one residence or business:				
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1 (3) Clause C - 6 be deleted and replaced with:

The hauled sewage shall be \$1.03 per cubic meter, charged to the sewage hauler, payable monthly. This would be charged, based on 100% of the waste hauler's tank capacity. There would also be an annual licensing fee of \$125.00 per truck registered for the initial license, and \$75.00 thereafter for annual renewals of said license.

2. THAT this By-law shall come into force and become effective

on, the latter of June 1, 2014, or after both approval by the Public Utilities Board and receipt of third and final reading thereof. Current Sewage hauler licenses, which require renewal June 1, 2014, would be pro-rated on the current basis, until such time these changes can be implemented.