

Order No. 96/16

**RURAL MUNICIPALITY OF DE SALABERRY
ST. MALO WATER AND WASTEWATER UTILITY
INTERIM LAGOON TIPPING FEES**

August 2, 2016

**BEFORE: The Hon. Anita Neville, P.C., B.A. (Hons.), Acting Chair
Carol Hainsworth, C.B.A., Member**

Summary

By this Order, the Public Utilities Board (Board) approves, on an interim *ex parte* basis, initial tipping fees applied for by the Rural Municipality of De Salaberry (RM), St. Malo water and wastewater utility (Utility).

The new rates are to be effective September 1, 2016. The approved rates are shown below.

Quarterly service charge	\$7.37
Lagoon tipping fee	\$20/1,000 gallon
Total quarterly charge/3,000 gallon	\$67.37
Total quarterly charge/10,000 gallon	\$207.37

These rates can also be found in the attached Schedule "A".

Background

The RM operates two lagoons, one through the St. Malo water and wastewater utility and the other through the Otterburne sewer utility. Each of these utilities are operated separately and both lagoons are fenced and gated with controlled access.

The St. Malo lagoon is controlled by an electronic gate where access is gained by using a fob key. Through the fob, all entries are recorded, the data stored, and downloaded to the office computers.

Septic haulers are required to register their vehicles to acquire a fob. They are also required to provide information about their vehicle, including the size of the tank on their trunk; confirmation of liability coverage and proof of Workers' Compensation coverage, if applicable.

Haulers will be required to maintain records of their pickups, including approximate volumes and the civic address from where they collect the septic waste. Dumping is restricted to septic waste collected within the rural municipality. Records are to be submitted quarterly or more often, and the RM will issue quarterly invoices based on the recorded number of times the lagoon was accessed.

Application

The Board received a letter from the RM on July 4, 2016 requesting initial lagoon tipping fees for the Utility. The application was accompanied by By-law No. 2339-16, having received first reading on May 10, 2016. The RM has requested that the rates be approved on an interim *ex parte* basis.

The RM applied for approval from the Board to implement the fees on an interim basis, pending the time the RM completes its financial audits for 2013, 2014 and 2015. The application advised that following receipt of the audited statements, a comprehensive review of rates for the Utility will be completed. It also stated that until the RM has completed a review of its financial record and the audit, accurate financial information cannot be provided.

The RM advised that the proposed rate is based on what neighbouring municipalities are charging. The RM is of the view that it is important to keep rates consistent with neighbouring municipalities so as to minimize the risk of haulers dumping in another jurisdiction if the proposed rates are higher, or overloading the system if lower.

The RM advised the Board that the Septic haulers are aware of the application and have been advising their customers of the proposed change. The RM also stated that a notice of the application will be circulated with tax bills and posted on the website.

No public response to the notice has been received by the Board

Board Findings

The Board will on an interim *ex parte* basis, approve the initial lagoon tipping fees as applied for by the Rural Municipality of De Salaberry, St. Malo Utility, to be effective September 1, 2016.

In some cases, the Board can establish interim rates, which are rates that are subject to review following a more complete process. When setting initial rates, the Board will often approve interim rates as applied for. These are then confirmed as final once there is sufficient information about the utility to provide accurate projections for rate setting purposes. In the case of the St. Malo Utility, the required audited financial statements from 2013 to present are not available.

The Board will like to express their disappointment that these audited financial statements which are up to 24 months late, are still not available.

The RM has advised the Board that a comprehensive review of the Utility's rates will be completed when the audited statements are available and anticipates submitting an application to the Board by early 2017. The Board will direct the RM to file a rate study with the Board, on or before February 28, 2017.

The Board urges the RM to review *the Public Utilities Board Act* and general Board Order Nos. 151/08 and 93/09 to have a better understanding of their responsibilities in reporting to the Board.

The RM is to provide the Board with copies of the available 2012 audited statement as noted in the application, and submit any necessary deficit application, if required

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 Lagoon tipping fees for the Rural Municipality of De Salaberry, St. Malo Utility, BE AND IS HEREBY APPROVED on an Interim *ex parte* basis, effective September 1, 2016.
2. The Rural Municipality of De Salaberry, St. Malo, file a rate study with the Public Utilities Board, on or before February 28, 2017.
3. The Rural Municipality of De Salaberry provide a copy of the available 2012 audited financial statement and a deficit application if required.

Fees payable upon this Order – \$150.00

THE PUBLIC UTILITIES BOARD

“The Hon. Anita Neville, P.C., B.A. (Hons.)”
Acting Chair

“JENNIFER DUBOIS, CPA, CMA”
Acting Secretary

Certified a true copy of Order No. 96/16
issued by The Public Utilities Board

Acting Secretary

Schedule "A"
Rural Municipality of De Salaberry
By-Law 2339-16

September 1, 2016

The fees charged are to be set out as follows:

Quarterly service charge: \$7.37

Charge per 1,000 gallons: \$20.00

Tank Size on Trunk	Quarterly Charge	\$20/1,000 gallon	Total Quarterly Charge
3,000 gallon	7.37	\$60	\$67.37
10,000 gallon	\$7.37	\$200	207.37