

**Order No. 10/24**

**RURAL MUNICIPALITY OF ALEXANDER  
REQUEST TO REVIEW AND VARY  
BOARD ORDER NOS. 59/12 and 123/12  
TRUCK HAUL WASTEWATER UTILITY**

---

**January 17, 2024**

**BEFORE: Shawn McCutcheon, Panel Chair  
Irene Hamilton, K.C., Panel Member**

**Table of Contents**

**1.0 Executive Summary ..... 3**

**2.0 Background ..... 4**

**3.0 Application..... 4**

**4.0 Board Findings ..... 5**

## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the Rural Municipality of Alexander's (RM) request to vary the description of the Truck Haul Wastewater Utility (Utility) as previously set in Board Order Nos. 123/12 and 59/12 to include a new wastewater lagoon location.

The Board denies the request to review and vary Board Order Nos. 123/12 and 59/12.

The Board grants approval of the revised description and By-law No. 10/23.

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

## 2.0 Background

This Board Order is best read in conjunction with Board Order No. 59/12 and Board Order No. 123/12.

In Board Order No. 59/12, issued May 10, 2012, the Board declared the operations of two lagoons, one in Traverse Bay and one on Highway 304, a public utility. The Utility is known as the Rural Municipality of Alexander's Truck Haul Utility, and the Board Order also granted approval of rates for this Utility.

Upon application of the RM, Board Order No. 123/12, issued September 21, 2012, varied the effective date of the rates for the Utility to be effective August 1, 2012.

## 3.0 Application

On September 28, 2023, the RM submitted a request that the Board review its decision made in Board Order Nos. 59/12 and 123/12 and approve a new By-law for the Truck Haul Utility.

The RM requested to vary the description of the Utility found in the current By-law No. 17/12, which reads as follows:

*“And whereas the Rural Municipality of Alexander owns and operates the Traverse Bay Wastewater Treatment Lagoon and the Highway #304 Wastewater Treatment Lagoon as Sewer Treatment Facilities specifically for the purpose of providing services to Septic Waste Haul Companies in order to address the need to treat septage generated within the Rural Municipality of Alexander;”*

The RM's application included a copy of By-law No. 10/23 with the following revision:

*“And whereas the Rural Municipality of Alexander owns and operates the Traverse Bay Wastewater Treatment Lagoon, the Highway #304 Wastewater Treatment Lagoon **and the PR 313 Wastewater Treatment Lagoon** as Sewer Treatment Facilities specifically for the purpose of providing services to Septic Waste Haul Companies in order to address the need to treat septage generated within the Rural Municipality of Alexander;”*  
(emphasis added)

By-law 10/23 also eliminates clause 10 from By-law 17/12:

*“10. RATE REVIEW PERIOD: The proposed rates, included in this study have been budgeted to be in effect for a 3-year period (January 1<sup>st</sup> 2012 to December 31<sup>st</sup> 2014) and be reassessed prior to the conclusion of this period of time. This plan will ensure that the rates charged reflect the actual costs to run the Utility as the Municipality expands in size and population, and that the rates remain fair to the customers.”*

The RM did not make any other revisions or deletions to the By-law, including the Utility rates which came into effect August 1, 2012. The RM’s application stated its intention to review the rates “after the new lagoon has been in operation for at least one year.”

#### **4.0 Board Findings**

The Board has reviewed the RM’s request and has determined the RM’s desired outcome does not require it to review or vary Board Order Nos. 59/12 and 123/12, as such that request is denied. The Board grants approval of the revisions to the Truck Haul Utility’s By-law.

The Board notes the deleted clause in By-law No. 17/12 required the RM to review the rates for the Utility on or before December 31, 2014. The Board is not in receipt of any report regarding an assessment as to the adequacy of the rates but notes the Utility has not applied for approval of an operating deficit since the 2012 deficit was approved in

Board Order No. 62/13. The Board has reviewed the financial statements and finds the Utility appears to have experienced operating surpluses in the intervening years.

The Board has considered the RM's plan to review the Utility rates after the new lagoon has been in operation for at least one year. The Board also considered the information contained in the 2022 audited financial statements, which indicated the Utility had an increase in Tangible Capital Assets of nearly \$545,735 in 2022. While the Utility's depreciation expense on Schedule 9 had not increased in 2022, the Board expects to see a material increase in this expense line in 2023 and future years, which may result in an operating deficit for the Utility.

The Board therefore directs the RM to review its Truck Haul Utility wastewater rates for adequacy and file a report with the Board, as well as an application for revised rates if required, by no later than June 30, 2024.

The Board reminds the RM regular reviews are important for a financially sound utility and encourages the RM to review Board Order Nos. 27/23 and 86/17 for future rate applications. The Orders outline 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.

## 5.0 IT IS THEREFORE ORDERED THAT:

1. The Rural Municipality of Alexander's request to review and vary Board Order Nos. 59/12 and 123/12, BE AND IS HEREBY DENIED.
2. The Rural Municipality of Alexander - Septic Wastewater Truck Haul Utility Rate By-law, BE AND IS HEREBY APPROVED in accordance with the attached Schedule A effective the date of this Order.
3. The Rural Municipality of Alexander review the Truck Haul Wastewater Utility rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates (if applicable), on or before June 30, 2024.

Fees payable upon this Order - \$150.00

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](http://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. 10/24  
issued by The Public Utilities Board



Assistant Associate Secretary

**The Rural Municipality of Alexander  
Schedule "A"  
To By-law 10/23 Water and Sewer Rates**

**SCHEDULE OF RATES:**

**1. COMMODITY RATES PER M.G. (1,000 GALS)**

	<u>Sewer</u>
All Consumption	\$3.70

**2. DELIVERY CHARGES**

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable charges set out below, which will include allowances indicated.

*(a) Water & Sewer Customers*

<u>Vehicle Size</u>	<u>Group Capacity Ratio</u>	<u>Sewer Included (Gallons)</u>	<u>Customer Annual Charge</u>	<u>Commodity Charges Sewer</u>
1000	1	1,000	\$15.00	\$ 3.70
2000	2	2,000	\$15.00	\$ 7.40
3000	3	3,000	\$15.00	\$ 11.10
4000	4	4,000	\$15.00	\$ 14.80
5000	5	5,000	\$15.00	\$ 18.50

*(b) Sewer for Residential Customers*

The minimum charge will be the same for each vehicle size, as shown in Clause 2(A).

*(c) Sewer Commercial Users*

Depending on the nature of the product received from a Commercial User the Municipality reserves the right to require the product to be tested periodically and assess such additional charges as outlined in Clause 11.



Additionally, where required, a Commercial User may be required to submit to Manitoba such reports, as determined by Manitoba Environment, prior to the use of the Municipality's Truck Haul Utility.

*(d) Sewer Industrial Users*

Industrial Users must provide to the Municipality, where necessary, the acceptance from Manitoba Environment for the disposal of their Industrial Septic Waste at the Municipality's Septic Wastewater Truck Haul Utility. Based on the product accepted at the facility an Industrial User may be assessed such additional charges as outlined in Clause 11.

Additionally, where required an Industrial User may be denied access to the facilities until the acceptance of Manitoba Environment is provided to the Municipality.

**3. BULK SALES RATE**

All Truck Haul Sewer Service in bulk by the Rural Municipality shall be charged for at \$3.70 per 1,000 based on the capacity of the vehicle with no prorated calculation on basis of quantities reported as less than 1,000 gallons.

**4. SERVICE TO CUSTOMERS OUTSIDE MUNICIPALITY, TOWN, OR L.I.D. LIMITS**

a. The Council of the Rural Municipality of Alexander may sign agreements with customers for the provision of Truck Haul Sewer Services to properties located outside the legal boundaries of the Rural Municipality of Alexander. 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 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 these boundaries.

**5. BILLINGS AND PENALTIES**

a. Accounts shall be billed monthly, and shall be due and payable the last working day of the month following the month in which the bills are issued. A late payment charge of 1 ¼ % per month shall be charged on the dollar amount owing

after the billing due date. The due date will be at least fourteen days after the mailing of the bills.

**6. DISCONNECTION**

Service may be discontinued immediately and without further notice in the event of non-payment of the account. The Service Provider shall be provided 30-days notice of the discontinuation of service at Alexander's Facilities.

**7. RECONNECTION**

Any service disconnected, due to non-payment of account, shall not be reinstated until all arrears, penalties and a reinstatement fee of \$30.00 have been paid.

**8. OUTSTANDING BILLS**

Outstanding Bills shall be addressed as per Clause 6 and Clause 7.

**9. FUTURE WATER AND SEWER UTILITY ASSESSMENT**

It is the intent of the Rural Municipality of Alexander, over the next three-year period, and prior to the next rate review to undertake an evaluation of the service capacity of its Truck Hall Lagoons. The evaluation of the Utility is intended to provide the following:

- a. A clear indication of the current volumes entering these Utilities; and
- b. Ascertain the condition of the Utility with respect to existing environmental requirements in order to determine any impending major maintenance issues; and
- c. Assess the capacity of the system and its ability to service the community into the future.

**10. SEWAGE SURCHARGES**

- a. There may be levied annually, in addition to 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 purchase for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.