

Order No. 28/24

**RURAL MUNICIPALITY OF DE SALABERRY
OTTERBURNE WASTEWATER UTILITY
REVISED WASTEWATER RATES JANUARY 1, 2024
SIMPLIFIED RATE APPLICATION**

February 27, 2024

BEFORE: Irene Hamilton, K.C., Panel Chair

Shawn McCutcheon, Panel Member

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1.0 Executive Summary

By this Order, the Public Utilities Board grants approval of the revised wastewater rates to be effective January 1, 2024, for the Rural Municipality of De Salaberry (RM), Otterburne Wastewater Utility (Utility). The revised rates are shown below:

	Jan 1, 2024
Annual Customer Service Charge	\$ 50.61
Annual Wastewater Rate (per REU)*	\$ 291.32
Total Annual Charge**	\$ 341.93

*Residential equivalency unit

**for a customer with one REU

Details of the rates can be found in the attached Schedule A. There are no changes to Schedule B or C.

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

2.0 Background

The RM owns and operates a wastewater only utility that serves 54 customers, with an assignment of 94.75 residential equivalency units (REUs). The RM has indicated there are no material changes to the operations of the Utility. The billing cycle is annual and sent to customers with their tax bills.

Where a system has no meters, including systems with wastewater service only, volume of water used and/or volume of effluent returned to the wastewater system are based on residential equivalent units; one unit being the volume of wastewater estimated to be produced by the average single family residence. Rates are set based on residential equivalency units (REUs).

Rates were last set in Board Order No. 10/22, with current rates coming into effect January 1, 2022.

Wastewater Treatment and Collection System

The Otterburne lagoon and low-pressure system (LPS) were installed in 1993. The original lines from the LPS are composed of Series 80 low density polyethylene (LDPE) and range in size from 75mm to 100mm. Access to the lagoon is through a locked gate system.

The RM has advised it is in the planning process for a lagoon expansion in the next couple of years.

3.0 Board Methodology

Simplified Rate Application Process

The Board issued Board Order Nos. 86/17 and 27/23 establishing and revising the Simplified Rate Application Process (Simplified Process). This process applies to municipally-owned public utilities operating water and/or wastewater systems which meet designated criteria and wish to request Board approval for revised rates.

The following criteria are required in order for a utility to qualify to apply for revised rates using the Simplified Process:

1. The utility must be compliant with all regulatory reporting, including but not limited to:
 - a. The audited financial statements being relied upon for evidence by the Board in the application must be current and prepared in compliance with *The Municipal Act* section 190.
 - b. All outstanding utility deficits should have received approval of the Board.
 - c. All directives from previous Board Orders should have been followed, including submitting copies of all by-laws after third reading, as required.

2. The utility must not be experiencing an operating deficit which is the lower of \$10,000 or 5% of operating expenses, when calculated for regulatory purposes.

This includes the appropriate adjustments for capital grants and contributed assets

as outlined in Board Order No. 151/08, available on the PUB website at www.pubmanitoba.ca.

3. The utility must not be experiencing an unexplained annual operating surplus which is in excess of 20% of operating expenses, when calculated for regulatory purposes. This includes the appropriate adjustments for capital grants and contributed assets as outlined in Board Order No. 151/08, available on the PUB website at www.pubmanitoba.ca. An example of an explained surplus would be a utility making an annual contribution to reserves for a planned expenditure; when providing the explanation, all details and supporting documentation about the intended purpose of the reserve should be included.
4. The municipality must have reviewed the utility operations and expects the requested rate will be adequate to meet operating costs for the year. If the revised rates are inadequate, the full application process should be initiated to apply for the necessary rate revisions.
5. The utility must be seeking a rate increase of no more than The Bank of Canada Policy Interest Rate +2%, as indicated at www.bankofcanada.ca on the date of the first reading of the municipal by-law, over the current utility rate. The current utility rate must have been in effect for a minimum of one year from the date of application under the Simplified Process. The revised rate must apply equally to all customers of the utility; however, the utility may request a different revision for the customer service charge, water and/or wastewater rates. For example, a qualified utility may request a 2% rate increase for water, a 1% increase in the customer service charge and no change in wastewater rates, if appropriate. A utility that has domestic and wholesale rates and only wishes to increase one of those rates must apply using the full application process.

6. Requests for multi-year increases will be denied; however utilities may make annual requests for rate increases using the Simplified Process, as long the utility continues to meet the designated criteria.
7. The Simplified Process is at the discretion of the Public Utilities Board, and applicants may be subject to the full application process at any time, and for any reason, without explanation or appeal.

The responsibility for determining whether or not a utility meets the designated criteria lies with the applicant utility. If a utility that clearly does not meet the designated criteria attempts to submit an application using the Simplified Process, the Board will deny the application, and charge a processing fee of \$500.00.

Review Process

When reviewing an application, the Board has at its disposal two approaches, a paper review process or a public hearing. After the publication of the Notice of Application, the Board considers the application and responses, if any, and determines which method of review is most appropriate. Whenever reasonable, the Board can review the application using a paper review process, which saves the cost of a public hearing.

Working Capital

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.

4.0 Application

On September 7, 2023, the RM applied to the Board for revised wastewater rates for the Utility. The Application was submitted using the Simplified Rate Application Process and accompanied by By-Law No. 2422-23 having received first reading on September 5, 2023. The Bank of Canada Policy Interest Rate as of that date was 5%, allowing the RM to request increases of up to 7% using the Simplified Process.

The RM provided an Affidavit certifying: the Utility meets all Board requirements for the Simplified Filing Process; the Utility has no outstanding operating deficits; and the requested wastewater rates are expected to be adequate to meet operating costs for the 2024 calendar year.

The By-Law included a clause increasing the lagoon tipping fees from \$20 per 1,000 gallons to \$25 per 1,000 gallons, which would be in excess of the 7% maximum allowed under Board Order No. 27/23. The RM responded by advising the Board it would remove the proposed revision to lagoon tipping fees and hold them at \$20 per 1,000 gallons.

Rates were last set using the Simplified Filing Application process effective January 1, 2022. The previous rates were reviewed using the regular Rate Application Process/review in Board Order No. 34/19 for the calendar years 2019 up to and including 2021.

A Public Notice of Application was issued on January 8, 2024, affording customers the opportunity to comment to both the Board and the RM with respect to the proposed rate increases. No responses were received. The Board has chosen to review the application using a paper review process.

The RM has applied for revised rates to provide for inflationary cost increases anticipated for 2024.

Working Capital Surplus

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 is defined as the Utility fund balance, excluding any capital-related items plus Utility reserves.

As per the 2022 Audited Financial Statements, the working capital surplus at December 31, 2022:

	2022
Fund Surplus	\$283,245
Deduct: Tangible Capital Assets	(\$299,476)
Add: Long-Term Debt	\$0
Add: Utility Reserve	\$62,981
Equals Working Capital Surplus	\$46,750
Total Utility Expenses	\$28,889
20% of Total Utility Expenses (Target)	\$5,778

The Utility currently meets the Board minimum working capital surplus of 20%.

5.0 Board Findings

The Board finds the RM meets the required criteria, as set out in Board Order Nos. 86/17 and 27/23, to apply for revised rates using the Simplified Rate Application Process and approves the rates as applied for, effective January 1, 2024.

Generally, the Board does not approve retroactive rate increases, as they do not allow ratepayers to mitigate the increases by adjusting their consumption. In the case of the Otterburne Utility, the rates are set on a flat rate, not by consumption and the billing is done annually on taxes, so the 2024 bills have not yet been issued.

The Board will direct the RM to amend its wastewater rate By-Law to reflect the decisions in this Order, and submit a copy once it has received third and final reading. The RM is to provide notice to its customers as soon as possible, advising them of the decisions set out in this Order.

The Board requires the RM to review its wastewater rates for the 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 December 31, 2024.

Regular reviews are important for a financially sound utility and the Board encourages the RM to continue to assess its ability to apply using the Simplified Rate Application Process.

6.0 IT IS THEREFORE ORDERED THAT:

1. Revised wastewater rates for the Rural Municipality of De Salaberry, Otterburne Wastewater Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedules A, B and C, effective January 1, 2024.
2. The Rural Municipality of De Salaberry, Otterburne Wastewater Utility amend its wastewater rate By-Law to reflect the decisions in this Board Order and submit a copy to the Board once it has received third and final reading.

3. The Rural Municipality of De Salaberry, Otterburne Wastewater Utility is to provide a notice to its customers, with a copy to the Public Utilities Board, as soon as possible, including all decisions found in this Order.
4. The Rural Municipality of De Salaberry, Otterburne Wastewater Utility review its wastewater rates 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 December 31, 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.

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, K.C."

Panel Chair

"Jennifer Dubois, CPA, CMA"

Assistant Associate Secretary

Certified a true copy of Order No. 28/24 issued by
The Public Utilities Board



Assistant Associate Secretary

Schedule A

1. 2024 Annual Commodity Rates

Building	REUs*	Sewer Charge	Customer Service Charge	Total Annual Charge
Single Dwelling	1	\$291.32	\$50.61	\$341.93
Post Office	1	\$291.32	\$50.61	\$341.93
Curling Club	1	\$291.32	\$50.61	\$341.93
Water Bottling Plant	2	\$582.64	\$50.61	\$633.25
Providence 6-Suite College Dorm	7.75	\$2,257.73	\$50.61	\$2,308.34
Feed Mill	9	\$2,621.88	\$50.61	\$2,672.49
23 Room Apartment Block	18.75	\$5,462.25	\$50.61	\$5,512.86

*Residential Equivalency Units

2. Billings and Penalties

All connected customers shall be billed yearly property tax bill and payment shall be due as set by the annual Tax Levy By-law. A late payment charge of 1 ¼% shall be charged monthly on any amount owing after the due date and will be applied on the first day of each month following the due date.

3. Disconnection

The Public Utilities Board has approved Conditions Precedent to be followed by the municipality with respect to the disconnection of services 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 and the municipal office.

4. Reconnection

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.

5. Service to Customers outside the limits of Otterburne

The Council of the Rural Municipality of De Salaberry may sign agreements with customers for the provision of sewer services to properties located outside the service area of the Community of Otterburne. Such agreements shall provide for payment of the appropriate rates set out in Section 1 of this schedule (for each applicable year), 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 which would be levied on the property concerned if it were within these boundaries. All costs for connecting to the utility's mains and installing and maintaining service connections shall be paid for by the customer as well as any connection fee that may be in place at the time of connection.

6. 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 surcharge for substances requiring special treatment shall be charged based on the actual cost of treatment required for the particular sewage or industrial wastes.

Schedule B Lagoon Tipping Fees

1. The fees charged to be set out as follows:
 - a. Charge per 1,000 gallons \$20.00
2. All sewage discharged into the sewage lagoon shall meet the standards outlined by Manitoba Conservation and contained in the licence issued by the Province of Manitoba for this lagoon. It shall be the responsibility of each septic hauler to familiarize themselves with these standards.
3. All septic haulers planning to collect sewage or septage from residents of the municipality and discharge sewage into the municipality's lagoon must register at the municipal office and shall complete the application form set out in Schedule "C".
4. Each septic hauler registered with the municipality shall be charged a per load fee based on the size of the vehicle registered. Each payment is due and payable within 14 days from the date that the invoice is mailed. If the current bill is not paid within 30 days, the municipality may revoke all rights and privileges in respect of the person(s) default in payment.
5. Each septic hauler must submit a quarterly report to the municipality indicating:
 - a. the number of loads,
 - b. the estimated volume of each load, and
 - c. the legal or civic address from where each load originated.Failure to submit these reports may result in the municipality revoking all rights and privileges of such person(s) being in violation of this section.
6. The Designated Officer or Alternate as may be appointed shall be empowered to inspect all sewage being discharged by a Septic Hauler. If a Septic Hauler is found to be in violation of this By-law or provisions of any licensing requirements of the municipality the Designated Officer or Alternate shall have full authority to revoke all rights and privileges of such person(s) being in violation and the violator(s) shall immediately surrender their key or access card for the lagoon to the officer.

Schedule C
Septic Hauler Access Application Form

DATE: _____

APPLICANT'S NAME: _____

APPLICANT'S FULL BUSINESS NAME: _____

VEHICLE LICENCE NO: _____ TANK VOLUME: _____

Written confirmation of MINIMUM \$2 million liability insurance in the name of the septic hauler or associated business, with RM of De Salaberry as an additional insured. Confirmation must be provided annually and kept current at all times.

Letter from Worker's Compensation Board of Manitoba with proof of registration and good standing with WCB. Confirmation must be provided annually and kept in good standing at all times.

By signing below, the applicant agrees to comply with all bylaws of the Rural Municipality of De Salaberry including:

- Only sewage collected from within the Rural Municipality of De Salaberry will be discharged into the Otterburne Lagoon.
- To submit a quarterly report to the municipality indicating the number of loads, the volume of each load and the legal or civic address from where each load originated.

The applicant understands that the municipality shall have full authority to revoke all rights and privileges of such person(s) being in violation and the violator(s) shall immediately surrender their access card for the lagoon to the municipality.

X – _____
APPLICANT'S signature

Address (full mailing address)

Phone numbers and email address:

Chief Administrative Officer's signature : _____

Annexe A

1. **Taux annuels de base 2024**

bâtiment	URÉ*	frais d'égout	frais de service à la clientèle	frais annuel total
maison individuelle	1	291,32 \$	50,61 \$	341,93 \$
bureau de poste	1	291,32 \$	50,61 \$	341,93 \$
club de curling	1	291,32 \$	50,61 \$	341,93 \$
usine d'embouteillage d'eau	2	582,64 \$	50,61 \$	633,25 \$
résidence 6-logements Providence College	7,75	2 257,73 \$	50,61 \$	2 308,34 \$
fabrique d'aliments pour animaux	9	2 621,88 \$	50,61 \$	2 672,49 \$
immeuble d'habitation de 23 logements	18,75	5 462,25 \$	50,61 \$	5 512,86 \$

*unités résidentielles équivalentes

2. Facturation et pénalités :

Tous les clients raccordés recevront une facture annuelle de taxe sur les biens et le paiement sera exigible conformément au règlement annuel sur la perception des taxes. Des frais de retard de 1 ¼% seront facturés mensuellement sur tout montant dû après la date d'échéance et seront appliqués le premier jour de chaque mois suivant la date d'échéance.

3. Débranchement

La Régie des services publics a approuvé les conditions préalables à respecter par la municipalité en ce qui concerne le débranchement des services en cas de non-paiement, y compris des questions telles que la notification et le droit d'interjeter appel de cette action auprès de la Régie des services publics. Une copie des conditions préalables peut être consultée au bureau municipal.

4. Rebranchement

Tout service interrompu pour cause de non-paiement du compte ne sera pas rebranché tant que les arriérés, les pénalités et les frais de rétablissement de 50,00 \$ n'auront pas été payés.

5. Service aux clients à l'extérieur des limites d'Otterburne :

Le conseil de la Municipalité rurale de De Salaberry peut signer des ententes avec des clients pour la prestation de services d'égout à des biens situés à l'extérieur de la zone de service de la communauté d'Otterburne. Ces accords prévoient le paiement des taux appropriés indiqués à la section 1 de la présente annexe (pour chaque année applicable), ainsi qu'une surtaxe fixée par résolution du conseil, qui équivaut à la taxe foncière, aux taxes générales et aux taxes spéciales à des fins de services publics en vigueur à ce moment-là, ou pouvant être en vigueur de temps à autre, qui seraient perçues sur le bien concerné s'il se trouvait à l'intérieur de ces limites. Tous les coûts de raccordement au réseau de distribution,

d'installation et d'entretien des branchements sont à la charge de l'abonné, ainsi que la taxe de raccordement éventuellement en vigueur au moment du raccordement.

6. Surtaxes sur les eaux usées

- a) Il peut être perçu chaque année, en plus des taux indiqués ci-dessus, une surtaxe spéciale sur les eaux usées dont la demande biochimique en oxygène est supérieure à 300 parties par million, à fixer par résolution du conseil.
- b) Une surtaxe spéciale pour les substances nécessitant un traitement particulier est perçue sur la base du coût réel du traitement requis pour les eaux usées ou les déchets industriels en question.

Annexe B

Frais de déversement dans la lagune d'épuration

1. Les frais perçus sont fixés comme suit :
 - a. Frais par 1 000 gallons 20,00 \$
2. Toutes les eaux usées déversées dans la lagune d'épuration doivent être conformes aux normes énoncées par Conservation Manitoba et contenues dans le permis délivré par la province du Manitoba pour cette lagune. Il incombe à chaque transporteur de déchets septiques de se familiariser avec ces normes.
3. Tous les transporteurs de déchets septiques qui prévoient de collecter les eaux usées ou les boues septiques des résidents de la municipalité et de les déverser dans la lagune d'épuration de la municipalité doivent s'inscrire au bureau municipal et remplir le formulaire de demande figurant à l'annexe C.
4. Chaque transporteur de déchets septiques enregistré auprès de la municipalité doit s'acquitter d'une redevance par chargement en fonction de la taille du véhicule enregistré. Chaque paiement est dû et payable dans un délai de 14 jours à compter de la date d'envoi de la facture. Si la facture courante n'est pas payée dans les 30 jours, la municipalité peut révoquer tous les droits et privilèges de la personne ou des personnes en défaut de paiement.
5. Chaque transporteur de déchets septiques doit remettre à la municipalité un rapport trimestriel indiquant
 - a. le nombre de charges,
 - b. le volume estimé de chaque chargement, et
 - c. l'adresse légale ou municipale d'où provient chaque chargement.En cas de non-présentation de ces rapports, la municipalité peut révoquer tous les droits et privilèges de la personne ou des personnes en infraction avec le présent article.
6. Le fonctionnaire désigné ou son suppléant est habilité à inspecter toutes les eaux usées déversées par un transporteur de déchets septiques. Si un transporteur de déchets septiques enfreint le présent règlement ou les dispositions de toute licence exigée par la municipalité, le fonctionnaire désigné ou son suppléant a toute autorité pour révoquer tous les droits et privilèges de la personne en infraction et le contrevenant doit immédiatement remettre à l'agent sa clé ou sa carte d'accès à la lagune.

Annexe C
Formulaire de demande d'accès pour les transporteurs de déchets septiques

DATE : _____

NOM DU DEMANDEUR : _____

NOM COMPLET DE L'ENTREPRISE DU DEMANDEUR : _____

N^o D'IMMATRICULATION DU VÉHICULE : _____

VOLUME DU RÉSERVOIR : _____

Confirmation écrite d'une assurance responsabilité d'une valeur MINIMALE de 2 millions de dollars au nom du transporteur de déchets septiques ou de l'entreprise associée, avec la Municipalité rurale de De Salaberry comme assurée additionnelle. La confirmation doit être fournie annuellement et maintenue à jour en permanence.

Lettre de la Commission des accidents du travail du Manitoba avec la preuve de l'enregistrement et du statut auprès de la CAT. La confirmation doit être fournie annuellement et maintenue en bonne et due forme en permanence.

En signant ci-dessous, le demandeur accepte de se conformer à tous les règlements de la Municipalité rurale de De Salaberry, y compris :

- Seules les eaux usées collectées dans la Municipalité rurale de De Salaberry seront déversées dans la lagune d'épuration d'Otterburne.
- Soumettre à la municipalité un rapport trimestriel indiquant le nombre de chargements, le volume de chaque chargement et l'adresse légale ou municipale d'où provient chaque chargement.

Le demandeur comprend que la municipalité a toute autorité pour révoquer tous les droits et privilèges de la ou des personnes en infraction et que le contrevenant ou les contrevenants doivent immédiatement remettre à la municipalité leur carte d'accès à la lagune d'épuration.

X- _____
signature du DEMANDEUR

adresse (adresse postale complète) :

numéros de téléphone et adresse courriel :

signature de la directrice générale : _____