

M A N I T O B A                    )    Order No. 117/09  
  )  
THE PUBLIC UTILITIES BOARD ACT    )    July 28, 2009

BEFORE:   Graham Lane, CA, Chairman  
           Susan Proven, P.H.Ec., Member  
           Monica Girouard, C.G.A., Member

THE TOWN OF ROBLIN  
SEWAGE DUMPING FEE CHARGES  
AND  
GENERAL RATE INCREASE

**Executive Summary**

In this Order, the Public Utilities Board (Board) approves the Town of Roblin's (Town) proposal for revised dumping sewage fees (to be charged to septic haulers with respect to the Town's lagoon, but varies the effective date to September 1, 2009.

The fees include an annual fixed fee of \$2,000, plus a per load fee of:

- i. \$25.00 per 2,000-gallon load or part thereof;
- ii. \$30.00 per 3,000-gallon load or part thereof; or
- iii. \$35.00 per 4,000-gallon load or part thereof.

These fees will apply only with respect to septic services provided to properties located outside of the Town's limits.

(Private firms provide sewage hauling services to properties located both inside and outside of the Town; rates charged by these private firms, which take into account the Town's dumping fees assessed haulers, are not regulated.)

As well, by this Order the Board confirms its previous approval of the Town implementing a 5% general increase in water and sewer rates, but varies the Town's proposal so that the increase will take effect as of October 1, 2009.

The Board also previously approved a further 5% increase to take effect July 1, 2010, that increase is confirmed.

## Background

### **Sewage Dumping Fees**

Directive 3 of Board Order 129/08, issued on September 8, 2008 required:

*"The Town of Roblin review its dumping fees and bring forward a rate application for the Board's approval by January 1, 2009."*

The Board suggested the Town consider metering dumping and consider sharing the cost of the metering with the haulers.

The Town does not provide piped septic services beyond its boundaries, and two private septic haulers provide pump-out service to both a 15-lot subdivision within the Town limits and the surrounding area (the latter in particular to perhaps as many as 200 cottage owners in the Lake of the Prairies area, being within the Rural Municipality of Shell River).

In Order 129/08, The Board noted that the Town was charging each private hauler \$1,575 per year (to dump septic into the Town's lagoon), and the annual charge had been increasing at the rate of inflation. The Town was of the view that the charge required review, to ensure adequacy and fairness (recognizing that the sewage being hauled is likely higher "strength").

The haulers provide the Town details of volumes dumped on an honour system, and are required to keep records of septic hauled. The haulers have keys to access the lagoon at any time.

The Board then-questioned whether volumes could be metered; the Town then-advised that it had considered the matter in the past and would advise the Board as to the estimated cost of metering.

### **General Rate Increase**

Order 129/08 also provided the Town authority to apply two 5% discretionary rate increases, to be, if implemented by the Town, effective July 1, 2009 and July 1, 2010.

The condition was that if the increases were to be implemented, advanced notice was to be provided to customers and the Board.

### **Application**

#### **Sewage Dumping Fees**

On May 25, 2009, the Town submitted an application to implement revised sewage dumping fees (along with a copy of its amending By-law No. 550-09, read the first time on March 10, 2009), to be effective as of January 1, 2009:

#### ***Sewage Dumping Charge***

- a) *Registered septic haulers are to remit to the Town of Roblin an annual fee of \$2,000.00 for dumping of septic takes into the Town of Roblin lagoon.*
- b) *Registered septic haulers shall also remit per load for septic hauled from residents located outside the boundaries of the Town of Roblin as follows:*
  - \$25.00 per 2,000-gallon load or part thereof;*
  - \$30.00 per 3,000-gallon load or part thereof; and*
  - \$35.00 per 4,000-gallon load or part thereof.*

Previously, the Town charged \$1,575.00 per year to each septic hauler, and there was no per load charge.

Sewage dumped at the Town's lagoon has, since 2005, been from outside the Town's limits (approximately 1,132,550 gallons from 2005 to 2008).

The Town advised that the total capacity of the lagoon is approximately 45 million imperial gallons, and that the capacity of Cell 1 (used by the haulers) is 17.5 million imperial gallons. Revenues from the service are to be used to offset the costs of a gate to be installed at the lagoon and meet annual operating costs.

With respect to the Board's request for the Town to consider metering, and share the costs with haulers, the Town advised that it had budgeted \$15,500 in 2009 for installing a Card Lock at the lagoon. The Town indicated that no discussions have been held with the haulers with respect to sharing costs.

The Town noted that they have a \$3,000,000 investment in the lagoons, wetlands and irrigation site, and suggested that it should not be accepting waste from other municipalities without adequate compensation.

The Town informed the Board that brief discussions had been held with the two private septic haulers, advising of the proposed rate increase. (The Town provided the Board with a copy of the letter it sent to both septic haulers.)

In accordance with direction of the Board, the Town published notice of its proposed rate changes in both the June 16<sup>th</sup> and 23<sup>rd</sup> editions of the Roblin Review, and also posted notices in nine locations throughout the area (including in the Hillsburg and Shell River municipal offices). Notices were also mailed to the RM's of Hillsburg and Shell River, as well to the two septic haulers. The Notice invited parties to advise the Public Utilities Board of any concerns by July 17, 2009.

The Board received one letter of concern from the Rural Municipality of Shell River (Shell River). Shell River expressed concern about the timing of the rate increase (the Town had proposed it be retroactive to January 1, 2009), and noted that their research had been unable to find any municipality that charges both a fixed annual fee and a per load usage fee.

#### **General Rate Increase**

On July 10, 2009 the Town advised it was going to proceed with the discretionary 5% rate increase approved in Order 129/08, and provided an amended Schedule "A" to Bylaw No. 550-09. Notification of the Town's intention to implement the increase was not included in the Notice referred to above.

Order 129/08 required the Town provide advance notice to the Board as well as notice to customers upon implementation.

### **Board Findings**

The Board will approve the dumping fees proposed by the Town and the proposed 5% general rate increase, but will vary the Town's proposal as follows:

1. Sewage dumping fees are to be effective September 1, 2009; and
2. the General Rate Increase is to take effect for all billings on and after October 1, 2009.

The Board agrees with Shell River's concern of imposing the usage fee retroactively, noting their advice that many residents had already paid for the services provided. The revised annual fixed fee is to be applied on a pro-rated basis for 2009.

Concerning Shell River's investigation and findings, the Board noted that the manner and level of sewage dumping fees is determined by the circumstances in each community. In this instance, it is appropriate to charge a fixed annual fee recognizing that the Town's lagoon has a fixed capacity to receive such sewage, and systems have been put in place to receive sewage (even if no dumping occurs). The fixed annual fee will recover this cost. The usage fees will recover ongoing maintenance costs for the lagoon service.

The Board is also aware that many municipalities have established these fees outside of the rates by-law and without Board approval. The Board accepts the past actions

but requires, on a go-forward basis, that such fees be included as part of any future rate application; these rates or fees are specific to the utility and as such will need Board approval in the future to be imposed.

The Board believes that in cases such as the Town's, their taxpayers should not be subsidizing properties outside the community. The Town has no alternative method to assess a portion of the capital costs of the lagoon on residents outside their taxing authority, except by the means provided through this Order. Therefore, the Board will approve the charges and fees as proposed, though varied as indicated above.

The Board will also approve the implementation of the 5% discretionary increase for all billings on and after October 1, 2009, as opposed to July 1, 2009 as provided in Order 129/08.

The Town advised that they had not provided notice either to residents of the Town or the Board prior to July 1, 2009, as was required. The Board will require the Town to advise ratepayers of the 5% increase to take effect October 1, 2009; notice to be provided prior to implementation.

Order 129/08 also provided the Town with an additional 5% discretionary rate increase effective July 1, 2010. The Board confirms the additional discretionary increase.

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, [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca).

**IT IS THEREFORE ORDERED THAT:**

1. By-law No. 550-09 BE AND IS HEREBY approved subject to amendment to agree with this Order as well as Schedule "A" attached hereto:
  - i) Rates contained in Clauses 1.0, 2.0 and 3.0 to be effective October 1, 2009; and
  - ii) Sewage Dumping Charges contained in Clause 14.0 to be effective September 1, 2009; the annual fee to be prorated for 2009.
  
2. That Public Utilities Board Order 129/08 BE AND IS HEREBY amended, with notification provisions noted therein.

Fees payable upon this Order - \$150.00.

PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"K. SHIELDS"  
Acting Secretary

Certified a true copy of Order  
No.117/09 issued by The Public  
Utilities Board

\_\_\_\_\_  
Acting Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 117/09

THE TOWN OF ROBLIN

WATER AND SEWER RATES

BY-LAW NO. 550-09

**1.0 Schedule of Quarterly Rates**

A schedule of water rates per cubic meter (220.2 imperial gallons)

<u>Commodity Rates Per Cubic Meter</u>	<u>Water</u>	<u>Sewer</u>	<u>Water &amp; Sewer</u>
First 115 cm per quarter (Domestic Rate)	\$1.84	\$0.84	\$2.68
Next 1 000 cm per quarter (Intermediate Rate)	\$1.33	\$0.84	\$2.17
Over 1 115 cm per quarter (Wholesale Rate)	\$0.95	\$0.84	\$1.79

**2.0 Minimum Quarterly Charges**

Notwithstanding the Commodity Rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated:

a) Water & Sewer Customers

Meter Size	Capacity Ratio	Min. Water Allowance Quarterly in Cm	Quarterly Service Chq	Quarterly Commodity Charges		Minimum Quarterly Bill
				Water	Sewer	
5/8"	1	15	\$13.65	\$ 27.60	\$ 12.60	\$ 53.85
3/4"	2	30	13.65	55.20	25.20	94.05
1"	4	60	13.65	110.40	50.40	174.45
1 1/2"	10	150	13.65	258.15	126.00	397.80
2"	25	375	13.65	557.40	315.00	886.05
3"	45	675	13.65	956.40	567.00	1537.05

b) Water Only Customers

Minimum charges will be the same as shown above for each meter size, but Sewer Commodity Charge will be excluded.

c) Sewer Only Customers

The quarterly commodity charge based on the average residential water consumption in the community plus the service charge and shall be \$32.55.

**3.0 Bulk Sales Rate**

All water sold in bulk shall be charged at the rate of \$2.37 per cubic meter. Charges for water sold in bulk are payable at the time of delivery.

**4.0 Surcharges For Connecting Customers Outside The Town Limits**

The Council of the Town of Roblin may sign agreements with customers for the provision of water services to properties located outside the legal boundaries of the Town of Roblin. Such agreements shall provide for payment of the appropriate rates set out in this Schedule, as well as a surcharge, set by resolution of Council, which shall be the equivalent to the frontage levy, general taxes and special taxes for utility purposes in effect at the time, or which may be in effect from time to time and which would be levied on the property concerned if it were within these boundaries. In addition, all costs of connecting to the utility's mains, and installing and maintaining service connections, will be paid by the customer.

**5.0 Billings and Outstanding Bills**

A late payment charge of 1 ¼% 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.

The late payment charge will compound monthly, and will appear on the customer's next quarterly bill if unpaid.

**6.0 Disconnection**

The Public Utilities Board has approved the Conditions Precedent to be followed by the municipality with respect to the 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 Municipality's office.

**7.0 Reconnection**

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$40.00 has been paid.

### **8.0 Multi-Use Customers**

If more than one business is carried on in a building, or if a building is used for both business and residential purposes, a separate minimum charge shall be made for each such business or residential premises, if connected to the water system.

### **9.0 Hydrant Rentals**

The Town of Roblin will pay to the utility an annual rental of \$100.00 per year for each hydrant connected to the system.

### **10.0 Water Meters**

All new residential customers for sewer and water shall be charged a turn-on service charge of \$40.00. Ownership, inspection and maintenance of meters will remain the responsibility of the utility system of the Town of Roblin. Commercial meter maintenance will be the responsibility of the utility system of Roblin but will be billed to the commercial user.

### **11.0 Re-checking of Meter Readings**

Any customer requesting their meter reading be rechecked for accuracy shall be levied a charge of \$10.00 on their next regular utility billing if the meter reading is found to have been read correctly in the first place.

### **12.0 Meter Testing Charges**

Any customer desiring and requesting their meter be tested for accuracy shall deposit with the Town the sum of \$15.00, which will be retained if the meter when tested shall be found to register within the allowable limits of variation from accuracy. If the meter shall be found to register in excess of allowable limits the deposit shall be refunded and the consumer's account adjusted.

### **13.0 Water Allowance Due To Line Freezing**

That in any case, at the request of Council of the Town of Roblin, 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 that customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or the same premises if the occupant has changed.

#### **14.0 Sewage Dumping Charge**

- a) Registered septic haulers are to remit to the Town of Roblin an annual fee of \$2,000.00 for dumping of septic tanks into the Town of Roblin lagoon.
- b) Registered septic haulers shall also remit per load for septic hauled from residents located outside the boundaries of the Town of Roblin as follows:
  - \$25.00 per 2,000-gallon load or part thereof;
  - \$30.00 per 3,000-gallon load or part thereof; or
  - \$35.00 per 4,000-gallon load or part thereof.
- c) Registered septic haulers are to be provided a key to enter the lagoon and shall maintain a log of lagoon use, including the recording of septic services provided to residents located outside the boundaries of the Town of Roblin.

#### **15.0 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 costs of treatment required for the particular sewage or industrial wastes.