

Order No. 15/25

**RURAL MUNICIPALITY OF DE SALABERRY
OTTERBURNE WASTEWATER UTILITY
REVISED WASTEWATER RATES EFFECTIVE JANUARY 1, 2025
SIMPLIFIED RATE APPLICATION**

FEBRUARY 4, 2025

**BEFORE: Shawn McCutcheon, Panel Chair
Patrick Ireland, M.B.A., Panel Member**

Table of Contents

1.0	Executive Summary	3
2.0	Background	3
3.0	Application	4
	Simplified Rate Application Process.....	5
	Working Capital Calculation	7
4.0	Board Findings.....	8
5.0	IT IS THEREFORE ORDERED THAT:.....	8
	SCHEDULE A	10
	Schedule B.....	12
	Schedule C.....	13

1.0 Executive Summary

By this Order, the Public Utilities Board approves the revised water rates and varies the effective date to be January 1, 2025, for the Rural Municipality of De Salaberry (RM), Otterburne Wastewater Utility (Utility). The approved rates are shown below:

	Current Rates	April 1, 2025
Annual Customer Service Charge	\$50.61	\$53.52
Annual Wastewater Rate (per REU)	\$291.32	\$308.07
Total Annual Charge*	\$341.93	\$361.59

*Based on 1 Residential Equivalent Unit (REU)

Details of the rates may be found in the attached Schedule A.

The rationale for the Board's decisions may be found under the Board Findings section below.

2.0 Background

The RM owns and operates a wastewater only utility that services 67 customers, with an assignment of 94.75 REUs as of January 3, 2025. 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 REUs; one unit being the volume of wastewater estimated to be produced by the average single family residence. Rates are set based on REUs.

Rates were last set in Board Order No. 28/24, effective January 1, 2024 and there have been no revisions to the REU allocation, except the Providence 6-Suite College was demolished and is therefore no longer a part of the REU allocation for the Utility.

3.0 Application

On December 6, 2024, 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. 2431-24 having received first reading on December 3, 2024. The RM provided an Affidavit certifying: the Utility meets all Board requirements for the Simplified Filing Process; the Utility is not experiencing any operating deficits; and the requested wastewater rates are expected to be adequate to meet operating costs for the period from January 1, 2025 to December 31, 2025.

A Public Notice of Application was issued on December 20, 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.

When reviewing an application the Board can either: hold a public hearing at which the applicant can present its case and customers can present their concerns; or where it is deemed to be in the best interests of a utility and its customers, the Board can review the application using a paper review process without holding a public hearing. The paper review process considers all written materials submitted by the Utility and the public, as well as any information requests and responses between the Board and the Utility. This process may reduce regulatory costs to the Utility.

A public hearing process allows the Utility and the public the opportunity to review the application and address any concerns with the Board present.

Whenever reasonable, the Board will review the application using a paper review process, which saves the cost of a public hearing process. The Board has chosen this option for this application.

The RM has applied for revised rates to provide lagoon expansion costs.

Simplified Rate Application Process

The Board issued Board Orders No. 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 that 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 Board 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 Board 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 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.

Working Capital Calculation

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 draft 2023 Audited Financial Statements, the most recent information available, the working capital surplus at December 31, 2023 was:

	2023
Fund Surplus	\$299,868
Deduct: Tangible Capital Assets	(290,620)
Add: Long-Term Debt	-
Add: Utility Reserve	67,576
Equals Working Capital Surplus	\$76,824
Operating Expenses	15,622
20% of operating expenses (Target)	\$3,124

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

4.0 Board Findings

The Board has reviewed the RM's Application and finds the RM meets the designated criteria, as set out in Board Orders No. 86/17 and 27/23, to apply for revised wastewater rates using the Simplified Rate Application Process and approves the revised wastewater rates as applied for, but varies the effective date to coincide with the Utility's billing cycle to be effective January 1, 2025.

The Board notes the approved rates represent a 5.75% increase.

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, 2025.

5.0 IT IS THEREFORE ORDERED THAT:

1. Revised wastewater rates for the Rural Municipality of De Salaberry, Otterburne Wastewater Utility BE AND ARE HEREBY VARIED in accordance with the attached Schedule A, effective January 1, 2025.
2. The Rural Municipality of De Salaberry 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 provide a notice to its customers as soon as possible, including all decisions found in this Order.
4. The Rural Municipality of De Salaberry 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, 2025.

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

"Shawn McCutcheon"

Panel Chair

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 15/25 issued by
The Public Utilities Board



Assistant Associate Secretary

SCHEDULE A
RURAL MUNICIPALITY OF DE SALABERRY
OTTERBURNE WASTEWATER UTILITY
WATER RATES BY-LAW NO. 2131-24

SCHEDULE OF ANNUAL RATES
January 1, 2025

Schedule A

1. 2025 Annual Commodity Rates

Building	REUs*	Sewer Charge	Customer Service Charge	Total Annual Charge
Single Dwelling	1	\$308.07	\$53.52	\$361.59
Post Office	1	\$308.07	\$53.52	\$361.59
Curling Club	1	\$308.07	\$53.52	\$361.59
Water Bottling Plant	2	\$616.14	\$53.52	\$669.66
Feed Mill	9	\$2,772.63	\$53.52	\$2,826.15
23 Room Apartment Block	18.75	\$5,776.31	\$53.52	\$5,829.83

*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 1.25% 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 : _____