

**Order No. 81/17**

**AN ORDER RESPECTING  
THE MUNICIPALITY OF RUSSELL-BINSCARTH  
RUSSELL WATER AND WASTEWATER UTILITY  
LAGOON TIPPING FEES**

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**July 28, 2017**

**BEFORE: Carol Hainsworth, C.B.A., Acting Chair  
Shawn McCutcheon, Member  
Allan Morin, B.A., ICD.D, Member**

**Table of Contents**

1.0 Executive Summary..... 3

2.0 Background ..... 4

3.0 Application..... 5

4.0 Board Findings ..... 6

5.0 IT IS THEREFORE ORDERED THAT:..... 7

## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves revised tipping fees applied for by the Municipality of Russell-Binscarth (Municipality), Russell water and wastewater utility (Utility).

The new rates are to be effective January 1, 2018.

The approved rates are shown below.

Lagoon tipping fee (per gallon)	\$0.06
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Rationale for the PUB's decisions may be found under "Board Findings".

## 2.0 Background

The Municipality operates two water and wastewater utilities; one in the former Town of Russell and the other in the former Village of Binscarth. The Municipality of Russell-Binscarth was formed by amalgamation January 1, 2015.

Each of these utilities is operated separately.

The current rates for the Russell utility were approved in Board Order No. 69/14. At that time the Board noted that the Utility's rate study indicated tipping fees were being charged to septic haulers despite the Town never having applied to the Board for approval of these fees and not including tipping fees in the utility rate by-law. The Board asked the Town to provide supporting calculations and details of the tipping fees. The Town began charging tipping fees after the lagoon upgrades were completed in 2008 and was charging \$20 per 1,000 gallons of waste. The rate was determined based on the rate being charging by the neighbouring facilities in the RM of Shellmouth-Boulton. Board Order No. 69/14 required the Russell Utility to file an application for approval of lagoon tipping fees on or before August 31, 2014.

### 3.0 Application

The former Town of Russell submitted the request for revised tipping fees on August 26, 2014. Due to an error on the part of the PUB, the application was filed as complete. This error was not discovered until February 2017. The Board sent an apology for the oversight and asked for an update from the Municipality of Russell-Binscarth as to whether or not the tipping fees proposed effective January 1, 2016 would remain appropriate. The Municipality responded and asked the PUB to proceed with the request from August 2014.

The Municipality advised that after considering the rates for haulers bringing waste into nearby lagoons, it determined the use of access fees or a surcharge doesn't meet its objectives and proposed a commodity based, user pay system should be in place for the Russell lagoon.

The Municipality calculated the proposed revised tipping fees using the assumption that the majority of users of the service are septic tank users who would be receiving approximately two pump outs per year at 1,000 gallons each.

Average annual capital cost of lagoon debt	\$73.13
Semi annual administration charges	42.40
Sewer rate charge based on volume (2,000 gallons per year)	5.78
Annual costs for an estimated 2,000 gallons per year	\$121.31
Cost per gallon (121.31/2,000 gallons per year est)	\$ 0.06

A Public Notice of Application was issued on June 19, 2017 affording customers the opportunity to comment to both the Board and Municipality with respect to the proposed increases. Two responses from area residents were received, expressing concern over the increase in rates.

## 4.0 Board Findings

The Board will approve the revised lagoon tipping fees as applied for by the Rural Municipality of Russell-Binscarth, Russell Utility, to be effective January 1, 2018. This effective date will allow the affected wastewater haulers time to adjust their pricing and provide Notice to their own customers of the revised rates.

The Board again apologizes for the error in receiving the application from the former Town of Russell and for the resulting delays in reviewing the application for revised lagoon tipping fees.

When reviewing an application, the Board has at its disposal two approaches, either a paper or a public hearing review. After the publication of the Notice of Application, the Board will consider the application and stakeholder responses, and determine which method of review is most appropriate.

A public hearing process allows the Utility and stakeholders the opportunity to present their application and any concerns to the Board in person.

The Board may review the application using a paper review process, which saves the cost of a public hearing process. While the Board is sensitive to the fact that the revised rates represent a 200% increase over existing rates, the methodology presented to calculate the rate is sound. The Board decided to process this application with a paper-based review.

## 5.0 IT IS THEREFORE ORDERED THAT:

1. The lagoon tipping fees for the Municipality of Russell-Binscarth, Russell water and wastewater Utility, BE AND ARE HEREBY APPROVED in accordance with the attached Schedule "A", January 1, 2018.
2. The Municipality of Russell-Binscarth submit the utility rate by-law for the Russell water and wastewater Utility once it has had third and final reading, to Public Utilities Board.

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

"Carol Hainsworth, C.B.A."  
Acting Chair

"JENNIFER DUBOIS, CPA, CMA"  
Acting Secretary

Certified a true copy of Order No. 81/17 issued  
by The Public Utilities Board

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Acting Secretary