

**Order No. 35/18**

**THE MUNICIPALITY OF LA BROQUERIE  
LA BROQUERIE WASTEWATER UTILITY  
INITIAL INTERIM LAGOON TIPPING FEES**

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**March 6, 2018**

**BEFORE: Shawn McCutcheon, Panel Chair  
Carol Hainsworth, C.B.A., Member**

**Table of Contents**

1.0 Executive Summary..... 3

2.0 Background ..... 4

3.0 Application..... 4

    Lagoon Tipping Fees ..... 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, on an interim *ex parte* basis, initial lagoon tipping fees as applied for by the Rural Municipality of La Broquerie (RM), Wastewater Utility (Utility), effective April 1, 2018.

The approved lagoon tipping fees are as follows:

Non-RM Resident Septic Service haulers (per load)	\$42.00
RM Resident Septic Service haulers (per load)	\$7.00

Rationale for the PUB's decisions may be found under "Board Findings".

## 2.0 Background

The RM operates a wastewater only utility system, using Residential Equivalency Units (REU) for wastewater charges. Residence obtain water from private unmetered wells.

The Utility has 439 customers with 850 REU's assigned, one REU being the volume of water estimated to be used by the average single-family residence. REUs are used in communities with unmetered distribution and collection systems, where information regarding actual consumption is unavailable. RM residents not connected to the Utility have access to the wastewater lagoon for septic truck dumping.

On April 12, 2017, the RM applied for a rate increase, to be effective January 1, 2018, that included the lagoon tipping fees. The Utility last had rates approved in 2013 in Board Order No. 142/13 and there were no lagoon tipping fees at that time.

A Public Notice of Application was issued on September 5, 2017 affording customers the opportunity to comment to both the Board and the RM with respect to the proposed increases. There were no comments received.

## 3.0 Application

The Board received a letter from the RM on January 25, 2018, requesting interim rates on an *ex parte* basis for the initial lagoon tipping fees. In December 2017, the RM completed the installation of an electronic card activated gate and septic truck dumping spillway at the wastewater lagoon. The RM feels that there is an urgent need to establish an interim rate, in order to start using the new equipment without any financial shortfalls.

The Municipality also submitted Council Resolution 2018-038, requesting that clause #2 of the By-law By-law No. 04-2017, having had first reading on April 5, 2017, to establish a Sewage Truck Dumping Charge on an interim, *ex parte* basis, to be effective as soon as possible.

The lagoon tipping fees are part of the RM's rate application and rate study that was submitted to the Board on April 12, 2017.

### **Lagoon Tipping Fees**

The RM spent \$491,759 from Lagoon reserve in 2016, and has \$4.2 million budgeted to be spent in 2017 with \$1.6 million grant funding and \$2.6 million debenture debt, for a major lagoon upgrade. With an additional utility capital item in the RM's 5 year capital plan of \$117,000 for lagoon gate and electronics for septic truck dumping at the lagoon.

The RM at large pays \$15,000 through transfer from General Operating to the Utility for operation of the wastewater lagoon, as the RM prior to this application did not have lagoon tipping fees in place. As stated in the RM's rate application, it proposes to continue with this annual transfer of \$15,000.

As stated above, the RM has included \$117,000 in the Utility Capital plan for 2017 to install an electronic card activated gate at the wastewater lagoon along with a septic truck dumping spillway. Both of these have been operating since December 2017 without fees being charged. The RM proposes to recover the capital cost of the lagoon gate amortized over 20 years along with annual lagoon access road and gate maintenance costs plus 5% of lagoon operating costs from septic truck tipping fees.

With the RM at large contributing to the operation of the lagoon, the RM proposes in the rate study that the tipping fee cost for non-RM residents at \$42 per load which is six times the RM residents fee at \$7 per load. The calculations were based on one truckload per day originating outside the RM and four truckloads from within the RM:

$$((365*1*\$42) + (365*4*\$7)) = \$25,550 \text{ revenue annually}$$

The RM's intent is to provide a non-resident rate which is reasonable and comparable to other sewage lagoons and provide a lower rate for the residents who are paying toward operating costs of the lagoon on property taxes (with the \$15,000 annual contribution from

General Operating) plus the \$2.6 million debenture that was issued in 2017 for the lagoon expansion. Both of these are levied at large in the RM. The RM recognizes there should be a fee for use of the lagoon by all residents, those connected directly and those using the lagoon via septic trucks. Since the non-connected residents are contributing to both capital and operating costs, the tipping fee rate at 1/6<sup>th</sup> of that charged to non-residents.

#### **4.0 Board Findings**

The Board will on an interim *ex parte* basis, approve the initial interim lagoon tipping fees as applied for by the Rural Municipality of La Broquerie, Wastewater Utility, to be effective April 1, 2018.

In some cases, the Board can establish interim rates, which are rates that are subject to review following a more complete process, such as a rate application. When setting initial rates, the Board will often approve interim rates. These are then confirmed as final once there is sufficient information about the utility, to provide accurate projections for rate setting purposes.

In the case of the La Broquerie Wastewater Utility, from the information provided, the Board found an interim to be appropriate, given that there was no response to the Public Notice. The Board also finds that the information and calculations provided for the initial lagoon tipping fees to be reasonable.

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).

**5.0 IT IS THEREFORE ORDERED THAT:**

1. The lagoon tipping fees for the Rural Municipality of La Broquerie, La Broquerie Wastewater Utility, BE AND ARE HEREBY APPROVED on an interim *ex parte* basis, effective April 1, 2018.

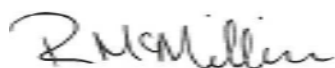
Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"  
Acting Chair

"Rachel McMillin, B.Sc."  
Acting Secretary

Certified a true copy of Order No. 35/18 issued  
by The Public Utilities Board



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Acting Secretary