



City of Moose Jaw

COMMUNICATION # CC-2020-0296

TITLE: Septage Receiving Fees

TO: City Council

FROM: Department of Public Works & Utilities

DATE: November 18, 2020

PUBLIC: PUBLIC DOCUMENT

RECOMMENDATION

THAT the City implement a monthly base fee of \$2.00 per half (0.5) cubic metre of registered vehicle capacity for septage disposal; and

THAT the City implement a volume charge of \$8.00 per one (1) cubic metre of tank capacity per disposed load; and

THAT the City proceed with upgrades to the septage disposal station with the installation of security cameras and a RFID billing system at an estimated cost of \$44,056 plus applicable taxes; and

THAT the Septage Disposal Policy is amended to reflect the approved rate changes.

EXECUTIVE SUMMARY

The City septage disposal station, utilized by commercial contractors, is currently charging a flat rate for usage regardless of the size of the load. The resulting revenue is insufficient to cover annual operating costs and does not contribute to any capital renewal of the system. A rate structure based upon usage for each registered vehicle assigned access to the disposal station is being proposed. This model would be consistent with the City of Regina.

BACKGROUND

The City operates a septage (wastewater) disposal station for use by commercial contractors and City hydrovac trucks, located next to the Crescent View Lift Station on Manitoba Street E. The City currently charges \$40.00 per load for businesses and residents

within the City of Moose Jaw and \$60.00 per load for those outside of the City. These charges were approved by City Council in the City of Moose Jaw *Septage Disposal Policy* (attachment i), effective July 9, 2020. These amounts are a flat charge, regardless of the size of the hydrovac truck that is unloading.

DISCUSSION

The City will receive approximately 800 truckloads from commercial customers in 2020 with an estimated \$45,000 in revenue. These trucks will vary in size from small hydrovac trailers with a capacity of 3 cubic metres to B-Trains with a capacity 63 cubic metres. Most hydrovac trucks are 10 - 11 cubic metres in capacity and would currently pay approximately \$4.00 per cubic metre for disposal. The station has an annual usage estimate of 12,500 cubic metres.

However, there is no way to directly quantify the amounts as the locked septage station is unsupervised. In order to invoice customers based upon usage, the septage receiving station requires the installation of a RFID (radio frequency identification) system with an integrated customer data base and billing system. Installation of cameras will assist in monitoring usage and provide security for the station:

- RFID system - \$6,620
- Cameras - \$2,500
- Power to the septage station including weatherproof panel - \$34,936

There are enough funds remaining in the 2020 Wastewater Operating Budget to pay for these upgrades and payback on the investment is just over three months in consideration of a new rate structure discussed below.

Septage disposal often contains grit (sand and stones) and there is no grit interceptor between the receiving station and adjacent Crescent View Lift Station. This is damaging to the pumps in the Crescent View Lift Station that pump the septage through a force main to the Wastewater Treatment Plant. The current revenue dollars are insufficient to cover the annual operating costs of pump repairs and treatment, estimated at \$60,000, nor is there any contribution to capital renewal of the system.

The location of the next nearest septage disposal station is Regina. The table below lists the septage rates in Regina and Saskatoon.

City	Monthly Fee/0.455 m ³ of vehicle capacity	Disposal Fee	Disposal Fee w/grit
Saskatoon	N/A	\$15.21/m ³	\$21.77/m ³
Regina	\$8.00	\$15.72/m ³ of vehicle capacity	N/A

Administration recommends a rate structure similar to Regina. The following rates are proposed:

- Monthly charge of \$2.00 per 0.5 m³ (rounded up) of registered capacity for each vehicle that is assigned an RFID key.
- Disposal fee of \$8.00 per 1 m³ (rounded up) of registered capacity for each vehicle that is assigned an RFID key.

The rate changes proposed are expected to produce an estimated annual revenue of \$160,000. This amount will cover operating costs and contribute to the capital needs of the Utility.

FINANCIAL IMPLICATIONS

- Estimated expense of \$44,056 plus applicable taxes to upgrade the septage receiving station for secure billing.
- Rate change resulting in estimated revenue of \$160,000 which will cover operating costs and contribute to capital needs in the Water and Wastewater Utility.

OPTIONS TO RECOMMENDATION

1. THAT the City continue to charge contractors the flat rate as indicated in the Septage Disposal Policy.
2. THAT the City charge alternative monthly and volume charges at City Council's discretion.
3. THAT the City continue to operate the septage receiving station with no system upgrades.

COMMUNICATION PLAN

The new fees and rates will be directly communicated to contractors when they are issued their RFID key access to the disposal station. The new rates will also be posted on the City of Moose Jaw website indicating the date they will be implemented.

STRATEGIC PLAN

This report supports the Strategic Core value to be forward thinking and innovative in identifying problems and finding solutions.

PRESENTATION

Mr. Darrin Stephanson, Director of Public Works & Utilities, will provide a brief overview of this report.

ATTACHMENTS

- i. City of Moose Jaw Septage Disposal Policy

REPORT APPROVAL

Written by Darrin Stephanson, Director of Public Works & Utilities
Reviewed by: Tracy Wittke, Assistant City Clerk
Approved by: Jim Puffalt, City Manager
Approved by: Fraser Tolmie, Mayor

To be completed by the Clerk's Department only.

Presented to Regular Council or Executive Committee on _____.

Resolution No. _____

Report Approval Details

Document Title:	Septage Receiving Fees - CC-2020-0296.docx
Attachments:	- Septage Disposal Policy.pdf
Final Approval Date:	Nov 25, 2020

This report and all of its attachments were approved and signed as outlined below:



Tracy Wittke



Jim Puffalt



Fraser Tolmie