

M A N I T O B A ) Order No. 132/01  
 )  
THE PUBLIC UTILITIES BOARD ACT ) September 4, 2001

BEFORE: M. Girouard, Acting Chair  
S. Proven, Member

**THE RURAL MUNICIPALITY OF EAST ST. PAUL**  
**SEWER RATES**  
**BY-LAW NO. 2000-27**

In a letter dated January 15, 2001, the Municipality of East St. Paul (the Municipality) applied to the Board for approval of revised sewer rates as set out in By-law No. 2000-27 which was filed with the Board and certified as to having been read the first time on December 21, 2000. The Municipality requested that the revised rates take effect on January 1, 2001. In a letter dated February 15, 2001 the Municipality provided the Board with a copy of the rate study dated November 2000 prepared by Energy Consultants International Inc.

Pursuant to the Board's instruction, Public Notice of the Municipality's application was mailed by first class mail to utility ratepayers with a request for ratepayers to contact the Board to make representation by no later than May 17, 2001.

The following individuals responded to the Public Notice:

S. and E. McLaren - May 15, 2001

These ratepayers expressed concern about repeated rate increases, rising utility costs and proper allocation of new costs of development.

Jerry Sussenguth - May 15, 2001

Mr. Sussenguth feels more fiscal restraint needs to be exercised with respect to the operation of the utility as repeated rate increases are unacceptable.

Mr. & Mrs. H. V. Neufeld -

These ratepayers were not convinced the rate increase is necessary and agreed with the comments of Mr. Sussenguth.

Consistent with the practice adopted by the Board, the Municipality was requested to meet with these individuals to explain the Municipality's application and following that discussion these individuals were requested to advise the Board.

Mr. Sussenguth, by fax dated August 7, 2001, advised the Board that he was withdrawing his objection on the understanding that costs will be controlled and managed better in the future.

In a letter dated July 30, 2001, Mr. & Mrs. Neufeld advised the Board, through the offices of the Municipality, that their objection was being withdrawn and that they were assured that

further increases are not contemplated for at least 3 years.

Mr. McLaren advised the Board's office that while he is prepared to go with the majority, he continued to have concerns about the administrative costs of the utility and cost containment in general. He believes some phase in of administrative costs should be considered and further, that the Board should consider the impact of the large increase on customers. Mr. McLaren was prepared to have the Board consider his comments accordingly.

### **Board Findings**

The Board appreciates the comments of the ratepayers, with regards to the Municipality's application and the Municipality's effort to explain its need for the rate increase.

While all water and/or sewer utilities should be operated effectively and efficiently in the interest of its ratepayers, it is also accepted that utilities should charge rates commensurate with the level of service they provide and that financial shortfalls need to be addressed on an urgent basis.

The Board noted that the Municipality incurred deficits in the utility in 1999 of \$186,548 and in 2000 of \$78,100 related in part to rising operating costs, higher City of Winnipeg charges for sludge removal, and an aging system. While such deficits are recovered in full, as a matter of policy, the Board believes that rates should be set to reflect current costs to better enable ratepayers to make better judgements regarding the use of the service.

While the utility is experiencing substantial growth, the Municipality noted that such growth is largely funded through local improvement and development fees, and not through rates.

The Board noted that the Municipality used 3% revenue and expense growth factors, which are not unreasonable. The rates provide for building through expected operating surpluses a utility reserve fund, which currently has a small balance.

The Board further noted that the Municipality projects that no further rate changes will be required prior to 2004.

In the Board's opinion the application properly reflects the priorities for the utility, and the Board will approve the rates as proposed noting the assurances provided by the Municipality for cost containment.

The Board also noted the Municipality's request to levy sewer fees on all properties that are eligible for connection and will approve same.

**IT IS THEREFORE ORDERED THAT:**

1. By-law No. 2000-27 of the Rural Municipality of East St. Paul BE AND THE SAME IS HEREBY APPROVED;
2. The sewer rates set forth in Schedule "A" hereto shall apply to all customers of the utility effective January 1, 2001.

Fees payable upon this Order - \$10.00

THE PUBLIC UTILITIES BOARD

"M. GIROUARD"  
\_\_\_\_\_  
Acting Chair

"G. O. BARRON"  
\_\_\_\_\_  
Secretary

Certified a true copy of Order  
No. 132/01 issued by The Public  
Utilities Board

\_\_\_\_\_  
Secretary

SCHEDULE "A"

TO BOARD ORDER NO. 132/01

THE RURAL MUNICIPALITY OF EAST ST. PAUL

SEWER RATES

BY-LAW NO. 2000-27

1. THAT the schedules of service charges annexed hereto and marked as Schedule "A" to this by-law be and the same is hereby charged on those properties utilizing the existing sewerage system in the Rural Municipality of East St. Paul.
2. THAT should one or more businesses be carried on in a building, then a separate charge will be made for such business.
3. THAT overdue accounts as charged herein will be transferred to the roll and levied against the subject property to be collected as ordinary taxes according to Section 252(2) of The Municipal Act.
4. THAT the sewerage rates as set forth herein will be collected bi-annually in advance by the Secretary-Treasurer at the Municipal Office, in East St. Paul, in Manitoba.
5. THAT accounts shall be billed in January and July of each year and shall be due within thirty (30) days of the billing date.  
A penalty of 1¼% per month shall be added to any unpaid accounts.
6. THAT properties with sewer main access be deemed to be utilizing the sewerage system providing a building suitable for occupancy is present.

SCHEDULE "A"

2001, 2002, 2003

Customer	Equivalent Units	Service Charge	Commodity Charge	Bi-annual Bill
Single family or small business	1	\$12.38	\$98.67	\$111.05
Building with more than 1 residence or business:				
2 residences or businesses	2	\$12.38	\$197.34	\$209.72
3 residences or businesses	3	\$12.38	\$296.01	\$308.39
Fire Hall	2	\$12.38	\$197.34	\$209.72
Bus Garage	2	\$12.38	\$197.34	\$209.72
Ludwick Catering Ltd.	4	\$12.38	\$394.68	\$407.06
IGA Garden Market	4	\$12.38	\$394.68	\$407.06
Bird's Hill Manor (Seniors Home)	5	\$12.38	\$493.35	\$505.73
3111 Bird's Hill Road (Post Office and 6 apartments)	7	\$12.38	\$690.69	\$703.07
Bird's Hill School	7	\$12.38	\$690.69	\$703.07
Robert Andrews School	7	\$12.38	\$690.69	\$703.07
Dr. Hamilton School	7	\$12.38	\$690.69	\$703.07
Service Station and Car Wash (6 bays)	10	\$12.38	\$986.70	\$999.08
Bird's Hill Plaza	12	\$12.38	\$1,184.05	\$1,196.42