

M A N I T O B A) Order No. 56/08
)
THE PUBLIC UTILITIES BOARD ACT) May 9, 2008

BEFORE: Susan Proven, P.H.Ec., Acting Chair
 Alain Molgat, B.Comm, CMA, Member
 Graham Lane, CA, Chairman

THE VILLAGE OF ST. PIERRE-JOLYS
REVISED SEWER RATES

Executive Summary

By this order, the Public Utilities Board (Board) approves an application by the Village of St. Pierre-Jolys (Village) to revise sewer utility (Utility) rates effective for the calendar year 2008. The revised rates set out below represent the Utility's first rate change since 1981.

Annual fees	Revised	Existing	Increase/ (Decrease)
Service Charge	\$ 3.60	\$10.90	(67)%
Residential Equivalency Unit	\$43.00	\$21.10	104%
TOTAL	\$46.60	\$32.00	46%

Additionally, the Board approves a service connection fee of \$50, and declares the Utility a public utility pursuant to Section 2(6) of the Public Utilities Board Act.

Application

The Village's application was based on a Rate Study prepared by Jake Sawatzky, Municipal Consultant.

Notice of the hearing, held in the Council Chambers of the Village on May 1, 2008, was published in accordance with the Board's requirements.

The Village's application was presented to the hearing by Mr. Sawatzky; also in attendance were Rachelle Tessier, Chief Administrative Officer, and three Councilors. No other ratepayers were in attendance.

At the hearing, Mr. Sawatzky provided supplemental information to the Sewer Rate Study, which made minor revisions to projected Utility revenue and expenditures.

Background

There is no record of any previous Rate Study back to 1981, the date rates were last established for the Utility.

The System

The sewer system is a gravity-flow system, installed in the 1960's and involving two lift stations feeding into a main lift station that pumps into the sewage lagoon. The Village has received approval for a Canada/ Manitoba infrastructure grant to upgrade the lift stations.

Deterioration of the mains was reported, the mains being over 40 years old, although no recent breaks were reported. The system services 295 single-family residences and 44 other customers; the other customers comprised of duplexes, apartments, small and large commercial businesses, a senior's residential complex and a combined hospital/ home care facility. In addition, there are 12 residences with septic tank fields for which sewer services are not available and 2 customers connected to the system that

are outside the boundaries of the Village.

The lagoon operation and capacity was last reviewed in 1996, and, based on current growth indicators, the lagoon should be adequate for the Village's requirements for at least another 5 years. No businesses or industries discharge sewage with high Biological Oxygen Demand levels into the lagoon. The lagoon's major challenge was reported to be the large number of water fowl during the annual migration season, sometimes requiring augmented chlorine treatment prior to lagoon discharge. There is no dumping into the lagoon by septic tank haulers.

The Rate Study

The Rate Study was based on the current 339 customers. Each single-family residence was assigned one residential equivalency unit (REU), and the 44 other customers were assigned REUs on the basis of the Board's recommended practices to arrive at a total of 537 REUs for the Village.

Financial Summary

The best information available is that the original cost of the sewer system was approximately \$150,000. There is no outstanding debt for the facility, and, accordingly, no debt servicing expenditure required for the rate study.

Estimated annual operating expenditures are as follows:

Administration Costs		\$1,200
Operating Expenditures		
Personnel	\$3,120	
Repair, cleaning and maintenance	\$6,420	
Utilities	\$4,095	
Taxes	\$1,140	
Operator training	<u>\$2,160*</u>	
Total operating expenditures	\$16,935	
Reserve allocation	<u>\$5,000</u>	
Total		<u>\$21,935</u>
Total annual operating expenditures		<u><u>\$23,135</u></u>

*These are one-time operator certification training costs, and are not expected to reoccur in the absence of employee turn-over.

Previously, administration charges were allocated on the basis of \$10.90 per customer and included the cost of the system operator, now transferred to operating costs. Accordingly, the administration service charge has been reduced to \$3.60 per customer.

A revision to the allocation of the operator costs as well as a projection of the current costs required to operate the system result in the cost per REU increasing from \$21.10 per annum to \$43 per annum.

Based on projected annual revenues of \$24,300 and projected expenses of \$21,900, the Utility projects an annual operating surplus of \$2,400. While a reserve allocation of \$5,000 was

included in the projected expenditures, there was no contingency for unforeseen costs, which, if incurred, will reduce the projected surplus or result in a deficit.

The Utility had an unaudited accumulated surplus of \$40,500 as of the end of 2007.

Board Findings

The Board was satisfied with the explanations provided in support of the projected expenditures for the Utility.

The Board is encouraged that there will be two operators trained for certification during 2008. Knowledgeable and certified operators will help ensure that the community is provided with a safe and adequate system.

The Board supports the administrative savings expected to be achieved by collecting sewage charges through the tax bill. However, Utility charges are to be separate from taxes and not off-set or reduced through the application of the Manitoba Education Property Tax Credit.

As the Board was unable to find any record of the Utility having been previously declared a Public Utility under the Public Utilities Board Act, by this Order this deficiency will be addressed.

The Village reported the levying of a current connection fee of \$325. Subsequent to the hearing, the Village provided the Board with a copy of Resolution 120-8, reducing that charge to \$50. The Board notes that the connection fee had not been previously

approved by the Board, as is required. Therefore, the Board will approve the amended connection fee and direct the Utility to include notice of that in a revised By-law.

IT IS THEREFORE ORDERED THAT:

1. The Village of St. Pierre-Jolys' By-law No. 2008-6 be and is hereby approved in accordance with the attached schedule A.
2. The Village of St. Pierre-Jolys amend By-law No. 2008-6 to reflect a connection fee of \$50.
3. The Village of St. Pierre-Jolys is hereby authorized to collect the annual sewer charges by adding these to the tax bill, on the condition that the Utility charges be set out separate and distinct from taxes and not be off-set by the Manitoba Education Property Tax Credit.

Fees payable upon this Order - \$250.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, C.A."
Chairman

"G. GAUDREAU"
Secretary

Certified a true copy of Order No.
56/08 issued by The Public
Utilities Board

Secretary

SCHEDULE "A"
TO BOARD ORDER NO. ??/08
THE VILLAGE OF ST. PIERRE-JOLYS
SEWER RATES
BY-LAW NO. 7-2008

Single-Family Residential Units (296) \$ 46.60

11 Customers with REU of 1.5 (16.5 Units)

Roll Nos. \$ 68.10

400 - Peloquin Investments Inc.
550 - Jacqueline Shewchuk
8000 - La Paroisse St-Pierre
10800 - Club Jolys Inc.
12000 - Real Mulaire - 62308 MB Ltd. - Pharmacy
12100 - Raymond Lavergne - Assurance Lavergne
12200 - Denis Fillion - Chiropractor
12800 - Yvonne Harder - Antoinette's Old House
20573 - St. Pierre Bible Fellowship Church
31000 - Comite Carillon
35200 - Garderie Jolys Inc.

17 Customers with REU of 2 (34 Units)

Roll Nos. \$ 89.60

1100 - Raymare Enterprises Ltd. - IGA
7900 - Musee de St-Pierre-Jolys Inc.
8800 - Harv Brandt - Old IGS
9000 - Denis Fillion Accounting
9200 - Caisse Populaire La Prairie Ltee
9600 - Les Clefs Bleues Ltee - Deefer's/Jack's Barbershop/Taz
9700 - St. Pierre Garage Ltd.
9800 - Eloi Nayet - Village Connection/Rental apartments
10300 - Robidoux Lumber - Lumber Yard
11800 - Boulangerie St. Pierre
11900 - Youth for Christ (Old Theatre)
12600 - Routier Gas Bar
13300 - Bilingual Building
18000 - Georges Hebert - House and Rental Apartment
18400 - Village of/de St-Pierre-Jolys - Fire Hall
20800 - Roger Lesage - Residence, Apartment and B&B
30750 - Donald Russell - House/Rental apartment

2 Customers with REU of 2.5 (5 Units)

Roll Nos. \$ 111.10

13100 - 4077121 MB Ltd. - Le Routier (Restaurant)
28460 - Oma's Restaurant

1 Customer with REU of 3 (3 Units)

<u>Roll Nos.</u>	\$ 132.60
600 - Registe Nayet - Apartment Block	
<u>2 Customers with REU of 4(8 Units)</u>	
<u>Roll Nos.</u>	\$ 175.60
23100 - Jos Robidoux - 4 Plex	
28200 - Eloï Nayet - Apartment Block	
<u>2 Customers with REU of 5(10 Units)</u>	
<u>Roll Nos.</u>	\$ 218.60
9100 - R. M. of De Salaberry	
20525 - Her Majesty the Queen - RCMP	
<u>1 Customer with REU of 6 (6 Units)</u>	
<u>Roll No.</u>	\$ 261.60
3700 -Anita Terrick - Apartment Block	
<u>1 Customer with REU of 8 (8 Units)</u>	
<u>Roll No.</u>	\$ 347.60
12300 - Village of/de St-Pierre-Jolys (Rec. Centre)	
<u>3 Customers with REU of 12 (36 Units)</u>	
<u>Roll Nos.</u>	\$ 519.60
12400 - Red River Valley School Division (School)	
19800 - Division Scolaire Franco-Manitobaine (School)	
20570 - Peter Fehr - Apartment Block	
<u>1 Customer with REU of 15(15 Units)</u>	
<u>Roll No.</u>	\$ 648.60
300 - Peloquin Investments - St. Pierre Hotel	
<u>1 Customer with REU of 38(38 Units)</u>	
<u>Roll No.</u>	\$ 1,637.60
8200 - Manior St. Pierre Inc. (Senior Citizens Home)	
<u>1 Customer with REU of 58.5 (58.5)</u>	
<u>Roll No.</u>	\$ 2,519.10
19200 - South Eastman Health (Hospital and Personal Care Home)	