

MANITOBA ) Order No. 25/09  
 )  
THE PUBLIC UTILITIES BOARD ACT ) March 17, 2009

BEFORE: Graham F. J. Lane, C.A., Chairman  
Susan Proven, P.H.Ec., Member

THE RURAL MUNICIPALITY OF EAST ST. PAUL  
WATER AND SEWER UTILITY  
ACTUAL REVENUE DEFICIT 2008

**Introduction and Discussion**

**WHEREAS** the Public Utilities Board issued Order No. 151/08 on November 7, 2008 requiring all water and/or sewer utilities to report an actual year-end deficit to the Board if the utility:

1. had not received prior approval for the deficit from the Board and such deficit either exceeds \$10,000 or represents 5% of the utility's operating budget; or
2. had received prior approval for the deficit from the Board and the actual deficit:
  - a. exceeds the previously approved amount by either \$10,000 or 5% of the utility's operating budget; or
  - b. is caused as a result that differs from that upon which said approval was granted;

**AND WHEREAS** the Rural Municipality of East St. Paul incurred operating deficits at the end of the 2008 operating year of \$23,090.55 in the water utility and \$196,054.98 in the sewer utility;

**AND WHEREAS** the reported causes of the deficits were the result of lower than forecast revenues, this attributed to lower consumption, and fewer connections than expected;

**AND WHEREAS** it is proposed that the said deficits be recovered from taxes in equal amounts over the next three years as follows:

<u>Year</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
2009	\$7,696.85	\$65,351.66
2010	\$7,696.85	\$65,351.66
2010	\$7,696.85	\$65,351.66;

**AND WHEREAS** provincial law requires municipal utilities to break-even annually on utility operations;

**AND WHEREAS** the Board will require the RM to proceed with an immediate review of the adequacy of utility water and sewer rates and file a rate study with the Board on or before October 31, 2009;

**AND WHEREAS** the Board will only approve recovery by way of a transfer from the General Fund in the first year, pending receipt of a rate study:

Acting Secretary