

M A N I T O B A) Order No. 126/11
)
THE PUBLIC UTILITIES BOARD ACT) September 23, 2011

BEFORE: Graham Lane, CA, Chairman
 Monica Girouard, CGA, Member
 Susan Proven, P.H.Ec., Member

THE TOWN OF STE. ANNE
FINALIZATION OF SEWER RATES - 2011

Summary

The Public Utilities Board (Board) herein finalizes its sewer rate approval, originally provided on an *ex parte* basis by Order No. 15/11 for the Sewer Utility in the Town of Ste. Anne (Town).

The new rates are to be reflected on the annual tax statement, beginning in 2011.

Existing and revised rates:

Units	Customer	Current (2005)			Revised		
		Service Charge	Commodity	Total Quarterly	Service Charge	Commodity	Total Quarterly
1	Single family Small, Commercial	\$5.05	\$20.75	\$25.81	\$5.50	\$30.20	\$35.70
1.5	Small commercial with residence, body shops, residence with small enterprise	\$5.05	\$31.14	\$36.19	\$5.50	\$45.30	\$50.80
2	Residence with suite, enterprise with suite, two separate enterprises with suites, duplex, two separate enterprise in same locale, Halls (Legion & Center), Church ¹	\$5.05	\$41.52	\$36.57	\$5.50	\$60.40	\$65.90
3	Dawson Trail Oppt	\$5.05	\$62.28	\$67.33	\$5.50	\$90.60	\$96.10
4	Fourplex residence, Centre Medical Seine, Gregoire garage & car wash, Cordon Bleu Restaurant with residence	\$5.05	\$83.04	\$88.09	\$5.50	\$120.80	\$126.30

5 ²	Dental Office, Seine River School Division (Bus Garage), CDC Building	-	-	-	\$5.50	\$151.00	\$156.50
6	6 suite apartment Ste. Anne Coop ²	\$5.05	\$124.56	\$129.61	\$5.50	\$181.20	\$186.70
12	Ste. Anne Gardens	\$5.05	\$249.12	\$254.17	\$5.50	\$362.40	\$367.90
17	Ste. Anne Hotels	\$5.05	\$352.75	\$357.80	\$5.50	\$513.40	\$518.90
28	Place Ste. Anne	\$5.05	\$581.00	\$586.05	-	-	-
30	Ste. Anne Hospital Place Ste. Anne ³	\$5.05	\$622.80	\$627.85	\$5.50	\$906.00	\$911.50
40 ²	Ste. Anne Hospital - After Expansion	-	-	-	\$5.50	\$1,208.00	\$1,213.50
70 ²	Ste. Anne Schools ⁴	\$5.05	\$1,421.38	\$1,426.43 (*)	\$5.50	\$2,114.00	\$2,119.50 (*)
(*)Break down of charge P.D.C. School Immersion School Ste. Anne Collegiate Ste. Anne Elementary		\$592.65 \$333.26 \$271.01 \$229.51			\$878.12 \$484.48 \$423.92 \$332.98		
77.5 ⁵	Villa Youville Inc.	\$5.05	\$1,608.13	\$1,613.18	\$5.50	\$2,340.50	\$2,346.00
89.5 ²	Villa Youville Inc. after expansion	-	-	-	\$5.50	\$2,702.90	\$2,708.40

¹ Previously assessed one unit

² New

³ Previously assessed 28 units

⁴ Previously assessed 68.5 units

⁵ Reduced in 2007 from 81.5 units

The Board also confirms its approval of a \$25.00 per load fee
(to be charged to septic haulers that are disposing of waste
into the Town's lagoon).

Background

Revenue requirements for the Town's sewer utility were last reviewed by the Board in 2005. Although the Board approved lowering the charge to the Inn (Villa Youville Inc.) and establishing a charge for Place Ste. Anne in 2007, this was done without a detailed review of the entire operation.

Interim approval

The Town filed an application for revised rates in October 2010. Because of a backlog at the Board, driven by the introduction of revised accounting standards for municipalities, and the perceived need for an immediate rate adjustment, the Board provided interim approval on an *ex parte* basis in January 2011. Such approval was subject to finalization once the Board had completed an in-depth analysis and conducted a public review process, the latter to provide customers with an opportunity to comment on the application.

At the direction of the Board, the Town provided notice to customers of the interim approval and rate proposal. Customers were encouraged to attend the Town offices to review the application, and were provided with information on how to contact the Board to express any concerns. No comments were received by the Board.

Utility information

The Town's utility services approximately 500 customers. Sewer charges are levied annually and collected on the tax bill. Water is obtained through wells and therefore not metered, thus

the sewer charges are based on residential equivalent units (REU's); an REU represents the estimated usage by a typical household.

Application

The Town applied for revised sewer rates, as set out in its By-law No. 11-2010 (read the first time on October 12, 2010).

The proposed rates were expected by the Town to generate sufficient annual revenue to recover the following projected annual expenses:

	Projected Expenses
General	
Expenses	\$10,927
Less Revenues	-
General Revenue Requirements	\$10,927
Sewer	
Expenses	\$67,845
Amortization	24,214
Reserves/Contingency	14,640
Interest on long term debt	14,774
Less Revenues	-30,748
Sewer Revenue Requirements	\$90,725

The proposal was accompanied by a rate study conducted for the Town by its consultant, Mr. G.O. Barron, FCGA. The projections in the rate study were made on a best efforts basis, without the benefit of audited financial statements for 2009.

Included in the projected expenses was provision for servicing for a debenture in relation to a \$200,000 sewer system upgrade

expected to be completed in 2011, as well as the amortization costs of that project. No provision has been made for a lift station project, also estimated at \$200,000, to be undertaken at some point in the near future.

The proposal included a reserve contribution of approximately \$5,000 to be used for possible relocation of the lagoon in future. The reserve balance stood at \$123,867 as at December 31, 2009. The proposal also provided a contingency allowance of some \$9,000 to cover unexpected costs which may arise.

Board Findings

The Board received the 2009 audited financial statements on August 24, 2011; 2010 statements are not yet available. The Board continues to be concerned over the tardiness of audited statements, as they can affect the projections upon which rates are based.

After reviewing the application and making allowance for the audited results now known for 2009, the Board will confirm its interim *ex parte* decision of January 2011.

The Board notes and accepts that the rates will be collected through the annual tax statements, on the condition that the utility billing is separate and distinct from taxes, and not offset by the Manitoba Education Property Tax Credit. The Board bases this on its user-pay principle, to ensure that there is public awareness of the cost of operating and funding a utility.

The Board interprets the lack of public comment to be a tacit acceptance of the proposed rates.

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.

IT IS THEREFORE ORDERED THAT:

1. The Town of Ste. Anne By-law 11-2010 BE AND IS HEREBY APPROVED on a final basis, with the revised rates to be reflected on the annual tax statements beginning in 2011 (on the condition that the utility billing is separate and distinct from taxes, and not offset by the Manitoba Education Property Tax Credit).
2. The Town of Ste. Anne file a copy of its 2010 audited financial statements with the Public Utilities Board, as soon as available but not later than December 31, 2011.

Fees payable upon this Order - \$500.00

THE PUBLIC UTILITIES BOARD

"GRAHAM LANE, CA"

Chairman

"KRISTINE SHIELDS"

Acting Secretary

Certified a true copy of Order
No. 126/11 issued by The
Public Utilities Board

Acting Secretary

SCHEDULE A
THE TOWN OF STE. ANNE
SEWER RATES
BY-LAW #11-2010

1. SCHEDULE OF QUARTERLY RATES:

<u>UNITS</u>	<u>CUSTOMER</u>	<u>SER/CHGE</u>	<u>COMMODITY</u>	<u>TOTAL</u>
1	Single Family Small Commercial	\$ 5.50	\$ 30.20	\$ 35.70
1.5	Small Commercial with residence Body shops, Residence with Small enterprise	\$ 5.50	\$ 45.30	\$ 50.80
2.	Residence with suite Enterprise with suite 2 separate enterprises with suites, duplex, 2 separate enterprise in small locale, Halls (Legion & Centre) Church	\$ 5.50	\$ 60.40	\$ 65.90
3	Dawson Trail Oppt	\$ 5.50	\$ 90.60	\$ 96.10
4	Fourplex residence Centre Medical Seine Gregoire garage & Car wash Cordon Bleu Restaurant With residence	\$ 5.50	\$ 120.80	\$ 126.30
5.	Dental Office Seine River School Div. - bus garage CDC Building	\$5.50	\$151.00	\$156.50

UNITS	CUSTOMER	SER/CHGE	COMMODITY	TOTAL
6	6 Suite Apartment Ste. Anne Coop	\$ 5.50	\$ 181.20	\$ 186.70
12	Ste. Anne Gardens	\$ 5.50	\$ 362.40	\$ 367.90
17	Ste. Anne Hotels	\$ 5.50	\$ 513.40	\$ 518.90
30	Place Sainte-Anne	\$ 5.50	\$ 906.00	\$ 911.50
30	Ste. Anne Hospital	\$5.50	\$ 906.00	\$ 911.50
40	Ste. Anne Hospital - after expansion.	\$5.50	\$ 1,208.00	\$ 1,213.50
70	Ste. Anne Schools	\$ 5.50	\$ 2,114.00	\$ 2,119.50*
	P.D.C. School		\$ 878.12*	
	Immersion School		\$ 484.48*	
	Ste. Anne Collegiate		\$ 423.92*	
	Ste. Anne Elementary		\$ 332.98*	
77.5	Villa Youville Inc	\$5.50	\$2,340.50	\$2,346.00
89.5	Villa Youville Inc - after expansion	\$5.50	\$2,702.90	\$2,708.40

2. Disconnection:

The Public Utilities Board has approved the Conditions Precedent to be followed by the municipality with respect to the disconnection of service for non-payment including, such matters, as notice and the right to appeal such action to the Public Utilities Board. A copy of the Conditions Precedent is available for inspection at the Municipality's office.

3. Lagoon Tipping Charge:

- i) One time refundable deposit for the key to access the lagoon of \$250.00.
- ii) \$25.00 per load to be billed semi-annually to haulers who shall retain of a record of such loads and provide to the Town upon request.