

**M A N I T O B A** ) **Order No. 9/16**  
 )  
**THE PUBLIC UTILITIES BOARD ACT** ) **January 18, 2016**

BEFORE: Susan Proven, P.H.Ec., Acting Chair  
Régis Gosselin, B ès Arts, MBA, CPA, CGA, Chair  
The Hon. Anita Neville, P.C., B.A. (Hons.), Member

**ORDER VARYING BOARD ORDER No. 137/15**  
**FOR**  
**VILLAGE OF ST. PIERRE-JOLYS**  
**WASTEWATER UTILITY**  
**WASTEWATER RATES - JANUARY 1, 2016**

## Executive Summary

By this Order, the Public Utilities Board (Board) varies Board Order No. 137/15 for the Village of St. Pierre-Jolys (Village) and approves revised wastewater rates effective January 1, 2016.

Rates are revised and approved as follows:

	<b>Prior to 137/15 (By-law No. 2012-4)</b>	<b>Approved 137/15 (By-law No. 2014-13)</b>	<b>Revised</b>
Annual Service Charge*	\$3.75	\$9.35	\$14.00
Residential Equivalency Unit (REU)	\$95.00	\$94.75	\$103.00
Total annual (1 REU + Service Charge)	\$98.75	\$104.10	\$117.00
*Previously identified as quarterly in Board Order No. 137/15 in error			

Details of other rates may be found in the attached Schedule "A".

Rationale for the Board's decisions may be found under "Board Findings".

The Board also approves *in principle* the funding through rates of debenture servicing costs for the lagoon expansion project for the Village of St. Pierre-Jolys wastewater utility (Utility), to a maximum of \$980,000. This project has yet to be approved by the Village Council. This funding will be in the form of a surcharge on the Utility bills for the customers of the Utility. The Village will be required to return to the Board for approval of final surcharge amounts once the project has been approved for construction and the actual construction costs are known.

## **Application**

On December 10, 2015 the Board issued Order No. 137/15 setting revised wastewater rates for the Village of St. Pierre-Jolys, to be effective January 1, 2016. These rates were set based on a rate study received by the Board in December 2014. The rates were calculated on the basis that the Village Council was going to proceed with its lagoon expansion project.

On December 16, 2015 the Board received a letter from the Village requesting that the Board review and vary Order 137/15. Upon reviewing the Order, the Village determined that the newly approved rates should not have been calculated using the future costs related to the lagoon expansion, given that the project is still at the preliminary planning stage. The Village also advised that it was unlikely to receive grant funding of two thirds of the lagoon's expansion costs, the level of funding used in the December 2014 rate study.

The Village asked the Board to approve, in principle, rates based on a lower amount of grant funding. Debt costs have now increased from \$383,333 (December 2014 rate study) to \$977,813 (December 2015 Village letter). The Village submitted calculations indicating a possible annual increase of \$113, including interest, over a period of 20 years, for each residential equivalency unit (REU), the volume of water estimated to be used by the average single family residence

The Village also advised the Board that the current number of residential equivalency units (REUs) totals 635. Units allocated to other customers are based on the water they are estimated to use, in comparison with a residence. REUs are used in communities with unmetered distribution and collection systems, where information regarding actual consumption is unavailable.

Consistent with past practice, the Village intends to collect the annual wastewater charge through the annual property tax bill.

The Village requested that rates be calculated using the current number of customers and REUs, 406 and 635, respectively. The December 2014 rate study calculated the proposed rates using 439 customers and 690 REUs, which was based on projections for the Village's population growth through to 2017.

The Village also requested that the Board vary the approved rates effective January 1, 2016 based on the following changes to the December 2014 submission:

- current customer and REU values rather than the projected values used
- an equity surcharge of \$1,500 per year to rebuild the working capital deficiency; this change increases the annual service charge
- an additional \$15,000 in reserve funds, bringing the total annual provision to \$25,000
- the removal of the \$2,083 in non-rate wastewater revenue, which is connection revenue

The approval, in principle, involves the following changes:

- the exclusion of the impact of the new lagoon project; to be approved in principle only
- the amortization of capital grants over 50 years rather than 30 years; this means that the amortization of grants would match the extension of the amortization for the lagoon from 30 years to 50 years, as approved in Order 137/15

## **Board Findings**

After considering the information filed by the Village and Board Order No. 137/15, the Board approves the request to vary the Order. The Board finds that the changes to the rate revenue requirements are reasonable.

The Board will approve, in principle, the addition of a surcharge to the utility bill to recover the debenture servicing costs for the lagoon expansion project for the Village, if it is decided that the project should proceed. The Village has calculated the projected surcharge for the lagoon expansion will be \$113 per REU per year.

The Board does not approve the specific surcharge amount, pending the finalization of the debenture servicing costs and project costs. When the project is completed, the Village must apply for rates that are based on the final cost of the project, the debenture servicing costs, the number of REUs and the calculations for the final surcharge.

Some municipalities offset utility charges using the Home Owners Tax Assistance credit when utility charges are collected on the tax bill. The Board recommends that the Village consider switching to a separate annual or quarterly utility billing, because this sends a clearer pricing signal to ratepayers about the costs of utility services.

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 (Rules). The Board's Rules may be viewed on the Board's website at [www.pub.gov.mb.ca](http://www.pub.gov.mb.ca).

**IT IS THEREFORE ORDERED THAT:**

1. The revised wastewater rates for the Village of St. Pierre-Jolys as set out in Schedule "A" to this Order, BE AND ARE HEREBY APPROVED with revised rates to be effective January 1, 2016.
2. The Village of St. Pierre-Jolys submit a revised wastewater rate by-law reflecting the decisions in this Order, once it has received third and final reading.
3. The Village of St. Pierre-Jolys in collecting Utility charges with the tax bill shall ensure that such charges are not offset by the Home Owners Tax Assistance Credit.
4. The Village of St. Pierre-Jolys review its wastewater rates for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than June 1, 2018.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."

Acting Chair

"JENNIFER DUBOIS, CPA, CMA"

Acting Secretary

Certified a true copy of Order No. 9/16 issued by  
The Public Utilities Board

\_\_\_\_\_  
Acting Secretary

**Schedule "A"**

**By-Law**

**Public Utilities Board Order # \_\_\_\_\_**

**VILLAGE OF ST PIERRE  
JOLYS  
SEWER RATES BY-LAW NO.**

**SCHEDULE "A"**

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	January 1, 2016
Annual Fees	
Service Charge	\$ 14.00
Residential Equivalency Unit (REU)	\$ 103.00
<b>TOTAL</b>	<b>\$ 117.00</b>

**Schedule B**  
**Residential Unit Listing (REU)**  
 for Sewer Rates

<u>Roll #</u>	<u>Name</u>	<u>#</u>	<u>REU</u>
<u>Single-Family Residential Units =</u>		360	360.0
<u>Customers with REU of 1.5 (15 Units)=</u>		9	13.5
550	Jacqueline Shewchuk		
8000	La Paroisse St-Pierre		
10800	Club Jolys Inc.		
12000	Réal Mulaire - 62308 MB Ltd. - Pharmacy		
12100	Raymond Lavergne - Assurance Lavergne		
12200	Denis Fillion - Chiropractor		
12800	Chad Vincent		
20573	St-Pierre Bible Fellowship Church		
31000	Comite Carillon		
<u>Customers with REU of 2 (34 Units)=</u>		17	34.0
1100	Raymare Enterprises Ltd. - IGA		
1350	Renée Lavergne - 2 apartment in house		
7900	Musée de St-Pierre-Jolys		
8800	Sol Desharnais - Old IGA		
9000	Denis Fillion Accounting		
9200	Caisse Populaire La Prairie Ltee		
9600	Hairderessers/Jack the Barber/Taz - 515 Jolys St-Pierre Garage		
9700	Ltd.		
9800	Eloi Nayet - Vill Conn/Aptm 470-529 Jolys		
10300	Riverbend Realty		
11800	Boulangerie St-Pierre		
11900	Youth for Christ		
12600	Routier Gas Bar		
13300	Bilingual Building - 427 Sabourin		
18400	Village of/de St-Pierre-Jolys - Fire Hall		
20800	Roger Lesage - Apartment and Bed & Breakfast		
30750	Donald Russel - House/Rental apartment		



<u>Customers with REU of 2 Braun Duplex (4 Units)</u>				2	4.0
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31200 Andrew Braun  
 31300 Andrew Braun

<u>Customers with REU of 2.5 (5 Units)=</u>				2	5.0
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13100 40771212 MB Ltd. - Le Routier  
 Restaurant  
 Oma's  
 28460 Restaurant

<u>Customer wih REU of 3( 6 Units) =</u>				2	6.0
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400 Apartment- Luc Peloquin  
 600 Regis Nayet - Apartment Block

<u>Customers with REU of 4 (12 Units) =</u>				3	12.0
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23100 Jos Robidoux - 4-Plex  
 28200 Eloi Nayet - Apartment Block  
 Andre Braun - 4-  
 30300 Plex

<u>Customers with REU of 5 (10 Units) =</u>				2	10.0
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9100 R.M. Of  
 DeSalaberry  
 20525 Her Majesty the Queen - RCMP

<u>Customer with REU of 6 (6 Units)=</u>				1	6.0
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3700 Anita Terrick - Apartment Block

<u>Customer with REU of 8(16 Units) =</u>				2	16.0
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12300 Village of/de St-Pierre-Jolys (Rec.  
 Centre)  
 20600 Chubey Villas

<u>Customers with REU of 12 (12 Units) =</u>				1	12.0
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20570 Alvin & Lydia Falk - Harvey & Lorraine Barkman - Apartment Block

<u>Customer with REU of 19 (19 Units) =</u>				1	19.0
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12400 Red River Valley School Division (School)

<u>Customer with REU of 15 (15 Units) =</u>				1	15.0
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300 Pelouquin Investments - St-Pierre Hotel

<u>Customer with 26 REU - New includes daycare</u>	-	-	-	1	26.0
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19800 DSFM - School

<u>Customer with REU of 38 (38 Units) =</u>				1	38.0
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8200 Manoir St-Pierre Inc.

<u>Customer with REU of 58.5 (58.5 Units) =</u>				1	58.5
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19200 South Eastman Health (Hospital & Personal Care Home)

<b>TOTAL</b>				406	635.0
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