MANITOBA

THE PUBLIC UTILITIES BOARD ACT

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

Order No. 56/08
May 9, 2008
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.

<table>
<thead>
<tr>
<th>Annual fees</th>
<th>Revised</th>
<th>Existing</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge</td>
<td>$ 3.60</td>
<td>$10.90</td>
<td>(67)%</td>
</tr>
<tr>
<td>Residential</td>
<td>$43.00</td>
<td>$21.10</td>
<td>104%</td>
</tr>
<tr>
<td>Equivalency Unit</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**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 $2,160*

Total operating expenditures $16,935
Reserve allocation $5,000

Total $21,935

Total annual operating expenditures $23,135

*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)

<table>
<thead>
<tr>
<th>Roll Nos.</th>
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<tbody>
<tr>
<td>400 - Peloquin Investments Inc.</td>
<td>$ 68.10</td>
</tr>
<tr>
<td>550 - Jacqueline Shewchuk</td>
<td></td>
</tr>
<tr>
<td>8000 - La Paroisse St-Pierre</td>
<td></td>
</tr>
<tr>
<td>10800 - Club Jolys Inc.</td>
<td></td>
</tr>
<tr>
<td>12000 - Real Mulaire - 62308 MB Ltd. - Pharmacy</td>
<td></td>
</tr>
<tr>
<td>12100 - Raymond Lavergne - Assurance Lavergne</td>
<td></td>
</tr>
<tr>
<td>12200 - Denis Fillion - Chiropractor</td>
<td></td>
</tr>
<tr>
<td>12800 - Yvonne Harder - Antoinette’s Old House</td>
<td></td>
</tr>
<tr>
<td>20573 - St. Pierre Bible Fellowship Church</td>
<td></td>
</tr>
<tr>
<td>31000 - Comite Carillon</td>
<td></td>
</tr>
<tr>
<td>35200 - Garderie Jolys Inc.</td>
<td></td>
</tr>
</tbody>
</table>

17 Customers with REU of 2 (34 Units)

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

2 Customers with REU of 2.5 (5 Units)

<table>
<thead>
<tr>
<th>Roll Nos.</th>
<th>Roll Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>13100 - 4077121 MB Ltd. - Le Routier (Restaurant)</td>
<td>$ 111.10</td>
</tr>
<tr>
<td>28460 - Oma’s Restaurant</td>
<td></td>
</tr>
</tbody>
</table>

1 Customer with REU of 3 (3 Units)
Roll Nos. $ 132.60
600 - Registe Nayet - Apartment Block

2 Customers with REU of 4 (8 Units)
Roll Nos. $ 175.60
23100 - Jos Robidoux - 4 Plex
28200 - Eloi Nayet - Apartment Block

2 Customers with REU of 5 (10 Units)
Roll Nos. $ 218.60
9100 - R. M. of De Salaberry
20525 - Her Majesty the Queen - RCMP

1 Customer with REU of 6 (6 Units)
Roll No. $ 261.60
3700 - Anita Terrick - Apartment Block

1 Customer with REU of 8 (8 Units)
Roll No. $ 347.60
12300 - Village of/de St-Pierre-Jolys (Rec. Centre)

3 Customers with REU of 12 (36 Units)
Roll Nos. $ 519.60
12400 - Red River Valley School Division (School)
19800 - Division Scolaire Franco-Manitobaine (School)
20570 - Peter Fehr - Apartment Block

1 Customer with REU of 15 (15 Units)
Roll No. $ 648.60
300 - Peloquin Investments - St. Pierre Hotel

1 Customer with REU of 38 (38 Units)
Roll No. $ 1,637.60
8200 - Manior St. Pierre Inc. (Senior Citizens Home)

1 Customer with REU of 58.5 (58.5)
Roll No. $ 2,519.10
19200 - South Eastman Health (Hospital and Personal Care Home)