

M A N I T O B A                    )     Order No. 50/10  
  )  
THE MUNICIPAL ACT                 )     May 12, 2010

BEFORE:   Graham Lane, CA, Chairman  
           Monica Girouard, C.G.A., Member

**TOWN OF MANITOU  
WATER AND SEWER UTILITY  
BUDGETED DEFICIT 2010**

**WHEREAS** Section 164(4) of *The Municipal Act*, SM 1996, c. 58, as amended, provides:

    "164(4) The council must ensure that the amount of estimated revenue and transfers provided for in the utility budget is not less than the amount of estimated expenditures in respect of the utility unless, before adopting the operating budget, the council obtains The Public Utilities Board's written approval, which may include any condition the Board considers necessary or advisable. "

**AND WHEREAS** the Town of Manitou (Town) currently projects a budgeted 2010 utility deficit of \$40,000.00;

**AND WHEREAS** the said cause of the deficit is due to anticipated increased operating costs in 2010;

**AND WHEREAS** the Town has proposed to the Public Utilities Board (Board) that its 2010 utility deficit, as projected, be recovered from utility rates;

**AND WHEREAS** the Board notes that the Town's projected 2010 utility deficit does not reflect now-required Public Sector Accounting Board (PSAB) accounting standards (with respect to amortization of capital assets or the treatment of annual debt payments) and expects that the Town's 2010 utility deficit will increase once the prescribed accounting standards are applied;

**AND WHEREAS** the Board will require the Town to submit a proposal to

the Board to recover the 2010 budgeted utility deficit, along with a rate study, to the Board for approval on or before by September 30, 2010; and

**AND WHEREAS** the Board, once it has received the Town's rate proposal and rate study, will review and set revised utility rates taking into account the rates sought by the Town, the potential impact of reflecting the amortization of utility capital assets in the revised rates, the "ability to pay" of ratepayers, and the general public interest.

**IT IS THEREFORE ORDERED THAT:**

1. The preliminary 2010 budgeted deficit for the water and sewer utility of the Town of Manitou, now estimated at \$40,000.00 BE AND IS HEREBY APPROVED SUBJECT TO;
2. The Town of Manitou filing a utility rate study (considering the appropriateness of revised water and sewer rates and proposing new rates) with the Board on or before September 30, 2010; and
3. The Town of Manitou recalculating its 2010 utility deficit to reflect newly prescribed accounting standards and file with its rate study and rate proposal an analysis of the rates that would be required if the new accounting standards were to be fully reflected in revised rates.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"GRAHAM F. J. LANE, C.A."  
Chairman

"KRISTINE SHIELDS"  
Acting Secretary

Certified to be a true copy of Order  
No. 50/10 issued by The Public  
Utilities Board

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Acting Secretary

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).