

Order No. 157/19

**AN ORDER RESPECTING THE ROSSBURN MUNICIPALITY
WATER AND WASTEWATER UTILITY
APPROVAL IN PRINCIPLE
TO RECOVER DEBENTURE SERVICING COSTS
WATER PIPELINE CONNECTION TO THE
RUSSELL REGIONAL WATER TREATMENT PLANT**

October 17, 2019

**BEFORE: Shawn McCutcheon, Panel Chair
Marilyn Kapitany, B.Sc. (Hon), M.Sc., Member**

1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) approves, *in principle*, funding through utility rates of the debenture servicing costs for the Rossburn Municipality (Municipality), Rossburn Water and Wastewater Utility (Utility) water pipeline project to connect to the Russell Regional Water Treatment Plant (WTP).

The project surcharge is shown below (all figures estimated):

Utility	Total Borrowing	Net Annual Debenture Payment	Estimated Annual Water Sales (gallons)	Surcharge per 1,000 gallons of consumption
Rossburn Water and Wastewater Utility	\$498,725	\$39,292	7,000,000	\$5.18

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

2.0 Application

On September 27, 2019, the Municipality applied to the Board for approval to implement a utility surcharge to fund debenture payments based on a formula for the capital cost of a water pipeline connection to the Russell Regional WTP.

A new regional WTP has been recently constructed in the Municipality of Russell-Binscarth. The construction of the WTP and associated waterline infrastructure was funded by the Canada-Manitoba Infrastructure Program, Russell and Binscarth Utilities, Angusville Utility, Gambler First Nation and the Rossburn Utility (Utility). The Utility's share of the capital funding is \$498,725.

The Municipality's Council decided that the issuance of a debenture debt with a surcharge on water consumption is the most equitable user pay method of financing its portion of the costs.

The Municipality has submitted a debenture authorization By-Law to the Municipal Board and intends on issuing the debenture debt of \$498,725 in 2019 with payments commencing in 2020.

3.0 Board Findings

The Board approves, in principle, the addition of a surcharge to the utility bill to recover the total amount of debenture servicing costs for the water pipeline connection to the Russell Regional WTP.

The Board directs the Municipality to apply for final approval prior to billing the surcharge to Utility customers, once the final debenture amount and the annual payment has been determined.

4.0 IT IS THEREFORE ORDERED THAT:

1. The Rossburn Municipality's proposal to recover the total debenture servicing costs for the water pipeline connection to the Russell Regional Water Treatment Plant in the Rossburn Water and Wastewater Utility through a utility rate rider is HEREBY APPROVED in principle.
2. The Rossburn Municipality, Rossburn Water and Wastewater Utility, is required to return to the Public Utilities Board with the final debenture servicing costs (including the annual payment) and surcharge proposal prior to billing customers.
3. The Rossburn Municipality provide the Public Utilities Board with a copy of the borrowing By-law once it has received third and final reading.

Fees payable upon this Order - \$150.00

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. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"

Panel Chair

"Rachel McMillin, B.Sc."

Assistant Associate Secretary

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by The Public Utilities Board



Assistant Associate Secretary