

**Order No. 165/19**

**TOWN OF POWerview-PINE FALLS  
POWerview-PINE FALLS WATER AND WASTEWATER UTILITY  
SURCHARGE TO RECOVER DEBENTURE SERVICING COSTS  
EFFECTIVE DECEMBER 1, 2019**

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**November 12, 2019**

**BEFORE:** Shawn McCutcheon, Panel Chair  
Marilyn Kapitany, BSc. (Hon.), MSc., Member

## 1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) approves a utility surcharge to recover debenture servicing costs, previously approved in principle in Board Order No. 50/15 for the Town of Powerview-Pine Falls (Town), Water and Wastewater Utility (Utility) water treatment plant upgrade project.

The total cost of the project is \$330,000, with \$130,000 funded by the Town's Federal Gas Tax Reserve and the remaining \$200,000 funded through borrowing (approved by the Municipal Board).

This surcharge is approved effective December 1, 2019 and is to be in effect for the length of the debenture, a period of 10 years.

Utility	Total Borrowing (principal plus interest)	Net Annual Debenture Payment	Estimated Annual Water Sales (cubic meters)	Surcharge per cubic meter of consumption
Powerview- Pinefalls Water and Wastewater Utility	\$242,227.95	\$24,048.27	100,000	\$0.24

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

## 2.0 Application

On April 1, 2015, the Town applied to the Board for approval in principle of a utility surcharge to fund debenture payments. The debenture was to fund the upgrades to the Water Treatment Plant (WTP) that includes an upgrade to the Supervisory Control and Data Acquisition (SCADA) and the installation of Ultra Violet Treatment System (UVT). The application was accompanied by Council Resolution No. 69/15.

In Board Order No. 50/15, the Town was given approval to assess a surcharge on utility bills to recover the debenture payments, in principle, and ordered to submit the final amounts for approval before charging the ratepayers.

On October 25, 2019, the Town applied to the Board for approval to implement a utility surcharge to fund debenture payments as the yearly debenture servicing costs have been finalized. The Town submitted Council Resolution No. 2019-063 and Borrowing By-Law No. 7-2019. The first annual debenture payment is due December 31, 2019 with subsequent annual payments being made in years 2020 to 2029 inclusive.

The Town is requesting approval to implement a surcharge in the amount of \$0.24 per cubic meter per customer per quarterly billing for a period of 10 years.

### 3.0 Board Findings

The Board approves the debenture surcharge as submitted by the Town of Powerview-Pine Falls, of \$0.24 per cubic meter, per customer, per quarter to be collected over a period of 10 years, effective December 1, 2019.

The Board cautions the Town that since the debenture surcharge revenue was calculated on estimated water sales, the actual revenue that is collected will not be the exact amount of the annual debenture payment. A shortfall in the estimated water sales will generate insufficient revenue to make the annual debenture payment. Alternatively there is a possibility of revenue in excess of the annual debenture payment should sales exceed the estimate.

The Board directs the Town to closely monitor its water sales and submit an application to vary the debenture charge if the water sales are less than the estimated 100,000 cubic meters. Water sales greater than the estimate will result in more revenue than is required for the debenture payment. These surplus funds should be directed to the Utility Fund Surplus. These surplus funds may be used to shorten the collection period of the debenture surcharge.

The Board recommends that the Town work with its auditors for the proper recording of the debenture surcharge in its financial statements.

#### 4.0 IT IS THEREFORE ORDERED THAT:

1. The Town of Powerview-Pine Falls debenture surcharge of \$0.24 per cubic meter per ratepayer, per quarter, BE AND IS HEREBY APPROVED to be collected over a period of 10 years effective December 1, 2019.
2. The Town of Powerview-Pine Falls is to provide notice of the decisions found in this Order to its customers as soon as possible, with a copy submitted to the Public Utilities Board.
3. The Town of Powerview-Pine Falls is to monitor its consumption closely and submit an application to vary the debenture surcharge, if needed.

Fees payable upon this Order - \$150.00

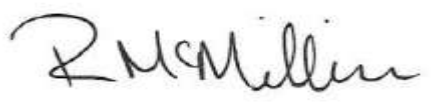
Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at [www.pubmanitoba.ca](http://www.pubmanitoba.ca).

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"  
Panel Chair

"Rachel McMillin, BSc."  
Assistant Associate Secretary

Certified a true copy of Order No. 165/19 issued  
by The Public Utilities Board

  
Assistant Associate Secretary