

Order No. 116/20

**ORDER RESPECTING
THE RURAL MUNICIPALITY OF MOUNTAIN
REQUEST TO REVIEW AND VARY BOARD ORDER NO. 77/20
RURAL MUNICIPALITY OF MOUNTAIN
BIRCH RIVER WATER AND WASTEWATER UTILITY
REVISED RATES FOR JULY 1, 2020, JANUARY 1, 2021, AND JANUARY 1, 2022**

SEPTEMBER 24, 2020

**BEFORE: Shawn McCutcheon, Panel Chair
Mike Watson, Member**

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the Rural Municipality of Mountain's (RM) request to vary the Residential Equivalency Unit (REU) assignment for the Swan Valley School Division, Birch River School set in Board Order No. 77/20 for the Birch River Water and Wastewater Utility (Utility).

The Board approves a reduced REU assignment from 10.0 REUs to 3.0 REUs for the Swan Valley School Division, Birch River School to be reflected on the next quarterly billing, effective October 1, 2020.

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

2.0 Background

Please note, this Board Order is best read in conjunction with Board Order No. 77/20.

In Board Order No. 77/20, issued May 26, 2020, the Board approved revised water and wastewater rates for the Utility. Rates were approved to be effective July 1, 2020, January 1, 2021, and January 1, 2022. The Board also approved revised REU Assignments, effective July 1, 2020 as follows:

	Existing REU Assignments	Revised REU Assignments	Number of Customers	Total REUs
Residential Churches	1.0	1.0	105.0	105.0
Non-Residential	-	-	-	-
Birch River Library RM of Mountain Canada Post Corp. Crop Production Services Northern Neighbours Seniors	1.0	1.5	5.0	7.5
Birchwood Grocery	2.0	2.0	1.0	2.0
Royal Canadian Legion	2.0	3.0	1.0	3.0
Birch River Fire Hall	1.0	3.0	1.0	3.0
Trevor Anderson	3.0	4.0	1.0	4.0
Swan Valley School Division	10.0	10.0	1.0	10.0
Manitoba Housing	12.0	12.0	1.0	12.0
Total			116.0	146.5

One REU is the estimate of the volume of water used by the average single-family residence. Units allocated to non-residential customers are based on estimated consumption, as compared to a residence. REUs are used in communities with an unmetered distribution and collection system, where information regarding actual consumption is unavailable.

3.0 Application

On September 3, 2020, the RM submitted a request that the Board review its decision made in Board Order No. 77/20 and revise the REU assignment for the Swan Valley School Division, Birch River School. The RM also provided Council Resolution #2020/329 supporting the request to the Board.

The RM advised, in its request, as of August 14, 2020 Birch River School was purchased privately for a, to be determined, commercial venture and would no longer operate as an educational facility. The new owner presented several potential business ventures to the RM's Council, attesting each should be granted a reduction to the current REU allocation. Council carefully deliberated on the new owner's proposals and determined none of the proposed business ventures would require an REU assignment of 10.0 REUs and an assignment of 3.0 REUs would be more appropriate for the forecasted water usage at the former Birch River School.

Subsequent to the RM's request, the RM advised the requested REU revision would result in an approximate annual loss of revenue of \$4,300.00. The 2019 Audited Financial Statements reported a net operating surplus of \$32,272 and therefore the RM is forecasting the loss or revenue for the duration of the approved utility rates will not result in an operating deficit for the Utility. The RM advises, however, it will closely monitor the Utility's financials if the request is approved by the Board.

4.0 Board Findings

The Board has reviewed the RM's request and finds it to be reasonable and approves a reduction from 10.0 REUs to 3.0 REUs for the Swan River School Division, former Birch River School.

The Board is concerned regarding the uncertainty of the business venture that is to operate out of the former Birch River School and water use that will be required to operate the business venture once it has been finalized. The Board therefore directs the RM to closely monitor Utility volumes of production and the Utility's financials and return to the Board as soon as possible if the REU revision results in higher than forecasted water production and/or an operating deficit for the Utility.

5.0 IT IS THEREFORE ORDERED THAT:

1. The request by the Rural Municipality of Mountain, Birch River Water and Wastewater Utility, to vary the REU assignment from 10.0 REUs to 3.0 REUs for the Swan Valley School Division, former Birch River School BE AND IS HEREBY APPROVED.
2. The revised REU assignment for the Swan Valley School Division, former Birch River School is to be reflected on the next quarterly billing, effective October 1, 2020.
3. The Rural Municipality of Mountain amend its water and wastewater rates By-Law to reflect the decisions in this Order and submit a copy to the Board once it has received third and final reading.

Fees payable upon this Order – Waived

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

"Frederick Mykytyshyn"

Assistant Associate Secretary

Certified a true copy of Order No. 116/20 issued
by The Public Utilities Board



Assistant Associate Secretary