

**Order No. 39/22**

**RURAL MUNICIPALITY OF ARGYLE  
LOCAL IMPROVEMENT DISTRICT OF BALDUR  
BALDUR WATER AND WASTEWATER UTILITY  
REVISED UTILITY RATES EFFECTIVE JULY 1, 2022  
SIMPLIFIED RATE APPLICATION**

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**April 13, 2022**

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

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## 1.0 Executive Summary

By this Order, the Public Utilities Board (Board) grants approval of the revised water and wastewater rates for the Rural Municipality of Argyle (RM) Baldur Water and Wastewater Utility (Utility), to be effective July 1, 2022. The approved rates are shown below:

|                                    |    |        |
|------------------------------------|----|--------|
| Quarterly Service Charge           | \$ | 10.72  |
| Water (per 1,000 gallons)          | \$ | 32.76  |
| Wastewater (per 1,000 gallons)     | \$ | 9.71   |
| Minimum Quarterly Charge*          | \$ | 138.13 |
| Wastewater Only Quarterly Charge** | \$ | 68.98  |
| Bulk Water Sales***                | \$ | 39.00  |

\*based on 3,000 gallons

\*\*based on 6,000 gallons

\*\*\*based on 1,000 gallons

Details of the rates are in the attached Schedule A.

The reasons for the Board's decisions are under Board Findings.

## 2.0 Background

The RM owns and operates a water and wastewater utility located in the Local Improvement District of Baldur. At the time of the last full rate application, the Utility reported having 167 customers.

## 3.0 Application

On July 20, 2021, the RM submitted two applications for Board approval. The first was for approval of the 2020 operating deficit in the amount of \$18,066. This application was reviewed and the Board granted approval of the deficit and method of recovery in Board Order No. 24/22.

The second application was for revised rates for the Utility. The RM also submitted By-law No. 2-2021, having received first reading on July 13, 2021. Current rates were implemented January 1, 2021, approved by Board Order No. 20/19. The application was submitted using the Board's Simplified Rate Application Process, as set out in Board Order No. 86/17.

The RM submitted that with the rate increases approved by the Board in Board Order No. 20/19, the Utility was budgeting an operating surplus of \$2,047 in 2021.

A Public Notice of Application was issued March 10, 2022, affording customers the opportunity to comment to both the Board and the RM with respect to the proposed rate increases. Neither the Board nor the RM received any responses to the Notice.

When reviewing an application the Board can either; hold a public hearing at which the applicant can present its case and customers can present their concerns; or where it is deemed to be in the best interests of a utility and its customers, the Board can review the application using a paper review process without holding a public hearing. The Board has determined a paper review process is appropriate in this application.

This RM has requested the proposed increases to keep the Utility rates in line with increased operating costs and to increase the Working Capital Surplus to provide funding for future capital projects.

## Working Capital Surplus

Board Order No. 93/09 established that utilities should maintain a minimum working capital surplus, in an amount equal to 20% of annual expenses. The working capital surplus is defined as the Utility fund balance, excluding any capital-related items plus Utility reserves.

As per the 2020 audited financial statements, the working capital at December 31, 2020 was:

|  | 2020             |
|--|------------------|
| Accumulated Fund Surplus                       | \$ 2,192,545     |
| Deduct tangible capital assets                 | (\$ 2,285,982 )  |
| Add long term debt                             | \$ 85,441        |
| Add utility reserves                           | \$ 78,496        |
| <b>Equals Working Capital Surplus</b>          | <b>\$ 70,500</b> |
|  |                  |
| Utility operating costs                        | \$ 233,031       |
| <b>20% of utility operating costs (target)</b> | <b>\$ 46,606</b> |

## 4.0 Board Findings

The Board has reviewed the financial projections and application, and has determined the RM meets the required criteria (set out in Schedule A to Board Order No. 86/17) to apply using the Simplified Rate Application process.

The Board grants approval of the rates as applied for effective July 1, 2022.

The Board will direct the RM to review the 2021 audited financial statements and if the Utility experiences an operating deficit, submit an application to the Board within 60 days of Council approving the audited financial statements.

The RM of Argyle is to review its water and wastewater rates for adequacy and file with the Public Utilities Board either a report confirming the adequacy of the rates or an application for revised rates, on or before January 1, 2024.

## 5.0 IT IS THEREFORE ORDERED THAT:

1. Revised water and wastewater rates for the Rural Municipality of Argyle – Baldur Water and Wastewater Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2022.
2. The Rural Municipality of Argyle – Baldur Water and Wastewater Utility amend its Utility rate By-law to reflect the decisions in this Board Order and submit a copy to the Board once it has received third and final reading.
3. The Rural Municipality of Argyle – Baldur Water and Wastewater Utility review its 2021 audited financial statements and, if necessary, file an application for approval of a utility operating deficit with the Public Utilities Board within 60 days of Council approving the audited financial statements.
4. The Rural Municipality of Argyle – Baldur Water and Wastewater Utility provide a notice to its customers as soon as possible, including all decisions found in this Order.

5. The Rural Municipality of Argyle – Baldur Water and Wastewater Utility review its water and wastewater rates for adequacy and file with the Public Utilities Board either a report confirming the adequacy of the rates or an application for revised rates, on or before January 1, 2024.

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

"Jennifer Dubois, CPA, CMA"  
Assistant Associate Secretary

Certified a true copy of Order No. 39/22  
issued by The Public Utilities Board



Assistant Associate Secretary

**RURAL MUNICIPALITY OF ARGYLE  
BALDUR UTILITY  
SCHEDULE "A" to WATER & WASTEWATER UTILITY RATES BY-LAW NO. 2-2021**

1. Schedule of Commodity Rates &  
Quarterly Service Charge

**July 1, 2022**

Rates per 1,000 Gallons

1,000 Gallons per quarter

|  |         |        |               |
|--|---------|--------|---------------|
|  | Water   | Sewer  | Water & Sewer |
|  | \$32.76 | \$9.71 | \$42.47       |

Quarterly Service Charge

\$10.72

2. Minimum Charges per Quarter

Notwithstanding the rates set forth in paragraph 1, all customers will pay the applicable minimum charges per quarter set out below, which includes the water allowance as listed.

**a) Water & Sewer Customers**

| Meter Size | Group<br>Capacity<br>Ratio | Water<br>Included<br>Gallons | Customer<br>Service<br>Charge | Water<br>Commodity<br>Charge | Sewer<br>Commodity<br>Charge | Water & Sewer<br>Total Quarterly<br>Minimum |
|------------|----------------------------|------------------------------|-------------------------------|------------------------------|------------------------------|---|
| 5/8 inch   | 1                          | 3,000                        | \$10.72                       | \$98.28                      | \$29.13                      | \$138.13                                    |
| 3/4 inch   | 2                          | 6,000                        | \$10.72                       | \$196.56                     | \$58.26                      | \$265.54                                    |
| 1 inch     | 4                          | 12,000                       | \$10.72                       | \$393.12                     | \$116.52                     | \$520.36                                    |
| 1 ½ inch   | 10                         | 30,000                       | \$10.72                       | \$982.80                     | \$291.30                     | \$1,284.82                                  |
| 2 inch     | 25                         | 75,000                       | \$10.72                       | \$2457.00                    | \$728.25                     | \$3,195.97                                  |

**b) Water Only Customers**

The minimum charge will be the same for each meter size as shown above but the Sewer Commodity Charge will be excluded.

**c) Sewer Only Residential Customers**

The sewer only charge is based on average quarterly consumption of 6,000 gallons plus the quarterly customer service charge.

The quarterly charge for sewer only customers is  $(6 * \$9.71) + \$10.72 = \$68.98$

**d) Bulk Water Sales**

All water sold in bulk will be charged at the rate of \$39.00 per 1,000 gallons.