

Order No. 23/25

**CITY OF DAUPHIN
DAUPHIN WATER AND WASTEWATER UTILITY
APPROVAL IN PRINCIPLE
TO RECOVER DEBENTURE SERVICING COSTS
LAGOON EXPANSION AND UPGRADE**

February 14, 2025

**BEFORE: Irene Hamilton, K.C., Panel Chair
Shawn McCutcheon, Panel Member
Kim Sharman, Panel Member**

1.0 Executive Summary

By this Order, the Manitoba Public Utilities Board (Board) approves, *in principle*, funding of debenture servicing costs through a utility rate surcharge of \$0.57 per cubic meter for the City of Dauphin (City), Dauphin Water and Wastewater Utility (Utility) lagoon expansion and upgrade project.

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

2.0 Application

On January 7, 2025, the City applied to the Board for an approval in principle to implement a utility surcharge to partially fund debenture payments for the lagoon expansion and upgrade project.

The current lagoon is at capacity for the current population, and it requires an expansion to meet the required physical capacity for population growth and as well as to meet phosphorus and ammonia level regulations.

The project consists of the following components:

- Construction and upgrades of a lagoon reactor system for ammonia reduction and disinfection.
- Construction of a new sewage treatment building
- Replacement of aeration blowers, laterals and diffusers
- New intercell piping and liquid level controls
- New baffle curtain in the aerated primary cell
- New force main

The project qualified for Investing in Canada Infrastructure Program (ICIP) funding, with Federal and Provincial contributions to the project totalling \$9,135,000 with the remaining approximate of \$10,865,000 being the responsibility of the City.

The City proposes to fund \$4,692,500 of the debenture to be recovered through taxes and \$4,692,500 through utility rates.

The construction is estimated to be from 2025 to 2026 and debt repayments to start in 2027.

The City submitted Council Resolution 2025-12 in support of the request.

3.0 Board Findings

The Board approves, in principle, the addition of a surcharge of \$0.57 per cubic meter to the wastewater rate to recover the debenture servicing costs for the lagoon expansion and upgrade project.

The Board directs the City 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.

The Board also directs the City to submit a copy of debt authorization once it has received third and final reading.

The Board will also advise the City that should there be changes in the proposed funding model, it should immediately notify the Public Utilities Board.

4.0 IT IS THEREFORE ORDERED THAT:

1. The City of Dauphin's proposal to recover the debenture servicing costs for the lagoon expansion and upgrade through a wastewater surcharge of \$0.57 per cubic meter is HEREBY APPROVED in principle.
2. The City of Dauphin, Dauphin 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 City of Dauphin 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

"Irene Hamilton, K.C." _____

Panel Chair

"Jennifer Dubois, CPA, CMA, CTAJ" _____

Assistant Associate Secretary

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The Public Utilities Board



Assistant Associate Secretary