

Order No. 4/25

**ORDER RESPECTING
THE TOWN OF STE. ANNE
WASTEWATER UTILITY
REQUEST TO REVIEW AND VARY
BOARD ORDER NO. 126/11
DISCONTINUE BILLING ON PROPERTY TAX BILLS**

JANUARY 8, 2025

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

1.0 Executive Summary

By this Order, the Public Utilities Board (Board) approves the Town of Ste. Anne's (Town) request to vary, Directive No. 1 of Board Order No. 126/11 to allow for the billing of Ste. Anne Wastewater Utility (Utility) customers by way of a quarterly Utility Bill effective January 1, 2025.

The Board also directs the Town to submit a rate application by no later than March 31, 2025.

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

2.0 Background

This Board Order is best read in conjunction with Board Order Nos. 15/11 and 126/11.

3.0 Application

On July 2, 2024, the Town submitted a request that the Board review its decision made in Board Order No. 126/11 and allow the Town to discontinue the billing of Utility customers on property tax bills and start quarterly utility billings effective January 1, 2025. This request was accompanied by Council Resolution No. 2024/128 supporting the request to the Board.

Directive No. 1 of Board Order No. 126/11 reads, “The Town of Ste. Anne By-law 11-2010 BE AND IS HEREBY APPROVED on a final basis, with the revised rates to be reflected on the 2011 annual tax statements (on the condition that the utility billing is separate and distinct from taxes, and not offset by the Manitoba Education Property Tax Credit”.

Along with the application, the Town’s consultant submitted a rate adequacy report indicating rates are inadequate. Based on the review of 2019 to 2023 expenses, the Utility is forecast to incur deficits in 2024 and 2025 due to the following:

- increase in annual amortization expense, net of capital grant amortization, of approximately \$135,000
- increase in budgeted wastewater operating expenses of approximately \$145,000 related to the new lagoon
- forecast accretion/ARO amortization expense relating to the adoption of PS 3280 for existing and new lagoon cells of approximately \$175,000

The Town’s consultant confirmed a full rate study is in the process of being completed.

4.0 Board Findings

The Board has reviewed the Town's request and finds the request to discontinue the billing on property tax bills to be in alignment with the Board's longstanding practice of recommending that Utility bills be separate from property tax bills.

The Board grants approval to revise the by-law to exclude mention of property taxes, as follows: "That customers shall be charged quarterly for wastewater service supplied to them by the Wastewater Utility within the Town of Ste. Anne, according to the rates and terms set out in Schedule "A" of By-law No. 11-2010."

The Town will be required to revise its Utility By-law as approved in this Order, and should provide a copy to the Board once it has received third and final reading.

It has been 13 years since the Town of Ste. Anne has submitted a rate application to the Board. In the Board's view the period between rate reviews is too long. Regular rate reviews submitted every three years, as per the Board's Guidelines, protect the financial position of the Utility and may reduce the need for significant rate increases in one year. In some cases, the additional cost of a rate rider becomes necessary to recover utility deficits.

It is the Utility's responsibility to review the rates and ensure rates are adequate to recover the cost of service being provided to its ratepayers. Ratepayers are generally more tolerant of regular, smaller increases. The Town needs to be much more diligent in conducting regular reviews of its revenue requirements.

The Board directs the Town to submit a full rate study by no later than March 31, 2025.

5.0 IT IS THEREFORE ORDERED THAT:

1. The request by the Town of Ste. Anne, Ste. Anne Wastewater Utility, to discontinue the billing Utility customers on property tax bills as found in Directive 1 of Board Order No. 126/11 BE AND IS HEREBY APPROVED effective January 1, 2025.
2. The request by the Town of Ste. Anne to start billing customers on a quarterly basis effective January 1, 2025 BE AND IS HEREBY APPROVED.
3. The Town of Ste. Anne notify its customers of the change the issuance of billing statements as soon as possible, with a copy to the Public Utilities Board.
4. The Town of Ste. Anne revise its Utility By-law to reflect the changes in this Order and submit to the Public Utilities Board once it has received third and final reading.
5. The Town of Ste. Anne submit a full rate study by no later than March 31, 2025.

Fees payable upon this Order – \$150.00

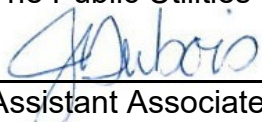
Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Shawn McCutcheon"
Panel Chair

"Jennifer Dubois, CPA, CMA, CTAJ"
Assistant Associate Secretary

Certified a true copy of Order No. 4/25 issued by
The Public Utilities Board


Assistant Associate Secretary