

Order No. 91/25

**GRANDVIEW MUNICIPALITY
G3 URBAN WATER AND WASTEWATER UTILITY
REVISED WATER AND WASTEWATER RATES EFFECTIVE JULY 1, 2025
SIMPLIFIED RATE APPLICATION**

June 18, 2025

**BEFORE: Shawn McCutcheon, Panel Chair
Kim Sharman, Panel Member**

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1.0 Executive Summary

By this Order, the Public Utilities Board approves the revised water and wastewater rates, effective July 1, 2025, for the Grandview Municipality (Municipality), G3 Urban Water and Wastewater Utility (Utility). The approved rates are shown below:

	Current Rates	July 1, 2025
Quarterly Service Charge	\$17.32	\$18.19
Water (per 1,000 gallons)	\$23.84	\$25.54
Wastewater (per 1,000 gallons)	\$5.50	\$5.78
Minimum Quarterly Charge*	\$105.34	\$112.15
Rate Rider**	-	\$2.76
Minimum Quarterly Charge with Rate Rider*	-	\$120.43
Bulk Water Sales (per 1,000 gallons)	\$27.50	\$29.50

*Based on 3,000 gallons

**To be recovered for two years, effective July 1, 2025

Details of the rates may be found in the attached Schedule A.

The rationale for the Board's decisions may be found under the Board Findings section below.

2.0 Background

The Municipality owns and operates the Utility that services 462 customers. Rates were last set in Board Order No. 12/22, with the last approved rates effective January 1, 2024. Board Order No. 64/25 approved 2018 and 2019 actual operating deficits to be recovered by a rate rider of \$2.76 per customer per 1,000 gallons of water for a period of two years, effective July 1, 2025, or until the unrecovered deficit of \$65,541 is fully recovered.

3.0 Application

On April 28, 2025, the Municipality applied to the Board for revised water and wastewater rates for the Utility. The Application was submitted using the Simplified Rate Application Process and accompanied by By-Law No. 3-2025 having received first reading on March 11, 2025. The Municipality provided an Affidavit certifying: the Utility meets all Board requirements for the Simplified Filing Process; the Utility is not experiencing any operating deficits; and the requested wastewater rates are expected to be adequate to meet operating costs for the period from July 1, 2025 to June 30, 2026.

A Public Notice of Application was issued on April 29, 2025, affording customers the opportunity to comment to both the Board and the Municipality with respect to the proposed rate increases. No responses were received.

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 paper review process considers all written materials submitted by the Utility and the public, as well as any information requests and responses between the Board and the Utility. This process may reduce regulatory costs to the Utility.

A public hearing process allows the Utility and the public the opportunity to review the application and address any concerns with the Board present.

Whenever reasonable, the Board will review the application using a paper review process, which saves the cost of a public hearing process. The Board has chosen this option for this application.

Simplified Rate Application Process

The Board issued Board Orders No. 86/17 and 27/23 establishing and revising the Simplified Rate Application Process (Simplified Process). This process applies to municipally-owned public utilities operating water and/or wastewater systems which meet designated criteria that wish to request Board approval for revised rates.

The following criteria are required in order for a utility to qualify to apply for revised rates using the Simplified Process:

1. The utility must be compliant with all regulatory reporting, including but not limited to:
 - a. The audited financial statements being relied upon for evidence by the Board in the application must be current and prepared in compliance with *The Municipal Act* section 190.
 - b. All outstanding utility deficits should have received approval of the Board.
 - c. All directives from previous Board Orders should have been followed, including submitting copies of all by-laws after third reading, as required.

2. The utility must not be experiencing an operating deficit which is the lower of \$10,000 or 5% of operating expenses, when calculated for regulatory purposes. This includes the appropriate adjustments for capital grants and contributed assets as outlined in Board Order No. 151/08, available on the Board website at www.pubmanitoba.ca.

3. The utility must not be experiencing an unexplained annual operating surplus which is in excess of 20% of operating expenses, when calculated for regulatory purposes. This includes the appropriate adjustments for capital grants and contributed assets as outlined in Board Order No. 151/08, available on the Board website at www.pubmanitoba.ca. An example of an explained surplus would be a utility making an annual contribution to reserves for a planned expenditure; when providing the explanation, all details and supporting documentation about the intended purpose of the reserve should be included.
4. The municipality must have reviewed the utility operations and expects the requested rate will be adequate to meet operating costs for the year. If the revised rates are inadequate, the full application process should be initiated to apply for the necessary rate revisions.
5. The utility must be seeking a rate increase of no more than The Bank of Canada Policy Interest Rate +2%, as indicated at www.bankofcanada.ca on the date of the first reading of the municipal by-law, over the current utility rate. The current utility rate must have been in effect for a minimum of one year from the date of application under the Simplified Process. The revised rate must apply equally to all customers of the utility; however, the utility may request a different revision for the customer service charge, water and/or wastewater rates. For example, a qualified utility may request a 2% rate increase for water, a 1% increase in the customer service charge and no change in wastewater rates, if appropriate. A utility that has domestic and wholesale rates and only wishes to increase one of those rates must apply using the full application process.
6. Requests for multi-year increases will be denied; however utilities may make annual requests for rate increases using the Simplified Process, as long the utility continues to meet the designated criteria.

7. The Simplified Process is at the discretion of the Board, and applicants may be subject to the full application process at any time, and for any reason, without explanation or appeal.

The responsibility for determining whether or not a utility meets the designated criteria lies with the applicant utility. If a utility that clearly does not meet the designated criteria attempts to submit an application using the Simplified Process, the Board will deny the application, and charge a processing fee of \$500.00.

Working Capital Calculation

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 draft 2023 Audited Financial Statements, the most recent information available, the working capital surplus at December 31, 2023 was:

	2023
Fund Surplus	\$4,002,153
Deduct: Tangible Capital Assets	(5,030,627)
Add: Long-Term Debt	929,190
Add: Utility Reserve	36,873
Equals Working Capital Surplus	\$(62,411)
Operating Expenses	579,494
20% of operating expenses (Target)	\$115,899

The Utility does not meet the Board minimum working capital surplus of 20%.

4.0 Board Findings

The Board has reviewed the Municipality's Application and finds the Municipality meets the designated criteria, as set out in Board Orders No. 86/17 and 27/23, to apply for revised water and wastewater rates using the Simplified Rate Application Process and approves the revised water and wastewater rates as applied for the Utility, effective July 1, 2025.

The Board notes and has considered the Utility's Working Capital Deficit of \$62,411 in its review of the Municipality's Application.

The Board notes, Board Order No. 12/22 approved pass through authority for the Utility to pass through water rate increases for water purchased from the G3 Regional Water Coop. The approved rates include a pass through rate increase of \$0.58, which represents a cost of \$7.72 per 1,000 gallons for water purchased for the Utility

The Board notes the approved rates represent a 5.00% increase.

The Board requires the Municipality to review its water and wastewater rates for the Utility for adequacy and file a report with the Board, as well as an application for revised rates if required, by no later than January 30, 2026.

5.0 IT IS THEREFORE ORDERED THAT:

1. Revised water and wastewater rates for the Grandview Municipality, G3 Urban Water and Wastewater Utility BE AND ARE HEREBY APPROVED in accordance with the attached Schedule A, effective July 1, 2025.
2. The Grandview Municipality amend its water and wastewater 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 Grandview Municipality provide a notice to its customers as soon as possible, including all decisions found in this Order.

4. The Grandview Municipality review its water and wastewater rates for the G3 Urban Water and Wastewater Utility for adequacy and file a report with the Public Utilities Board, as well as an application for revised rates if required, by no later than January 30, 2026.

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

"Frederick Mykytyshyn"
Assistant Associate Secretary

Certified a true copy of Order No. 91/25
issued by The Public Utilities Board


Assistant Associate Secretary

SCHEDULE A
GRANDVIEW MUNICIPALITY
G3 URBAN WATER AND WASTEWATER UTILITY
WATER AND WASTEWATER RATES BY-LAW NO. 3-2025
(revisions)

SCHEDULE OF QUARTERLY RATES
July 1, 2025

Schedule A

1. Quarterly Service Charge & Commodity Rates July 1, 2025

Quarterly

Service Charge: \$18.19

Commodity Rates	<u>Water</u>	<u>Wastewater</u>	<u>Water & Wastewater</u>	<u>Rate Rider (Clause 14)</u>
Per 1,000 Gallons:	\$25.54	\$5.78	\$31.32	\$2.76

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 volume allowance as listed.

For all metered accounts, volumes in excess of the minimum quarterly allowance will be charged at the applicable commodity rate.

a. Metered Water & Wastewater, Metered Water Only Customers

Meter Size (Inches)	Group Capacity Ratio	Volume Included (Gallons)	Customer Service Charge	Water Commodity Charge	Wastewater Commodity Charge	Water & Wastewater Total Quarterly Minimum	Water Only Total Quarterly Minimum	Rate Rider	Water & Wastewater Total Quarterly Minimum With Rate Rider	Water Only Total Quarterly Minimum With Rate Rider
5/8	1	3,000	\$ 18.19	\$ 76.62	\$ 17.34	\$ 112.15	\$ 94.81	\$ 8.28	\$ 120.43	\$ 103.09
3/4	2	6,000	\$ 18.19	\$ 153.24	\$ 34.68	\$ 206.11	\$ 171.43	\$ 16.56	\$ 222.67	\$ 187.99
1	4	12,000	\$ 18.19	\$ 306.48	\$ 69.36	\$ 394.03	\$ 324.67	\$ 33.12	\$ 427.15	\$ 357.79
1 1/2	10	30,000	\$ 18.19	\$ 766.20	\$ 173.40	\$ 957.79	\$ 784.39	\$ 82.80	\$ 1,040.59	\$ 867.19
2	25	75,000	\$ 18.19	\$1,915.50	\$ 433.50	\$ 2,367.19	\$1,933.69	\$ 207.00	\$ 2,574.19	\$ 2,140.69

b. Bulk Water Sales Rate

Water sold in bulk by the Grandview G3 Urban Utility shall be charged at a rate of \$29.50 per thousand gallons. For any quantity of 500 gallons or less, the minimum charge will be \$3.00 per 100 gallons.

16. Deficit Rate Rider

A rate rider of \$2.76 per 1,000 gallons of water sold to recover the remainder of 2018 and 2019 operating deficits shall be in effect from July 1, 2025 for a period of two years, or until the total outstanding deficit of \$65,541 is fully recovered, whichever comes first.