

Order No. 136/17

**APPROVAL FOR
TRANSFER OF OWNERSHIP OF
NEVA FALLS WATER CO-OP – WATER DISTRIBUTION SYSTEM TO
RURAL MUNICIPALITY OF WHITEMOUTH
WATER AND WASTEWATER UTILITY**

December 18, 2017

**BEFORE: Carol Hainsworth, C.B.A., Panel Chair
Susan Nemec, FCPA, FCA, Member**

1.0 Executive Summary

The Public Utilities Board (Board) approves the transfer of ownership of the water distribution system currently owned by Neva Falls Water Co-op (Neva Falls) to the Rural Municipality of Whitemouth (RM) water and wastewater utility (Utility). This transfer is effective January 1, 2018.

The current rates for the Utility as approved by Board Order No. 140/10 are as follows:

Water per cubic meter*	\$	2.73
Quarterly service charge	\$	19.17
Minimum quarterly charges**	\$	56.03

*Neva Falls customers are charged by gallons instead of cubic meters. 1,000 IGAL = 4.546m³. Until the old meters (reading in IGAL) are replaced with RM meters (reading in cubic meters), the imperial gallons will be converted to cubic meters and billed at the RM's water rates.

**Based on 13.5 cubic meters

The RM also has a rate application before the Board that is currently under review. If approved, rates for the RM are subject to change.

2.0 Background

Neva Falls owns and operates a private water distribution system servicing approximately 14 properties in the community of Neva Falls. Neva Falls is currently on a boil water advisory and had proposed to transfer the water distribution system and its operation to the RM.

In Co-op minutes dated March 29, 2017, it was agreed by Co-op members to transfer its water distribution system, and the funds being held in its reserve to the RM.

The RM is prepared to take over the Private Water System and operate it as part of the Municipal Water System.

On August 24, 2017, the RM informed the Board of the intention of the parties to sign an agreement concerning the ownership and operation of the water distribution system.

On September 13, 2017, the RM's Council passed By-Law No. 675/17 authorizing the RM to enter into an agreement with Neva Falls. In addition, on September 21, 2017, the RM provided a copy of the transfer agreement with Neva Falls for the Board's information.

A Notice of Application was issued by the Board dated October 26, 2017. There was one response received with regards to the application.

Once Board approval has been received, Neva Falls subdivision will be connected to, and customers of, the RM's Utility. They will be serviced with treated water by the Utility and charged Utility rates approved by the Board in Order No. 140/10.

3.0 Board Findings

When reviewing an application, the Board has at its disposal two approaches, either a paper or a public hearing review. After the publication of the Notice of Application, the Board will consider the application and stakeholder responses, and determine which method of review is most appropriate.

A public hearing process allows the Utility and stakeholders the opportunity to present their application and any concerns to the Board in person.

The Board may review the application using a paper review process, which saves the cost of a public hearing process. Having received only one expression of concern from consumers, the Board decided to process this application with a paper-based review.

The Board will approve the transfer of the ownership and operation of Neva Falls water distribution system to the Rural Municipality of Whitemouth water and wastewater utility as detailed in the agreement entered into by the RM and Neva Falls effective January 1, 2018.

The Board will also require the RM to provide notice to Neva Falls customers should their utility rates change as a result of the Board's review of its current rate application.

The Board would like to thank the RM staff and Neva Falls for their conscientiousness in advising the Board of the transfer of ownership of the water utility, and working with Board staff to resolve this issue quickly and efficiently.

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.

4.0 IT IS THEREFORE ORDERED THAT:

1. The ownership and operation of the Neva Falls Water Co-op water distribution system be transferred to the Rural Municipality of Whitemouth, water and wastewater utility.
2. The Rural Municipality of Whitemouth provide notice to its customers of any rate change that will be ordered by the Public Utilities Board.

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"Carol Hainsworth, C.B.A."

Panel Chair

"Rachel McMillin, B.Sc."

Acting Secretary

Certified a true copy of Order No. 136/17
issued by The Public Utilities Board

Acting Secretary