

**Order No. 120/19**

**THE RURAL MUNICIPALITY OF OAKVIEW – RAPID CITY  
RAPID CITY WATER & WASTEWATER UTILITY  
PASS-THROUGH WATER RATES EFFECTIVE OCTOBER 1, 2019**

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**August 21, 2019**

**BEFORE: Shawn M<sup>c</sup>Cutcheon, Panel Chair  
Irene Hamilton Q.C., Member**

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## **1.0 Executive Summary**

By this Order, the Public Utilities Board (Board) approves a pass-through water rate increase for the Rural Municipality of Oakview (RM) – Local Urban District of Rapid City, Water and Wastewater Utility (Utility) of \$0.91 per 1,000 gallons effective October 1, 2019. This increase is a direct result of an increase in the RM's cost of purchasing water from the Rural Municipality of Minto-Odanah.

The Board also approves a process whereby the RM may continue to pass through increases from increased wholesale water rates for the Utility, on the basis that such rates are passed-through without mark-up. The RM is to provide notice to the Board before such an increase is implemented, to pass by-laws and file them with the Board once the increase occurs, and to ensure notice of the increase is provided to customers of the Utility.

## **2.0 Background**

The RM owns and operates a water and wastewater system. The Utility purchases all its water from the Rural Municipality of Minto-Odanah, at the Bulk water rate, as per a signed agreement in November 2014. The Rural Municipality of Minto-Odanah purchases its water, at a wholesale rate, from the Town of Minnedosa and puts it through a second treatment process before selling water to the RM.

Utility rates for the RM's Utility were established on an initial interim basis in Board Order No. 141/15 and approved as final in Board Order No. 123/17 for January 1, 2016.

## **3.0 Application**

On June 19, 2018, the Board received Council Resolution No. 200/18 from the RM requesting Board approval to implement pass-through rates, as the Rural Municipality of Minto-Odanah had submitted an application to the Board to increase water rates to the RM.

On August 19, 2019, the Board approved a pass-through water rate to the Rural Municipality of Minto-Odanah in Board Order No. 117/19. The revised water rates are increasing by \$0.91 per 1,000 gallons effective October 1, 2019.

#### 4.0 Board Findings

The Board finds revised water rates are necessary to preserve the financial health of the Utility and approves the pass-through rate to increase the current water rate, based on the purchasing increase for the Rural Municipality of Minto-Odanah. The RM is required to provide notice of this increase to its customers on or before September 15, 2019.

The Board also approves the following process for pass-through rates for the Utility. The RM must strictly adhere to the process outlined below:

**Step 1.** The RM shall consider the implications of any water rate increase approved by the Board for the Rural Municipality of Minto-Odanah Utility.

**Step 2.** If the cost increase is to be reflected in the water rates, the RM need only **inform the Board and its customers** of the “pass through” rate change. The Board requires written notice prior to implementation and a copy of the increase notice from the RM.

**Step 3.** If rates are to change for any other reason, the RM must make a rate application to the Board. The Board may decide to proceed to hear the application by way of a paper-based process or by way of a public hearing.

**Step 4.** Should the RM decide to implement the pass-through rate changes, the RM may only increase the water rate as a dollar amount, without mark-up, and not as a percentage increase. The RM must file an amended rate by-law with the Board and provide a notice of the change to its customers. The Board requires a copy of the increase notice that is sent by the RM to its customers prior to implementation of the revised rates.

## 5.0 IT IS THEREFORE ORDERED THAT:

- 1) The pass-through rate of \$0.91 per 1,000 gallons to the water rate for the Rural Municipality of Oakview – Rapid City, Rapid City Water and Wastewater Utility, is HEREBY APPROVED, effective October 1, 2019.
- 2) The Rural Municipality of Oakview – Rapid City, BE AND IS HEREBY given authority to pass-through water rate increases from the Rural Municipality of Minto-Odanah, must strictly adhere to the pass-through process as outlined in this Board Order, and must apply to the Board for any other increases.
- 3) The Rural Municipality of Oakview – Rapid City, amend its water By-law to reflect changes in this Board Order and submit a copy to the Public Utilities Board.
- 4) The Rural Municipality of Oakview – Rapid City, Rapid City Water and Wastewater Utility, provide notice to its customers of the pass-through rate increase on or before September 15, 2019, the reason for the increase (i.e. increases from the Rural Municipality of Minto-Odanah), and provide a copy of the notice to the Public Utilities Board.

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).

Fees payable upon this Order - \$150.00

THE PUBLIC UTILITIES BOARD

"Shawn M<sup>c</sup>Cutcheon"

Panel Chair

"Rachel M<sup>c</sup>Millin, BSc."

Assistant Associate Secretary

Certified a true copy of Order No. 120/19 issued  
by The Public Utilities Board



Assistant Associate Secretary