Minutes – Executive Policy Committee – May 13, 2025

REPORTS

Item No. 2 Legislative Changes – Public Utilities Board Regulation

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee recommended to Council:

1. That the Council Motion of October 24, 2024, be received as information.

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the Council Motion of October 24, 2024 be received as information, and forwarded to Council.

Carried

COUNCIL DECISION:

On November 21, 2024, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That in accordance with Section 16(4) of the Procedure By-law No. 50/2007, an extension of time of 180 days be granted for the Executive Policy Committee to submit a recommendation on the Council Motion of October 24, 2024.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 13, 2024, the Executive Policy Committee passed the following motion:

WHEREAS complex discussions with the provincial and federal governments on potential financing models for NEWPCC are ongoing and require more time;

AND WHEREAS the City of Winnipeg, in order to conform to existing practices of municipal credit rating agencies, does not currently differentiate between utility debt and tax supported debt;

AND WHEREAS giving the Public Utilities Board of Manitoba (PUB) responsibility over the regulation of the City's water and wastewater rates could impact the City's overall creditworthiness with credit rating agencies by taking away its ability to pay down external debt through the use of water and wastewater rates;

AND WHEREAS the annual water and wastewater rate setting report for City Council's consideration is anticipated in early 2025 and will make for a more fulsome discussion regarding utility rate setting in future years;

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

AND WHEREAS further consideration and time is required to determine what the implications of the PUB regulating water and wastewater rates, and their annual charges, would be and to allow more time for the City to explore financial models for NEWPCC with the provincial and federal governments.

THEREFORE BE IT RESOLVED:

1. That in accordance with Section 16(4) of the Procedure By-law No. 50/2007, an extension of time of 180 days be granted for the Executive Policy Committee to submit a recommendation on the Council Motion of October 24, 2024.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

and submitted the matter to Council.

COUNCIL DECISION:

On October 24, 2024, Council ruled automatic referral of the following motion to the Executive Policy Committee:

Moved by Councillor Wyatt,
Seconded by Councillor Mayes,

WHEREAS the biggest sewage spill in the city's records occurred in September 2002, when a mechanical failure at the City of Winnipeg's North End Water Pollution Control Centre (NEWPCC) caused a spill into the Red River of 427 million litres of untreated sewage over a 57-hour period;

AND WHEREAS as a result of this disaster, upgrades to the treatment plant were originally called for by the provincial Clean Environment Commission in 2003, and were initially expected to be completed early in the 2010s;

AND WHEREAS the full project cost of the NEWPCC was originally estimated in 2015 to cost $795 million;

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

AND WHEREAS the rising costs of upgrades to the NEWPCC is currently estimated at $3 billion, an increase of more than $600 million over the most recent estimate of $2.38 billion;

AND WHEREAS the City of Winnipeg has continually sought extensions on the timeline to complete the project with the most recent from 2030 to 2032;

AND WHEREAS the City of Winnipeg has approved a four-year rate increase that would impact families by a price hike of more than 20% by 2027;

AND WHEREAS the Public Utilities Board of Manitoba (PUB) is an independent, quasi-judicial administrative tribunal that has broad oversight and supervisory powers over public utilities and designated monopolies, as set out in statute;

AND WHEREAS the PUB considers both the impact to customers and financial requirements of the utility in approving rates;

AND WHEREAS the PUB provides regulatory administration of the Municipal Act in all water and sewer utility rate regulation in every municipality except for the City of Winnipeg;

THEREFORE BE IT RESOLVED:

1. That City Council call upon the Province of Manitoba to establish a new regulatory framework to make Winnipeg's water and wastewater rates, and their annual changes, subject to the approval of the Public Utilities Board.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.