

The Manitoba  
Water Services Board

La Commission des Services  
d'approvisionnement en eau du Manitoba

Annual Report  
2019-2020

Rapport annuel  
2019-2020



The Manitoba Water Services Board

General Inquires:

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MINISTER  
OF MUNICIPAL RELATIONS

Room 317 Legislative Building  
Winnipeg, Manitoba CANADA R3C 0V8

The Honourable Janice C. Filmon, C.M., O.M.  
Lieutenant Governor of Manitoba  
Room 235  
Legislative Building  
Winnipeg, MB R3C 0V8

May It Please Your Honour:

It is my pleasure to present to you The Manitoba Water Services Board Annual Report for the period extending from April 1, 2019 to March 31, 2020. This report records the activities of the Board for that period.

Sincerely,

“Original signed by Rochelle Squires”

Honourable Rochelle Squires  
Minister





**Municipal Relations**

Deputy Minister's Office

Room 311 Legislative Building

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Honourable Rochelle Squires  
Minister of Municipal Relations  
Room 317  
Legislative Building  
Winnipeg, MB R3C 0V8

Dear Minister:

I have the honour of presenting to you the 48<sup>th</sup> Annual Report of The Manitoba Water Services Board for the fiscal year ending March 31, 2020, together with the financial statements for the same period.

Sincerely,

“Original signed by Bruce Gray”

Bruce Gray  
Chair



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## The Manitoba Water Services Board, Board of Directors

Unit 1A – 2010 Currie Blvd., Brandon MB R7B 4E7

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Web: [www.gov.mb.ca/mr/mwsb](http://www.gov.mb.ca/mr/mwsb)

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### BOARD

**Bruce Gray**, (Chair)

Deputy Minister  
Municipal Relations

**Scott Sinclair**, (Vice-Chair)

Deputy Minister  
Central Services

**Blair McTavish**

A/Deputy Minister  
Conservation & Climate

**Denys Volkov**

Executive Director  
AMM

**Ralph Groening**

President  
AMM

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Bruce Gray



Scott Sinclair



Blair McTavish



Denys Volkov



Ralph Groening



Travis Parsons

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## The Manitoba Water Services Board

### Foreword

The Manitoba Water Services Board (Board) was established in July 1972 as a Crown Corporation, under *The Manitoba Water Services Board Act*, to assist in the provision of water and sewerage facilities for the residents of rural Manitoba. The Board replaced The Manitoba Water Supply Board (1959-1972), taking over all responsibilities of the former Board, owning and operating 38 water supply installations in the Province.

In August 1981, the head office of The Manitoba Water Services Board, formerly in Winnipeg, was transferred to Brandon, Manitoba. The Board's primary mandate is the delivery of a Water and Sewer Program, which provides for the development and/or upgrading of water and sewer infrastructure in rural Manitoba communities.

In 1984, the Board assumed the responsibility of delivering a Water Development Program, which provides for the construction of agricultural area pipelines with the primary objective being to provide a dependable, sustainable water supply in rural Manitoba.

The Board, made up of five persons appointed by the Lieutenant Governor in council chaired by the Deputy Minister of Manitoba Municipal Relations, reports to the Legislature through the Minister of Municipal Relations. The Board's activities are managed by a team headed by the General Manager.

The Board, under the authority of the Act, may enter into agreements with any organized area of the Province, including municipalities, local government districts, villages, towns and cities, excluding (a) the City of Winnipeg, (b) the areas under the jurisdiction of the Minister of Indigenous and Northern Relations, and (c) those areas of the Province under Federal Government jurisdiction.

Once an application for assistance or a resolution is received, the Board prioritizes the project and subject to availability of funds and approvals, makes the necessary physical and technical investigations, submits an offer (Agreement) to the municipality for the construction of new works, extensions and/or improvements to existing works. After the municipality has received the necessary Municipal Board approvals, an Agreement is executed and the Board enters into the necessary contracts for

## La Commission des services d'approvisionnement en eau du Manitoba

### Avant-propos

La Commission des services d'approvisionnement en eau du Manitoba est une société d'État créée en juillet 1972 en vertu de la Loi sur la Commission des services d'approvisionnement en eau du Manitoba. Sa raison d'être est de faciliter l'approvisionnement en eau et l'installation de systèmes de traitement des eaux usées au bénéfice des résidents des régions rurales du Manitoba. La Commission a succédé à la Manitoba Water Supply Board (1959-1972), héritant de toutes ses responsabilités ainsi que des 38 stations d'approvisionnement en eau qu'elle gère dans l'ensemble de la province.

En août 1981, le siège social de la Commission des services d'approvisionnement en eau du Manitoba a été transféré de Winnipeg à Brandon, au Manitoba. La mission principale de la Commission consiste à mettre en œuvre le Programme de service d'eau et d'égouts qui s'occupe de l'installation et de l'amélioration des systèmes d'eau et d'égouts dans les communautés rurales du Manitoba.

En 1984, la Commission a pris en charge la mise en œuvre du Programme pour l'amélioration des services d'approvisionnement en eau. Ce programme se consacre à la construction de canalisations d'eau dans les régions agricoles et à la construction d'infrastructures d'approvisionnement des fermes en eau. L'objectif principal est de fournir aux régions rurales du Manitoba un approvisionnement en eau fiable et renouvelable.

La Commission, composée de cinq membres nommés par le lieutenant-gouverneur en conseil et présidée par le sous-ministre des Relations avec les municipalités Manitoba, rend compte à l'Assemblée législative par l'intermédiaire du ministre des Relations municipales. Les activités de la Commission sont gérées par une équipe dirigée par le directeur général.

La Commission, sous l'autorité de la présente loi, peut conclure des ententes avec toute région organisée de la province, y compris les municipalités, les districts d'administration locale, les villages et les villes, à l'exclusion a) de la Ville de Winnipeg, b) des régions qui relèvent de la compétence du ministre des Relations Autochtones et du Nord, et c) des régions de la province qui relèvent de la compétence du gouvernement fédéral.

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engineering services and construction of the works. Generally, the Board provides project management, including interim financing and tendering of all construction contracts, for the projects undertaken.

Dès qu'elle reçoit une demande d'aide ou une résolution, La Commission détermine la priorité du projet. Puis, sous Réserve d'acceptation et de fonds disponibles, elle effectue les recherches physiques et techniques nécessaires. On présente alors à la municipalité une offre (entente) de construction des nouveaux ouvrages, ou d'extension ou d'amélioration des ouvrages existants. Dès que la municipalité obtient les approbations indispensables de son conseil municipal, une entente est mise en œuvre et la Commission entame le processus nécessaire d'attribution des contrats de services d'ingénierie et de construction des ouvrages. En règle générale, la Commission assume la gestion du projet, y compris le financement provisoire et les appels d'offres pour tous les contrats de construction.

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## Objectives

The Manitoba Water Services Board has the following specific objectives:

- a) To assist municipalities with the construction of water plants and works necessary for obtaining, collecting, storing, treating, purifying and transmitting water.
- b) To assist municipalities in the transmission of water from a source of supply or a point of storage to a point of acceptance by the individual.
- c) To assist municipalities with the construction of works for the collection of sewage.
- d) To assist municipalities with the construction of works for the treatment and disposal of sewage.
- e) To assist agricultural communities with the upgrading of water supply/treatment facilities and/or sewage treatment systems.

## Capital Programs

To meet its objectives, the Board enters into agreements with Municipalities and/or Water Cooperatives, to provide technical and financial assistance to construct and/or upgrade water and/or sewerage infrastructure works. The primary objective is to ensure that a safe and sustainable water supply is available and that wastewater is treated and disposed of in an environmentally sustainable manner.

Generally, the Board's total annual expenditure for water and sewerage, including Municipal contribution and Federal Clean Water and Wastewater Fund (CWWF), is approximately \$40.0M.

## Objectifs

Voici les objectifs précis de la Commission des services d'approvisionnement en eau du Manitoba :

- a) Aider les municipalités à construire les stations et ouvrages nécessaires pour se procurer l'eau, la recueillir, l'entreposer, la traiter, la purifier et l'acheminer;
- b) Aider les municipalités à acheminer l'eau de sa source ou de son lieu d'entreposage jusqu'au point d'alimentation accepté par les particuliers;
- c) Aider les municipalités à construire les ouvrages nécessaires à la collecte des eaux usées;
- d) Aider les municipalités à construire les ouvrages nécessaires au traitement et à l'évacuation des eaux usées;
- e) Aider les communautés agricoles à améliorer les installations d'approvisionnement et de traitement des eaux naturelles, ainsi que les systèmes de traitement des eaux usées.

## Programmes 'immobilisations

Pour atteindre ses objectifs, la Commission conclut des ententes avec les municipalités ou les coopératives d'eau afin de fournir une aide technique et financière leur permettant de construire ou d'améliorer des infrastructures hydrauliques ou de traitement des eaux usées. L'objectif principal est de garantir un approvisionnement en eau sécuritaire et renouvelable, ainsi que le traitement et l'évacuation des eaux usées d'une façon renouvelable et respectueuse de l'environnement.

En général, les dépenses totales réalisées par la Commission en matière d'eau naturelle et d'eau usée sont d'environ 40 millions de dollars par an (ce qui inclut les contributions municipales

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## Message from the General Manager

### Importance of Project Planning



Managing the Board’s annual capital budget for municipal water and sewer projects is ever challenging since the Board administers a cost-share program that requires a significant portion of municipal funding to complete projects. Municipalities often secure funds for their share of project costs through a borrowing bylaw process outlined in *The Municipal Act*. Public review, Municipal Board approvals and numerous other factors can impact project schedules.

A fundamental component in consistently delivering the Board’s annual budget is the ability to initiate feasibility studies and preliminary designs in advance in order to provide municipalities with proper budgets and also to acquire environmental approvals. This process establishes project readiness to properly schedule detailed designs and construction phases within the Board’s 5-year capital plan along with improving the likelihood of completing successful projects within budget. The Board’s ability to conduct project planning is also essential for municipalities to apply for and be successful in obtaining project funding from other provincial and/or federal programs. This was most apparent during the 2019 Investing in Canada Infrastructure Program (ICIP) application process given that the Board was previously involved in planning activities for approximately 2/3rds of the ICIP applications aimed at water and sewer projects.

In 2019-20, the Board continued to invest in planning activities while undertaking capital upgrades to meet a high demand for municipal water and sewer infrastructure throughout the Province. As Acting General Manager, I am pleased to report on Board activities during the 2019-20 fiscal year.

Under Board funded projects, approximately \$30.9M of construction activity was completed in upgrading water and sewer infrastructure in rural Manitoba during the 2019-20 fiscal. The Board entered into 43 new water and sewer cost-share agreements with municipalities and water cooperatives with a total estimated cost of \$43.8M. In addition, the Board and staff continued to operate four municipal water treatment plants and six water cooperatives.

Staff actively worked on 101 water and sewer projects including 62 projects involving Board cost-share funding and another 39 projects funded through Indigenous and Northern Relations (10), Manitoba Conservation and Climate – Parks and Protected Spaces Branch (17), and special initiative projects (12). In 2019-20, the combined construction activity for all water and sewer programs and projects totaled \$88.0M.

Regionalization continues to be a Board priority due to both capital and operating cost efficiencies. Development of the regional RM’s of West St. Paul and St. Andrews sewer system continued in 2019-20. Regional system studies included a conceivable southeastern Manitoba regional water supply system to provide a potable water system for the rapidly growing area east of the Red River, as well as, a possible Town of Niverville wastewater treatment plant with potential future sewer services to communities in neighbouring Municipalities.

To conclude, my appreciation goes out to the staff as their expertise and dedication were key in delivering another successful capital works program.

**Travis Parsons, M.A.Sc., P. Eng.**  
**Acting General Manager**



City of Selkirk Wastewater Treatment Plant

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## Activities Carried Out to Meet the Objectives

### Water Treatment Plants

#### 1.0 Previously Constructed Works

The Manitoba Water Services Board assumed responsibility for 38 water treatment plants constructed between 1961 and 1972, under the authority of The Manitoba Water Supply Board Act.

To meet the objectives of the Board and at the request of the municipalities, the Board has transferred the following water treatment plants:

Hartney, Town (Municipality of Grassland)	January 1, 1979
Altona, Town (Gretna, Rhineland)	March 31, 1987
Letellier, (Montcalm, R.M.)	March 31, 1987
Winkler, City	January 1, 1989
Holland, (Victoria, R.M.)	December 1, 1991
Gilbert Plains, Town (Gilbert Plains Municipality)	April 1, 1992
Dominion City, (Municipality of Emerson-Franklin)	July 1, 1993
St. Jean Baptiste, (Montcalm, R.M.)	December 31, 1993
Ste. Rose du Lac, Town (Municipality of Ste. Rose)	December 31, 1993
Ste. Agathe, (Ritchot, R.M.)	April 1, 1994
Hamiota, Town (Hamiota Municipality)	January 1, 1998
Erickson, Town (Municipality of Clanwilliam-Erickson)	January 1, 1998
Cartwright, Village (Cartwright-Roblin Municipality)	January 1, 1998
Deloraine, Town (Municipality of Deloraine-Winchester)	April 1, 1998
St. Claude, Village (Grey, R.M.)	April 1, 1998
Kenton, (Wallace-Woodworth, R.M.)	July 1, 1998
Angusville, (Riding Mountain West, R.M.)	January 1, 1999
Manitou, Town (Municipality of Pembina)	April 1, 1999
Reston, (Pipestone, R.M.)	April 1, 1999
Russell, Town (Municipality of Russell-Binscarth)	April 1, 1999
Elie, (Cartier, R.M.)	June 1, 1999
Pilot Mound, Town (Municipality of Louise)	August 1, 1999
Benito, Village (Municipality of Swan Valley West)	April 1, 2000
Kelwood, (Rosedale, R.M.)	October 1, 2000
Rosburn, Town (Rosburn Municipality)	November 1, 2000
McCreary, Village (Municipality of McCreary)	April 1, 2002
Minitonas, Town (Municipality of Minitonas-Bowsman)	March 1, 2003
Bowsman, Village (Municipality of Minitonas-Bowsman)	March 31, 2003
Ethelbert, Village (Municipality of Ethelbert)	March 31, 2003
Belmont, (Prairie Lakes, R.M.)	April 1, 2003
Sandy Lake (Municipality of Harrison Park)	April 1, 2006
Somerset, Village (Municipality of Lorne)	March 31, 2007
Winnipegosis, Village (Mossey River, R.M.)	April 1, 2009
Oak River (Municipality of Oakview)	January 1, 2017

The Manitoba Water Services Board Act requires the Board to set water rates for plants constructed prior to 1972 to recover all capital, operating and maintenance costs. The rates set by the Board are in accordance with an annual water rate study conducted by the Board, indicating recovery of full capital costs and operating deficits.

Effective April 1, 2020 water rates were increased at Baldur, Inglis, Notre Dame de Lourdes, and Strathclair. Rates were based on the increases in the Consumer Price Index of 2.2%, plus a surcharge to recover capital costs. The Manitoba Water Services

Board will continue to operate the four (4) water treatment plants, until the deficits are fully recovered through water rates.

## Water Treatment Plants (Previously Constructed Works)

Sale of Water Town or Municipality	Consumption 2019-20	Actual Cost of Production per 1,000 I.G.	April 1/20 Selling Price 1,000 I.G.	Type of Treatment
Argyle, (R.M.)(Baldur)	4,144,480	12.67	13.55	A,B,C,D
Lorne, (Mun.)(Notre Dame de Lourdes)	18,444,400	7.55	6.30	B,C,D
Riding Mountain West, (R.M.)(Strathclair)	4,951,881	11.64	17.58	B,C,D
Yellowhead,(R.M.)(Strathclair)	2,978,190	31.83	16.22	B,C,D

### Type of Treatment:

**A – Fluoridation**      **B – Green Sand Filtration**      **C – Chlorination**      **D - Membrane**

## 2.0 Regional Water Co-op Systems

The Board continues to promote regional water systems, which can service several municipalities from a central water treatment plant. These regional systems have proven to be a cost effective use of capital in providing safe, sustainable, drought resistant water supply to rural Manitoba residents and meeting stricter regulations. The Board, on behalf of the Co-ops, operates the following regional systems:

### 2.1 Cartier

In 1999, the Board entered into an agreement with CWP Ltd. Partnership of Winnipeg to develop the Cartier Regional System. The Regional system was developed on behalf of the area municipalities and they formed a cooperative called the Cartier Regional Water Cooperative Inc. The original 20-year agreement with CWP was based on the B-O-O-T model (Build, Own, Operate, and Transfer). As the Cartier Regional Water Cooperative continues to expand, the Board will operate the cooperative recovering any operating deficits and capital costs from water sales until the deficit is fully recovered.

The Cartier Co-op supplies water to residents in the Municipalities of Cartier, Headingley, Portage la Prairie, St. Francois Xavier, Grey, Rosser, Rockwood, West St. Paul, and the Headingley (men's) Correctional Centre and Stony Mountain Institution. A new 150 litres per second water plant in the R.M. of Headingley and a pipeline and reservoir located in the R.M. of Rosser commenced operation in May of 2016. The West St. Paul pipeline and reservoir/pumphouse started servicing residents in January 2018 and the Stony Mountain Correctional Institution in April of 2018. The increased treatment capacity has enabled the Co-op to meet increasing water demands, not only for its existing members, but also to expand water service.

The wholesale water rate for 2020-21 was set by the Board per Co-op resolution, at \$9.78 per 1,000 Imperial Gallons, which is a 3% increase from the previous year.

### 2.2 Yellowhead Regional Water Co-op

In 2006-07, the Board developed the Yellowhead regional water system in a chronic water short area, west of the City of Portage la Prairie. The \$30.0M system is owned by the Yellowhead Regional Water Co-op Inc. and operated by the Board. The Yellowhead system supplies water to the Municipalities of Westlake-Gladstone, North Norfolk, and Glenella-Lansdowne.

The wholesale water rate for 2020-21 was set at \$8.85 per 1,000 Imperial Gallons, which is a 2.2% increase over the previous year.

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### 2.3 G3 Regional Water Supply Co-op

In 2008-09, the Board signed agreements with the Towns of Grandview, Gilbert Plains and the R.M. of Gilbert Plains to develop the G3 Regional Water System. The system was operational at the end of 2009-10 and the Board was requested by agreement to operate the water treatment plant including the reservoir/pumphouses in the communities of Gilbert Plains and Grandview. With the January 1, 2015 amalgamations, the municipalities that are serviced by the G3 system are Gilbert Plains Municipality and Grandview Municipality. In 2016, the regional system was expanded to service residents in the Rural Municipality of Dauphin.

The wholesale water rate for 2020-21 was set at \$7.14 per 1,000 Imperial Gallons, which is a 2.2% increase over the previous year.

### 2.4 Whitehead Elton Regional Water Co-op

In 2010-11, the Board signed agreements with the Municipalities of Whitehead and Elton to develop and operate the Whitehead Elton Regional System. The project was completed in 2011 at an estimated cost of approximately \$6.0M. In 2016-17, rural pipeline expansion projects were completed in the Rural Municipalities of Elton and Whitehead to provide safe water to additional rural residents.

The Board set the wholesale water rate for 2020-21 at \$9.34 per 1,000 Imperial Gallons for the Municipalities of Elton and Whitehead, which is a 2.2% increase over the previous year. By Co-op resolution, the rate for the L.U.D. of Alexander was set at \$7.34 per 1,000 Imperial Gallons.

### 2.5 Southwest Regional Water Co-op

In 2010-11, the Board signed agreements with the Municipalities of Brenda, Arthur and the Town of Melita to develop and operate the Southwest Regional System at a cost of approximately \$8.0M. The Village of Waskada joined the Southwest Regional System with water service beginning January 2012. With the January 1, 2015 amalgamation, the municipalities serviced by the Southwest Regional System became the Municipality of Two Borders, the Municipality of Brenda-Waskada and the Town of Melita. In 2017-18 a rural pipeline project expanded water service to additional residents, including 69 new service connections in the Municipalities of Brenda-Waskada and Two Borders.

The wholesale water rates for 2020-21 were set by the Board, per Co-op Resolution at \$11.56 per 1,000 Imperial Gallons for the municipalities. This represented a 2.2% increase plus .50 from the previous year.

### 2.6 South Central District Water Co-op

In 2014-15, the Board signed agreements with the Towns of Pilot Mound and Manitou to develop and operate the South Central District Water Cooperative at a cost of approximately \$9.0M. Phase 1 work, which included the well field and pipeline to Pilot Mound, was completed in 2014. Phase 2 work included a pipeline to Manitou and water plant upgrades at Pilot Mound. As of January 1, 2015, the Town of Pilot Mound amalgamated with the R.M. of Louise and the Town of Manitou with the R.M. of Pembina.

The South Central District Water Cooperative started to supply water to the Town of Pilot Mound in June 2015 and the Town of Manitou in November 2015. In 2018-19 service connections were installed to 6 rural customers in the R.M.s of Louise and Pembina with water supply commencing in November 2018.

The wholesale water rates for 2020-21 were set by the Board, per Co-op resolution, at \$13.50 per 1,000 Imperial Gallons for the Municipalities of Louise and Pembina plus \$3.26 per 1,000 Imperial Gallons surcharge to recover capital costs. This represented a 2.2% increase over the previous year for the surcharge.

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## Water and Sewer Program

### 1.0 Capital Works

The Board enters into agreements with municipalities and/or registered Cooperatives, for projects that have been accepted for assistance. Under the terms of the agreement, the Board provides complete project management in the delivery of the project including:

- Conducting conceptual/feasibility studies to develop the best sustainable, cost effective option.
- Public consultation with local ratepayers, including open houses.
- Retaining of consulting engineering firms to undertake pre-design, functional design, detailed-design, environmental impact assessments, construction supervision and post construction warranty services.
- Obtaining all easements and approvals.
- Public tendering of construction or design-build contracts and entering into contracts.
- Providing interim financing for the projects and billing municipalities for the local share of project costs.
- Providing a one-year warranty after substantial completion of Certificate.

In 1997, The Manitoba Water Services Board's grant formula was changed, wherein a 2-tier system was adopted. Details of the grant formulas are available at [www.gov.mb.ca/mr/mwsb](http://www.gov.mb.ca/mr/mwsb).

In the 2019-20 budget, the Board received approval of \$15.8M to invest in water and sewer infrastructure in rural Manitoba. The Board entered into cost sharing agreements for 43 projects comprised of feasibility studies and miscellaneous projects, which are in various phases of design, construction and completion within the annual budget. Under the Board programs, and CWWF projects, approximately \$30.9M of construction activity was completed in upgrading water and sewer infrastructure in rural Manitoba.

The Board provided technical and operational support to four municipally owned water plants and six regional water supply systems. A major focus for the Board is the development and expansion of regional water and wastewater systems. Regional systems allow municipalities to pool their resources for the infrastructure and operating expertise needed for their residents.

In 2019-20, project management services were provided by the Board to 17 Conservation and Climate Parks Branch projects, 10 Indigenous and Northern Relations projects and 20 Canada-Manitoba water and wastewater funded projects, including Town of Neepawa (\$4.4M), RM of Tache (\$10.3M), City of Selkirk (\$35.2M) and City of Thompson (\$36.5M).

Some of the major projects under design / construction / completed during 2019-20 include:

- \$13.0M Town of Beausejour – Water Treatment Plant (Design)
- \$1.7M Cartier Regional Water Co-op – Headingley Raw Water Pond Rip Rap
- \$2.1M Municipality of Pembina – LaRiviere Lagoon Upgrade
- \$5.0M City of Portage – Phase 2A Water Treatment Plant Upgrades
- \$16.0M City of Portage – Poplar Bluff Industrial Park Reservoir/Pumphouse (Design)
- \$3.3M RM of Rhineland – Plum Coulee Reservoir/Pumphouse (Design)
- \$15.0M RM of Rosser – CentrePort Industrial Park Watermains and Low Pressure Sewer

**Water and Sewer Projects Substantially Completed during 2019-20 were:**

<b>Project</b>		<b>Work Description</b>	<b>Agreement Estimate</b>	<b>Estimated Grants</b>
Alexander (7), R.M.		Great Falls Water Treatment Plant	\$ 5,209,301	\$ 2,604,651
Cartier Regional Water Co-op	BCF	Water System Expansion	44,891,623	-
Clanwilliam-Erickson, Mun.		Lagoon Assessment Study	26,285	13,142
Emerson-Franklin (2), Mun.		Electronic Water Meter System	296,838	148,419
Gimli (14), R.M.		Phase 2 Watermain Renewal	1,047,512	314,254
Glenboro-South Cypress, Mun.		Wastewater Lagoon Study	65,901	32,950
Glenella-Lansdowne (2) Mun.		Glenella Manganese Greensand Filtration System.	241,785	120,892
Killarney-Turtle Mt. (6), Mun.		Water Supply Well Upgrades	106,957	53,478
Killarney-Turtle Mt. (7), Mun.		Water and Sewer Assessment Study	128,683	64,342
Lac du Bonnet (8), R.M.	CWWF	Rural Pipeline	979,191	-
Melita (9), Town		Wastewater Lagoon Upgrading	607,156	303,578
Melita (10), Town	CWWF	Lagoon Expansion	6,000,000	1,500,000
Minnedosa (6), Town		Wastewater Lagoon Upgrading Study	55,854	27,927
Niverville (6), Town		Wastewater Lagoon Assessment Study	26,100	13,050
Oakview (2), R.M.	CWWF	Rapid City Wastewater Lagoon Study	81,308	-
Pembina (4), Mun.		Wastewater Lagoon Feasibility Study	93,166	46,583
Pinawa (4), LGD	CWWF	Awanipark Rural Water Pipeline	532,396	-
Pinawa (5), LGD	BCF	Pinawa Watermain Renewal	1,013,907	-
Portage (46), R.M.	CWWF	Rural Water Pipeline	609,368	-
Prairie View (2), Mun.	CWWF	Birtle Water Supply System	4,000,000	-
Prairie View (4), Mun.		Birtle Water Treatment Plant	4,660,045	2,330,022
Reynolds, R.M.		Wastewater Lagoon Study & EAP	47,875	23,938
Reynolds (2), R.M.		Prawda Water Supply Study	8,278	4,139
Rhineland (6), Mun.		Plum Coulee W&WW Assess. Study	106,103	53,052
Russell - Binscarth (3), Mun.		Wastewater Lagoon Assessment Study	33,626	16,813
Stanley (14), R.M.		Massey Pit Water Supply Upgrades	1,021,849	365,216
St. Andrews (8), R.M.	CWWF	Phase 2 Wastewater Collection System	6,000,000	1,500,000
Ste. Anne, Town		Wastewater Lagoon Assessment Study	79,443	39,722
Stonewall (17), Town		Water Supply Study	41,931	20,966
South Central District Co-op (2)		Manitou Emergency Genset	276,679	138,340
South Central District Co-op (3)		Water Supply Pipeline	409,159	204,579

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**Water and Sewer Projects Substantially Completed during 2019-20 continued:**

<b>Project</b>		<b>Work Description</b>	<b>Agreement Estimate</b>	<b>Estimated Grants</b>
Swan River (8), Town		Water Supply Upgrades	\$ 1,001,258	\$ 500,629
Tache, R.M.	BCF	Landmark Water Supply Upgrades	4,396,182	-
Tache (2), R.M.	CWWF	Landmark Water Distribution System	6,838,343	-
Thompson (13), City		Phase 3 & 4 Water & Sewer Renewal	498,093	199,237
Viriden (12), Town	BCF	Wastewater Treatment Plant	12,000,000	-
Viriden (13), Town		Wastewater System Upgrades	1,860,119	930,060
Winkler (12), City	CWWF	Reg. Wastewater Treatment System	3,639,196	909,799
*			<u>\$108,931,508</u>	<u>\$12,479,776</u>

BCF - Build Canada Fund

CWWF - Clean Water & Wastewater Fund

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**Water and Sewer Projects Under Design and/or Construction during 2019-20 were:**

<b>Project</b>	<b>Work Description</b>	<b>Agreement Estimate</b>	<b>Estimated Grants</b>
Alexander (6), R.M.	Septic Truck Wastewater Lagoon	\$ 500,000	\$ 250,000
Beausejour (7), Town	Water Treatment Plant Design	450,000	225,000
Beausejour (8), Town	New Water Supply Wells	300,000	150,000
Boissevain-Morton, Mun.	Wastewater Lagoon Study	80,000	50,000
Boissevain-Morton (2), Mun.	Water Supply System Upgrades	400,000	200,000
Carman (7), Town	Water Supply Pipeline & Reservoir	500,000	250,000
Cartier (25), R.M.	Lido Plage Wastewater System Design	400,000	200,000
Cartier (26), R.M.	Rural Water Pipeline Expansion	120,000	40,000
Cartier Regional Water Co-op (5)	Elie Reservoir & Pumphouse	3,000,000	1,500,000
Cartier Regional Water Co-op (6)	Headingley Raw Water Storage Ponds	1,700,000	850,000
Cartier Regional Water Co-op (7)	Drought Management Study	80,000	40,000
Dauphin (18), City	Water & Wastewater System Upgrades	2,200,000	1,100,000
Ellice-Archie, Mun.	Wastewater Lagoon Study	120,000	60,000
Grassland, Mun.	Hartney Wastewater Lagoon Assess. Study	80,000	40,000
Grey (12), R.M.	Water & Wastewater Assessment Study	60,000	30,000
Grey (15), R.M.	St. Claude Sludge Land Application EAP	150,000	75,000
Hanover (6), R.M.	Water Supply Pipeline	1,200,000	600,000
Harrison Park (7), Mun.	Sandy Lake Water & Sewer Upgrades	450,000	165,000
Lorne (11), R.M.	Regional Water Supply	200,000	100,000
Minto-Odanah, R.M.	Reservoir Expansion	60,000	30,000
Neepawa (19), Town	Water Supply Upgrades	2,800,000	1,020,000
Neepawa (20), Town	Phase 1 Wastewater Lagoon Upgrades	3,000,000	1,500,000
Norfolk Treherne (2), Mun.	Water Supply System Upgrades	260,000	130,000
Oakview (3), R.M.	Rapid City Water System Upgrades	120,000	60,000
Oakview (4), R.M.	Watermain Extension	225,000	67,500
Pembina Valley Water Co-op (8)	Phase 1 Alternative Water Source Inform.	100,000	50,000
Pinawa (7), L.G.D.	Awanipark Water Pipeline	285,000	142,500
Pipestone (15), R.M.	Sinclair Wastewater Collection System	3,220,000	1,722,000
Portage (47), City	Water System Upgrades	5,000,000	2,557,500
Rhineland (7), Mun.	Plum Coulee Reservoir/Pumphouse	3,300,000	1,650,000
Ritchot (6), R.M.	Water Supply Upgrades	5,000,000	2,500,000
Rosedale (9) R.M.	Kelwood Water System Upgrades	160,000	61,000

**Water and Sewer Projects Under Design and/or Construction during 2019-20 continued:**

<b>Project</b>	<b>Work Description</b>	<b>Agreement Estimate</b>	<b>Estimated Grants</b>
Rosburn (10), Mun.	Water System Assessment Study	30,000	15,000
Rosser (7), R.M.	Phase 2 Low Pressure Sewer	3,400,000	1,020,000
Selkirk (11), City	Interceptor Sewer	1,540,000	770,000
South Central Dist. Water Co-op (4)	Water Supply Pipeline	580,000	290,000
South Central Dist. Water Co-op (5)	Water Plant Upgrades	140,000	70,000
St. Andrews (5), R.M.	Regional Wastewater Forcemain	4,500,000	2,250,000
St. Andrews (9), R.M.	Phase 1 Wastewater Collection System	5,700,000	2,010,000
St. Andrews (10), R.M.	Phase 2 Reg. Wastewater Collection System	8,960,000	3,740,000
St. Andrews (11), R.M.	Petersfield Wastewater Lagoon Design	160,000	80,000
St. Clements (5), R.M.	East Selkirk Wastewater Study	100,000	50,000
Ste. Rose (14), Mun.	Water Treatment Plant Upgrades	75,000	37,500
Stonewall (18), Town	Wastewater System Upgrades	1,200,000	600,000
Stuartburn (6), R.M.	Community of Vita Sewer System Assess.	80,000	40,000
Swan Valley West, Mun.	Benito Gravity Sewer CCTV Study	115,000	57,500
The Pas (6), Town	Wastewater Lagoon Study	80,000	40,000
Two Borders (2), Mun.	Community of Pierson Water Supply Study	30,000	15,000
Viriden (14), Town	New Groundwater Supply Investigation	350,000	175,000
Wallace-Woodworth, R.M.	Water Supply System Upgrades	700,000	350,000
Wawanesa (6), Village	Water Plant Upgrading	800,000	400,000
Westlake-Gladstone (3), Mun.	Gladstone Water & Sewer Renewal	1,800,000	722,000
Westlake-Gladstone (4), Mun.	Rural Water Pipeline Expansion	30,000	15,000
West St. Paul (6), R.M.	Wastewater Collection System	7,320,000	2,500,000
West St. Paul (11), R.M.	Phase 2 Water Distribution System	2,000,000	600,000
Whitehead Elton Reg. Water Co-op (2)	Water Supply System Upgrade Study	30,000	15,000
Whitehead Elton Reg. Water Co-op (3)	Distribution Pumping System Upgrade	60,000	30,000
Whitemouth (10), R.M.	Seven Sisters Wastewater Lagoon Study	80,000	40,000
Whitemouth (11), R.M.	Regional Wastewater System Study	80,000	40,000
Winkler (13), City	Lift Station & Sewermain Relining Upgrade	3,000,000	1,240,000
Yellowhead Regional Water Co-op (8)	Bagot Reservoir Design	340,000	170,000
Yellowhead (9), R.M.	Wastewater Lagoon Wetland Design	150,000	75,000
	TOTAL	<u>\$78,950,000</u>	<u>\$34,872,500</u>

**Water and Sewer Construction Agreements Signed during 2019-20 were:**

<b>Project (Agreement)</b>	<b>*</b>	<b>Work Description</b>	<b>Date Signed</b>	<b>Estimated Project Cost</b>
Alexander (8), R.M.		Regional Water System Pre-Design	March 30, 2020	50,000
Altona (8), Town	BCF	Lift Station Upgrading & Sewer Relining	October 4, 2019	1,456,320
Beausejour (8), Town		New Water Supply Wells	June 3, 2019	300,000
Boissevain-Morton (2), Mun.		Water Supply System Upgrades	December 30, 2019	400,000
Carman (8), Town	BCF	Regional Water Supply System	January 31, 2020	13,174,925
Cartier (26), R.M.		Rural Water Pipeline Expansion	September 26, 2019	120,000
Cartier Reg. Water Co-op (6)		Headingley Raw Water Storage Ponds	April 26, 2019	1,700,000
Cartier Reg. Water Co-op (7)		Drought Management Study	September 26, 2019	80,000
Dauphin (18), City		Water & Wastewater System Upgrades	May 13, 2019	2,200,000
Harrison Park (7), Mun.		Sandy Lake Water & Sewer Upgrades	May 13, 2019	450,000
Lorne (11), R.M.		Regional Water Supply	June 21, 2019	200,000
Minto-Odanah, R.M.		Reservoir Expansion	August 29, 2019	60,000
Neepawa (22), Town	GMF	Phase 2 WW Treatment Lagoon Upgrade	October 25, 2019	5,000,000
Norfolk Treherne (2), Mun.		Water Supply System Upgrades	June 21, 2019	260,000
Oakview (3), R.M.		Rapid City Water System Upgrades	July 19, 2019	120,000
Oakview (4), R.M.		Watermain Extension	November 22, 2019	225,000
Pembina (7), Mun.		LaRiviere Wastewater Lagoon Upgrading	October 4, 2019	200,000
Pembina Vly. Water Co-op (8)		Phase 1 Alternative Water Source Information	September 26, 2019	100,000
Pinawa (7), L.G.D.		Awanipark Water Pipeline	February 7, 2020	285,000
Portage (47), City		Water System Upgrades	June 3, 2019	5,000,000
Rhineland (7), Mun.		Plum Coulee Reservoir/Pumphouse	April 26, 2019	3,300,000
Riding Mountain West, R.M.		Electronic Read Water Meters	March 3, 2020	116,000
Rosedale (9), R.M.		Kelwood Water System Upgrades	April 26, 2019	160,000
Rosburn (10), Mun.		Water System Assessment Study	January 20, 2020	30,000
Rosser (7), R.M.		Phase 2 Low Pressure Sewer	June 10, 2019	3,400,000
Selkirk (11), City		Interceptor Sewer	August 22, 2019	1,540,000
Sth. Ctr. Dist. Water Co-op (4)		Water Supply Pipeline	June 3, 2019	580,000
Sth. Ctr. Dist. Water Co-op (5)		Water Plant Upgrades	December 11, 2019	140,000
St. Andrews (11), R.M.		Petersfield Wastewater Lagoon Design	November 13, 2019	160,000
St. Clements (5), R.M.		East Selkirk Wastewater Study	April 17, 2019	100,000
Ste. Rose (14), Mun.		Water Treatment Plant Upgrade	November 22, 2019	75,000

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**Water and Sewer Construction Agreements Signed during 2019-20 continued:**

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<b>Project (Agreement)</b>	<b>* Work Description</b>	<b>Date Signed</b>	<b>Estimated Project Cost</b>
Stonewall (18), Town	Wastewater System Upgrades	May 13, 2019	1,200,000
Stuartburn (6), R.M.	Comm. of Vita Sewer System Assessment	January 24, 2020	80,000
Swan Valley West, Mun.	Benito Gravity Sewer CCTV Study	September 26, 2019	115,000
Two Borders (2), Mun.	Community of Pierson Water Supply Study	December 18, 2019	30,000
Virden (14), Town	New Groundwater Supply Investigation	April 5, 2019	300,000
Wallace-Woodworth, R.M.	Water Supply System Upgrades	June 3, 2019	700,000
Westlake-Gladstone (4), Mun.	Rural Water Pipeline Expansion	July 5, 2019	30,000
Whitehead-Elton Regional Water Co-op (2)	Whitehead Elton Water Supply System Upgrade Study	May 13, 2019	30,000
Whitehead-Elton Regional Water Co-op (3)	Distribution Pumping System Upgrade	November 22, 2019	60,000
Whitemouth (10), R.M.	Seven Sisters Wastewater Lagoon Study	April 26, 2019	80,000
Whitemouth (11), R.M.	Regional Wastewater System Study	July 19, 2019	80,000
Yellowhead (9), R.M.	Wastewater Lagoon Wetland Design	June 10, 2019	150,000
		<b>Total</b>	<b>\$43,837,245</b>

\*  
BCF - Build Canada Fund  
GMF – Green Municipal Fund

**Project Management Services during 2019-20 were:**

<b>Project (Agreement)</b>	<b>*</b>	<b>Work Description</b>	<b>Estimated Project Cost</b>
<b>Conservation and Climate - Parks Branch</b>			
Adam Lake		Wastewater Lagoon Expansion	\$ 1,200,000
Big Whiteshell (2)		Water Treatment Plant Upgrade Design	100,000
Big Whiteshell (3)		Water Treatment Plant Upgrade	940,000
Birds Hill (4)		Water Plant Upgrades	750,000
Birds Hill (5)		Wastewater Lagoon Assessment	40,000
Brereton Lake (2)		Water Supply	304,208
Falcon Lake (2)		Wastewater Lagoon Repairs	700,000
Grand Beach (3)		Wastewater Lagoon	7,815,000
Grand Beach (4)		Water Treatment Plant Upgrades	265,000
Hecla/Grindstone		Water Treatment Plant Upgrade	100,000
Hecla/Grindstone (2)		Wastewater Treatment Plant Assessment	25,000
Hecla/Grindstone (3)		Water Treatment Plant Upgrade	700,000
Hecla/Grindstone (4)		Wastewater Treatment Plant Upgrade	260,000
Manipogo		Water Treatment Plant Upgrade	100,000
Paint Lake		Lift Station Design	95,000
St. Malo (3)	CWWF	Water Treatment Facility Upgrade	650,000
West Hawk Lake/Falcon Lake (2)		Lagoon Assessment	253,461
			\$ 14,297,669
<b>Indigenous &amp; Northern Relations</b>			
Cormorant South		Water Treatment Plant Feasibility Study	40,000
INR - Northern Region		Water Treatment Plant Upgrade	1,281,500
INR(2) - Northern Region		Water Treatment Plant Upgrade (2)	880,000
Mallard Water		Water Supply Upgrades	100,000
Nelson House		Wastewater Treatment Lagoon	2,400,000
Nelson House (2)		Wet Well Assessment Study	35,000
Seymourville (2)	CWWF	Wastewater Treatment Lagoon Upgrades	2,500,000
Sherridon WTP (2)		Water Treatment Plant Upgrade	2,006,000

**Project Management Services during 2019-20 continued:**

<b>Project (Agreement)</b>	<b>*</b>	<b>Work Description</b>	<b>Estimated Project Cost</b>
Thicket Portage		Wastewater Treatment Lagoon	3,004,000
Waterhen & Barrows		Wastewater Lagoon Assessment	25,000
			\$ 12,271,500
<b>Special Initiatives</b>			
Altona (8), Town	BCF	Lift Station Upgrading & Sewer Relining	1,456,320
Carman (8), Town	BCF	Regional Water Supply System	13,174,925
Neepawa (21), Town	CWWF	Phase 1 Wastewater Lagoon Upgrade	4,400,000
Neepawa (22), Town	GMF	Phase 2 Wastewater Treatment Lagoon Upgrades	5,000,000
Norfolk-Treherne, Mun.	BCF	Treherne Water & Sewer Renewal	2,200,000
Pembina (5), Mun.	BCF	LaRiviere Wastewater Lagoon Upgrading	2,000,000
		Water Supply Upgrades & Reservoir	
Ritchot (7), R.M.	BCF	Expansion	3,000,000
Rosser (6), R.M.	BCF	Rosser Industrial Park Water and Sewer	22,150,000
Selkirk (9), City	BCF	Wastewater Treatment Facility	35,200,000
Selkirk (10), City	BCF	Forcemain and Lift Station	2,400,000
Thompson (11), City	BCF	Wastewater Treatment Plant	36,500,000
West St. Paul (12), R.M.	BCF	Rossmore/Addis Wastewater Collection System	4,200,000
			\$ 131,681,245
			\$ 158,250,414

\*

**Total** \$ 158,250,414

BCF - Build Canada Fund

CWWF - Clean Water & Wastewater Fund

GMF - Green Municipal Fund

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## 2.0 Project Management

The Board has 60 plus years of project management experience in the development of water and wastewater infrastructure. The Board, when requested and subject to availability of staff resources, agrees to act as Project Manager for other Provincial Departments and/or Municipalities. A memorandum of understanding (MOU) is signed with the requesting agency. All the project costs, including MWSB technical staff costs are recovered from the requesting agency.

### 2.1 Conservation and Climate – Parks and Protected Spaces Branch

A complete list of projects is shown on page 22.

### 2.2 Indigenous and Northern Relations

The Board also provided project management services as requested by Indigenous and Northern Relations. A complete list of projects is shown on pages 22 and page 23.

### 2.3 Special Initiatives

During 2019-20 the Board provided project management for 12 special initiative projects funded by Build Canada and the Clean Water & Wastewater Fund. A complete list is shown on the previous page.

### 2.4 Federal Provincial Programs

Canada and Manitoba entered into cost sharing arrangements on a number of water and wastewater projects to be funded from the Clean Water & Wastewater Fund (CWWF) and the Build Canada Fund (BCF).

Many of the municipalities receiving either CWWF or BCF funding have requested project management assistance from The Manitoba Water Services Board. The Manitoba Water Services Board has signed a number of agreements as indicated on the previous pages. In total, these projects will exceed \$200.0M when completed.

## 3.0 Sustainable Development

On July 1, 1998, the Province proclaimed *The Sustainable Development Act*. The Act requires all Crown Corporations to:

- prepare and adopt a code of practice by July 2003
- prepare and adopt procurement guidelines and goals by December 2002, and
- prepare and adopt financial management guidelines by July 2003

The Board presently has policy guidelines, which deal with all of the requirements of the Act.

The Board considers wastewater and water infrastructure as a basic amenity required to safeguard public health and to provide economic development opportunities for the sustainability of Manitoba's communities.



## The Manitoba Water Services Board Management Report

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The accompanying financial statements are the responsibility of management and have been prepared in conformity with the accounting policies noted in the financial statements. The statements are examined by the Office of the Auditor General of the Province of Manitoba, whose opinion is included herein.

To fulfil this responsibility, management maintains internal control systems to provide reasonable assurance that the accounts and records accurately reflect all transactions, and that appropriate policies and procedures are established and respected.

The Provincial Auditor General has free access to the Board of Directors, with and without management present, to discuss the results of their audit and the quality of financial reporting of the Board.

“Original signed by T. Parsons”

T. Parsons, M.A.Sc., P. Eng.  
A-General Manager

August 18, 2020

“Original signed by C. Brigden”

C. Brigden  
Chief Financial Officer



Auditor General  
MANITOBA

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**INDEPENDENT AUDITOR'S REPORT**

To the Legislative Assembly of Manitoba  
To the Board of Directors of the Manitoba Water Services Board

*Opinion*

We have audited the financial statements of the Manitoba Water Services Board ("the Board"), which comprise the statement of financial position as at March 31, 2020, and the statement of operations, the statement of changes in net debt and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2020, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Board or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

"Original signed by the  
Office of the Auditor General"

Office of the Auditor General  
Winnipeg, Manitoba  
August 18, 2020

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# THE MANITOBA WATER SERVICES BOARD

## Statement of Financial Position

As at March 31, 2020

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	2020	2019
<b>Financial assets</b>		
Cash	\$ 2,500,394	\$ 2,959,177
Accounts Receivable	14,511,955	19,027,570
Accrued Interest	16,593	75,298
Unbilled construction costs to Municipalities (note 4)	11,062,873	18,118,779
	<u>28,091,815</u>	<u>40,180,824</u>
<b>Liabilities</b>		
Accounts payable and accrued charges	16,166,199	16,376,663
Advances from The Province of Manitoba payable on demand (note 12)	27,161,000	32,781,000
	<u>43,327,199</u>	<u>49,157,663</u>
<b>Net Debt</b>	(15,235,384)	(8,976,839)
<b>Non-financial assets</b>		
Tangible capital assets (note 5)	-	10,310
Prepaid supplies	62,120	67,396
	<u>62,120</u>	<u>77,706</u>
<b>Accumulated surplus (deficit) (note 6)</b>	\$ (15,173,264)	\$ (8,899,133)

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Commitments (note 8)

Contingencies (note 9)

The accompanying notes are an integral part of these financial statements.

On behalf of Board:

“Original signed by Bruce Gray”

\_\_\_\_\_ Chair

# THE MANITOBA WATER SERVICES BOARD

## Statement of Operations

For the year ended March 31, 2020

	Budget (note 13)	2020	2019
<b>Revenues:</b>			
Sale of Water	\$ 6,400,000	\$ 6,013,744	\$ 5,956,425
Administrative expenses paid by the Province of Manitoba (note 7)	2,711,000	2,579,814	2,442,974
Strategic Municipal Investment Fund	15,824,000	14,646,311	13,754,128
Interest	15,000	7,384	43,758
	24,950,000	23,247,253	22,197,285
<b>Expenses:</b>			
Direct expenses for water supply plants:			
Interest expense	1,100,000	1,220,151	1,410,384
Interest allocated to new construction	(1,400,000)	(1,300,899)	(1,383,970)
	(300,000)	(80,748)	26,414
Chemicals	670,000	778,774	638,616
Heat, telephone, light and power	1,700,000	1,627,277	1,635,442
Professional services	400,000	520,834	799,632
Salaries and benefits	1,800,000	1,838,445	1,724,206
Repairs and maintenance	1,400,000	1,200,433	1,324,095
Administrative (note 7)	2,711,000	2,579,814	2,442,974
	8,381,000	8,464,829	8,591,379
Grants to Municipalities	15,824,000	14,646,311	13,754,128
Annual surplus (deficit)	745,000	136,113	(148,222)
Accumulated deficit, beginning of year	(8,899,133)	(8,899,133)	(8,048,863)
Net disbursements to municipalities (note 6)	(5,730,000)	(6,410,244)	(702,048)
Accumulated deficit, end of year	\$ (13,884,133)	\$ (15,173,264)	\$ (8,899,133)

The accompanying notes are an integral part of these financial statements.

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# THE MANITOBA WATER SERVICES BOARD

## Statement of Change in Net Debt

For the year ended March 31, 2020

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	Budget (note 13)	2020	2019
Annual surplus (deficit)	\$ 745,000	\$ 136,113	\$ (148,222)
New construction costs	(90,000,000)	(88,023,604)	(100,586,905)
Funds recovered from:			
Strategic Municipal Investment Fund	15,823,600	14,646,311	13,754,128
Municipalities	73,176,400	80,433,199	88,361,711
Change in unbilled construction costs	1,000,000	(7,055,906)	(1,528,934)
	-	-	-
Decrease (increase) in prepaid supplies	500	5,276	(3,442)
Tangible capital assets	-	10,310	-
Net disbursements to municipalities	(5,730,000)	(6,410,244)	(702,048)
Increase in net debt	(4,984,500)	(6,258,545)	(853,712)
Net debt, beginning of year	(8,976,839)	(8,976,839)	(8,123,127)
Net debt, end of year	\$ (13,961,339)	\$ (15,235,384)	\$ (8,976,839)

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The accompanying notes are an integral part of these financial statements.

# THE MANITOBA WATER SERVICES BOARD

## Statement of Cash Flows

For the year ended March 31, 2020

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 136,113	\$ (148,222)
Change in non-cash operating working capital:		
Accounts receivable	4,515,615	5,188,513
Due from Province of Manitoba	-	1,087,144
Prepaid supplies	5,276	(3,442)
Accounts payable and accrued charges	(210,464)	2,225,035
Accrued Interest	58,705	(43,660)
Cash provided by (used in) operating activities	4,505,245	8,305,368
Financing activities:		
Advances received	17,200,000	28,561,000
Advances repaid	(22,820,000)	(37,900,000)
Cash provided by (used in) financing activities	(5,620,000)	(9,339,000)
Capital activities:		
New construction costs Funding	(88,023,604)	(100,586,905)
recovered from:		
Province of Manitoba	14,646,311	13,754,128
Municipalities	80,433,199	88,361,711
Increase (decrease) in unbilled construction costs	7,055,906	1,528,934
Tangible capital assets	10,310	-
Net disbursements to municipalities	(6,410,244)	(702,048)
Cash used in capital activities	655,972	826,886
Increase (decrease) in cash	(458,783)	(206,746)
Cash, beginning of year	2,959,177	3,165,923
Cash, end of year	\$ 2,500,394	\$ 2,959,177

The accompanying notes are an integral part of these financial statements.

Supplementary Financial Information

Interest paid \$1,220,151 (2019 - \$1,410,384)

Interest received \$1,300,899 (2019 - \$1,383,970)

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# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

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## 1. Nature of operations:

The Manitoba Water Services Board (the Board) was established in July 1972 under The Manitoba Water Services Board Act to assist in the provision of water and sewage facilities to the residents of rural Manitoba. The Board assists municipalities with the development of sustainable water and wastewater works, including; water supply, treatment, storage and distribution; collection and treatment of sewage; the disposal of treated effluent and waste sludge in an environmentally sustainable manner and the provision of drought resistant, safe water supplies to rural residents for domestic and livestock needs.

## 2. Significant accounting policies:

### a) Basis of accounting:

The financial statements have been prepared using Canadian public sector accounting standards established by the Public Sector Accounting Board.

### b) Classification and measurement of financial instruments:

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Board records its financial assets at cost or amortized cost, which include cash and cash equivalents, accounts receivable and accrued interest. The Board also records its financial liabilities at cost or amortized cost, which include accounts payable and accrued charges and advances from the Province of Manitoba.

Amortized cost is determined using the effective interest method.

Gains and losses on financial instruments measured at fair value are recorded in accumulated surplus as remeasurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative remeasurement gains and losses are reclassified to the statement of operations. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs.

The Board did not incur any remeasurement gains and losses during the year (2019 - nil).

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# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

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## 2. Significant accounting policies (continued):

### c) Tangible capital assets and construction in progress:

Tangible capital assets are recorded at cost and amortization is calculated on a straight-line basis over the following terms:

Asset	Term
Plants constructed prior to January 1, 1972:	
Equipment	18 years
Buildings	35 years
Plants constructed after January 1, 1972:	
Equipment	20 years
Buildings	20 years

Unbilled construction costs represent costs incurred to date, net of recoveries, for capital projects managed by the board on behalf of municipalities. Financing costs are included in the unbilled construction costs amounts.

### d) Revenue recognition:

Revenue from the sale of water is recognized in the period when consumed by the town or municipality.

Revenue for the administrative reimbursements is recognized in the period when the expenses are recognized.

Revenue for the grants is recognized in the period when the corresponding amount is paid to the municipalities.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### e) Administrative expenses paid by the Province of Manitoba:

Administrative expenses are paid by the Province of Manitoba on behalf of the Board and recorded at the exchange amount agreed to by the related parties in the financial statements.

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# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

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## 2. Significant accounting policies (continued):

### f) Pension costs and obligations:

The Board's employees are eligible for membership in the provincially-operated Civil Service Superannuation Plan. The pension liability for Board employees is included in the Province of Manitoba's liability for the Civil Service Superannuation Fund. Accordingly, no provision is recorded in the financial statements related to the effects of participation in the pension plan by the Board and its employees.

### g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of accounts receivable and tangible capital assets. Actual results could differ from those estimates.

## 3. Financial instruments and financial risk management:

Financial risk management - overview:

The Board has exposure to the following risks from its use of financial instruments:

Credit risk  
Liquidity risk, and  
Interest rate risk

The Board manages its exposure to risks associated with financial instruments that have the potential to affect its operating performance. The Board's Directors have the overall responsibility for the establishment and oversight of the Board's objectives, policies and procedures for measuring, monitoring and managing these risks.

The Board has exposure to the following risks associated with its financial instruments:

Credit risk:

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Board to credit risk consist principally of accounts receivable and accrued interest.

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# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

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### 3. Financial instruments and financial risk management (continued):

The maximum exposure of the Board's credit risk is as follows:

	2020	2019
Accounts Receivable	\$ 14,511,955	\$ 19,027,570
Accrued Interest	16,593	75,298
	\$ 14,528,548	\$ 19,102,868

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Accounts receivable: The Board is not exposed to significant credit risk as the receivables are with Municipal and other government entities and payment in full is typically collected when it is due. Credit evaluations are done for each Rural Municipality.

The aging of accounts receivable are as follows:

	2020	2019
Current	\$ 8,467,814	\$ 9,087,525
30-60 days past billing date	4,503,840	4,746,696
60-90 days past billing date	1,535,772	5,193,249
90-120 days past billing date	4,529	100
	\$ 14,511,955	\$ 19,027,570

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Accrued Interest: The Board is not exposed to significant credit risk as the accrued interest relates to receivables with municipalities for ongoing construction and payment is anticipated at the completion of the work.

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# THE MANITOBA WATER SERVICES BOARD

## Notes to Financial Statements

For the year ended March 31, 2020

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### 3. Financial instruments and financial risk management (continued):

#### Liquidity risk:

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they come due. The Board manages liquidity risk by maintaining adequate cash balances and by appropriately utilizing working capital advances as required. The Board prepares and monitors detailed forecasts of cash flows from operations and anticipated investing and financing activities. Identified capital supply requirements are reviewed and approved by the Minister of Finance to ensure adequate funding will be available to meet the Board's obligations utilizing bridge financing through The Loan Act. The Board continuously monitors and reviews both actual and forecasted cash flows through periodic financial reporting.

#### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to accounts receivable, accrued interest, accounts payable and accrued charges, and advances from the Province of Manitoba.

The interest rate risk on the above exposures is considered to be low because of their short-term nature.

### 4. Unbilled construction costs to Municipalities:

	2020	2019
Balance, beginning of year	\$ 18,118,779	\$ 19,647,713
New construction costs	88,023,604	100,586,905
	106,142,383	120,234,618
Funding recovered from:		
Municipalities	80,433,199	88,361,711
Province of Manitoba	14,646,311	13,754,128
	95,079,510	102,115,839
Unbilled construction costs to Municipalities	\$ 11,062,873	\$ 18,118,779

# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

## 5. Tangible capital assets:

2020	Cost	Accumulated Amortization	Net book value
Land and easements	\$ -	\$ -	\$ -

2019	Cost	Accumulated Amortization	Net book value
Land and easements	\$ 10,310	\$ -	\$ 10,310

## 6. Accumulated Surplus/(Deficit):

Accumulated surplus/(deficit) consists of accumulated excess revenues over expenses pertaining to the water supply plants operated by the Board for the benefit of municipalities and pertaining to plants operated by the Board under agreements with municipalities. Separate equity accounts are maintained for each plant operated by the Board. Municipalities are responsible for any deficit balances and are given credit for surplus balances whenever plant operating responsibilities are transferred to the municipalities.

	No.	2020	No.	2019
Plants with deficit	7	\$ (15,680,015)	7	\$ (9,729,283)
Plants with surplus	3	406,751	3	730,150
Total funds retained (deficit), water supply plants	10	(15,273,264)	10	(8,999,133)
Interest and adjustment fund Account (note 6)		100,000		100,000
		\$ (15,173,264)		\$ (8,899,133)

The Board is responsible for all ongoing capital repairs and improvements necessary for the water plants it operates. Costs relating to this during 2019/2020 include capital works approved by the Board for regional systems operated by the Board including, Cartier Regional (\$6,300,359), South Central (\$90,385), Southwest Regional \$162,898, Whitehead-Elton (\$17,765) and Yellowhead (\$164,633). There were no water plants transferred in 2019/2020, therefore the net disbursement to municipalities totaled (\$6,410,244) ((\$702,048) - 2019).

Interest and adjustment fund account:

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# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

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## 6. Accumulated Surplus/(Deficit) continued:

The Board allocates interest costs to construction projects and to the operations of water supply plants at a rate comparable to the Board's cost of borrowing. The interest allocated and the actual net interest costs incurred by the Board are recorded in the Interest Adjustment Fund Account. Board policy is to maintain a balance of \$100,000 in the Interest Adjustment Fund Account to absorb any shortfall in the allocation of actual net interest costs for the year. Interest costs were fully allocated for both the current and the preceding year.

## 7. Administrative expenses paid by the Province of Manitoba:

Administrative expenses paid by the Province of Manitoba and included in expenses are as follows:

	2020	2019
Professional services	\$ 19,133	\$ 17,322
Salaries and benefits	2,441,553	2,308,923
Telephone and utilities	20,747	19,735
Travel	684	513
Other administrative	97,697	96,481
	\$ 2,579,814	\$ 2,442,974

## 8. Commitments:

	2020	2019
Signed agreements and offers for construction of sewer and water systems for municipalities and cooperatives	\$ 103,493,157	\$ 145,171,614

These commitments are expected to be funded as follows:

Subsidization of construction costs –		
Province of Manitoba	\$ 26,256,400	\$ 29,116,500
Recovery of construction costs –		
Municipalities and cooperatives	77,236,757	116,055,114
	\$ 103,493,157	\$ 145,171,614

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# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

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## 9. Contingencies:

The Board is involved in legal proceedings arising in the normal course of business, the outcome of which cannot be predicted at this time. In the opinion of management, the disposition of these cases will not materially affect the financial position of the Board. Any settlement will be recognized in the year the settlement occurs.

## 10. Related party transactions:

The Board is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Board enters into transactions with these entities in the normal course of operations and they are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

## 11. Economic dependency:

The Board is economically dependent on the Province of Manitoba.

## 12. Advances from The Province of Manitoba payable on demand:

The Board finances construction in progress by borrowing advances from the Province through The *Loan Act*. The Board pays interest on these unfixed advances. Interest payable is set at Prime less 0.75 percent. During 2019/2020 the rate of interest charged fluctuated and decreased from 3.20 percent to 1.70 percent on a quarterly basis. These advances are repaid once funding is received from the municipalities and cooperatives for their share of the eligible project costs.

As at March 31, 2020, the Province had unused authority of \$75,360,000 under The *Loan Act* - 2019 to provide future financing to the Board for construction of municipal sewer and water facilities on behalf of municipalities and cooperatives.

## 13. Budgeted figures:

The budgeted figures presented in these financial statements have been derived from the estimates approved by the Board.

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# THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements

For the year ended March 31, 2020

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## **14. Subsequent event:**

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Board as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.



**RM of Rhineland – Gravity Sewer install**



**RM of Rhineland – Plum Coulee Reservoir**



**RM of Rhineland – Plum Coulee Reservoir**



**Town of Neepawa Lagoon – Wastewater Treatment Facility**



**Town of Neepawa Lagoon**



**RM of Pembina LaRiviere Lagoon – SAGR System**



**Town of Swan River Water System Upgrade**



**Nelson House UV Addition**



**Mun. of Prairie View - Birtle Water Treatment Plant**



**Mun. of Prairie View – Birtle Water Treatment Plant  
Distribution Header**



**RM of Pipestone Wastewater Sewer**



**RM of Pipestone Wastewater Sewer**



**Grand Beach Lagoon Installing Liner on Secondary Cell**



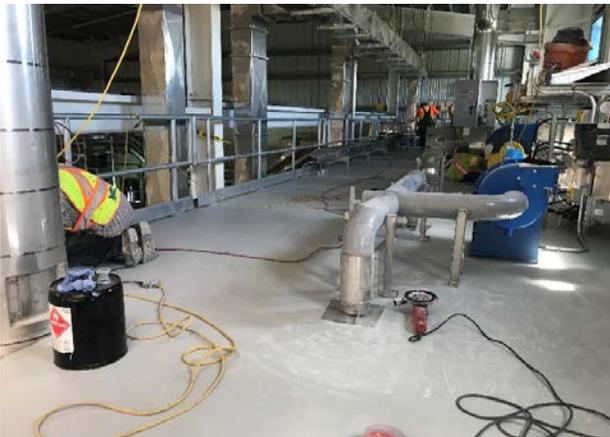
**La Riviere Sewage Aeration Building**



**Norfolk-Treherne Watermain Replacement**



**RM of Stanley Rural Pipeline**



**City of Selkirk WWTP Mezzanine Floor**



**Town of Carman Reservoir**