

THE MUNICIPAL BOARD OF MANITOBA

DECISION AND ORDER

DECISION DATE: June 25, 2025

Order No. E-25-075

File No. 25E7-0009

PANEL: Lori Lavoie, Chair
Chris Fulsher, Member

TOWN OF STONEWALL - BY-LAW NO. 04-25

The Town of Stonewall (the "Town") submits By-law No. 04-25 (the "Proposed By-law") under Section 176 of *The Municipal Act* for the Board's review and approval. The Proposed By-law, which is a General Borrowing By-law, was received from the Municipal Finance Officer on June 23, 2025.

The Proposed By-law attached as Appendix "A", authorizes the expenditure and borrowing of money for the construction of a new reverse osmosis water treatment plant in the Town at 147 5th Street West, water reservoir expansions in the Town at 147 5th Street West and Local Urban District (LUD) of Warren, and new supply wells and a water supply pipeline from the Town to the LUD of Warren.

The estimated cost is \$33,310,000.00. The Town is to receive funding from multiple sources as follows:

Funding Source	Amount
Federal Investing in Canada Infrastructure Program (ICIP)	\$21,083,676.00
Manitoba Water Services Board (MWSB)	2,279,114.00
RM of Woodlands (LUD of Warren) contribution	4,538,367.00
Town of Stonewall – Reserve and Utility Surplus	2,408,843.00
Sub-Total (Grant, Contribution and Reserve Funding)	\$30,310,000.00
Town of Stonewall – Borrowing By-law 04-25	3,000,000.00
Total (Grant, Contribution, Reserve and Borrowing)	\$33,310,000.00

The balance of \$3,000,000.00 is to be debentured over a 20-year period at an estimated annual interest rate of 6.25%.

The annual debt payment of \$ 266,886.81 will be recovered by a debenture surcharge on water rates within the Town. The Public Utilities Board (the "PUB") has approved a utility surcharge estimated to be \$0.61 per cubic meter for the Town, for the Stonewall Woodlands Regional Water Project, under PUB Order No. 51/25.

The financial data presented to the Board indicates that the Town presently has an Authorized Debt to Municipal Assessment Ratio of 2.16% and a Debt Charge to Current Revenue Ratio of 4.17%. If the Proposed By-law is approved, the ratios will increase to 2.83% and 5.60% respectively, which are within the Board's guidelines of 7% and 20%.

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The Board received 2 objections to the Proposed By-law. As Division 2 of *The Municipal Act* does not provide the right to file objections on General Borrowing By-laws, the objections are not valid.

In dealing with the Proposed By-law, the Board must look at its duty which is set out in Section 64 of *The Municipal Board Act*, which states:

Duty of board

64 In dealing with an application the board shall consider

(a) the nature of the work, undertaking, or object proposed;

(b) the necessity or expediency thereof;

(c) the financial position of the local authority; and

(d) any other relevant matters;

and may refuse the application or require the local authority to vary the application, or may grant the application in whole or in part, or subject to conditions.

The Board is satisfied that the construction of a new reverse osmosis water treatment plant, water reservoir expansions in the Town and LUD of Warren, and new supply wells and a water supply pipeline from the Town to the LUD of Warren are needed and that it is expedient to proceed with the project. The Board also is satisfied that the Town has the financial capacity to undertake the proposed borrowing and to manage its current debt.

The Board finds the Proposed By-law is reasonable.

THEREFORE, THE BOARD ORDERS THAT:

1. Town of Stonewall By-law No. 04-25 **BE APPROVED.**
2. A filing fee of \$50.00 be paid by the Town of Stonewall.

FOR THE MUNICIPAL BOARD

June 25, 2025
Date

Lori Lavoie
Lori Lavoie, Chair

E. Wills
Erin Wills, Secretary

Being a By-law of the Town of Stonewall to provide for the expenditure and borrowing of funds for the construction of a new reverse osmosis water treatment plant, water reservoir expansion, and new water supply wells in Stonewall, Manitoba.

WHEREAS *The Municipal Act*, S.M. 1996, c.58 provides, in part, as follows:

"172 In this Division,

"borrowing" means the borrowing of money, and includes
(e) issuing debentures

"borrowing by-law" means a by-law referred to in clause 174(1)(a)."

"174(1) A municipality may make a borrowing only if

- (a) the borrowing is authorized by a by-law passed in accordance with section 174.1; and
- (b) subject to subsection (2), the borrowing is set out as a debt obligation in the operating budget or capital budget or it is made to fund an expenditure authorized under subsection 169(5)."

"174.1(1) The council must give public notice before giving first reading to a borrowing by-law that authorizes the municipality to

- (a) issue debenture; and
- (b) use the money borrowed to fund a capital project that has been included in the financial plan adopted under section 162."

AND WHEREAS the Council of the Town of Stonewall is of the opinion that the construction of a new reverse osmosis water treatment plant, water reservoir expansion, and new water supply wells should be undertaken within the municipality;

AND WHEREAS in order to complete such undertakings, it will be necessary for the Town of Stonewall to borrow the sum of **\$3,000,000.00** as hereinafter provided, which is the amount of the debt intended to be created by this by-law;

AND WHEREAS the consecutive annual amounts, including principal and interest, required to be raised each year for 20 years, as hereinafter provided, for paying the principal and interest under this by-law are the amounts set out in Schedule "A" hereto;

AND WHEREAS the assessed value of the whole land chargeable under this by-law, according to the last revised assessment roll, is **\$488,247,110.00**;

AND WHEREAS the amount of the existing debenture debt of the Town of Stonewall as of December 31, 2024 is **\$2,810,215.79**, of which no portion of the principal or of the interest thereon is in arrears;

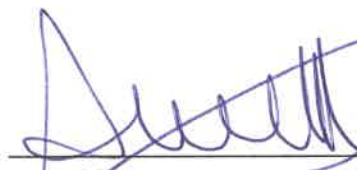
NOW THEREFORE the Council of the Town of Stonewall in regular session assembled, enacts as follows:

1. THAT the Town of Stonewall is hereby authorized and empowered to raise upon the credit of the municipality, funds not repayable within the current fiscal year by the borrowing of money in an amount not exceeding three million dollars (**\$3,000,000.00**);
2. THAT the funds so raised shall be for the purpose of financing certain works as follows:
Construction of a new reverse osmosis water treatment plant, water reservoir expansion, and new water supply wells in Stonewall at 147 5th Street West to provide a reliable source of drinking water for residents;
3. THAT the borrowing for the aforesaid project shall be issued by the Town of Stonewall in the Province of Manitoba, and shall be payable at the Access Credit Union in Stonewall, MB, and shall be dated the 1st day of December A.D. 2025;

4. THAT the said borrowing shall bear interest at a rate estimated for the time being at **6.25%** per annum, and subject in any event to the authorization of The Municipal Board at the time of sale, and shall mature in accordance with the maturities set out in Schedule "A" hereto on the 31st day of December in each of the years 2026 to 2045, both inclusive;
5. THAT the issuance of borrowings shall be signed by the Mayor and by the Chief Administrative Officer of the Town of Stonewall and there shall be affixed thereto the corporate seal of the said municipality;
6. THAT during the currency of the said borrowing; namely, in each of the years 2026 to 2045, both inclusive, there shall be raised annually by debenture surcharge on the water rates of the Town of Stonewall utility an amount sufficient to meet the requirement for principal and interest;
7. THAT pursuant to subsection 174(3)(d) of The Municipal Act, pending the issue of the borrowing, the council of the Town of Stonewall may agree with a bank or person or borrow from the general funds of the municipality for temporary advances from time to time to meet expenditures incurred for the purpose aforesaid, and the total of such advances shall not exceed five million dollars (**\$5,000,000.00**);

DONE AND PASSED in Council assembled in the Town Hall, at the Town of Stonewall, in the Province of Manitoba, this 3rd day of September A.D., 2025.





MAYOR

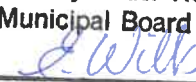


CHIEF ADMINISTRATIVE OFFICER

Read a first time this 3rd day of March, A.D., 2025.

Read a second time this 3rd day of September A.D., 2025.

Read a third time this 3rd day of September A.D., 2025.

APPROVED By Order No. E-25-075
of The Municipal Board


Secretary

TOWN OF STONEWALL			
Water Treatment Plant and Reservoirs		Sold To:	
		SCHEDULE - A TO BYLAW NO. 04-25	
Debenture Issue			
Term (Yrs):	20	Amount:	3,000,000.00
Date:	December 1, 2025	Rate (%):	6.2500
Payable:	December 31, 2026 - 2045	Annual Payment:	266,886.81
# of Days	396	Adjusted First Year's Payment:	283,806.76
		Adjusted Last Year's Payment:	266,886.67
MATURITY SCHEDULE			
Year	Interest	Principal	Balance
2026	204,419.95	79,386.81	2,920,613.19
2027	182,538.32	84,348.49	2,836,264.70
2028	177,266.54	89,620.27	2,746,644.43
2029	171,665.28	95,221.53	2,651,422.90
2030	165,713.93	101,172.88	2,550,250.02
2031	159,390.63	107,496.18	2,442,753.84
2032	152,672.12	114,214.69	2,328,539.15
2033	145,533.70	121,353.11	2,207,186.04
2034	137,949.13	128,937.68	2,078,248.36
2035	129,890.52	136,996.29	1,941,252.07
2036	121,328.25	145,558.56	1,795,693.51
2037	112,230.84	154,655.97	1,641,037.54
2038	102,564.85	164,321.96	1,476,715.58
2039	92,294.72	174,592.09	1,302,123.49
2040	81,382.72	185,504.09	1,116,619.40
2041	69,788.71	197,098.10	919,521.30
2042	57,470.08	209,416.73	710,104.57
2043	44,381.54	222,505.27	487,599.30
2044	30,474.96	236,411.85	251,187.45
2045	15,699.22	251,187.45	0.00
TOTALS	2,354,656.01	3,000,000.00	
			05-Feb-25