

November 28, 2024

The regular meeting of the Halifax Water Board will be held virtually on Thursday, November 28, 2024, beginning at 9:00 a.m. Visit [www.halifaxwater.ca](http://www.halifaxwater.ca) to register to attend the public portion of the meeting.

### AGENDA

#### In Camera Reports

- 1C Approval of Minutes of the In-Camera Meeting held on September 26, 2024, and special In-Camera meetings of October 16, 2024, and November 4, 2024.

***Motion: That the Halifax Water Board approve the In-Camera minutes of September 26, 2024, and special In Camera meetings of October 16, 2024, and November 4, 2024.***

- 2C Business Arising from Minutes  
3C Governance Matter  
4C Security Matter  
5C Operational Matter  
6C-I Capital Matter

#### Regular Reports

1. a) Ratification of In-Camera motions

***Motion: That the Halifax Water Board ratify the In-Camera Motions.***

- b) Approval of the order of business and approval of additions and deletions

***Motion: That the Halifax Water Board approve the order of business and approve additions and deletions.***

2. Approval of minutes of the Regular meeting held on Thursday, September 26, 2024

***Motion: That the Halifax Water Board approve the minutes of the September 26, 2024, regular meeting.***

3. Business arising from minutes.  
a) None

## Financial Reports

- 4.1 Operating results as of September 30, 2024
- 4.2 Capital expenditures as of September 30, 2024
- 4.3 Proposed 2025 HRWC Employees' Pension Plan Budget

***Motion: That the Halifax Water Board approve the proposed 2025 budget for the Halifax Water Employees' Pension Plan covering the period January 1, 2025, to December 31, 2025, as attached to Report Item #6 dated November 7, 2024.***

- 4.4 Operating Budget Preliminary (Verbal)
- 4.5 Capital Budget Preliminary (Verbal)

## Capital Reports

- 5.1 Lacewood Drive Transmission Main Looping

***Motion: That the Halifax Water Board approve the Lacewood Drive Transmission Main Extension (IMP Project# W02) at a total cost of \$5,817,000.***

- 5.2 Sullivan's Pond Storm Sewer Replacement – Phase 2, Part II

***Motion: That the Halifax Water Board approve funding in the amount of \$19,398,000 (including net HST) for the Sullivan's Pond Storm Sewer Replacement Phase 2 – Part II (Sawmill Creek) project.***

- 5.3 Main Street Pumping Station Golfview Drive Project – Additional Funding Request

***Motion: That the Halifax Water Board approve additional funding of \$550,000 for the Main Street Pump Station Golf View Dr project for a revised total project cost of \$1,820,000, including net HST.***

## Other Business

6. Appointments to Board Sub-Committees

***Motion: That the Halifax Water Board approve the appointment of Commissioner Trish Purdy to the Environment Health and Safety Committee.***

7. Lake Major Water Level Update (Verbal)

## Information Reports

- 1-I Operational Performance Information Report
- 2-I Halifax Water Employees' Pension Plan Performance – Quarterly Update Q3 2024
- 3-I HRM Master Trust Investment Performance Q2 2024
- 4-I Halifax Water Compliance Statement – Quarterly Certification

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Lorna Skinner,  
Governance Coordination Assistant

## Halifax Water Board Meeting Minutes

**Date: September 26, 2024**

**Meeting Time: 10:10 a.m.**

**Attendees:**

Commissioner Colleen Rollings, Chair

Commissioner Cathy Deagle Gammon, Vice Chair

Commissioner John MacPherson

Commissioner Nancy MacLellan

Commissioner Paul Russell

Commissioner Becky Kent

Commissioner Cathie O'Toole

**Regrets:**

Commissioner Patty Cuttell

**Staff:**

Kenda MacKenzie, Acting General Manager & CEO

Louis de Montbrun, Director, Corporate Services

Rebecca Khan, Lawyer, Acting Board Secretary

Josh DeYoung, Director, Capital Engineering & Infrastructure

John Eisnor, Director, Operations

Wendy Krkosek, Acting Director, Regulatory Services

Jeff Myrick, Manager of Communications and Public Affairs

Sanjeev Tagra, Senior Manager, Strategic Projects

Heather Miller, Manager, Wastewater/Combined Sewer Infrastructure Planning

Jonathan MacDonald, Manager, Water Infrastructure Planning

James Chisholm, Project Engineer (District Energy)

Jennifer Duncan, Manager, Asset Management

Lorna Skinner, Governance Coordination Assistant, General Manager's Office

<b>Regular Reports</b>	
<b>1.a) RATIFICATION OF IN CAMERA MOTIONS</b>	
Discussion Notes	<b>MOVED BY Commissioner Deagle-Gammon, seconded by Commissioner Kent that the Halifax Water Board ratify the In-Camera motions.</b>
Decision	<b>MOTION PUT AND PASSED.</b>
<b>1b) APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS</b>	
Discussion Notes	The Chair requested that Item 6-I be moved into the regular agenda as Item 7. <b>MOVED BY Commissioner Russell, seconded by Commissioner MacLellan that the Halifax Water Board approve the order of business and approve additions and deletions as amended.</b>
Decision	<b>MOTION PUT AND PASSED.</b>
<b>2. APPROVAL OF MINUTES – June 20, 2024</b>	
Discussion Notes	<b>MOVED BY Commissioner Kent, seconded by Commissioner Deagle Gammon that the Halifax Water Board approve the minutes of the meeting held on June 20, 2024.</b>
Decision	<b>MOTION PUT AND PASSED.</b>
<b>3. BUSINESS ARISING FROM THE MINUTES</b>	
Discussion Notes	<b>None</b>

<b>Financial Reports</b>	
<b>4.1 OPERATING RESULTS AS OF JULY 31, 2024</b>	
Discussion Notes	An information report dated September 26, 2024, was submitted. Louis de Montbrun gave an overview of the operating results for the four months ended July 31, 2024.
Decision	<b>N/A</b>
<b>4.2 CAPITAL EXPENDITURES AS OF JULY 31, 2024</b>	
Discussion Notes	An information report dated September 26, 2024, was submitted. Louis de Montbrun updated the Board on the capital expenditures as of July 31, 2024.
Decision	<b>N/A</b>

<b>4.3 FALL 2024 DEBENTURE</b>	
Discussion Notes	<p>A report dated September 26, 2024, was submitted. Louis de Montbrun gave an overview of the Fall 2024 Debenture.</p> <p><b>MOVED BY Commissioner Russell, seconded by Commissioner Deagle Gammon that the Halifax Water Board approve the following motions:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the financing of \$65,000,000 with a thirty-year amortization term and finance over ten years. The maximum all-inclusive rate is not to exceed 6.5%.</b></li> <li><b>2. Approve the re-financing of \$14,080,529 with a ten-year amortization term and financing over ten years, with an all-inclusive rate not to exceed 6.5%.</b></li> </ol>
Decision	<b>MOTION PUT AND PASSED.</b>
<b>4.4 CAPITAL PROJECTS SPENDING SUMMARY 2023/24</b>	
Discussion Notes	<p>A report dated September 26, 2024, was submitted.</p> <p><b>MOVED BY Commissioner Deagle Gammon, seconded by Commissioner MacLellan that the Halifax Water Board approve for filing with the NSUARB, the capital project spending summary for the period April 1, 2023, to March 31, 2024, and the capital project spending over \$1,000,000 summary for the period April 1, 2023, to March 31, 2024.</b></p>
Decision	<b>MOTION PUT AND PASSED.</b>
<b>4.5 UPDATE ON TIMELINES FOR REGIONAL DEVELOPMENT CHARGE, INTEGRATED RESOURCE PLAN AND RATE APPLICATION (VERBAL)</b>	
Discussion Notes	Louis de Montbrun gave a presentation on the timelines for the Regional Development Charge, the Integrated Resource Plan, and the Rate Application.
Decision	<b>N/A</b>

<b>Capital Approvals</b>	
<b>5.1 WINDSOR STREET EXCHANGE REDEVELOPMENT PROJECT – UPDATE (VERBAL)</b>	
Discussion Notes	Jonathan MacDonald gave a presentation on the Windsor Street Exchange Redevelopment Project.
Decision	<b>N/A</b>
<b>5.2 WATER SUPPLY ENHANCEMENT PROGRAM (WSEP) - UPDATE (VERBAL)</b>	
Discussion Notes	Sanjeev Tagra gave a presentation on the Water Supply Enhancement Program.
Decision	<b>N/A</b>

### 5.3 DISTRICT ENERGY SYSTEM (DES) BOUNDARY EXTENSION REQUEST

Discussion Notes	<p>A report dated August 28, 2024, was submitted. James Chisholm provided insight on the DES boundary extension request.</p> <p><b>MOVED BY Commissioner Deagle Gammon, seconded by Commissioner Russell that that the Halifax Water Board direct the A/General Manager to request that Halifax Regional Council:</b></p> <ol style="list-style-type: none"><li><b>1. Authorize the Halifax Regional Water Commission to operate the Cogswell District Energy System within the “non-mandatory” connection zone as depicted in Figure 2 of this report, in addition to the existing mandatory connection zone.</b></li><li><b>2. Direct the Mayor to write a letter to the Province of Nova Scotia requesting legislative amendments to the Halifax Regional Municipality Charter and Halifax Regional Water Commission Act, to:</b><ol style="list-style-type: none"><li><b>a. expand the boundary of the Cogswell District Energy System to include the “non-mandatory” connection zone depicted in Figure 2 of this report;</b></li><li><b>b. authorize the municipality to pass by-laws with respect to both the mandatory and non-mandatory connection zones; and</b></li><li><b>c. extend the application of Halifax Water’s statutory limitations of liability to the provision of incidental business, including district energy services.</b></li></ol></li></ol>
Decision	<b>MOTIONS PUT AND PASSED.</b>

### Other Business

### 6. CORPORATE GOVERNANCE MANUAL & SIGNING AUTHORITY GUIDELINES

Discussion Notes	<p>A report dated September 26, 2024, was submitted. Kenda MacKenzie provided an overview of the amendments to the Governance Manual and the Signing Authority Guidelines.</p> <p><b>MOVED BY Commissioner Kent, seconded by Commissioner MacLellan that the Halifax Water Board:</b></p> <ol style="list-style-type: none"><li><b>1. Approve amendments to the Corporate Governance Manual as shown in Attachment A; and</b></li><li><b>2. Authorize the General Manager to oversee and update the Signing Authority Guidelines as a corporate operational policy.</b></li></ol>
Decision	<b>MOTION PUT AND PASSED.</b>

## 7. POCKWOCK BOIL ORDER ADVISORY INVESTIGATION (Formerly 6-I)

Discussion Notes	The Chair informed the Board that the investigation report is available on the Halifax Water website and, on behalf of the Board, thanked the Halifax Water Team for their prompt and fulsome response to the incident. Wendy Krkosek gave a brief overview of the recommendations in the report.		
Decision	N/A		
<b>Action Item</b>	<b>Person Responsible</b>	<b>Deadline</b>	
Provide updates on the status of the recommendations through the Enterprise Risk Management (ERM) Subcommittee of the Halifax Water Board.	Wendy Krkosek	Next ERM Meeting	

**Next Meeting Date: November 28, 2024**

Minutes taken by:  
Lorna Skinner, Governance Coordination Assistant  
Regulatory Affairs and Governance Department



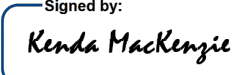
## ITEM #4.1

Halifax Water Board

November 28, 2024

**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
Signed by: A03D0674EBC1467...  
Louis de Montbrun, CPA, CA  
Director, Corporate Services/CFO

**APPROVED:**   
Signed by: 9C084AC815704F8...  
Kenda McKenzie, P.Eng.  
Acting Chief Executive Officer and General Manager

**DATE:** November 21, 2024

**SUBJECT:** Financial Results for the six months ended September 30, 2024

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### **ORIGIN**

Financial information reporting.

### **BACKGROUND**

At the November 7, 2024, meeting of the Halifax Water Audit and Finance Committee, the Financial Results as of September 30, 2024, report was reviewed and discussed. Subsequent to the meeting, minor changes were made to the report and accompanying financial statements.

### **DISCUSSION**

Attached are the operating results for Halifax Water for the six months ended September 30, 2024, with comparative figures for September 30, 2023.

The following discussion of the operating results reflects direct operating costs by department and allocations among water, wastewater and stormwater for common costs.

### **Statement of Financial Position (NSUARB) - Page 3 of Attachment 1**

Key indicators and balances from the Statement of Financial Position are provided in the following tables.

# ITEM #4.1

## Halifax Water Board

November 28, 2024

**Table 1: Assets**

September 30 (in thousands)	Notes	2024	2023	March 31 2024	From Prior Year \$ Change	% Change
<b>Assets</b>						
<b>Current</b>						
Cash and cash equivalents	A	\$ 46,422	\$ 24,024	\$ 44,021	\$ 22,398	93.2%
Receivables						
Customer charges and contractual	B	22,603	22,171	21,546	432	1.9%
Unbilled service revenues	C	23,026	21,006	20,959	2,020	9.6%
Inventory		2,646	2,279	2,364	367	16.1%
Prepays		1,453	1,826	1,735	(373)	(20.4%)
		<u>96,150</u>	<u>85,435</u>	<u>90,625</u>	<u>10,715</u>	<u>12.5%</u>
Utility plant in service		1,371,643	1,304,522	1,374,665	67,121	5.1%
Capital work in progress	D	158,811	114,129	114,374	44,682	39.2%
Total assets		<u>1,626,604</u>	<u>1,504,086</u>	<u>1,579,665</u>	<u>122,518</u>	<u>8.1%</u>
Regulatory deferral account		1,949	2,157	2,044	(208)	(9.6%)
<b>Total assets and regulatory deferral account</b>		<b>\$ 1,628,553</b>	<b>\$ 1,506,243</b>	<b>\$ 1,581,709</b>	<b>\$ 122,310</b>	<b>8.1%</b>

**Notes related to Table 1:**

- A) *Cash and cash equivalents* have increased \$22.4 million from the prior year. The total balance of the Regional Development Charge (RDC) reserves, excluding deferred RDCs is \$104.7 million as of September 30, 2024.
- B) *Customer charges and contractual receivables* are consistent with the prior year. The change in trade receivables is driven by the timing of billing cycles and the timing of payment received on right of way and fire protection payments from HALIFAX. Additionally, there are increases in HST receivable due to the volume of invoicing.

<b>Customer charges and contractual</b>					
	2024/25		2023/24		
	'000	'000	'000	'000	
			\$ Change		% Change
Trade receivables	\$ 23,310	\$ 20,454	\$ 2,856		14.0%
Other receivables	2,036	4,551	(2,515)		(55.3%)
Allowance for doubtful accounts	(2,743)	(2,834)	91		3.2%
	<u>\$ 22,603</u>	<u>\$ 22,171</u>	<u>\$ 432</u>		<u>1.9%</u>

- C) *Unbilled service revenue* has increased \$2.0 million due to the timing of billing cycles.
- D) The \$44.7 million increase in *capital work in progress* relates to the expenditures of \$158.8 million at September 30 compared to \$114.1 million last year.

# ITEM #4.1

## Halifax Water Board

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**Table 2: Liabilities and Equity**

September 30 (in thousands)	Notes	2024	2023	March 31 2024	From Prior Year \$ Change	% Change
<b>Liabilities</b>						
Current						
Payables and accruals						
Trade	A	23,294	20,848	23,393	2,446	11.7%
Non-trade	B	4,796	4,394	5,579	402	9.1%
Interest on long term debt		3,183	2,487	3,062	696	28.0%
Halifax Regional Municipality		2,452	0	5,047	2,452	0.0%
Contractor and customer deposits	C	1,141	3,929	1,095	(2,788)	(71.0%)
Current portion of long term debt		39,832	56,933	39,832	(17,101)	(30.0%)
Unearned revenue		7,525	8,943	157	(1,418)	(15.9%)
		82,222	97,534	78,163	(15,312)	(15.7%)
Long term debt	D	199,485	148,306	196,622	51,179	34.5%
Deferred contributions		113,368	104,009	97,673	9,359	9.0%
Total liabilities		395,074	349,849	372,458	45,225	12.9%
<b>Equity</b>						
Accumulated capital surplus		1,220,294	1,113,562	1,195,019	106,732	9.6%
Accumulated operating surplus		4,879	28,925	9,233	(24,046)	(83.1%)
Operating surplus used to fund capital		12,380	12,380	12,380	0	0.0%
Deficiency of revenues over expenditures		(4,074)	1,527	(7,381)	(5,601)	(366.8%)
Total equity		1,233,479	1,156,394	1,209,251	77,085	6.7%
<b>Total liabilities and equity</b>		<b>\$ 1,628,553</b>	<b>\$ 1,506,243</b>	<b>\$ 1,581,709</b>	<b>\$ 122,310</b>	<b>8.1%</b>

**Notes related to Table 2:**

A) *Trade payables and accruals* have increased \$2.4 million from the prior year due to a decrease of \$1.7 million in accrued liabilities due to the receipt of invoices and payments after year end.

<b>Payables and Accruals</b>				
	2024/25	2023/24		
	'000	'000	\$ Change	% Change
Trade payables	\$ 13,044	\$ 9,503	\$ 3,541	37.3%
Trade accrued payables	9,042	10,776	(1,734)	(16.1%)
Accrued wastewater rebate	1,208	569	639	112.2%
	<b>\$ 23,294</b>	<b>\$ 20,848</b>	<b>\$ 2,446</b>	<b>11.7%</b>

B) *Non-trade payables* have increased \$0.4 million due to an increase in accrued wages and salaries.

C) *Contractor and customer deposits* have decreased \$2.8 million due to no longer having to reclassify customer deposits.

D) *Long term debt* and the *current portion of long-term debt* have increased \$34.1 million as there was new debt acquired of \$15.0 million and a decrease in the *current portion* of \$17.1 million mainly due to fewer balloon payments due in the next 12 months compared to prior year.

# ITEM #4.1

## Halifax Water Board

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Debt servicing ratio is a function of total interest and principal payments (including accrued amounts) plus the amortization of debt issue costs divided by total operating revenue per service. Debt servicing ratio by service as of September 30, 2024, is as follows:

Debt Servicing Ratio by Service		
	2024/25	2023/24
Water	15.25%	12.87%
Wastewater	18.49%	19.42%
Stormwater	23.17%	20.55%
Combined	17.66%	17.05%

The debt servicing ratio for Water and Stormwater has increased from the prior year. The debt servicing ratio for Wastewater has decreased from the prior year due to higher revenues. The combined debt servicing ratio of 17.66% is below the maximum 35.00% ratio allowed under the blanket guarantee agreement with HALIFAX.

### Statement of Earnings and Comprehensive Earnings (NSUARB) – Page 4 of Attachment 1

**Table 3: Summarized Comprehensive Earnings**

Summarized Statement of Earnings					
	Actual	Actual	From Prior Year		
	2024/25	2023/24	\$ Change	% Change	
Notes	'000	'000	\$ Change	% Change	
Operating revenues	\$ 89,275	\$ 85,721	\$ 3,554	4.15%	
Operating expenditures	74,358	64,901	9,457	14.57%	
Earnings from operations before financial and other revenues and expenditures	14,917	20,820	(5,903)	(28.35%)	
Financial and other revenues	434	405	29	7.16%	
Financial and other expenditures	19,425	17,943	1,482	8.26%	
Earnings (loss) for the period	<b>A</b> \$ (4,074)	\$ 3,282	\$ (7,356)	(224.13%)	

#### Notes related to Table 3:

- A) The *total comprehensive loss* for the year is \$4.1 million, a decrease of \$7.4 million over the prior year. The following is a discussion of factors influencing the change.

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Halifax Water Board

November 28, 2024

**Table 4: Operating Revenues**

Operating Revenues				
	Actual 2024/25 '000	Actual 2023/24 '000	From Prior Year	
			\$ Change	% Change
Consumption revenue	\$ 59,563	\$ 55,867	\$ 3,696	6.62%
Base charge revenue	16,720	16,888	(168)	(0.99%)
Wastewater rebate	(1,043)	(855)	(188)	21.99%
Metered sales total	75,240	71,900	3,340	4.65%
Stormwater site generated charge	4,245	3,949	296	7.50%
Stormwater right of way	3,258	3,726	(468)	(12.56%)
Public fire protection	4,042	4,042	-	0.00%
Private fire protection	862	844	18	2.13%
Other operating revenue	1,628	1,259	369	29.31%
Operating revenue total	\$ 89,275	\$ 85,721	\$ 3,554	4.15%

**Notes related to Table 4:**

Operating revenues are presented above, broken down by type:

- A) *Operating revenues* have increased \$3.6 million as compared to the previous year as discussed below.
- B) *Consumption revenue* has increased \$3.7 million due to a drier summer in 2024 than 2023.
- C) *Wastewater rebates* increased \$0.2 million due to an increase in the monthly accrual compared to last year, related to the Wastewater rebate for Nova Scotia Power Inc.
- D) *Stormwater site generated charge revenue* is \$0.3 million higher than the prior year due to growth in the stormwater service customer base.

**Table 5: Operating expenditures:**

<b>Operating Expenditures</b>					
	<b>Notes</b>	<b>Actual 2024/25 '000</b>	<b>Actual 2023/24 '000</b>	<b>From Prior Year</b>	
				<b>\$ Change</b>	<b>% Change</b>
Water supply and treatment	<b>B</b>	<b>\$ 6,817</b>	\$ 6,403	\$ 414	6.46%
Water transmission and distribution	<b>C</b>	<b>6,842</b>	6,145	698	11.35%
Wastewater collection		<b>7,001</b>	6,957	44	0.63%
Stormwater collection	<b>D</b>	<b>2,985</b>	2,390	594	24.87%
Wastewater treatment		<b>11,752</b>	11,462	290	2.53%
Engineering and technology services	<b>E</b>	<b>10,426</b>	7,294	3,132	42.93%
Regulatory services	<b>F</b>	<b>2,609</b>	1,599	1,010	63.12%
Customer services		<b>2,268</b>	2,020	248	12.28%
Corporate services		<b>1,841</b>	1,577	263	16.70%
Administration services		<b>2,620</b>	2,010	610	30.35%
Depreciation and amortization	<b>G</b>	<b>19,197</b>	17,044	2,154	12.64%
<b>Total operating expenditures</b>	<b>A</b>	<b>\$ 74,358</b>	\$ 64,901	\$ 9,457	14.57%

**Notes related to Table 5:**

- A) *Operating expenditures* of \$74.4 million are \$9.5 million more than the prior year.
- B) *Water supply and treatment* expenditures have increased \$0.4 million from prior year due to:
  - An increase in contract services and equipment repairs and maintenance caused by repairs to equipment at a treatment facility.
  - Electricity costs increased because of rate changes, and an increase in heating degree days (days requiring space heating).
  - Chemical costs have increased due to an increase in chemical prices.
- C) *Water transmission and distribution* expenditures have increased \$0.7 million from the prior year due to an increase in costs of electricity, vehicle costs, hired equipment, road and street repairs, contract services, wages, materials and supplies, and traffic control services.
- D) *Stormwater collection* expenditures have increased \$0.6 million from prior year due to an increase in contract services and traffic control which was caused by an increase in ditching work required for recently acquired stormwater infrastructure through the boundary expansion.
- E) *Engineering and technology services* expenditures have increased \$3.1 million from prior year due to an increase in computer software and licenses, network equipment, salaries, and allocations.

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- F) *Regulatory services* expenditures have increased \$1.0 million from prior year due to an increase in salaries and allocations.
- G) *Depreciation and amortization* increased \$2.2 million over prior year because of additions to assets including capitalization of the Cayenta ERP system and other new assets added in the prior year.

**Table 6: Financial and other revenues:**

Financial and other revenues					
	Notes	Actual 2024/25 '000	Actual 2023/24 '000	From Prior Year	
				\$ Change	% Change
Interest		\$ 168	\$ 154	\$ 14	9.09%
Other		266	251	15	5.98%
<b>Total financial and other revenues</b>	<b>A</b>	<b>\$ 434</b>	<b>\$ 405</b>	<b>\$ 29</b>	<b>7.16%</b>

**Notes related to Table 6:**

- A) *Financial and other revenues* have increased from prior year due to an increase in interest revenue earned on higher cash balances.

**Table 7: Financial and other expenditures:**

Financial and other expenditures					
	Notes	Actual 2024/25 '000	Actual 2023/24 '000	From Prior Year	
				\$ Change	% Change
Interest		\$ 115	\$ 39	\$ 76	194.87%
Interest on long term debt		4,216	3,584	632	17.63%
Repayment on long term debt		11,429	10,921	508	4.65%
Amortization of debt discount		118	108	10	9.26%
Dividend/grant in lieu of taxes		3,479	3,258	221	6.78%
Other		68	33	35	106.06%
<b>Total financial and other expenditures</b>	<b>A</b>	<b>\$ 19,425</b>	<b>\$ 17,943</b>	<b>\$ 1,482</b>	<b>8.26%</b>

**Notes related to Table 7:**

- A) *Financial and other expenditures* have increased \$1.5 million over the prior year, as interest on long term debt has increased due to more debt and higher interest rates. Repayments have

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## Halifax Water Board

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increased proportionally with the increase in debt, the increase in the dividend/grant in lieu of taxes are a result of the increase in property values.

### Results under NSUARB Handbook as compared to International Financial Reporting Standards

As a rate regulated utility, the Accounting Standards Board (AcSB) requires Halifax Water to report financial results using IFRS. The NSUARB requires Halifax Water to report in accordance with the NSUARB Handbook. The differences between IFRS and the NSUARB Handbook include Non-cash pension expense, principal payments of long term debt, depreciation expense on contributed assets, various depreciation adjustments and other comprehensive income gain.

**Table 8: Operating Results by Service**

Operating Results by Service				
	Actual 2024/25 '000	Actual 2023/24 '000	From Prior Year	
			\$ Change	% Change
Water	\$ (6,155)	\$ (1,841)	\$ (4,314)	234.33%
Wastewater	3,096	5,466	(2,370)	(43.36%)
Stormwater	(1,016)	(344)	(672)	195.35%
Loss	\$ (4,074)	\$ 3,282	\$ (7,356)	(224.13%)

The results in Table 8 are explained in more detail in Tables 9 to 11.



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## Halifax Water Board

November 28, 2024

**Table 9: Operating Results by Service – Water:**

Operating Results by Service - Water				
	Actual 2024/25 '000	Actual 2023/24 '000	From Prior Year	
			\$ Change	% Change
Operating revenues	\$ 33,913	\$ 32,386	\$ 1,527	4.72%
Operating expenditures	32,182	27,544	4,638	16.84%
Earnings (loss) from operations	1,731	4,842	(3,111)	(64.25%)
Financial and other revenues	323	315	8	2.54%
Financial and other expenditures	8,208	6,999	1,209	17.27%
Earnings (loss) for the period	\$ (6,155)	\$ (1,841)	\$ (4,314)	234.33%

*Water services loss* of \$6.2 million has increased from the prior year loss by \$4.3 million due to the following factors:

- A) Increase in *operating revenues* of \$1.5 million due to an increase in consumption as previously discussed under Notes to Table 4.
- B) Increase in *operating expenditures* of \$4.6 million due to increased rates for electricity which impacts treatment facilities. An increase in chemical costs, equipment repairs and maintenance as previously discussed under Notes to Table 5.
- C) Increase in *financial and other expenditures* due to increasing interest rates on long term debt and a higher dividend/grant in lieu of taxes.

**Table 10: Operating Results by Service – Wastewater:**

Operating Results by Service - Wastewater				
	Actual 2024/25 '000	Actual 2023/24 '000	From Prior Year	
			\$ Change	% Change
Operating revenues	\$ 47,697	\$ 45,591	\$ 2,106	4.62%
Operating expenditures	35,474	30,970	4,504	14.54%
Earnings (loss) from operations	12,223	14,621	(2,398)	(16.40%)
Financial and other revenues	111	91	20	21.98%
Financial and other expenditures	9,238	9,246	(8)	(0.09%)
Earnings (loss) for the period	\$ 3,096	\$ 5,466	\$ (2,370)	(43.36%)

*Wastewater services earnings* of \$3.1 million has decreased \$2.4 million over prior year loss due to the following factors:

# ITEM #4.1

Halifax Water Board

November 28, 2024

- A) *Operating revenues* increase of \$2.1 million is attributable primarily due to an increase in customer base and consumption increase of approximately 2%.
- B) *Operating expenditures* increase of \$4.5 million is attributable primarily due to an increase in depreciation and amortization because of additions to assets as previously discussed under Notes to Table 5.

**Table 11: Operating Results by Service – Stormwater:**

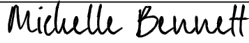
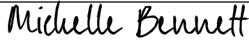
Operating Results by Service - Stormwater				
	Actual 2024/25 '000	Actual 2023/24 '000	From Prior Year	
			\$ Change	% Change
Operating revenues	\$ 7,665	\$ 7,742	\$ (77)	(0.99%)
Operating expenditures	6,702	6,388	314	4.92%
Earnings (loss) from operations	963	1,354	(391)	(28.88%)
Financial and other expenditures	1,979	1,698	281	16.55%
Earnings (loss) for the period	\$ (1,016)	\$ (344)	\$ (672)	195.35%

*Stormwater services loss* of \$1.0 million is \$0.7 million greater than the prior year loss. The following factors influenced the results:

- A) Increase of \$0.3 million in *operating expenditures* from prior year due to an increase in contract services, traffic control, ditching, catch basin cleaning and hired equipment as previously discussed in Notes to Table 5.
- B) Increase in financial and other expenditures due to increasing interest rates on long term debt and principal payments for new debt.

## Attachments

Attachment 1: Financial statements for the six months ended September 30, 2024

Signed by:   
Report prepared by:  0293B54B1309429...  
Michelle Bennett, BComm  
Manager of Accounting (782) 641-5972

**HALIFAX WATER**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION - IFRS**  
**September 30, 2024 (in thousands)**

September 30 (in thousands)	2024	2023	March 31 2024	From Prior Year \$ Change	% Change
<b>Assets</b>					
<b>Current</b>					
Cash and cash equivalents	\$ 46,422	\$ 24,548	\$ 44,021	\$ 21,874	89.1%
Receivables					
Customer charges and contractual	22,603	20,149	21,546	2,454	12.2%
Unbilled service revenues	23,026	21,006	20,959	2,020	9.6%
Halifax Regional Municipality	0	13,536	-	(13,536)	(100.0%)
Inventory	2,646	2,279	2,364	367	16.1%
Prepays	1,453	1,826	1,735	(373)	(20.4%)
	<u>96,150</u>	<u>83,344</u>	<u>90,625</u>	<u>12,806</u>	<u>15.4%</u>
Intangible assets	34,622	22,807	35,989	11,815	51.8%
Capital work in progress	158,811	114,159	114,374	44,652	39.1%
Utility plant in service	1,294,137	1,288,125	1,297,942	6,012	0.5%
Total assets	<u>1,583,720</u>	<u>1,508,435</u>	<u>1,538,930</u>	<u>75,285</u>	<u>5.0%</u>
Regulatory deferral account	1,948	2,140	2,045	(192)	(9.0%)
<b>Total assets and regulatory deferral account</b>	<b>\$ 1,585,668</b>	<b>\$ 1,510,575</b>	<b>\$ 1,540,975</b>	<b>\$ 75,093</b>	<b>5.0%</b>
<b>Liabilities</b>					
<b>Current</b>					
Payables and accruals					
Trade	23,294	20,543	23,393	2,751	13.4%
Non-trade	4,796	4,394	5,579	402	9.1%
Interest on long term debt	3,183	2,487	3,062	696	28.0%
Halifax Regional Municipality	0	0	5,047	0	0.0%
Contractor and customer deposits	1,141	1,467	1,095	(326)	(22.2%)
Current portion of deferred contributed capital	19,260	37,672	19,260	(18,412)	(48.9%)
Current portion of long term debt	39,832	45,962	39,832	(6,130)	(13.3%)
Unearned revenue	7,525	7,684	157	(159)	(2.1%)
	<u>99,031</u>	<u>120,209</u>	<u>97,425</u>	<u>(21,178)</u>	<u>(17.6%)</u>
Deferred contributed capital	932,497	910,272	928,048	22,225	2.4%
Long term debt	199,485	159,277	196,622	40,208	25.2%
Employee benefit obligation	3,173	12,579	2,353	(9,406)	(74.8%)
Total liabilities	<u>1,234,186</u>	<u>1,202,337</u>	<u>1,224,448</u>	<u>31,849</u>	<u>2.6%</u>
<b>Equity</b>					
Accumulated other comprehensive loss	60,395	51,650	60,395	8,745	16.9%
Accumulated surplus	291,087	256,588	256,135	34,499	13.4%
Total equity	<u>351,482</u>	<u>308,238</u>	<u>316,530</u>	<u>43,244</u>	<u>14.0%</u>
<b>Total liabilities and equity</b>	<b>\$ 1,585,668</b>	<b>\$ 1,510,575</b>	<b>\$ 1,540,978</b>	<b>\$ 75,093</b>	<b>5.0%</b>

**HALIFAX WATER**  
**UNAUDITED STATEMENT OF EARNINGS AND COMPREHENSIVE EARNINGS - ALL SERVICES - IFRS**  
**APRIL 1, 2024 - SEPTEMBER 30, 2024 (6 MONTHS)**  
**ACTUAL YEAR TO DATE COMPLETE: 50.00%**

	ACTUAL YEAR TO DATE		APR 1/24 MAR 31/25	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
<b>Operating revenues</b>								
Water	\$ 28,596	\$ 27,152	\$ 54,832	52.15%	\$ 1,444	5.32%	\$ (26,236)	(47.85%)
Wastewater	46,644	44,749	89,330	52.22%	1,895	4.23%	(42,686)	(47.78%)
Stormwater	7,503	7,675	15,379	48.79%	(172)	(2.24%)	(7,876)	(51.21%)
Public fire protection	4,042	4,042	8,083	50.01%	0	0.00%	(4,041)	(49.99%)
Private fire protection	862	844	1,721	50.09%	18	2.13%	(859)	(49.91%)
Other operating revenue	1,628	1,259	2,713	60.01%	369	29.31%	(1,085)	(39.99%)
	<b>89,275</b>	<b>85,721</b>	<b>172,058</b>	<b>51.89%</b>	<b>3,554</b>	<b>4.15%</b>	<b>(82,783)</b>	<b>(48.11%)</b>
<b>Operating expenditures</b>								
Water supply and treatment	6,817	6,403	13,661	49.90%	414	6.47%	(6,844)	(50.10%)
Water transmission and distribution	6,842	6,145	14,066	48.64%	697	11.34%	(7,224)	(51.36%)
Wastewater collection	7,001	6,957	14,346	48.80%	44	0.63%	(7,345)	(51.20%)
Stormwater collection	2,985	2,390	5,816	51.32%	595	24.90%	(2,831)	(48.68%)
Wastewater treatment	11,752	11,462	26,368	44.57%	290	2.53%	(14,616)	(55.43%)
Engineering and technology services	10,426	7,294	17,757	58.71%	3,132	42.94%	(7,331)	(41.29%)
Regulatory compliance services	2,609	1,599	5,922	44.06%	1,010	63.16%	(3,313)	(55.94%)
Customer services	2,268	2,020	4,507	50.32%	248	12.28%	(2,239)	(49.68%)
Corporate services	1,841	1,577	3,743	49.19%	264	16.74%	(1,902)	(50.81%)
Administration services	2,620	2,010	10,267	25.52%	610	30.35%	(7,647)	(74.48%)
Pension services	956	4,493	2,890	33.08%	(3,537)	(78.72%)	(1,934)	(66.92%)
Depreciation and amortization	28,758	31,758	53,665	53.59%	(3,000)	(9.45%)	(24,907)	(46.41%)
	<b>84,875</b>	<b>84,108</b>	<b>173,008</b>	<b>49.06%</b>	<b>767</b>	<b>0.91%</b>	<b>(88,133)</b>	<b>(50.94%)</b>
<b>Earnings (loss) from operations before financial and other revenues and expenditures</b>	<b>4,400</b>	<b>1,613</b>	<b>(950)</b>	<b>(463.16%)</b>	<b>2,787</b>	<b>172.78%</b>	<b>5,350</b>	<b>(563.16%)</b>
<b>Financial and other revenues</b>								
Interest	168	154	511	32.88%	14	9.09%	(343)	(67.12%)
Amortization of contributed capital	8,310	8,162	19,260	43.15%	148	1.81%	(10,950)	(56.85%)
Other	266	251	615	43.25%	15	5.98%	(349)	(56.75%)
	<b>8,744</b>	<b>8,567</b>	<b>20,386</b>	<b>42.89%</b>	<b>177</b>	<b>2.07%</b>	<b>(11,642)</b>	<b>(57.11%)</b>
<b>Financial and other expenditures</b>								
Interest	115	39	128	89.84%	76	194.87%	(13)	(10.16%)
Interest on long term debt	4,216	3,584	9,375	44.97%	632	17.63%	(5,159)	(55.03%)
Amortization of debt discount	118	108	244	48.36%	10	9.26%	(126)	(51.64%)
Dividend/grant in lieu of taxes	3,479	3,258	7,031	49.48%	221	6.78%	(3,552)	(50.52%)
Other	68	32	175	38.86%	36	112.50%	(107)	(61.14%)
	<b>7,996</b>	<b>7,021</b>	<b>16,953</b>	<b>47.17%</b>	<b>975</b>	<b>13.89%</b>	<b>(8,957)</b>	<b>(52.83%)</b>
<b>Total comprehensive earnings for the year</b>	<b>\$ 5,148</b>	<b>\$ 3,159</b>	<b>\$ 2,483</b>	<b>207.33%</b>	<b>\$ 1,989</b>	<b>62.96%</b>	<b>\$ 2,665</b>	<b>107.33%</b>

**HALIFAX WATER**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION - NSUARE**  
**September 30, 2024 (in thousands)**

September 30 (in thousands)	Notes	2024	2023	March 31 2024	From Prior Year \$ Change	% Change
<b>Assets</b>						
Current						
Cash and cash equivalents	A	\$ 46,422	\$ 24,024	\$ 44,021	\$ 22,398	93.2%
Receivables						
Customer charges and contractual	B	22,603	22,171	21,546	432	1.9%
Unbilled service revenues	C	23,026	21,006	20,959	2,020	9.6%
Inventory		2,646	2,279	2,364	367	16.1%
Prepays		1,453	1,826	1,735	(373)	(20.4%)
		<u>96,150</u>	<u>85,435</u>	<u>90,625</u>	<u>10,715</u>	<u>12.5%</u>
Utility plant in service		1,371,643	1,304,522	1,374,665	67,121	5.1%
Capital work in progress	D	158,811	114,129	114,374	44,682	39.2%
Total assets		<u>1,626,604</u>	<u>1,504,086</u>	<u>1,579,665</u>	<u>122,518</u>	<u>8.1%</u>
Regulatory deferral account		1,949	2,157	2,044	(208)	(9.6%)
<b>Total assets and regulatory deferral account</b>		<b>\$ 1,628,553</b>	<b>\$ 1,506,243</b>	<b>\$ 1,581,709</b>	<b>\$ 122,310</b>	<b>8.1%</b>
<b>Liabilities</b>						
Current						
Payables and accruals						
Trade	A	23,294	20,848	23,393	2,446	11.7%
Non-trade	B	4,796	4,394	5,579	402	9.1%
Interest on long term debt		3,183	2,487	3,062	696	28.0%
Halifax Regional Municipality		2,452	0	5,047	2,452	0.0%
Contractor and customer deposits	C	1,141	3,929	1,095	(2,788)	(71.0%)
Current portion of long term debt		39,832	56,933	39,832	(17,101)	(30.0%)
Unearned revenue		7,525	8,943	157	(1,418)	(15.9%)
		<u>82,222</u>	<u>97,534</u>	<u>78,163</u>	<u>(15,312)</u>	<u>(15.7%)</u>
Long term debt	D	199,485	148,306	196,622	51,179	34.5%
Deferred contributions		113,368	104,009	97,673	9,359	9.0%
Total liabilities		<u>395,074</u>	<u>349,849</u>	<u>372,458</u>	<u>45,225</u>	<u>12.9%</u>
<b>Equity</b>						
Accumulated capital surplus		1,220,294	1,113,562	1,195,019	106,732	9.6%
Accumulated operating surplus		4,879	28,925	9,233	(24,046)	(83.1%)
Operating surplus used to fund capital		12,380	12,380	12,380	0	0.0%
Deficiency of revenues over expenditures		(4,074)	1,527	(7,381)	(5,601)	(366.8%)
Total equity		<u>1,233,479</u>	<u>1,156,394</u>	<u>1,209,251</u>	<u>77,085</u>	<u>6.7%</u>
<b>Total liabilities and equity</b>		<b>\$ 1,628,553</b>	<b>\$ 1,506,243</b>	<b>\$ 1,581,709</b>	<b>\$ 122,310</b>	<b>8.1%</b>

**HALIFAX WATER**  
**UNAUDITED STATEMENT OF EARNINGS - ALL SERVICES - NSUAR**  
**APRIL 1, 2024 - SEPTEMBER 30, 2024 (6 MONTHS)**  
**ACTUAL YEAR TO DATE COMPLETE: 50.00%**

	ACTUAL		APR 1/24 MAR 31/25 BUDGET '000	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year		Actual to Budget	
	YEAR TO DATE THIS YEAR '000	LAST YEAR '000			\$ Change	% Change	\$ Remaining	% Remaining
<b>Operating revenues</b>								
Water	\$ 28,596	\$ 27,152	\$ 54,832	52.15%	\$ 1,444	5.32%	\$ (26,236)	(47.85%)
Wastewater	46,644	44,749	89,330	52.22%	1,895	4.23%	(42,686)	(47.78%)
Stormwater site generated service	4,245	3,949	8,864	47.89%	296	7.50%	(4,619)	(52.11%)
Stormwater right of way service	3,258	3,726	6,515	50.01%	(468)	(12.56%)	(3,257)	(49.99%)
Fire protection (public and private)	4,904	4,886	9,804	50.02%	18	0.37%	(4,900)	(49.98%)
Other services and fees	948	869	1,551	61.12%	79	9.09%	(603)	(38.88%)
Late payment and other connection fees	288	146	639	45.07%	142	97.26%	(351)	(54.93%)
Miscellaneous	392	244	523	74.95%	148	60.66%	(131)	(25.05%)
	<b>89,275</b>	<b>85,721</b>	<b>172,058</b>	<b>51.89%</b>	<b>3,554</b>	<b>4.15%</b>	<b>(82,783)</b>	<b>(48.11%)</b>
<b>Operating expenditures</b>								
Water supply and treatment	6,817	6,403	13,661	49.90%	414	6.47%	(6,844)	(50.10%)
Water transmission and distribution	6,842	6,145	14,066	48.64%	697	11.34%	(7,224)	(51.36%)
Wastewater collection	7,001	6,957	14,346	48.80%	44	0.63%	(7,345)	(51.20%)
Stormwater collection	2,985	2,390	5,816	51.32%	595	24.90%	(2,831)	(48.68%)
Wastewater treatment	11,752	11,462	26,368	44.57%	290	2.53%	(14,616)	(55.43%)
Engineering and technology services	10,426	7,294	17,757	58.71%	3,132	42.94%	(7,331)	(41.29%)
Regulatory compliance services	2,609	1,599	5,922	44.06%	1,010	63.16%	(3,313)	(55.94%)
Customer services	2,268	2,020	4,507	50.32%	248	12.28%	(2,239)	(49.68%)
Corporate services	1,841	1,577	3,743	49.19%	264	16.74%	(1,902)	(50.81%)
Administration services	2,620	2,010	10,267	25.52%	610	30.35%	(7,647)	(74.48%)
Depreciation and amortization	19,197	17,044	34,405	55.80%	2,153	12.63%	(15,208)	(44.20%)
	<b>74,358</b>	<b>64,901</b>	<b>150,858</b>	<b>49.29%</b>	<b>9,457</b>	<b>14.57%</b>	<b>(76,500)</b>	<b>(50.71%)</b>
<b>Earnings from operations before financial and other revenues and expenditures</b>	<b>14,917</b>	<b>20,820</b>	<b>21,200</b>	<b>70.36%</b>	<b>(5,903)</b>	<b>(28.35%)</b>	<b>(6,283)</b>	<b>(29.64%)</b>
<b>Financial and other revenues</b>								
Interest	168	154	511	32.88%	14	9.09%	(343)	(67.12%)
Other	266	251	615	43.25%	15	5.98%	(349)	(56.75%)
	<b>434</b>	<b>405</b>	<b>1,126</b>	<b>38.54%</b>	<b>29</b>	<b>7.16%</b>	<b>(692)</b>	<b>(61.46%)</b>
<b>Financial and other expenditures</b>								
Interest	115	39	128	89.84%	76	194.87%	(13)	(10.16%)
Interest on long term debt	4,216	3,584	9,375	44.97%	632	17.63%	(5,159)	(55.03%)
Repayment on long term debt	11,429	10,921	24,077	47.47%	508	4.65%	(12,648)	(52.53%)
Amortization of debt discount	118	108	244	48.36%	10	9.26%	(126)	(51.64%)
Dividend/grant in lieu of taxes	3,479	3,258	7,031	49.48%	221	6.78%	(3,552)	(50.52%)
Other	68	33	175	38.86%	35	106.06%	(107)	(61.14%)
	<b>19,425</b>	<b>17,943</b>	<b>41,030</b>	<b>47.34%</b>	<b>1,482</b>	<b>8.26%</b>	<b>(21,605)</b>	<b>(52.66%)</b>
<b>Earnings (loss) for the period</b>	<b>\$ (4,074)</b>	<b>\$ 3,282</b>	<b>\$ (18,704)</b>	<b>21.78%</b>	<b>\$ (7,356)</b>	<b>(224.13%)</b>	<b>\$ 14,630</b>	<b>(78.22%)</b>

**HALIFAX WATER**  
**UNAUDITED STATEMENT OF EARNINGS - WATER - NSUARB**  
**APRIL 1, 2024 - SEPTEMBER 30, 2024 (6 MONTHS)**  
**ACTUAL YEAR TO DATE COMPLETE: 50.00%**

	ACTUAL YEAR TO DATE		APR 1/24 MAR 31/25 BUDGET	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000			\$ Change	% Change	\$ Remaining	% Remaining
<b>Operating revenues - Water</b>								
Water	\$ 28,596	\$ 27,152	\$ 54,832	52.15%	\$ 1,444	5.32%	\$ (26,236)	(47.85%)
Public fire protection	4,042	4,042	8,083	50.01%	0	0.00%	(4,041)	(49.99%)
Private fire protection	862	844	1,721	50.09%	18	2.13%	(859)	(49.91%)
Bulk water stations	129	154	369	34.96%	(25)	(16.23%)	(240)	(65.04%)
Late payment and other connection fees	92	45	205	44.88%	47	104.44%	(113)	(55.12%)
Miscellaneous	192	151	269	71.38%	41	27.15%	(77)	(28.62%)
	<b>33,913</b>	<b>32,388</b>	<b>65,479</b>	<b>51.79%</b>	<b>1,525</b>	<b>4.71%</b>	<b>(31,566)</b>	<b>(48.21%)</b>
<b>Operating expenditures - Water</b>								
Water supply and treatment	6,817	6,403	13,661	49.90%	414	6.47%	(6,844)	(50.10%)
Water transmission and distribution	6,842	6,145	14,066	48.64%	697	11.34%	(7,224)	(51.36%)
Engineering and technology services	5,449	2,111	6,412	84.98%	3,338	158.12%	(963)	(15.02%)
Regulatory compliance services	1,148	1,503	1,647	69.70%	(355)	(23.62%)	(499)	(30.30%)
Customer services	1,157	1,045	2,299	50.33%	112	10.72%	(1,142)	(49.67%)
Corporate services	939	804	1,909	49.19%	135	16.79%	(970)	(50.81%)
Administration services	1,378	1,010	5,236	26.32%	368	36.44%	(3,858)	(73.68%)
Depreciation and amortization	8,452	8,522	12,959	65.22%	(70)	(0.82%)	(4,507)	(34.78%)
	<b>32,182</b>	<b>27,544</b>	<b>58,189</b>	<b>55.31%</b>	<b>4,638</b>	<b>16.84%</b>	<b>(26,007)</b>	<b>(44.69%)</b>
<b>Earnings from operations before financial and other revenues and expenditures</b>	<b>1,731</b>	<b>4,844</b>	<b>7,290</b>	<b>23.74%</b>	<b>(3,113)</b>	<b>(64.27%)</b>	<b>(5,559)</b>	<b>(76.26%)</b>
<b>Financial and other revenues</b>								
Interest	106	112	372	28.49%	(6)	(5.36%)	(266)	(71.51%)
Other	217	202	458	47.38%	15	7.43%	(241)	(52.62%)
	<b>323</b>	<b>315</b>	<b>830</b>	<b>38.92%</b>	<b>8</b>	<b>2.54%</b>	<b>(507)</b>	<b>(61.08%)</b>
<b>Financial and other expenditures</b>								
Interest on long term debt	1,789	1,210	4,109	43.54%	579	47.85%	(2,320)	(56.46%)
Repayment on long term debt	3,334	2,918	6,997	47.65%	416	14.26%	(3,663)	(52.35%)
Amortization of debt discount	48	42	112	42.86%	6	14.29%	(64)	(57.14%)
Dividend/grant in lieu of taxes	2,974	2,799	6,005	49.53%	175	6.25%	(3,031)	(50.47%)
Other	63	30	130	48.46%	33	110.00%	(67)	(51.54%)
	<b>8,208</b>	<b>6,999</b>	<b>17,353</b>	<b>47.30%</b>	<b>1,209</b>	<b>17.27%</b>	<b>(9,145)</b>	<b>(52.70%)</b>
<b>Earnings (loss) for the period</b>	<b>\$ (6,155)</b>	<b>\$ (1,841)</b>	<b>\$ (9,233)</b>	<b>66.67%</b>	<b>\$ (4,314)</b>	<b>234.33%</b>	<b>\$ 3,078</b>	<b>(33.33%)</b>

**HALIFAX WATER**  
**UNAUDITED STATEMENT OF EARNINGS - WASTEWATER - NSUARB**  
**APRIL 1, 2024 - SEPTEMBER 30, 2024 (6 MONTHS)**  
**ACTUAL YEAR TO DATE COMPLETE: 50.00%**

	ACTUAL YEAR TO DATE		APR 1/24 MAR 31/25	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
<b>Operating revenues - Wastewater</b>								
Wastewater	\$ 46,644	\$ 44,749	\$ 89,330	52.22%	\$ 1,895	4.23%	\$ (42,686)	(47.78%)
Leachate and other contract revenue	278	342	507	54.83%	(64)	(18.71%)	(229)	(45.17%)
Septage tipping fees	444	300	570	77.89%	144	48.00%	(126)	(22.11%)
Overstrength surcharge	85	0	0	0.00%	85	0.00%	85	0.00%
Airplane effluent	12	73	105	11.43%	(61)	(83.56%)	(93)	(88.57%)
Late payment and other connection fees	150	84	253	59.29%	66	78.57%	(103)	(40.71%)
Miscellaneous	84	43	187	44.92%	41	95.35%	(103)	(55.08%)
	<b>47,697</b>	<b>45,591</b>	<b>90,952</b>	<b>52.44%</b>	<b>2,106</b>	<b>4.62%</b>	<b>(43,255)</b>	<b>(47.56%)</b>
<b>Operating expenditures - Wastewater</b>								
Wastewater collection	7,001	6,957	14,346	48.80%	44	0.63%	(7,345)	(51.20%)
Wastewater treatment	11,752	11,462	26,368	44.57%	290	2.53%	(14,616)	(55.43%)
Engineering and technology services	4,036	4,197	9,335	43.24%	(161)	(3.84%)	(5,299)	(56.76%)
Regulatory compliance services	683	(956)	1,889	36.16%	1,639	(171.44%)	(1,206)	(63.84%)
Customer services	1,018	893	2,029	50.17%	125	14.00%	(1,011)	(49.83%)
Corporate services	812	696	1,651	49.18%	116	16.67%	(839)	(50.82%)
Administration services	1,127	903	4,528	24.89%	224	24.81%	(3,401)	(75.11%)
Depreciation and amortization	9,045	6,818	18,396	49.17%	2,227	32.66%	(9,351)	(50.83%)
	<b>35,474</b>	<b>30,970</b>	<b>78,542</b>	<b>45.17%</b>	<b>4,504</b>	<b>14.54%</b>	<b>(43,068)</b>	<b>(54.83%)</b>
<b>Earnings from operations before financial and other revenues and expenditures</b>	<b>12,223</b>	<b>14,621</b>	<b>12,410</b>	<b>98.49%</b>	<b>(2,398)</b>	<b>(16.40%)</b>	<b>(187)</b>	<b>(1.51%)</b>
<b>Financial and other revenues</b>								
Interest	62	42	139	44.60%	20	47.62%	(77)	(55.40%)
Other	49	49	157	31.21%	0	0.00%	(108)	(68.79%)
	<b>111</b>	<b>91</b>	<b>296</b>	<b>37.50%</b>	<b>20</b>	<b>21.98%</b>	<b>(185)</b>	<b>(62.50%)</b>
<b>Financial and other expenditures</b>								
Interest on long term debt	1,878	2,009	4,122	45.56%	(131)	(6.52%)	(2,244)	(54.44%)
Repayment on long term debt	6,881	6,790	14,587	47.17%	91	1.34%	(7,706)	(52.83%)
Amortization of debt discount	57	54	104	54.81%	3	5.56%	(47)	(45.19%)
Dividend/grant in lieu of taxes	417	390	844	49.41%	27	6.92%	(427)	(50.59%)
Other	5	3	45	11.11%	2	66.67%	(40)	(88.89%)
	<b>9,238</b>	<b>9,246</b>	<b>19,702</b>	<b>46.89%</b>	<b>(8)</b>	<b>(0.09%)</b>	<b>(10,464)</b>	<b>(53.11%)</b>
<b>Earnings (loss) for the period</b>	<b>\$ 3,096</b>	<b>\$ 5,466</b>	<b>\$ (6,996)</b>	<b>(44.25%)</b>	<b>\$ (2,370)</b>	<b>(43.36%)</b>	<b>\$ 10,092</b>	<b>(144.25%)</b>



**HALIFAX WATER**  
**UNAUDITED STATEMENT OF EARNINGS - STORMWATER - NSUARB**  
**APRIL 1, 2024 - SEPTEMBER 30, 2024 (6 MONTHS)**  
**ACTUAL YEAR TO DATE COMPLETE: 50.00%**

	ACTUAL YEAR TO DATE		APR 1/24 MAR 31/25 BUDGET '000	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000			\$ Change	% Change	\$ Remaining	% Remaining
<b>Operating revenues - Stormwater</b>								
Stormwater site generated service	\$ 4,245	\$ 3,949	\$ 8,864	47.89%	\$ 296	7.50%	\$ (4,619)	(52.11%)
Stormwater right of way service	3,258	3,726	6,515	50.01%	(468)	(12.56%)	(3,257)	(49.99%)
Late payment and other connection fees	46	17	181	25.41%	29	170.59%	(135)	(74.59%)
Miscellaneous	116	50	67	173.13%	66	132.00%	49	73.13%
	<b>7,665</b>	<b>7,742</b>	<b>15,627</b>	<b>49.05%</b>	<b>(77)</b>	<b>(0.99%)</b>	<b>(7,962)</b>	<b>(50.95%)</b>
<b>Operating expenditures - Stormwater</b>								
Stormwater collection	2,985	2,390	5,816	51.32%	595	24.90%	(2,831)	(48.68%)
Engineering and technology services	941	986	2,010	46.82%	(45)	(4.56%)	(1,069)	(53.18%)
Regulatory compliance services	778	1,052	2,386	32.61%	(274)	(26.05%)	(1,608)	(67.39%)
Customer services	93	82	179	51.96%	11	13.41%	(86)	(48.04%)
Corporate services	90	77	183	49.18%	13	16.88%	(93)	(50.82%)
Administration services	115	97	503	22.86%	18	18.56%	(388)	(77.14%)
Depreciation and amortization	1,700	1,704	3,050	55.74%	(4)	(0.23%)	(1,350)	(44.26%)
	<b>6,702</b>	<b>6,388</b>	<b>14,127</b>	<b>47.44%</b>	<b>314</b>	<b>4.92%</b>	<b>(7,425)</b>	<b>(52.56%)</b>
<b>Earnings from operations before financial and other revenues and expenditures</b>	<b>963</b>	<b>1,354</b>	<b>1,500</b>	<b>64.20%</b>	<b>(391)</b>	<b>(28.88%)</b>	<b>(537)</b>	<b>(35.80%)</b>
<b>Financial and other expenditures</b>								
Interest	115	39	128	89.84%	76	194.87%	(13)	(10.16%)
Interest on long term debt	549	365	1,144	47.99%	184	50.41%	(595)	(52.01%)
Repayment on long term debt	1,214	1,213	2,493	48.70%	1	0.08%	(1,279)	(51.30%)
Amortization of debt discount	13	12	28	46.43%	1	8.33%	(15)	(53.57%)
Dividend/grant in lieu of taxes	88	69	182	48.35%	19	27.54%	(94)	(51.65%)
	<b>1,979</b>	<b>1,698</b>	<b>3,975</b>	<b>49.79%</b>	<b>281</b>	<b>16.55%</b>	<b>(1,996)</b>	<b>(50.21%)</b>
<b>Earnings (loss) for the period</b>	<b>\$ (1,016)</b>	<b>\$ (344)</b>	<b>\$ (2,475)</b>	<b>41.05%</b>	<b>\$ (672)</b>	<b>195.35%</b>	<b>\$ 1,459</b>	<b>(58.95%)</b>

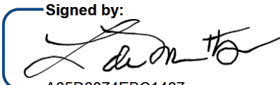
**HALIFAX WATER**  
**UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSUARB**  
**APRIL 1, 2024 - SEPTEMBER 30, 2024 (6 MONTHS)**  
**ACTUAL YEAR TO DATE COMPLETE: 50.00%**

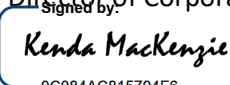
	ACTUAL YEAR TO DATE		APR 1/24 MAR 31/25 BUDGET	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	'000		\$ Change	% Change	\$ Remaining	% Remaining
<b>REGULATED ACTIVITIES</b>								
<b>Operating revenues</b>								
Water	\$ 28,596	\$ 27,152	\$ 54,832	52.15%	\$ 1,444	5.32%	\$ (26,236)	(47.85%)
Wastewater	46,644	44,749	89,330	52.22%	1,895	4.23%	(42,686)	(47.78%)
Stormwater	7,503	7,675	15,379	48.79%	(172)	(2.24%)	(7,876)	(51.21%)
Public fire protection	4,042	4,042	8,083	50.01%	0	0.00%	(4,041)	(49.99%)
Private fire protection	862	844	1,721	50.09%	18	2.13%	(859)	(49.91%)
Miscellaneous	894	544	1,531	58.39%	350	64.34%	(637)	(41.61%)
	<b>88,541</b>	<b>85,006</b>	<b>170,876</b>	<b>51.82%</b>	<b>3,535</b>	<b>4.16%</b>	<b>(82,335)</b>	<b>(48.18%)</b>
<b>Operating expenditures</b>								
Water supply and treatment	6,815	6,398	13,661	49.89%	417	6.52%	(6,846)	(50.11%)
Water transmission and distribution	6,842	6,145	14,066	48.64%	697	11.34%	(7,224)	(51.36%)
Wastewater collection	6,977	6,925	14,285	48.84%	52	0.75%	(7,308)	(51.16%)
Stormwater collection	2,985	2,390	5,816	51.32%	595	24.90%	(2,831)	(48.68%)
Wastewater treatment	11,371	10,991	25,571	44.47%	380	3.46%	(14,200)	(55.53%)
Engineering and technology services	10,426	7,294	17,757	58.71%	3,132	42.94%	(7,331)	(41.29%)
Regulatory compliance services	2,609	1,599	5,922	44.06%	1,010	63.16%	(3,313)	(55.94%)
Customer services	2,246	2,041	4,467	50.28%	205	10.04%	(2,221)	(49.72%)
Corporate services	1,832	1,573	3,730	49.12%	259	16.47%	(1,898)	(50.88%)
Administration services	2,564	1,977	10,130	25.31%	587	29.69%	(7,566)	(74.69%)
Depreciation and amortization	19,187	17,033	34,371	55.82%	2,154	12.65%	(15,184)	(44.18%)
	<b>73,854</b>	<b>64,366</b>	<b>149,776</b>	<b>49.31%</b>	<b>9,488</b>	<b>14.74%</b>	<b>(75,922)</b>	<b>(50.69%)</b>
<b>Earnings from operations before financial and other revenues and expenditures</b>	<b>14,687</b>	<b>20,640</b>	<b>21,100</b>	<b>69.61%</b>	<b>(5,953)</b>	<b>(28.84%)</b>	<b>(6,413)</b>	<b>(30.39%)</b>
<b>Financial and other revenues</b>								
Interest	168	154	511	32.88%	14	9.09%	(343)	(67.12%)
Other	11	5	28	39.29%	6	120.00%	(17)	(60.71%)
	<b>179</b>	<b>159</b>	<b>539</b>	<b>33.21%</b>	<b>20</b>	<b>12.58%</b>	<b>(360)</b>	<b>(66.79%)</b>
<b>Financial and other expenditures</b>								
Interest	115	39	128	89.84%	76	194.87%	(13)	(10.16%)
Interest on long term debt	4,216	3,584	9,375	44.97%	632	17.63%	(5,159)	(55.03%)
Repayment on long term debt	11,429	10,921	24,077	47.47%	508	4.65%	(12,648)	(52.53%)
Amortization of debt discount	118	108	244	48.36%	10	9.26%	(126)	(51.64%)
Dividend/grant in lieu of taxes	3,479	3,258	7,031	49.48%	221	6.78%	(3,552)	(50.52%)
	<b>19,357</b>	<b>17,910</b>	<b>40,855</b>	<b>47.38%</b>	<b>1,447</b>	<b>8.08%</b>	<b>(21,498)</b>	<b>(52.62%)</b>
<b>Earnings (loss) for the period - Regulated</b>	<b>\$ (4,491)</b>	<b>\$ 2,889</b>	<b>\$ (19,216)</b>	<b>23.37%</b>	<b>\$ (7,380)</b>	<b>(255.45%)</b>	<b>\$ 14,725</b>	<b>(76.63%)</b>

**HALIFAX WATER**  
**UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSUARB**  
**APRIL 1, 2024 - SEPTEMBER 30, 2024 (6 MONTHS)**  
**ACTUAL YEAR TO DATE COMPLETE: 50.00%**

	ACTUAL YEAR TO DATE		APR 1/24	ACTUAL	From Prior Year		Actual to Budget	
	THIS YEAR	LAST YEAR	MAR 31/25	YEAR TO DATE	\$ Change	% Change	33	% Remaining
	'000	'000	'000	as % of BUDGET				
<b>UNREGULATED ACTIVITIES</b>								
<b>Operating revenues</b>								
Septage tipping fees	\$ 444	\$ 300	\$ 570	77.89%	\$ 144	48.00%	\$ (126)	(22.11%)
Leachate and other contract revenue	278	342	507	54.83%	(64)	(18.71%)	(229)	(45.17%)
Airplane effluent	12	73	105	11.43%	(61)	(83.56%)	(93)	(88.57%)
Miscellaneous	0	0	0	0.00%	0	0.00%	0	0.00%
	<u>734</u>	<u>715</u>	<u>1,182</u>	<u>62.10%</u>	<u>19</u>	<u>2.66%</u>	<u>(448)</u>	<u>(37.90%)</u>
<b>Operating expenditures</b>								
Water supply and treatment	2	5	0	0.00%	(3)	(60.00%)	2	0.00%
Wastewater treatment	381	471	797	47.80%	(90)	(19.11%)	(416)	(52.20%)
Wastewater collection	24	32	61	39.34%	(8)	(25.00%)	(37)	(60.66%)
Sponsorships and donations	23	(16)	80	28.75%	39	(243.75%)	(57)	(71.25%)
Corporate services	9	4	13	69.23%	5	125.00%	(4)	(30.77%)
Administration services	56	28	97	57.73%	28	100.00%	(41)	(42.27%)
Depreciation and amortization	10	11	34	29.41%	(1)	(9.09%)	(24)	(70.59%)
	<u>505</u>	<u>535</u>	<u>1,082</u>	<u>46.67%</u>	<u>(30)</u>	<u>(5.61%)</u>	<u>(577)</u>	<u>(53.33%)</u>
<b>Earnings from operations before financial and other revenues and expenditures</b>	<u>229</u>	<u>180</u>	<u>100</u>	<u>229.00%</u>	<u>49</u>	<u>27.22%</u>	<u>129</u>	<u>129.00%</u>
<b>Financial and other revenues</b>								
Other - leases and rentals	147	134	368	39.95%	13	9.70%	(221)	(60.05%)
Other - energy projects	108	112	219	49.32%	(4)	(3.57%)	(111)	(50.68%)
	<u>255</u>	<u>246</u>	<u>587</u>	<u>43.44%</u>	<u>9</u>	<u>3.66%</u>	<u>(332)</u>	<u>(56.56%)</u>
<b>Financial and other expenditures</b>								
Other	68	33	175	38.86%	35	106.06%	(107)	(61.14%)
	<u>68</u>	<u>33</u>	<u>175</u>	<u>38.86%</u>	<u>35</u>	<u>106.06%</u>	<u>(107)</u>	<u>(61.14%)</u>
<b>Earnings (loss) for the period - Unregulated</b>	<u>\$ 416</u>	<u>\$ 393</u>	<u>\$ 512</u>	<u>81.25%</u>	<u>\$ 23</u>	<u>5.85%</u>	<u>\$ (96)</u>	<u>(18.75%)</u>
<b>Total earnings (loss) for the period (Regulated and Unregulated)</b>	<u>\$ (4,075)</u>	<u>\$ 3,282</u>	<u>\$ (18,704)</u>	<u>21.79%</u>	<u>\$ (7,357)</u>	<u>(224.16%)</u>	<u>\$ 14,629</u>	<u>(78.21%)</u>

**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:** Signed by:  
  
A65D6874EBC1467...  
Louis de Montbrun, CPA, CA  
Director of Corporate Services/CFO

**APPROVED:** Signed by:  
  
0C884AC815794F6...  
Kenda MacKenzie, P.Eng.  
Acting Chief Executive Officer & General Manager

**DATE:** November 19, 2024

**SUBJECT:** Capital Expenditures as of September 30, 2024

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**ORIGIN**

Financial information reporting.

**BACKGROUND**

At the November 7, 2024, meeting of the Halifax Water Audit and Finance Committee, the attached Capital Expenditures as of September 30, 2024, report was reviewed and discussed. The Committee approved forwarding the report to the Halifax Water Board for their information.

**DISCUSSION**


No additional information was requested to be brought forward to the Halifax Water Board meeting following the discussion of the attached at the Committee meeting.

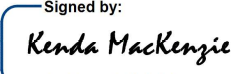
**ATTACHMENT**

1. Report to the Halifax Water Audit and Finance Committee dated November 7, 2024 – Item #7 – Capital Expenditures as of September 30, 2024.

**TO:** Chair and Members of the Halifax Regional Water Commission Audit and Finance Committee

**SUBMITTED BY:** Signed by:  
  
A05D0074EBC1407...  
Louis de Montbrun, CPA, CA  
Director, Corporate Services

DocuSigned by:  
  
0BC107071077400...  
Josh DeYoung, P.Eng.  
Director, Engineering & Capital Infrastructure

**APPROVED:** Signed by:  
  
0C084AC845704F6...  
Kenda MacKenzie, P.Eng.  
Acting Chief Executive Officer and General Manager

**DATE:** November 7, 2024

**SUBJECT:** **Capital Expenditures for the six months ended September 30, 2024**

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**ORIGIN**

The Corporate Balanced Scorecard (CBS) identifies the percentage of current year capital budget spent by the end of the fiscal year as a critical success factor and sets a target of 70-80%. There is an additional CBS target of \$135 million in capital spend during the year.

**RECOMMENDATION**

It is recommended the Audit and Finance Committee forward the Capital Expenditures for the six months ended September 30, 2024, to the Halifax Water Board for their information.

**BACKGROUND**

The Halifax Regional Water Commission (Halifax Water) Board reviews financial information throughout the year. Halifax Water's 2019 *Integrated Resource Plan* (IRP) identifies a 30-year

# ITEM #7

## Halifax Water Audit and Finance Committee

November 7, 2024

capital investment plan valued at \$2.7 Billion (net present value - 2019). In relation to the IRP, the capital budget program focuses on providing required infrastructure for asset renewal, regulatory compliance, and growth. The IRP calls for delivery of an average of \$135 million in capital projects per year. Halifax Water's annual capital budget, and capability to deliver capital projects, has not yet reached this level.

### DISCUSSION

Below is the breakdown by asset class and project status of the expenditures for the six months ended September 30, 2024. Halifax Water has spent \$173.2 million to date on active projects, of which \$60.4 million was spent during the six months ended September 30, 2024.

The total capital budget remaining to be spent at September 30, 2024 is \$185.2 million, a decrease of \$84.8 million from September 30, 2023.

The average capital spend per month compared to prior year has increased from \$6.2 million to \$10.3 million. Achievement of targets for this fiscal year will be dependent on the timing of several large projects. A decision from the NSUARB on the Burnside Operations Centre has been received and the project team has made considerations to move the project forward with the approved budget, the Biosolids Processing Facility procurement process is underway, the Fairview Cove Trunk Sewer is intended to be tendered in 2025 pending finalization of land agreements with interested parties, the Highway 118 water main crossing is intended to be tendered in 2025 and the Mill Cove WWTF Upgrades project is currently in a NSUARB approval process for design fees. The timing of each project achieving milestones, given their size, will have a large influence on capital spending this year.

### Capital Expenditure Report

Budget Category	Total Budget Available	Expenditures to March 31, 2024	Expenditures April 1, 2024 to September 30, 2024	Total Expenditures to September 30, 2024	Remaining Budget Available as of September 30, 2024	Total Expenditures to September 30, 2024 as a Percentage of Total Budget Available
<b>Active</b>						
Water	\$108,177,160	\$41,297,364	\$14,779,854	\$56,077,218	\$52,099,942	51.84%
Wastewater	127,659,248	34,103,123	\$16,955,787	51,058,910	\$76,600,338	40.00%
Stormwater	27,235,130	9,682,314	\$5,644,253	15,326,567	\$11,908,563	56.27%
Corporate	94,319,077	27,646,935	\$23,091,233	50,738,168	\$43,580,909	53.79%
District Energy	1,030,000	0	\$0	0	\$1,030,000	0.00%
	\$358,420,615	\$112,729,736	\$60,471,128	\$173,200,864	\$185,219,751	48.32%

The Total Budget Available of \$358.4 million represents total approved budgets as at the end of September 30, 2024.

Total Expenditures to September 30, 2024, of \$173.2 million include expenditures of \$112.7 million incurred prior to April 1, 2024, and expenditures of \$60.4 million in the current fiscal year. This results in a Remaining Budget Available as of September 30, 2024, of \$185.2 million.

**ITEM #7**

**Halifax Water Audit and Finance Committee**

**November 7, 2024**

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Report prepared by:


Signed by:


*Michelle Bennett*

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Michelle Bennett, Manager of Accounting, (782)-641-5972

**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan

**SUBMITTED BY:** Signed by:  
  
A65D6874EBC1467...  
Louis de Montbrun, CPA, CA  
Director of Corporate Services & Chief Financial Officer

**APPROVED:** Signed by:  
  
0C604AC815794F0...  
Kenda MacKenzie, P.Eng.  
Acting Chief Executive Officer & General Manager

**DATE:** November 19, 2024

**SUBJECT:** Proposed 2025 HRWC Employees' Pension Plan Budget

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**ORIGIN**

The Halifax Regional Water Commission Board (the "Board") are the Trustees of the Halifax Water Employees' Pension Plan (the "Plan") and approve the annual budget of the Plan.

**RECOMMENDATION**

That the Halifax Water Board approve the Proposed 2025 Budget for the Halifax Water Employees' Pension Plan covering the period January 1, 2025, to December 31, 2025, as attached to Report Item #6 dated November 7, 2024.

**BACKGROUND**

At the November 7, 2024, meeting of the Halifax Water Audit and Finance Committee, the attached Proposed 2025 HRWC Employees' Pension Plan Budget was reviewed and discussed. The Committee approved forwarding the report to the Halifax Water Board.

**DISCUSSION**

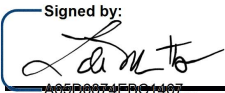
No additional information was requested to be brought forward to the Halifax Water Board meeting following the discussion of the attached at the Committee meeting.

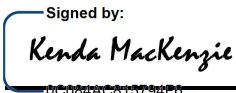


**ATTACHMENT**

1. Report to the Halifax Water Audit and Finance Committee dated November 7, 2024 – Item #6 - Proposed 2025 Halifax Regional Water Commission Employees' Pension Plan Budget.

**TO:** Chair and Members of the Halifax Regional Water Commission Audit and Finance Committee

**SUBMITTED BY:**   
Signed by: Louis de Montbrun, CPA, CA, Director, Corporate Services / CFO

**APPROVED:**   
Signed by: Kenda MacKenzie, P.Eng., Acting CEO & General Manager

**DATE:** October 28, 2024

**SUBJECT:** Proposed 2025 Halifax Regional Water Commission Employees' Pension Plan Budget

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**ORIGIN**

The Halifax Regional Water Commission Board (the "Board") are the Trustees of the Halifax Water Employees' Pension Plan (the "Plan") and approve the annual budget of the Plan.

**RECOMMENDATION**

It is recommended that the Audit and Finance Committee accept the Proposed 2025 budget for the Halifax Regional Water Commission Employees' Pension Plan and forward the report to the Halifax Water Board as the Trustees of the Plan for approval.

**BACKGROUND**

The purpose of the 2025 budget, as reported in the attached statement of changes in net assets available for benefits, outlines the various revenues, contributions and expenses of the defined benefit pension plan established for the employees of the Halifax Regional Water Commission ("Halifax Water"). Supplemental plans, namely the defined contribution plan and notional retirement compensation agreements are not reported, since budget implications related to these plans are included in the annual operating budget of Halifax Water.

**DISCUSSION**

The attached statement of changes in net assets available for benefits provides a comparison between the proposed 2025 budget, the approved 2024 budget, forecasted 2024 results and the year-end audited results for 2023.

As reported in the attachment, for 2025, the net assets available for benefits are projected to increase by \$13.9 million compared to a budgeted increase of \$11.3 million in 2024, and an actual increase of \$16.0 million in 2023. Actual results, for 2024, are projected to be higher than budget due to an increase in the fair value of investment assets throughout the year. The budgeted increase proposed in 2025 is driven by favourable results anticipated related to revenues and contributions, net of expenses.

**Revenue:**

Total revenue for 2025 is budgeted at \$14.0 million, representing a \$3.6 million or 34.0% increase compared to the budget for 2024, and a \$1.2 million decrease compared to actual results for 2023. Revenue is derived from two (2) primary sources:

- Investment income, and
- Increase / decrease in the fair value of investment assets.

The greatest impact in the 2025 budget affecting revenue compared with the 2024 budget relates to the projected increase in the fair value of investment assets of \$10.6 million. In 2024, the increase was budgeted at \$8.1 million and results for the nine (9) month period ending September 30, 2024, show an increase of \$17.6 million. (See agenda Item # 4 – HRWC EPP 2024 Q3 Financial Report). In 2023, there was an increase of \$12.0 million. Changes in the fair value of investment assets tend to be more volatile compared to investment income. Increases over the past 5 years have varied dramatically, going from an increase of \$15.4 million in 2021 to a decrease of \$2.8 million in 2022.

Investment income has been relatively consistent historically, averaging \$3.6 million during the 4-year period 2020-2023. Results for 2024 show investment income tracking at \$3.5 million for the nine (9) month period ending September 30, 2024. (See agenda Item # 4- HRWC EPP 2024 Q3 Financial Report). Investment income budgeted in 2025 of \$3.9 million represents a \$1.1 million increase compared to the 2024 budget and an increase of \$0.3 million compared to 2023. Investment income budgeted for 2025 is based on estimated 2024 results.

**Key assumptions:**

- Investment Income
  - ❖ Based on conservative estimate for 2024
- Increase in the fair value of investment assets

- ❖ Based on average of last 5 years (including the forecast for 2024)

**Contributions:**

Contributions are budgeted at \$8.2 million in 2025, representing an increase of \$0.5 million or 7.1% compared to the budget for 2024, and an increase of \$0.2 million or 2.9% compared to actual results for 2023. The increase in contributions is attributed to projected new hires during the year, salary/wage increases and movement of personnel within salary bands.

**Key assumptions:**

- Projected 30 new hires.
- Salary/ wage escalations
  - ❖ Non-union – based on projected 3.0% increase.
  - ❖ Union – increase is not known as contracts have expired and the tentative agreement has not been ratified. Proposed budget contains a 3% increase which is reasonable based on the tentative agreement.
- Pensionable earnings capped at \$143,778 (2024 cap was \$142,354)

**Note on salary / wage increases:**

- 2025 Budget is based on CPI of 3% for Non-union and an estimate of a 3% escalation for Local 227 and 1431. Each addition of 1% in salary and wage escalation would result in additional contributions of approximately \$81,000 throughout the year.

**Expenses:**

Expenses of \$8.4 million are budgeted for 2025, an increase of \$1.6 million or 22.9% compared to the budget for 2024, and an increase of \$1.1 million or 15.4% compared to 2023. Benefit and Termination payments are the main driver of total expenses, and consist of:

1. Benefits payments to pensioners and survivors,
2. Termination payments, and
3. Pre-retirement death benefit payments.

Benefits paid to pensioners and survivors increase annually, as a result of employees retiring from Halifax Water, and as a result of indexation provided in the Plan. For 2025, budgeted payments to pensioners increased from \$5.5 million in 2024 to \$6.1 million based on projected retirements and indexation.

Termination payments are difficult to predict. In 2023, termination payments were \$1.5 million. Unaudited results for the nine (9) month period ending September 30, 2024, total \$1.6 million compared to an annual budget of \$1.0 million. For 2025, the budget has been increased \$1.0 million to \$2.0 million, which is within the range of the average paid out over the past three (3) years.

Administrative expenses account for approximately 3.0% of the overall budgeted expenses. For 2025, total administrative expenses are \$0.2 million, which are lower than 2024 due to the costs expected relating to the Actuarial Valuation that will take place on January 1, 2025. Costs will be accrued and reflected in the 2024 results. Actuarial and consulting fees represent the largest expense within the administrative grouping.

Key Assumptions:

- Indexing – based on an estimate of 2.0% for pension benefits earned up to 2015 and 1.0% for pension benefits earned after 2015.
- Projected 16 new retirements
- Termination payments
  - ❖ Based on 3-year historical average, plus 10% to reflect large, known, pending termination payouts.
- Assume no pre-retirement death benefit payments for 2025


**ATTACHMENT**

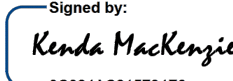
Proposed 2025 HRWC Employees' Pension Plan Budget

**Halifax Regional Water Commission Employees' Pension Plan**  
**Statement of changes in net assets available for benefits**  
**January 1 to December 31, 2025**

	Actual (Audited) 2023	Approved Budget 2024	Forecast 2024	Proposed Budget 2025
<b>Revenue</b>				
Net investment income:				
Total investment income	\$3,640,508	\$2,800,000	3,900,000	<b>\$3,900,000</b>
Investment manager fees	(\$383,410)	(\$430,000)	(470,000)	<b>(\$470,000)</b>
Increase in the fair value of investment assets	\$11,981,675	\$8,100,000	19,500,000	<b>\$10,600,000</b>
	<u>\$15,238,773</u>	<u>\$10,470,000</u>	<u>\$22,930,000</u>	<u><b>\$14,030,000</b></u>
<b>Contributions</b>				
Participants:				
Current service (includes additional voluntary contributions)	\$3,701,095	\$3,890,416	4,010,912	<b>\$4,168,000</b>
Reciprocal Transfers	\$683,465	\$0	49,611	<b>\$0</b>
Sponsors:				
Current service	\$3,588,545	\$3,773,000	3,886,459	<b>\$4,038,000</b>
	<u>\$7,973,105</u>	<u>\$7,663,416</u>	<u>\$7,946,982</u>	<u><b>\$8,206,000</b></u>
<b>Expenses</b>				
Benefit payments:				
Benefit payments	\$5,280,758	\$5,536,000	5,595,000	<b>\$6,139,000</b>
Termination payments	\$1,470,618	\$1,000,000	2,900,000	<b>\$2,000,000</b>
Death Benefits (pre-retirement)	\$296,728	\$0		<b>\$0</b>
	<u>\$7,048,104</u>	<u>\$6,536,000</u>	<u>\$8,495,000</u>	<u><b>\$8,139,000</b></u>
Administrative:				
Actuarial and consulting fees	\$77,631	\$143,500	150,000	<b>\$90,000</b>
Audit and accounting fees	\$9,022	\$9,000	10,356	<b>\$9,200</b>
Bank custodian fees	\$24,509	\$26,300	34,000	<b>\$34,000</b>
Insurance	\$11,130	\$10,600	11,130	<b>\$11,130</b>
Miscellaneous	\$25,170	\$21,200	23,000	<b>\$23,000</b>
Professional fees	\$44,484	\$44,000	44,000	<b>\$44,000</b>
Registration fees	\$2,935	\$3,000	10,356	<b>\$3,300</b>
Training (Trustees/ Administration/ Pension Committee)	\$0	\$5,000	0	<b>\$2,000</b>
	<u>\$7,242,985</u>	<u>\$6,798,600</u>	<u>\$8,777,841</u>	<u><b>\$8,355,630</b></u>
<b>Increase in net assets available for benefits</b>	<u><u>\$15,968,893</u></u>	<u><u>\$11,334,816</u></u>	<u><u>\$22,099,141</u></u>	<u><u><b>\$13,880,370</b></u></u>

**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
DocuSigned by:  
80C19767707F408...  
Josh DeYoung, P.Eng., Director, Engineering & Infrastructure

**APPROVED:**   
Signed by:  
0C084AC845704F6...  
Kenda MacKenzie, P.Eng., Acting CEO & General Manager

**DATE:** November 8, 2024

**SUBJECT:** **Lacewood Drive Transmission Main Extension**

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**ORIGIN**

The 2019 Infrastructure Master Plan and the 2025/26 Capital Budget.

**RECOMMENDATION**

The Halifax Water Board approve the Lacewood Drive Transmission Main Extension (IMP Project# W02) at a total cost of \$5,817,000.

**BACKGROUND**

The Lacewood Drive Transmission Main Extension involves the installation of a 470m section of transmission main between the end of the existing 600mm main on Lacewood Drive and the end of the 400mm main on Chain Lake Drive near the Highway 102 intersection (see Attachment 2 - Lacewood Transmission Main Extension - Project Sketch). This project (IMP#W02) was originally recommended by the IMP as one part of a longer-term plan for strengthening the supply to the Geizer 158 Reservoir. The other IMP-recommended project is the second Geizer 158 Feeder Main (IMP#W20) (see Attachment 3 – Lacewood Transmission Main Extension – Geizer 158 Pressure Zone). The IMP had recommended that these two projects be completed in the time range of 2041-2045.

## ITEM #5.1

Halifax Water Board  
November 28, 2024

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The 2019 IMP noted that these two related projects were recommended for resiliency. The work would increase conveyance capacity to the Geizer reservoirs, help provide a future second feed to Lakeside/Timberlea areas and would provide resiliency to the Geizer service areas. The alignment of second Geizer 158 main is planned along the westside of Highway 102 through future development lands. Timing of this transmission main is subject to future development. Timing for the Lacewood Drive Transmission Main Looping is not tied to the development of Highway 102 development lands.

As a result of the break experienced on the Dunbrack Street transmission main in 2023, staff recognized the need to build greater resiliency into the water network that supplies the Spryfield area.

Completion of the Lacewood Drive Transmission Main Extension at this time will improve system redundancy by providing a second gravity supply option to the Bayers Lake Industrial Park and it will maximize the emergency supply capacity of the planned new Spryfield Connector that is proposed along the St. Margaret's Bay Road.

### **DISCUSSION**

CBCL was retained through a public competitive RFP process in May 2024 for the design and construction phase services for both the Spryfield Connector and the Lacewood Drive Transmission Main Extension projects.

During the initial planning phase, Halifax Water staff contacted the Nova Scotia Department of Public Works (NSDPW) to see whether planned work in the area could be coordinated. NSDPW had plans for asphalt milling and paving on Lacewood Drive at Highway 102 in 2025 and then to complete the bridge deck repaving in 2026. After discussion, NSDPW agreed to postpone their asphalt milling and paving project underneath the Highway 102 overpass until 2026 to allow Halifax Water to complete the Lacewood Drive Transmission Main Extension in the 2025 construction season.

The Lacewood Drive Transmission Main Extension is currently in the detailed design phase with a construction tender anticipated in early 2025. The concept design work for the Spryfield Connector is planned to start early 2025 with construction scheduled in 2026 and 2027.

The alignment for the proposed 600mm main follows the northern shoulder of Lacewood Drive. Provisions for this transmission main were made when the overpass was originally constructed in 1994. There is a pre-blasted trench for the main through the underlying rock along the abutments of the Hwy 102/Lacewood overpass structure.



The IMP indicated that a 600mm transmission main would be sufficient to meet present and future demands for the entire system. CBCL is currently finalizing the design, which will consider a number of operational scenarios where existing transmission mains may be offline for rehabilitation or maintenance. The current cost estimate included with this Board Report includes the cost of providing a 750mm transmission main along a portion of this alignment. CBCL will be confirming the recommended sizing to meet future demands and operational scenarios through a hydraulic modelling exercise expected to be complete later this Fall.

The design also includes installation of new stormwater collection infrastructure to replace existing mains that cross Lacewood Drive. The current depth of these stormwater mains make crossing with a new transmission main challenging. The new transmission main is either too shallow or 3-4m deep. Relocation of the stormwater piping will allow the transmission main to be installed to Halifax Water specifications which will make future operation & maintenance less challenging.

### **BUDGET INFORMATION**

The 2024/25 Capital Budget included \$200,000 for the design phase.



The proposed 2025/26 Capital Budget will include \$5,617,000 for the tender and construction phase (see Attachment 1 – Lacewood Transmission Main Extension – Total Project Cost Estimate).

Based on the IMP, the project is identified as being 100% funded through asset renewal due to the requirement for system redundancy.

The proposed expenditure meets the “NO REGRETS-UNAVOIDABLE NEEDS” approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of “Required to ensure infrastructure system integrity and safety”, The project meets these criteria based on the following: The infrastructure through Lacewood Drive is transmission main conveyance which is required for system integrity and safety.

**ATTACHMENTS**

- 1) Lacewood Transmission Main Extension – Total Project Cost Estimate
- 2) Lacewood Transmission Main Extension – Project Sketch
- 3) Lacewood Transmission Main Extension – Geizer 158 Pressure Zone

Report Prepared By:	 _____ Jonathan MacDonald, P.Eng – Manager - Water Infrastructure Planning
Financial Approved By:	 _____ Louis de Montbrun, CPA, CA Director, Corporate Services/CFO

# TOTAL PROJECT COST ESTIMATE

October 16, 2024



## Lacewood Drive Transmission Main Extension

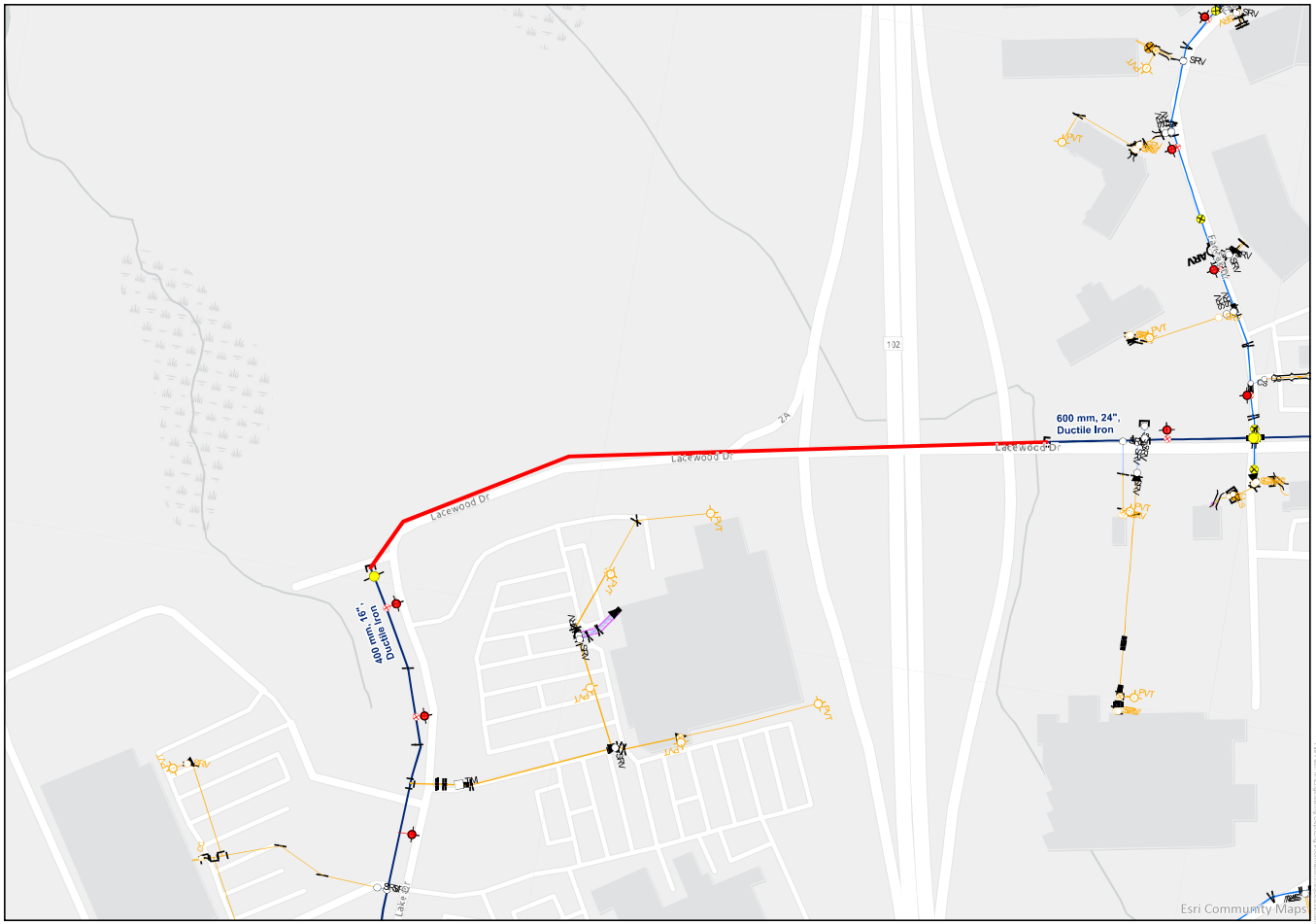
<b>CONSTRUCTION COSTS</b>	
Estimated Construction Cost (Pre-Tender)	\$3,915,121
Consultant Costs (Tender & Construction Phase)	\$152,933
Contingency Class 3: Concept Design (20%)	\$813,611
Market Volatility Contingency (10%)	\$406,805
<b>Construction Costs Sub-Total</b>	<b>\$5,288,470</b>
<b>OTHER COSTS (TAXABLE)</b>	
Consultant Costs (Design)	\$147,400
External Consultant Studies	\$0
QA/QC Testing	\$10,000
<b>Other Costs (Taxable) Sub-Total</b>	<b>\$157,400</b>
Net HST (4.286%)	\$233,410
<b>OTHER COSTS (NON-TAXABLE)</b>	
Internal Halifax Water Costs (to date)	\$15,000
Internal Halifax Water Costs (Future)	\$35,000
Street and Services Permit	\$30,000
<b>Other Costs (Non-Taxable) Sub-Total</b>	<b>\$80,000</b>
<b>SUB-TOTAL</b>	<b>\$5,759,279</b>
Overhead (1%)	\$57,593
<b>TOTAL PROJECT COST ESTIMATE</b>	<b>\$5,816,872</b>
<b>TOTAL PROJECT COST ESTIMATE*</b>	<b>\$5,817,000</b>

\* Rounded up, excluding HST

# LACEWOOD TRANSMISSION MAIN EXTENSION

HALIFAX

- New 24" Transmission Main
- Hydrant
- Private Hydrant
- ARV Air Release Valve
- Butterfly Valve
- Corporation Stop
- Curb Stop
- Gate Valve
- × Hydrant Valve
- SRV Service Valve
- Private Corporation Stop
- Private Curb Stop
- Private Gate Valve
- × Private Hydrant Valve
- Private Service Valve
- Bend
- Cap
- ) Coupling
- + Cross
- ⊥ Mechanical Joint Restraint
- ▲ Reducer
- Sleeve
- ⊥ Tapping Sleeve
- ⊥ Tee
- Test Meter Pit
- Pipe Protection Other
- Service Lateral
- Hydrant Lead
- Private Service Lateral
- Private Hydrant Lead
- Distribution Main
- Transmission Main (>300mm)
- Private Distribution Main



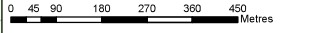
Drawn By: AJC/M  
 Data Source: Halifax Water / HRM  
 Date/Rev: 10/03/2011 / C085-V8-  
 MTWZS - COV02013  
 Date: Monday, November 27, 2013  
 Contact: GISProducts@halifaxwater.ca

The information contained on this map may not be complete and/or accurate in all areas. Should accurate information or confirmation of completeness be required, please contact the Engineering Department of Halifax Water. Halifax Water will not be held liable for misuse of this information.

# LACEWOOD TRANSMISSION MAIN EXTENTION - GEIZER 158 PRESSURE ZONE

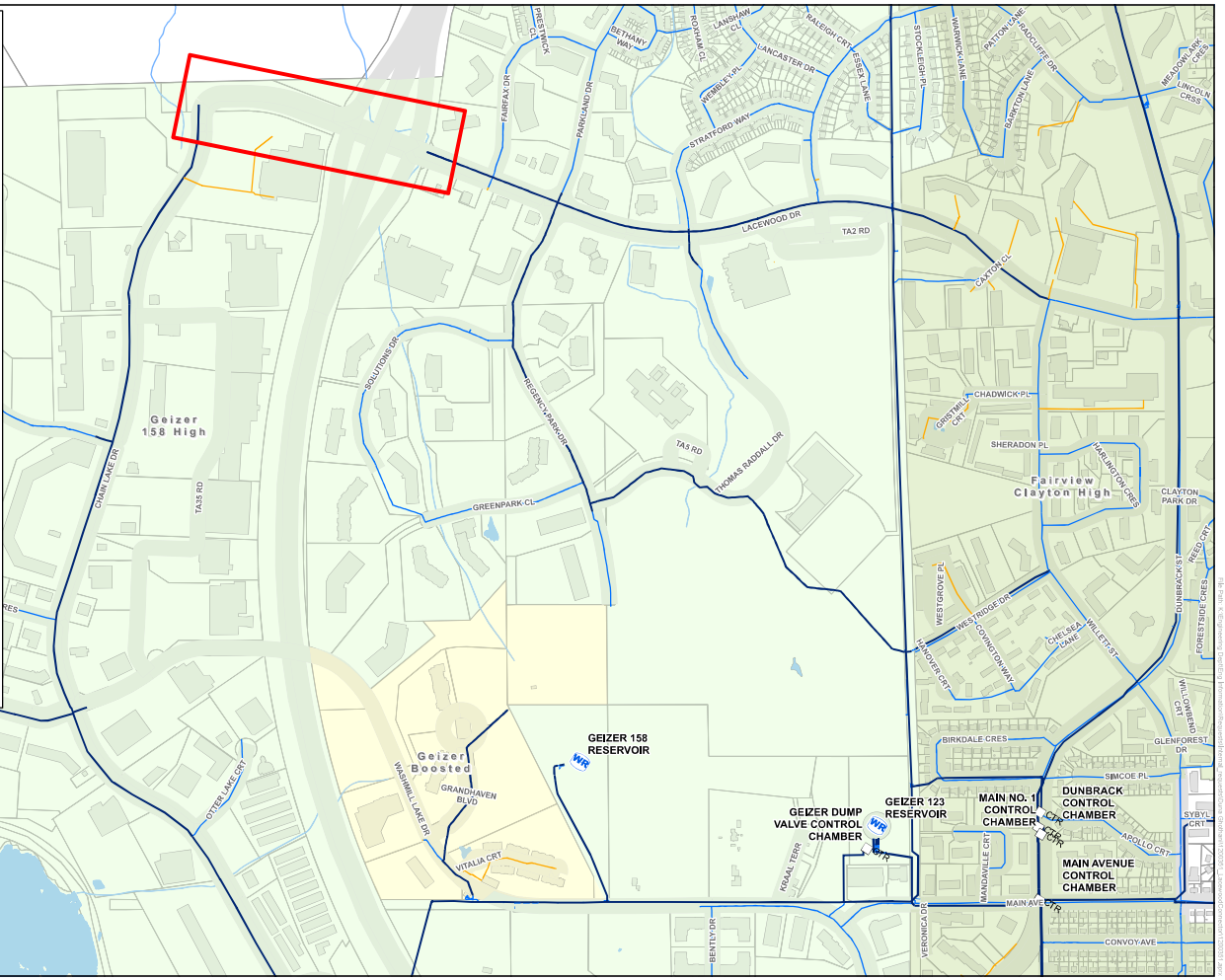
## HALIFAX

- Project Area**
  - Red outline
- Water Structure Points**
  - CTR Control Chamber
- Water Reservoir**
  - Blue 'W' symbol
- Water Pipes**
  - Distribution Main
  - Transmission Main (>300mm)
  - Drain
  - Private Distribution Main
- Watercourse**
  - Blue line
- Building**
  - Grey polygon
- Waterbody**
  - Blue area
- Parcels**
  - Thin grey lines
- Water Pressure Zones**
  - Fairview Clayton High
  - Geizer 158 High
  - Geizer Boosted




Drawn By: davidr  
Data Source: Halifax Water / HRM  
Datum/Proj: NAD83(2011) CRS v6 - MTM25 - CGVD2013  
Date: Monday, November 18, 2024

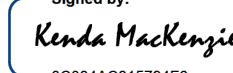
The information contained on this map may not be complete and/or accurate in all areas. Should accurate information or confirmation of completeness be required, please contact the Engineering Department of Halifax Water. Halifax Water will not be held liable for misuse of this information.



DATE PLOTTED: 2024-11-18 10:00 AM

**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
DocuSigned by:  
0BC19767707F486...  
Josh DeYoung, P.Eng., Director, Engineering & Capital Infrastructure

**APPROVED:**   
Signed by:  
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Kenda MacKenzie, P.Eng., Acting CEO & General Manager

**DATE:** November 6, 2024

**SUBJECT:** Sullivan's Pond Storm Sewer Replacement – Phase 2, Part II

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**ORIGIN**

2020/2021 Capital Budget

**RECOMMENDATION**

The Halifax Water Board approve funding in the amount of \$19,398,000 (including net HST) for the Sullivan's Pond Storm Sewer Replacement Phase 2 – Part II (Sawmill Creek) project.

**BACKGROUND**

Halifax Water has identified the need to replace its existing stormwater sewer system that runs from Sullivan's Pond to Dartmouth Cove. This stormwater system serves an urban watershed of approximately 1500 ha in size. The stormwater sewer is approximately 600 meters in length and was installed in the early 1970s. The stormwater sewer is made of corrugated steel pipe and is at the end of its service life and needs to be replaced.

The upper section of the stormwater sewer system from Sullivan's Pond to a point within Starr Park just north of Irishtown Road was replaced in 2018 as Phase 1 of the overall project to replace the complete stormwater sewer system. The Phase 1 project consisted of a combination of box culvert and open channel sections being installed to convey the stormwater flows. In addition to conveyance, the project also included various environmental considerations including the regulatory requirement for fish passage.

Phase 2, Part 1, is currently under construction. The project was awarded to Dexter construction in the spring of 2024. Construction began in August and will be completed in the summer of 2025. This current

## ITEM #5.2

Halifax Water Board

November 28, 2024

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project is integrated with HRM and involves upgrades to Martins Park, local streets and intersections. The new storm water system will be constructed using a combination of an open channel system and box culverts, where vehicle passage is required. The completion of Phase 2, Part 1, will provide new storm water infrastructure from Dartmouth Cove to the north side of Dundas Street. A new road will connect Alderney Drive to Canal Street, near the Dundas Street intersection. This new road will be used for traffic diversion during Part II of the project.

Phase 2, Part II, will consist of much of the same design elements of open channel and box culvert sections and will connect to Phase 1 within Starr Park. In addition, a water control pressure reducing valve (PRV) chamber and related watermain piping will be replaced as part of the Part II work. The Phase 2, Part II project will also satisfy the same environmental and regulatory requirements as Phase 1. This includes consideration of climate change impacts and adaptation as well as working with DFO to ensure the project complies with their regulations.

The Phase 2, Part II project is fully integrated and coordinated with the municipal work being completed by the Halifax Regional Municipality within the corridor. This includes street work, traffic signals, active transportation trails and landscaping within the new Starr Pond area.

As part of the Sullivan's Pond Phase 2, Part II project, Halifax Water will be including a scope of work that separates the sanitary and storm sewers, from Starr Lane to Canal Street. This project was identified in the IRP and will take advantage of the proximity of the Sullivan's Pond Phase 2, Part II project. The new sanitary sewer is being installed in portions of the street that will already be under construction.

CBCL was retained to carry out the engineering services for the project.

Given the project scale and potential impacts, proactive interested parties engagement is important to the project's overall success. HRM staff have been actively involved in the concept and preliminary design aspects of the project. Regular updates have also been provided to the local HRM area Councilor and the Shubenacadie Canal Commission. A public information session was held on January 17, 2024 in which Halifax Water and HRM staff were present to answer questions and take relevant input for various aspects of the work. A project website has been created and is available through the Halifax Water home page to provide regular updates and progress on the project.

### **BUDGET IMPLICATIONS**

The design work for the Part II Stormwater system is 90% complete. Halifax Water intends to tender the work in early 2025 so that construction can begin in the summer of 2025. The project has received approval from the Nova Scotia Department of Environment and Climate Change (NSECC). Coordination with Fisheries and Oceans Canada (DFO) is on-going. CBCL has completed a cost estimate for Phase 2, Part

II. Based on the cost estimates, the estimated project cost for Halifax Water's portion of the work is as follows:

Funding in the amount of \$16,112,000 will be included within the 2025/2026 and 2026/2027 Capital Budget – Stormwater under 1.0000145 "Sullivan's Pond Storm Sewer System Replacement Phase 2 Irishtown Rd to Harbour"

Funding in the amount of \$1,504,000 will be included within the 2025/2026 and 2026/2027 Capital Budget – Water under 3.0000587 "Prince Albert Road Transmission Main/PRV Replacement"

Funding in the amount of \$1,782,000 will be included within the 2025/2026 and 2026/2027 Capital Budget – Wastewater under 2.0000835 "LoWSCA: Canal Street Separation"

Halifax Water is planning to award the tender immediately after all approvals are received, including funding approval by the NSUARB. Construction of Phase 2, Part II, is expected to begin after the completion of Phase 2 Part 1. The estimated timeline for construction is 50 weeks, from August 2025 to December 2026, with work being paused during the winter months.

HRM has signed an agreement with the Provincial Government as part of the Municipal Capital Growth Program. Through this agreement, the overall project will receive a total of \$14,088,759.77 that can be used towards Design, Project Management, Construction, etc. Halifax Water is working with HRM to determine eligible project costs to disburse the funding across the project between HRM and Halifax Water assets.

The proposed expenditure meets the "NO REGRETS- UNAVOIDABLE NEEDS" approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of, "Required to ensure infrastructure system integrity and safety". The project meets these criteria based on the following: The current infrastructure is failing due to age and end of life (Asset Management).

### **RISK**

The existing utility and municipal infrastructure is at the end of its service life. There is a significant risk of failure which will increase if the project is delayed. Deferral is not recommended.

### **MILESTONES**

The key milestones for this project are as follows:

Tender issue Date: January 2025  
Tender Award Date: March 2025  
Start of construction: August 2025  
Project completion: December 2026



**ATTACHMENT**

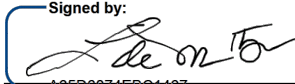
- 1. **Sullivan’s Pond Storm Sewer Replacement Phase 2, Part II – Cost Estimate**
- 2. **Sullivan’s Pond Storm Sewer Replacement Phase 2, Part II – Area Sketch**

Report Prepared by:



Andrew Snow, P.Eng  
Manager, Infrastructure Engineering

Financial Reviewed by:

Signed by: 

Louis de Montbrun, CPA, CA  
Director, Corporate Services/CFO

**Sullivan's Pond Phase II - Part 2 - Nov 5, 2024**

**PRE TENDER COST ESTIMATE**

Total Estimated Stormwater System Cost - Part II	\$16,112,000
Total Estimated Water System Cost - Part II	\$1,504,000
Total Estiamte Wastewater System Cost - Part II	\$1,782,000
<b>Part 1 Total Project Cost</b>	<b>\$19,398,000</b>

<b>PART II - 2025-2027 CONSTRUCTION - STORMWATER</b>	
Description	Amount
Estimated Construction Cost - CBCL (Class A 90% Design) dated October 2, 2024)	\$13,257,332
<b>Sub-Total</b>	<b>\$13,257,332</b>
Add 10% Contingency - (Class 1 estimate)	\$1,325,733
<b>Sub-Total</b>	<b>\$14,583,066</b>
Internal Halifax Water Costs (Project Management & Site Inspection - estimated)	\$30,000
QA/QC Testing - estimated	\$10,000
Halifax Water Consultant Cost for Detailed design services	\$277,451
Halifax Water Consultant Cost for Tender Phase Services	\$6,380
Halifax Water Consultant Cost for Construction Admin and Closeout (CBCL)	\$395,864
<b>Total</b>	<b>\$15,302,761</b>
<b>Net HST (4.286%)</b>	<b>\$655,876</b>
<b>Overhead/Interest (1%)</b>	<b>\$153,028</b>
<b>Total Estimated Stormwater System Cost - Part 2</b>	<b>\$16,111,665</b>

**Total Estimated Stormwater System Cost - Part 1 (Rounded)                                 \$16,112,000**

<b>PART 2 - 2025-2027 CONSTRUCTION - WATER</b>	
<b>Description</b>	<b>Amount</b>
Water System - Part 2	\$1,029,989
<b>Sub-Total</b>	<b>\$1,029,989</b>
30% contingency - (Class 4 estimate)	\$308,997
<b>Sub-Total</b>	<b>\$1,338,985</b>
Internal Halifax Water Costs (Project Management & Site Inspection - estimated)	\$10,000
QA/QC Testing - estimated	\$5,000
Halifax Water Consultant Cost for Detailed design services	\$28,807
Halifax Water Consultant Cost for Tender Phase Services	\$731
Halifax Water Consultant Cost for Construction Admin and Closeout (CBCL)	\$45,364
<b>Total</b>	<b>\$1,428,888</b>
<b>Net HST (4.286%)</b>	<b>\$61,242</b>
<b>Overhead/Interest (1%)</b>	<b>\$14,289</b>
<b>Total Estimated Water System Cost - Part 2</b>	<b>\$1,504,419</b>

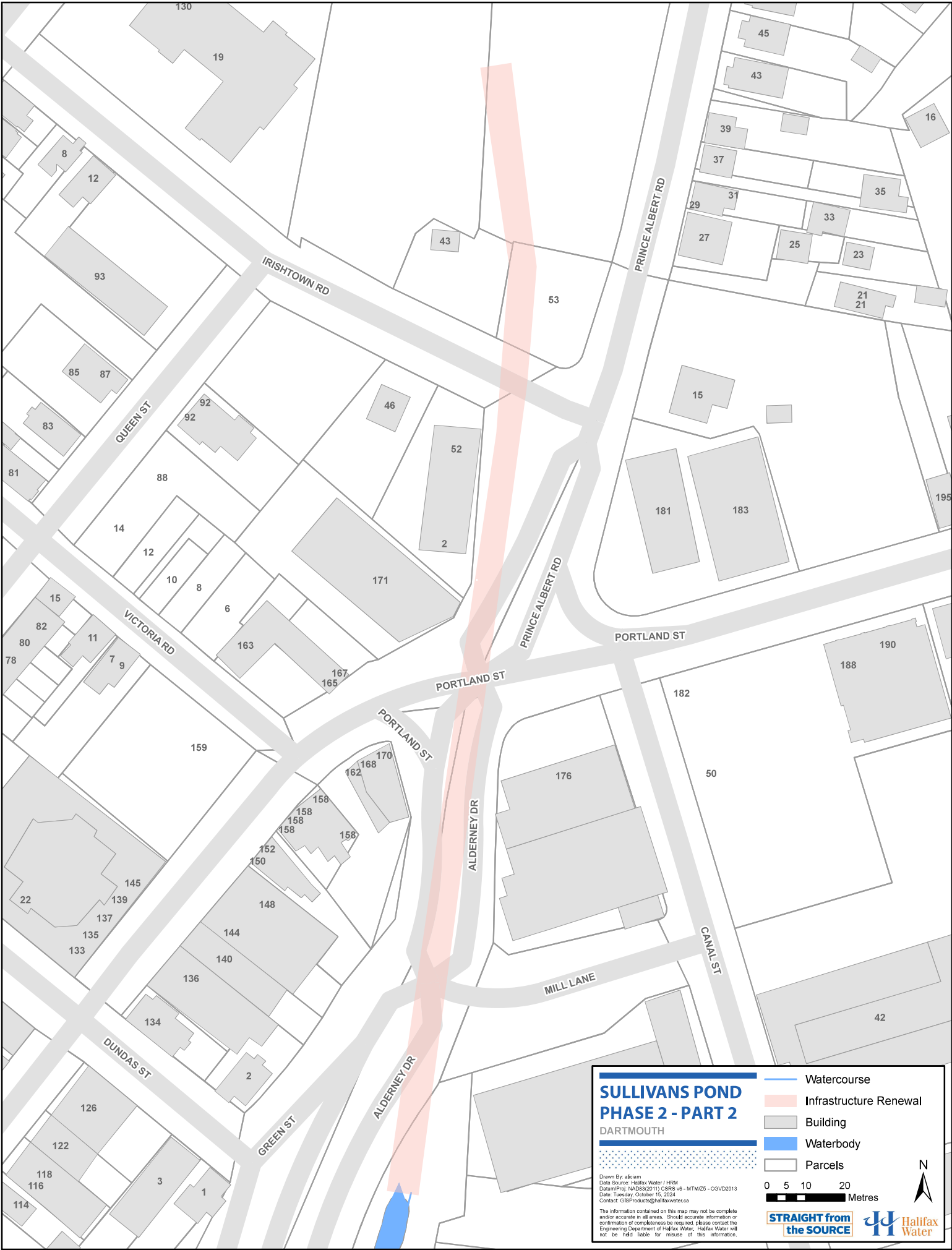
**Total Estimated Water System Cost - Part 2 (Rounded)**

**\$1,504,000**

<b>PART 2 - 2025-2027 CONSTRUCTION - WASTEWATER</b>	
<b>Description</b>	<b>Amount</b>
Wastewater System - Part 2	
<b>Sub-Total</b>	<b>\$1,199,681</b>
30% contingency - (Class 4 estimate)	\$359,904
<b>Sub-Total</b>	<b>\$1,559,585</b>
Internal Halifax Water Costs (Project Management & Site Inspection - estimated)	\$10,000
QA/QC Testing - estimated	\$5,000
Halifax Water Consultant Cost for Detailed design services	\$64,533
Halifax Water Consultant Cost for Tender Phase Services	\$852
Halifax Water Consultant Cost for Construction Admin and Closeout (CBCL)	\$52,838
<b>Total</b>	<b>\$1,692,808</b>
<b>Net HST (4.286%)</b>	<b>\$72,554</b>
<b>Overhead/Interest (1%)</b>	<b>\$16,928</b>
<b>Total Estimated Wastewater System Cost - Part 2</b>	<b>\$1,782,290</b>

**Total Estimated Waste Water System Cost - Part 2 (Rounded)**






**\$1,782,000**

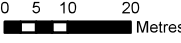


## SULLIVANS POND PHASE 2 - PART 2

DARTMOUTH

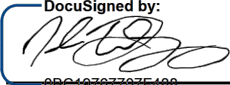
Drawn By: aliciam  
 Data Source: Halifax Water / HRM  
 Datums: NSRS2011 / CGRS v4 - MTWZ5 - CGVD2013  
 Date: Tuesday, October 15, 2024  
 Contact: GISProducts@halifaxwater.ca


-  Watercourse
-  Infrastructure Renewal
-  Building
-  Waterbody
-  Parcels



The information contained on this map may not be complete and/or accurate in all areas. Should accurate information or confirmation of completeness be required, please contact the Engineering Department of Halifax Water. Halifax Water will not be held liable for misuse of this information.

**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
0BC19767707F400...  
Josh DeYoung, P.Eng., Director, Engineering & Capital Infrastructure

**APPROVED:**   
0C004A0015794F0...  
Kenda MacKenzie, P.Eng., Acting CEO & General Manager

**DATE:** November 14, 2024

**SUBJECT:** **Main Street Pumping Station Golf View Drive Project - Additional Funding Request**

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**ORIGIN**

2022/23 & 2023/24 Capital Budget.

**RECOMMENDATION**

The Halifax Water Board approve additional funding of \$550,000 for the Main Street Pump Station Golf View Dr project for a revised total project cost of \$ 1,820,000, including net HST.

**BACKGROUND**

On May 8, 2024, the General Manager approved funding in the amount of \$1,240,000 inclusive of net HST for the total project cost of the Main Street Pumping Station Golf View Drive project. Please refer to Attachment 2 – Approved GM Report.

The total project cost was revised due to a correction during the NSUARB application regarding actual Halifax Water Staff and Related Expenses. On July 11, 2024, the NSUARB approved the funding of the revised project cost of \$1,270,000 inclusive of net HST. Please refer to Attachment 3 – M11701 – NSUARB Approved Funding.

The Main Street Pumping Station Golf View Drive project was tendered on October 11, 2024, and 3 bids were received on November 1, 2024:

<b>Contractor</b>	<b>Total Tender Amount (excluding HST)</b>
Atlantic Road Construction & Paving Limited	\$2,136,000.00
Dexter Construction Company Limited	\$1,360,000.00
W. Eric Whebby Limited	\$1,700,000.00

**DISCUSSION**

Halifax Water has recognized that current market conditions are volatile. Proceeding to approvals prior to obtaining a tender price incurred a risk that the tender price would fall outside of approved contingencies and require further approvals. Tender closed and project costs exceed the funding allocated. Halifax Water has evaluated the new project cost and recommends proceeding with this project with the compliant low bid. Halifax Water is seeking an increase in funding from the Halifax Water Board. Upon Halifax Water Board approval, Halifax Water will then apply to the NSUARB for an Approval to Overspend (ATO).

Halifax Water applied for funding to the NSUARB on May 10, 2024. Board staff requested additional information (IRs) on May 29, 2024, to which Halifax Water responded on June 19, 2024. The responses provided additional information on the project and included a revised cost estimate to better reflect expected costs for Halifax Water Staff and Related Expenses. While the Opinion of Probable Cost prepared by Stantec attempted to estimate construction costs to a reasonable accuracy, Halifax Water has noted that current market conditions are volatile and difficult to predict. Halifax Water considers several items when deciding whether to proceed with a project if a higher than anticipated tender price is received.

Halifax Water considered the following factors for this project:

- *Is the tendered price reflective of competitive procurement and the current market and, is any increased price a result of general construction market inflation that would apply to all projects or is it related to specifics of this project or its design?*

The tendered price is reflective of competitive procurement and the current market. It is believed the increased price is a result of local construction market inflation that would apply to all projects, not related to specifics of this project or its design.

While Halifax Water believes the main contributor for the increased project cost is a volatile market and inflation, there are some other factors that contribute to the revised

## ITEM #5.3

Halifax Water Board

November 28, 2024

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Total Project Estimate that should be noted. The scope of work was adjusted during the final design prior to tendering and new items were added to the tender form compared to the pre-tender estimate. The new items represent an estimated increase of costs of \$45,000 according to Stantec's estimate. These items include adding a sump pump to the valve chamber, installing new wet well hatches, and some electrical changes.

There have also been some consultant cost revisions that contribute to the revised Total Project Cost Estimate. Halifax Water authorized the Provisional Phase 2 (Tender and Construction Phases) for Stantec with a contract amendment on August 26, 2024. This amendment included some escalation costs since the initial pricing assumed work would be started and completed in 2023. Additionally, Halifax Water accepted a Change Order for additional design work that was requested after the final design package was submitted to Halifax Water.

It is recognized that current market conditions are volatile. While the pre-tender construction estimate included a 10% contingency, it did not include an inflation/market contingency.

- *Can the design or construction conditions be modified to produce a lower price? If so, could the design be reconsidered?*

Staff reviewed and found there is no recommendation to modify the design or construction conditions.

- *Will delaying the project result in a lower price? If this can be determined with relative certainty and the project can be delayed without putting Halifax Water at risk, then could the project be delayed?*

Staff is of the opinion that delaying the project would not result in a lower price. Halifax Water does not recommend delaying this project. The current system has been deteriorating and delaying this work could result in costly failures and unplanned repairs. Halifax Water feels there is significant risk in delaying this project.

- *If the construction cost upon tender closing, is higher than anticipated, then could other options for meeting the project objectives be considered?*

There are no suggested alternatives to this work. The project is considered by Halifax Water staff to be reasonable in scope and a good investment to improve the reliability and serviceability of this infrastructure, bringing this station up to Halifax Water Standards.

## ITEM #5.3

Halifax Water Board

November 28, 2024

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After considering these factors, it is recommended that implementing the project is the best way to ensure the long-term integrity of this asset, and Halifax Water is seeking additional funding approval.

Halifax Water adds that if the project does not proceed, it will continue to operate and maintain the existing system, however, there have been several integrity concerns with this asset over recent years. If failures continue, it may result in unplanned emergency repairs that will likely be more costly and less effective than the proactive approach proposed by proceeding with this project.

### **BUDGET IMPLICATIONS**

The total revised project cost of \$1,820,000 is available as follows:

Funding in the amount of \$200,000 for Main Street Pumping Station Upgrades is available from the 2022/23 Capital Budget (*Main Street Pumping Station Golf View Dr*).

Funding in the amount of \$1,350,000 for Main Street Pumping Station Upgrades is available from the 2023/24 Capital Budget (*Main Street Pumping Station Golf View Dr*). Note that only \$1,040,000 was requested in the previously submitted GM report; this provides an additional \$280,000 from the 2023/24 Capital Budget.

Funding in the amount of \$270,000 is available from surpluses in previously closed projects or projects that have been deferred or cancelled.

The proposed expenditure meets the “NO REGRETS- UNAVOIDABLE NEEDS” approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of “Required to ensure infrastructure system integrity and safety”.

### **RISK**

Deferring the project to future years – There is significant risk that the equipment will fail and require immediate replacement. This system is currently operating on one of two forcemains due to asset failures; this lack of redundancy makes this station more at risk of failure.

Financial – Halifax Water does not believe there are opportunities to significantly reduce the cost of this work, the tendered price is reflective of competitive procurement and the current market. Halifax Water believes there is a financial risk to delaying this work, both due to the increased risk of failure and costly repair, and due to inflationary effects on future bids.



**ALTERNATIVES**

There are no suggested alternatives to this work. The project is considered by Halifax Water staff to be reasonable in scope and a good investment to improve the reliability and serviceability of this infrastructure, bringing this station up to Halifax Water Standards.

**ATTACHMENT**

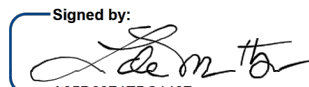
1. Project Location Sketch
2. Approved GM Report
3. M11701 – Approved NSUARB Funding
4. Revised Total Project Cost Estimate

Report Prepared by:



Aaron Boudreau, P.Eng. Project Engineer

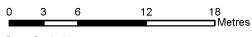
Financial Reviewed by:

Signed by:  


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Louis de Montbrun, CPA, CA  
Director, Corporate Services/CFO

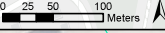
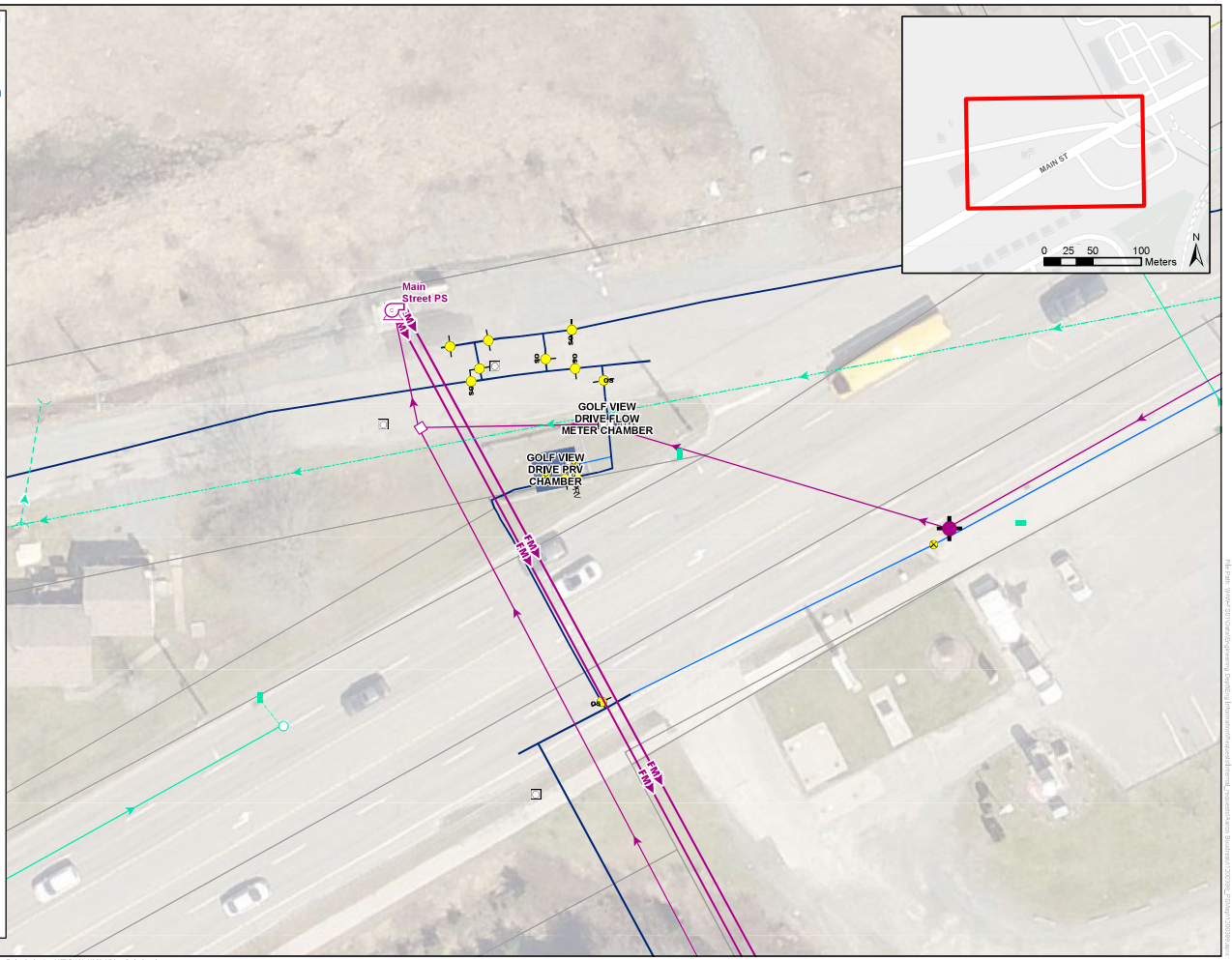
**PS103**  
**MAIN ST PS**  
**DARTMOUTH**

- Wastewater
- Stormwater
- Catchbasin, Public
- Catchbasin, Private
- Stormwater Manhole, Public
- Unknown Manhole, Public
- Wastewater Manhole, Public
- Unknown Outfall
- Wastewater Pumping Station, Public
- Sewer Pump
- MTR Meter Chamber
- PRV Chamber
- Butterfly Valve
- Butterfly Valve Operator Side
- Gate Valve
- PRV Pressure Reducing Valve
- Ditches
- Catchbasin Lead
- Culvert
- Stormwater Pipe
- Wastewater Force Main
- Wastewater Pipe
- Catchbasin Lead
- Stormwater Pipe
- Pipe Protection Other
- Distribution Main
- Transmission Main (>300mm)
- Chamber
- Parcels



Drawn By: davidtr  
 Data Source: Halifax Water / HRM  
 Datum/Proj: NAD83(2011) / CSRS v5 - MTM25 - CGVD2013  
 Date: Tuesday, November 12, 2024

The information contained on this map may not be complete and/or accurate in all areas. Should accurate information or confirmation of completeness be required, please contact the Engineering Department of Halifax Water. Halifax Water will not be held liable for misuse of this information.



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**TO:** Kenda MacKenzie, P.Eng  
Acting General Manager & CEO

**SUBMITTED BY:**



Josh DeYoung, P.Eng.  
Director, Engineering & Capital Infrastructure

**DATE:** **May 6, 2024**

**SUBJECT:** Main Street Pumping Station Golf View Dr.

---

### **ORIGIN**

2022/23 & 2023/24 Capital Budget.

### **RECOMMENDATION**

The General Manager approve \$1,240,000 in funding for the Main Street Pumping Station Golf View Dr. project.

### **BACKGROUND & DISCUSSION**

Halifax Water is planning upgrades at Main Street Pump Station (PS) to include a new valve chamber, new pumps in the wet well and a new asphalt swale to route stormwater to the existing drainage ditch. The current infrastructure is aging, and aspects of the PS do not comply with HW Standards. The recommended upgrades will improve the reliability and serviceability of this infrastructure.

The Main Street PS is located at 6 Golf View Drive in Dartmouth, NS and receives flows from Humber Park PS, O'Dell Drive PS and Memorial Drive PS and is a critical component in the Halifax Water (HW) conveyance system.

The PS is a duplex submersible station that was constructed in 1972. It includes a cast-in-place concrete wet well, two (2) submersible pumps, a monument control panel, direct-buried isolation valves, and 200mm and 250mm PVC forcemains. Flows from the PS are conveyed approximately 420m away to a wastewater manhole south of the intersection of Mount Edward Road and

Wildwood Boulevard / Langdon Drive, where they continue to flow by gravity. Many of the components, including the wet well, are original construction.

A request for proposal was issued in August 2022 for engineering services. The proponents submitted a technical proposal where they were evaluated on technical components and pricing. Stantec Consulting Ltd. was the successful proponent retained in March 2023 and their scope of work included Phase 1: condition assessment, preliminary/detailed design and Phase 2 (Provisional): Tender and Construction Services. The condition assessment report (included with the detailed design report) documents Stantec’s findings from site visits, and the Operation and Maintenance concerns voiced by HW staff. The detailed design report compares the existing PS site to HW Standards and notes where improvements can be made to meet the standards. It also assesses design rationale and parameters and presents options and recommended upgrades, suggested construction sequence, bypass plans, traffic protections, permitting and approvals, and detailed opinion of probable costs.

It is anticipated the construction tender will be issued in June using a low-bid procurement process. Construction will proceed in 2024 following funding approval and award.

### **BUDGET IMPLICATIONS**

Funding in the amount of \$200,000 for Main Street Pumping Station Upgrades is available from the 2022/23 Capital Budget (*Main Street Pumping Station Golf View Dr*).

Funding in the amount of \$1,040,000 for Main Street Pumping Station Upgrades is available from the 2023/24 Capital Budget (*Main Street Pumping Station Golf View Dr*).

The proposed expenditure meets the “NO REGRETS- UNAVOIDABLE NEEDS” approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of “Required to ensure infrastructure system integrity and safety”.

### **ATTACHMENTS**

Project Cost Estimate

Approval:

\_\_\_\_\_  
Kenda MacKenzie, P.Eng.  
Acting General Manager & CEO

Date:

\_\_\_\_\_

Report Prepared By:



\_\_\_\_\_  
Matthew Goodick, EIT  
Junior Project Engineer

Financial Approved By:



\_\_\_\_\_  
Louis de Montbrun, CPA, CA  
Director, Corporate Services/CFO



## Nova Scotia Utility and Review Board

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902 424-4448 t  
902 424-3919 f

July 11, 2024

[joshd@halifaxwater.ca](mailto:joshd@halifaxwater.ca)

Josh De Young, P. Eng.  
Director, Engineering & Capital Infrastructure  
Halifax Regional Water Commission  
450 Cowie Hill Road  
Halifax, NS B3M 5M1

Dear Mr. De Young:

### **M11701 – Halifax Regional Water Commission – Main Street Pumping Station Golfview Drive Project**

---

This is in response to Halifax Water's application to the Board dated May 10, 2024, requesting Board approval of funding for the Main Street Pumping Station Golfview Drive project (Project), in the amount of \$1,240,000. Attached to the application was the Project cost estimate, dated April 16, 2024.

The Main Street Pumping Station (PS), constructed in 1972 and located in Dartmouth, is a critical component of the Halifax Water conveyance system, receiving flows from Humber Park PS, O'Dell Drive PS and Memorial Drive PS. Flows from the Main Street PS are conveyed approximately 420 m away to a wastewater manhole where they continue to flow by gravity. Many of the PS components, including the wet well, are original construction.

The application noted that the current infrastructure at the Main Street PS is aging, with some aspects not in compliance with Halifax Water Standards. Halifax Water's planned upgrades at the Main Street PS include a new valve chamber, new pumps in the wet well and a new asphalt swale to route stormwater to the existing drainage ditch. These upgrades will improve the reliability and serviceability of this infrastructure

Stantec Consulting Ltd. (Stantec) was the successful proponent to the request for proposal (RFP) for the Project's engineering services. The scope of their work includes condition assessment, preliminary/detailed design (Phase 1) and Tender and Construction Services (Phase 2-Provisional). The condition assessment report documents Stantec's findings from site visits, and the operation and maintenance concerns identified by Halifax Water staff. The detailed design report compares the existing PS site to Halifax Water Standards and notes where improvements can be made to meet the standards.

At the time of the application, Halifax Water anticipated the construction tender for the Project would be issued in June using a competitive low-bid procurement process, with construction planned for 2024.

The application identified funding for the Project is available from Halifax Water's 2022/23 and 2023/24 Capital Budgets (Main Street Pumping Station Golf View Dr.) in the amounts of \$200,000 and \$1,040,000, respectively.

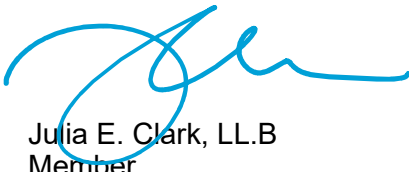
Board staff issued Information Requests on May 29, 2024, to which responses were received on June 19, 2024. Halifax Water provided further details on why the proposed upgrades were needed to meet its standards. The Board received a copy of the Project's Detailed Design Report, prepared by Stantec, dated March 26, 2024, which contained the Condition Assessment Report, dated March 23, 2023. The IR responses also described the process for selecting the successful proponent in response to the RFP for the Project's engineering work.

Halifax Water provided further details on the project cost estimate. Halifax Water explained that the \$30,000 provided in the original estimate for the line item "Halifax Water Staff and Related Expenses" has been exceeded to date because of the higher level of effort required to investigate and develop the Project's design. Therefore, Halifax Water has amended this amount by \$30,000 to \$60,000.

Attached to the IR responses was a Revised Project Cost Estimate in the amount of \$1,270,000 to account for that increase. Halifax Water is now requesting Board approval for this revised amount.

After review of the information provided, the Board finds the proposal to be reasonable and approves the Project cost of \$1,270,000 inclusive of net HST, and the proposed sources of funding from Halifax Water's Capital Budgets.

Yours truly,



Julia E. Clark, LL.B  
Member

Main Street Pumping Station Golf View Dr  
Revised Total Project Cost Estimate

Item	Pre-Tender Estimate Updated June 18, 2024	Post-Tender Estimate Updated November 14, 2024
Construction Costs	\$830,000.00	\$1,360,000.00
Consultant Costs (Tender/Construction Phases)	\$120,880.00	\$133,934.00
<b>Sub-total</b>	<b>\$950,880.00</b>	<b>\$1,493,934.00</b>
Construction Contingency (10% pre-tender, 5% post tender)	\$95,088.00	\$74,696.70
Consultant Costs (Design Phase)	\$94,563.00	\$97,613.00
<b>Sub-total</b>	<b>\$1,140,531.00</b>	<b>\$1,666,243.70</b>
Net HST (4.286%)	\$48,883.16	\$71,415.20
<b>Sub-total</b>	<b>\$1,189,414.16</b>	<b>\$1,737,658.90</b>
Overhead (1%)	\$11,894.14	\$17,376.59
Halifax Water Staff and Related Expenses	\$60,000.00	\$60,000.00
Streets and Services Permit	\$2,500.00	\$2,500.00
Sub-total	\$1,263,808.30	\$1,817,535.49
<b>Total Project Cost Estimate</b>	<b>\$1,270,000.00</b>	<b>\$1,820,000.00</b>

Total Estimated Project Cost (Rounded)	<b>\$1,820,000.00</b>
Approved by NSUARB on July 11, 2024	<b>\$1,270,000.00</b>
Additional Funding Required	<b>\$550,000.00</b>



**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:** Signed by:  
  
51DA47D30B56460...

John Eisnor, MASC., P.Eng., Director, Operations

Signed by:  
  
C78B2696701442F...

Wendy Krkosek, Ph.D., P.Eng., Acting Director Environment, Health and Safety

Signed by:  
  
BF59C5192F994B9...

Ashley Kendall, CPHR., Director, People & Culture

**APPROVED:** Signed by:  
  
0C064AC818784F0...

Kenda MacKenzie, P.Eng., Acting CEO & General Manager

**DATE:** November 14, 2024

**SUBJECT:** **Operational Performance Information Report**

---

**ORIGIN**

Regular update.

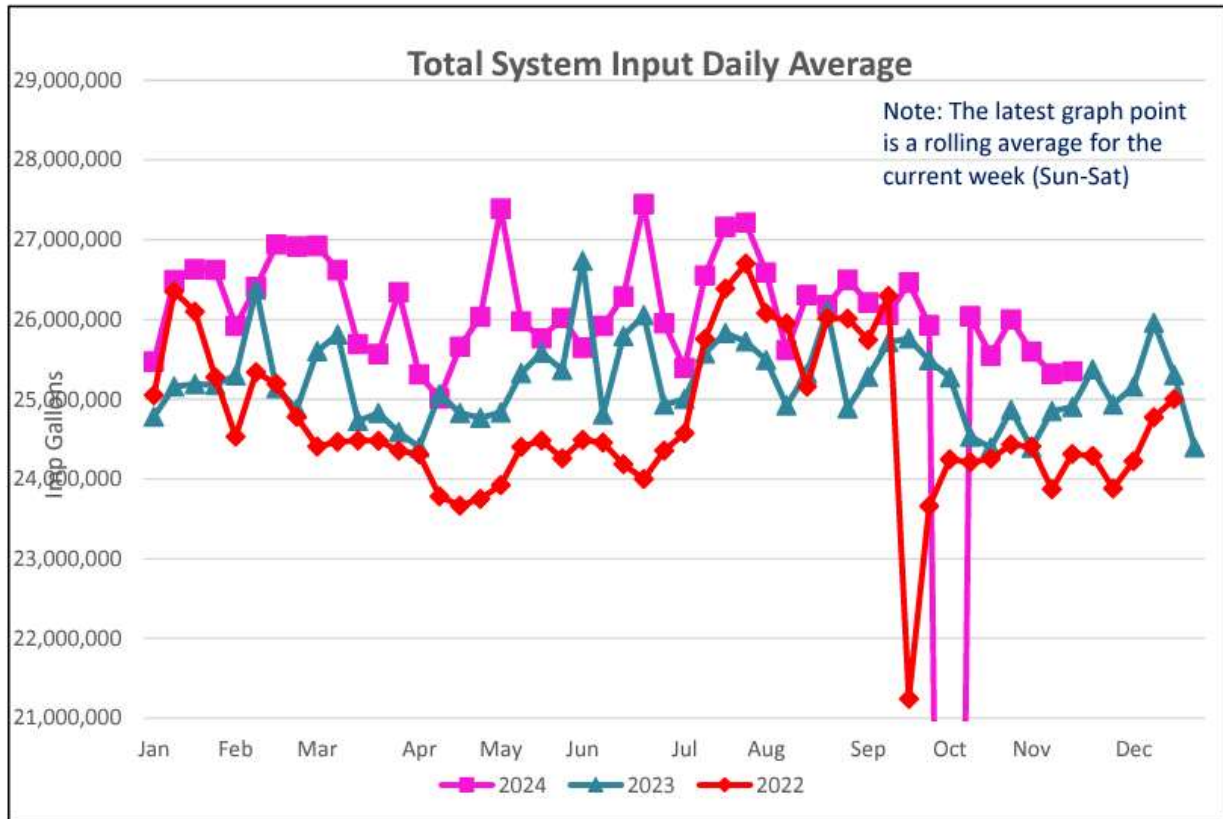
This report provides a high level overview of operational performance for the utility. The safety statistics results are first, followed by indicators and statistics for water and wastewater.

**SAFETY STATISTICS – Q2 – July 1, 2024, to September 30, 2024**

<b>Organizational Metrics</b>	<b>Q2 Jul 1 to Sept 30</b>	<b>CBS Target 2024-25</b>
Lost Time Incident Reporting (LTIR) (Lost Time Cases x 200,000 / Total Employee Hours Worked) YTD	2.56	2.5
Safe Driving (Number of traffic accidents per 1,000,000 km driven)	9.3	4
Workplace inspections conducted	42	Score
Safety Talks conducted (reported at the end of each quarter)	43%	85%
High Potential/Near Miss	29	N/A
<b>Employees on accommodation (new/total)</b> Employees on gradual return to work (non-WCB)	1/8 3	N/A
WCB claims (new/total)	7/4	N/A
Work refusals	0	N/A
Incidents with written compliance orders	0	0-2
Employees trained or recertified before due date	61	85%
<ul style="list-style-type: none"> <li>• Courses Taken</li> </ul>	96	N/A

\* Percentage Data generated at year end due to variants in system data (ie. multiple certifications required for one employee)

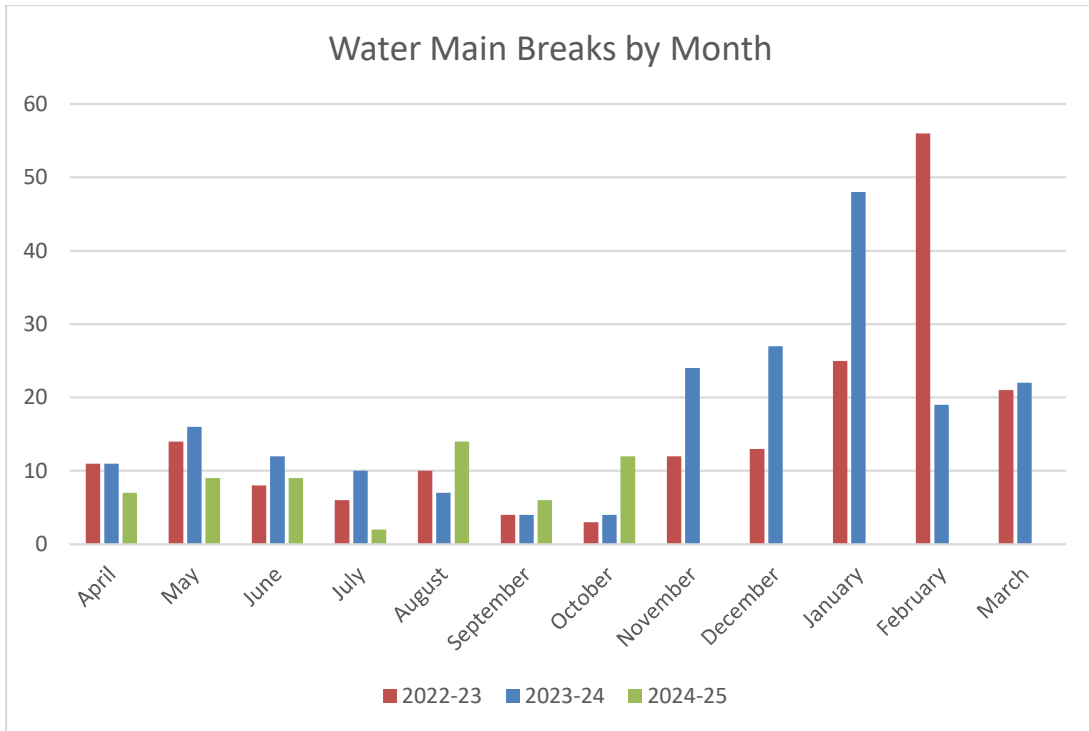
**AVERAGE DAILY WATER PRODUCTION**

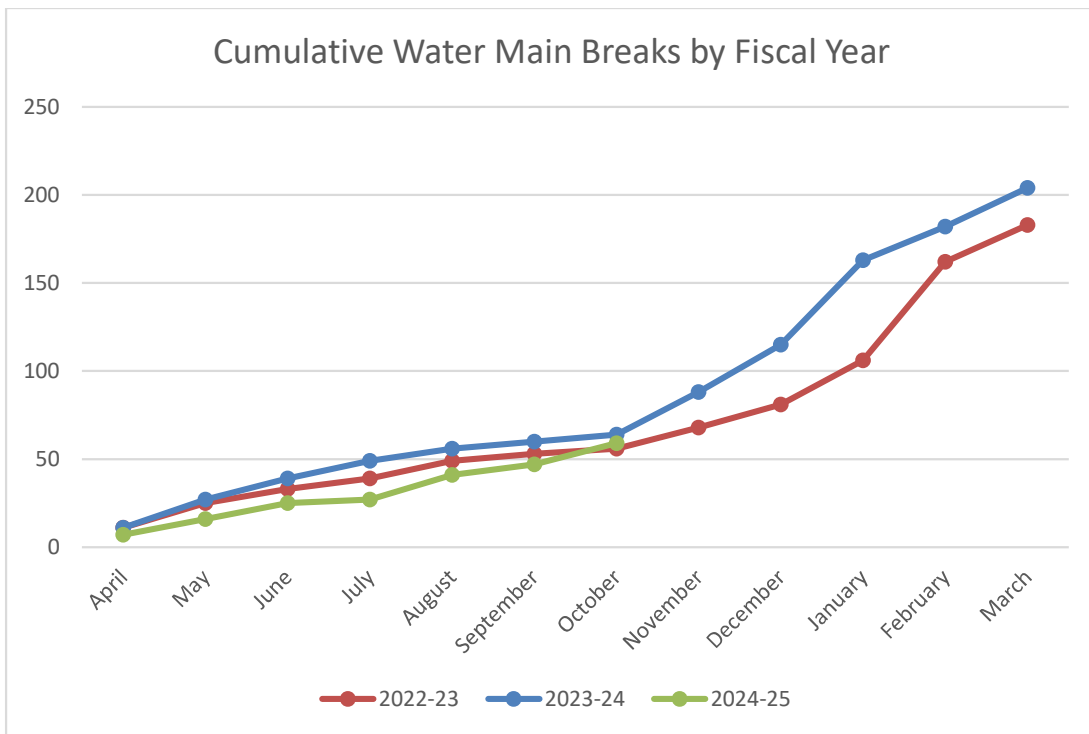


\* The decrease from the end of September/beginning of October 2022 is due to the system being out for a significant amount of time during Fiona resulting in data gaps.

<b>Water Accountability</b>
<b>Losses per Service Connection/Day (International Water Association Standard)</b>
<i>Period Ending: September 30, 2024</i>
Real Losses: 210
CBS Target: 160 - 170

REGIONAL WATER MAIN BREAK/LEAK DATA





**COMPLIANCE SUMMARY**

Water Safety Plan Objectives 2024-2025 Q2				
Objective	Total Sites	% Sites Achieving Target	All Sites: 90th Percentile < 15 µg/L	CBSC Awarded Points
Disinfection	63	100%	---	20
Total Trihalomethanes	26	100%	---	20
Haloacetic Acids	23	91%	---	13
Particle Removal	5	100%	---	20
Corrosion Control	107	---	2.8	20
Summary Total				93

Score: 93/100

In this report each facility is assessed using monthly or quarterly averages, depending on the averaging period specified in its Approval to Operate.

Wastewater Treatment Facility	Wastewater Treatment Facility Monthly Compliance Summary																								Toxicity
	July-24								August-24								September-24								
	CBOD <sub>5</sub> (mg/L)		TSS (mg/L)		E. coli (counts/100mL)		pH		CBOD <sub>5</sub> (mg/L)		TSS (mg/L)		E. coli (counts/100mL)		pH		CBOD <sub>5</sub> (mg/L)		TSS (mg/L)		E. coli (counts/100mL)		pH		
NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.		
Halifax	67	53	50	23	5000	187,170	6-9	6.9	67	60	50	26	5000	210,822	6-9	6.8	67	44	50	22	5000	107,458	6-9	6.9	N/A*
Dartmouth	50	62	40	21	5000	166	6-9	6.8	50	59	40	29	5000	714	6-9	6.6	50	44	40	15	5000	687	6-9	6.7	N/A*
Herring Cove	50	31	40	23	5000	32	6-9	6.9	50	44	40	27	5000	267	6-9	6.9	50	21	40	12	5000	79	6-9	6.8	N/A*
Eastern Passage	25	5	25	6	200	31	6-9	7.1	25	5	25	9	200	50	6-9	7.2	25	5	25	7	200	83	6-9	7.1	N/A*
Mill Cove	25	11	25	14	200	20	6-9	6.5	25	17	25	19	200	10	6-9	6.5	25	11	25	11	200	16	6-9	6.5	N/A*

\*Acute toxicity reduction to annual granted by NSECC for Herring Cove, Eastern Passage and Mill Cove, reflecting WSER. Removal of acute toxicity sampling requirement for Dartmouth and Halifax, reflecting WSER Transitional Authorizations.

Wastewater Treatment Facility	Wastewater Treatment Facility Quarterly Compliance Summary July, August, and September 2024																Toxicity
	CBOD <sub>5</sub> (mg/L)		TSS (mg/L)		E. coli (counts/ 100mL)		pH		Ammonia (mg/L)		Phosphorous (mg/L)		TRC (mg/L)		Dissolved Oxygen (mg/L)		
	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg	
Springfield	20	5	20	24	200	214	6-9	7.1	-	-	-	-	-	-	-	-	-
Frame	20	2	20	1	200	10	6-9	7.3	-	-	-	-	-	-	-	-	-
Middle Musq.	20	23	20	60	200	317	6-9	7.4	-	-	-	-	-	-	-	-	-
Uplands	20	14	20	18	200	109	6-9	6.8	-	-	-	-	-	-	-	-	-
Aerotech	5	2	5	2	200	10	6-9	7.4	5.7 W 1.2 S	0.1	0.13	0.07	-	6.5	7.6	-	Not acutely lethal
North Preston	10	2	10	2	200	10	6-9	6.7	3	0.1	1.5	0.8	-	-	-	-	-
Lockview	20	5	20	6	200	397	6.5-9	6.6	8.0 S	1.9	1.2 S	0.9	-	-	-	-	-
Steeves (Wellington)	20	2	20	1	200	10	6.5-9	7.0	14.4 S	0.1	1.0 S	0.1	-	-	-	-	-
BLT	15	5	20	17	200	15	6-9	7.2	5 W 3 S	2	3 W 1 S	1	0.02 *	0.10	-	-	N/A**

**NOTES & ACRONYMS:**

CBOD<sub>5</sub> - Carbonaceous 5-Day Biochemical Oxygen Demand

TSS - Total Suspended Solids

\* TRC - Total Residual Chlorine - Bureau Veritas can only measure 0.10 mg/L residual; results of 0.1 mg/L are compliant

\*\* Acute toxicity reduction to annual granted by NSECC for BLT

BDL - Below Detection Limit

W / S - Winter / Summer compliance limits

NSECC requires monthly averages be less than the NSECC Compliance Limit for each parameter at Dartmouth, En Passage, Halifax, Herring Cove, Mill Cove

NSECC requires quarterly averages be less than the NSECC Compliance Limit for each parameter at Aerotech, Lockview, Middle Musquodoboit, Frame, BLT,

Uplands and Springfield Lake

NSECC requires annual averages be less than the NSECC Compliance Limit for each parameter at North Preston and Steeves

**LEGEND**

	NSECC Compliant
	NSECC Non-Compliant

**NON-COMPLIANCE EXPLANATIONS:**

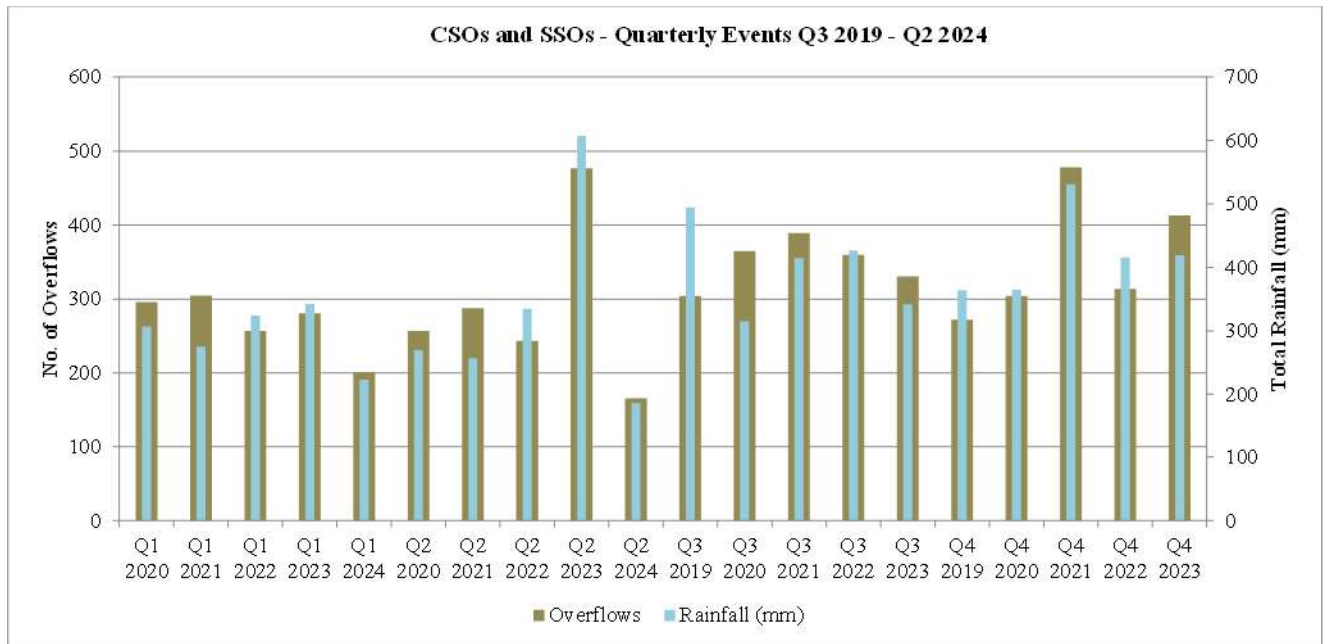
Halifax WWTF: Dosing challenges due to high influent conductivity and dissolved solids and UV system issues impacting effectiveness of UV treatment.

Dartmouth WWTF: High influent BOD. Treatment ability to remove soluble and colloidal BOD lower than for non-soluble BOD.

Springfield Lake WWTF: Treatment process difficulties due to periods of low and high flows coupled with UV system issues. Operational UV cleaning procedure has been enhanced.

Middle Musq. WWTF: Algal growth in aeration pond due to aeration system being down and solar heat generation from black pond liner.

Lockview-MacPherson WWTF: Cloudy effluent due to presence of bristle worms in treatment process resulting in poor UV disinfection.



NOTES & ACRONYMS: CSO - Combined Sewer Overflow SSO - Sanitary Sewer Overflow

Rainfall data is from Halifax Water’s rain gauge at the Halifax WWTF.


There were six overflows in Q2 beginning on days when there was no recorded rainfall, as follows:

1. August 12: The CSOs at Lyle St CSO, Jamieson St PS & CSO, Melva St PS & CSO, Park Ave PS & CSO, and Old Ferry Road PS & CSO were due to a brief power bump, impacting power supply at Dartmouth WWTF resulting in an influent gate closure.
2. August 24: The CSO at Pier A PS & CSO was due to an influent gate closure at Halifax WWTF that resulted from an electrical issue at the facility.




**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan

**SUBMITTED BY:**

Signed by:  


A63D6874EBC1467...  
Louis de Montbrun, CPA, CA, Director, Corporate Services / CFO

**APPROVED:**

Signed by:  


0C084AC813794F6...  
Kenda MacKenzie, P.Eng., Acting CEO & General Manager

**DATE:** November 19, 2024

**SUBJECT:** Halifax Regional Water Commission Employees' Pension Plan Financial Report Third Quarter, 2024

### **INFORMATION REPORT**

---

#### **ORIGIN**

Financial reporting for the Halifax Regional Water Commission Employees' Pension Plan (the "Plan").

#### **BACKGROUND**

The Halifax Water Board, as Trustees of the Plan, is required to review the financial results of the Plan throughout the year.

#### **DISCUSSION**

The attached statement of changes in net assets available for benefits (Appendix A) outlines the annual budget for the Plan and actual financial performance for the nine-month period ending September 30, 2024. Audited financial results for 2022 and 2023 are shown for comparative purposes.

As shown on the statement of changes in net assets available for benefits, net assets available for benefits have increased by \$21.0 million for the nine (9) month period ending September 30, 2024. The pro-rated budget for the period forecasted an increase of \$8.5 million. Actual results for the period compared to the pro-rated budget result in a favourable variance of \$12.5 million.

The annual budget forecasted revenue of \$10.5 million. Revenue for the period is \$20.7 million which when compared to the pro-rated revenue budget of \$7.9 million results in a favourable variance of \$12.8

million. Revenue figures are directly impacted by the performance of the HRM Master Trust. This favourable variance is attributed directly to an increase in the fair value of investment assets of \$17.6 million. Investment income for the period is \$3.5 million compared to a pro-rated budget of \$2.1 million resulting in a favourable variance of \$1.4 million or 67%.

Contributions of \$6.2 million are above the pro-rated budget of \$5.8 million by \$0.4 million. This results in a favourable variance of 7% and is due to the timing of new hires and reciprocal transfers into Halifax Water, which are unbudgeted.

Expenses of \$5.8 million for the period are higher than the pro-rated budget of \$5.1 million by \$0.7 million or 14%. The main contributor to this variance is termination payouts which are higher than the pro-rated budget in the period. Termination payments do vary from quarter to quarter and are difficult to predict however the year-to-date termination payouts have already exceeded the annual budget by \$0.6 million.

### **SERVICE STANDARDS**

Tracking of Regulatory Filing Requirements, Administrative Reporting Requirements and Service Standards for actuarial calculation requests is ongoing. The reports for Regulatory Filing Requirements and Administrative Reporting Requirements are attached as Appendix B and Appendix C respectively, and document administrative compliance within the various levels of reporting for the period.

Service Standard results for the Third Quarter (July 1 – September 30, 2024) have been attached as Appendix D. The primary purpose of the service standard report is to report on the administrative compliance with the Pension Benefits Act of Nova Scotia (the “Act”) respecting the timing of statements or notifications required under the Act, such as:

- Retirement statement to member;
- Notification of options to retiring member;
- Death benefits statement; and
- Statement on termination.

A secondary purpose of the report is to provide performance reporting respecting the Plan’s actuaries, for required deliverables based on pre-determined standards. These standards are internal in nature, and mutually agreed upon by the actuary and Halifax Water.

Third Quarter results reported in Appendix D show, out of 5 requests submitted for retirement estimates (with options), the retirement package was provided to the member within the prescribed timelines under the Act, 60 days prior to the Member’s intended retirement date. There were 13 terminations during the period, with the terminated employee provided a termination package (with options) within the prescribed timelines under the Act, within 60 days after their termination date.

Performance of the actuary, also reported in Appendix D, shows out of 18 requests in total, the actuary met the pre-determined standard in all instances, with average response times for retirement and termination calculation estimates of 12 days and 8 days respectively. The response time of the actuaries is continuously monitored to ensure required service standards are maintained. Halifax Water will be informed in advance of potential upcoming delays in response times.

**ATTACHMENTS**

APPENDIX A – Financial Report:

Statement of changes in net assets available for benefits, for the nine (9) month period ended September 30, 2024

APPENDIX B – Regulatory Filing Requirements – Q3 2024

APPENDIX C – Administrative Reporting Requirements – Q3 2024

APPENDIX D – Service Standards Report – Q3 2024

**Halifax Regional Water Commission Employees' Pension Plan**  
**Statement of changes in net assets available for benefits**  
**For the nine (9) month period ended September 30, 2024**

Benchmark 75%

	September 30, 2024						Actual (Audited) 2023	Actual (Audited) 2022
	2024 Budget	Actual	Prorated Budget 75%	Actual versus Budget Change		Actual 2023		
				\$	%			
<b>Revenue</b>								
Net investment income:								
Total investment income	\$2,800,000	\$3,504,082	\$2,100,000	\$1,404,082	67%	\$3,640,508	\$3,307,029	
Investment manager fees	(\$430,000)	(\$401,481)	(\$322,500)	(\$78,981)	24%	(\$383,410)	(\$388,167)	
Increase (decrease) in the fair value of investment assets	\$8,100,000	\$17,580,517	\$6,075,000	\$11,505,517	189%	\$11,981,675	(\$2,763,692)	
	<u>\$10,470,000</u>	<u>\$20,683,117</u>	<u>\$7,852,500</u>	<u>\$12,830,617</u>	<u>163%</u>	<u>\$15,238,773</u>	<u>\$155,170</u>	
<b>Contributions</b>								
Participants:								
Current service (including Additional Voluntary Contributions)	\$3,890,416	\$3,097,912	\$2,917,812	\$180,100	6%	\$3,701,095	\$3,375,425	
Reciprocal Transfers	\$0	\$49,611	\$0	\$49,611	0%	\$683,465	\$0	
Sponsors:								
Current service	\$3,773,000	\$3,003,459	\$2,829,750	\$173,709	6%	\$3,588,545	\$3,277,595	
	<u>\$7,663,416</u>	<u>\$6,150,982</u>	<u>\$5,747,562</u>	<u>\$403,420</u>	<u>7%</u>	<u>\$7,973,105</u>	<u>\$6,653,020</u>	
<b>Expenses</b>								
Benefit payments:								
Benefit payments	\$5,536,000	\$4,144,542	\$4,152,000	(\$7,458)	(0%)	\$5,280,758	\$5,089,704	
Termination payments	\$1,000,000	\$1,585,079	\$750,000	\$835,079	111%	\$1,470,618	\$909,506	
Death benefit payments	\$0	\$0	\$0	\$0	n/a	\$296,728	\$0	
Administrative:								
Actuarial & consulting fees	\$143,500	\$15,512	\$107,625	(\$92,113)	(86%)	\$77,631	\$99,522	
Audit & accounting fees	\$9,000	\$3,533	\$6,750	(\$3,217)	(48%)	\$9,022	\$9,446	
Bank custodian fees	\$26,300	\$22,882	\$19,725	\$3,157	16%	\$24,509	\$20,941	
Insurance	\$10,600	\$11,130	\$7,950	\$3,180	40%	\$11,130	\$10,600	
Miscellaneous	\$21,200	\$18,467	\$15,900	\$2,567	16%	\$25,170	\$21,448	
Professional fees	\$44,000	\$29,532	\$33,000	(\$3,468)	(11%)	\$44,484	\$40,534	
Registration fees	\$3,000	\$0	\$2,250	(\$2,250)	(100%)	\$2,935	\$2,848	
Training (Trustees/ Administration/ Pension Committee)	\$5,000	\$0	\$3,750	(\$3,750)	(100%)	\$0	\$0	
	<u>\$6,798,600</u>	<u>\$5,830,675</u>	<u>\$5,098,950</u>	<u>\$731,725</u>	<u>14%</u>	<u>\$7,242,985</u>	<u>\$6,204,549</u>	
<b>Increase in net assets available for benefits</b>	<u>\$11,334,816</u>	<u>\$21,003,425</u>	<u>\$8,501,112</u>	<u>\$12,502,313</u>	<u>147%</u>	<u>\$15,968,893</u>	<u>\$603,641</u>	
<b>Net assets available for benefits, beginning of period</b>	\$191,208,896	\$191,208,896				\$175,240,003	\$174,636,362	
Increase (decrease) in net assets available for benefits	\$11,334,816	\$21,003,425				\$15,968,893	\$603,641	
<b>Net assets available for benefits, end of period</b>	<u>\$202,543,712</u>	<u>\$212,212,321</u>				<u>\$191,208,896</u>	<u>\$175,240,003</u>	

**Halifax Regional Water Commission Employees' Pension Plan**  
**Regulatory Filing Requirements - 2024**  
**as at September 30, 2024**

<b>Report</b>	<b>Regulatory Body</b>	<b>Filing Deadline</b>	<b>Date last filed</b>		<b>Comments</b>
1 Annual Form 3 - Summary of Contributions	Superintendent of Pensions	60 days after the beginning of each fiscal year	February 15, 2024	DB Plan	Filed directly with the Trustee, Northern Trust, for the DB Plan.
			February 15, 2024	DC Plan	Filed directly with the Trustee, Industrial Alliance, for the DC Plan.
2 Pension Plan Income Tax Return (T3)	Canada Revenue Agency	March 31st	February 16, 2024	DB Plan	CRA requires Northern Trust as the custodian to prepare and file T3 Income Tax Returns each year. Information obtained from HRM Pension Plan office.
3 Pension Plan Audited Financial Statements	Superintendent of Pensions	6 months after the Plan's fiscal year end	July 23, 2024	DB Plan	2023 audited financial statements were approved by the Halifax Water Board on June 20, 2024. Financial statements were signed at Halifax Water's Annual General Meeting on July 11th and submitted to the Superintendent of Pensions on July 23rd. (Superintendent is notified by letter each year that the financial statements may be later than June 30th due to timing of the Board meeting and subsequent signing of the statements.)
			June 19, 2024	DC Plan	Audited financial statements are not prepared for this pension plan. However, Industrial Alliance provides a Financial Report detailing all pertinent details of the plan. This report is submitted to the regulatory body prior to June 30th each year.
4 Annual Information Returns (AIR)	Superintendent of Pensions	June 30th	June 19, 2024	DB Plan	
			June 19, 2024	DC Plan	
5 Actuarial Valuation*	Superintendent of Pensions Canada Revenue Agency	September 30th	September 16, 2022 September 16, 2022		Actuarial Valuation was conducted as of January 1, 2022 and has been filed with the Superintendent of Pensions and CRA in September 2022 by Eckler Partner's Ltd.
6 Plan Amendments	Superintendent of Pensions	60 days after the amendment approved by the Board	September 23, 2022	DB Plan	Plan Rules were Amended and Consolidated effective January 1, 2021 and approved by the Halifax Water Board on January 27, 2022. This included amendments 9 through 12, implemented since 2011. Contribution rate changes as determined by the Actuarial Valuation of January 1st, 2022 were submitted to the Superintendent of Pensions and CRA on September 23, 2022.
	Canada Revenue Agency		September 23, 2022		
	Superintendent of Pensions Canada Revenue Agency	60 days after the amendment approved by the Board	n/a	DC Plan	All documents relating to the registration of the DC Plan were received by the Superintendent October 6, 2017.

\* Actuarial Valuations are required at a minimum every three (3) years.

\*\* Notional Agreements were implemented during 2017 with an effective date for January 1, 2017. Notional Agreements are not registered therefore not subject to reporting requirements to a regulatory body.

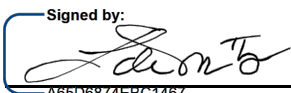
**Halifax Regional Water Commission Employees' Pension Plan**  
**Administrative Reporting Requirements - 2024**  
**as at September 30, 2024**

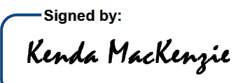
<b>Report</b>	<b>Filing Deadline/ Recurrence</b>	<b>Date last filed/ Performed</b>		<b>Comments</b>
1 Pensioners' Payroll	Monthly	November 1, 2024		Pensioners are paid the 1st of each month; no exceptions to report for the Third Quarter 2024.
2 Contributions to the Trustee	Monthly	October 15, 2024	DB Plan	Remittances due to Northern Trust within 30 days of month end; no exceptions to report for the Third Quarter 2024.
		October 8, 2024	DC Plan	Remittances due to Industrial Alliance within 30 days of month end; no exceptions to report for the Third Quarter 2024.
		n/a	Notional Agreement*	Contributions are not made to an external trustee or custodian, Liability plus interest is reported by Halifax Water annually.
3 Pension Plan Financial Statements	Quarterly	November 7, 2024	DB Plan	Third Quarter (January - September 2024)
		March 28, 2024	DC Plan	Quarterly statements are not prepared for the Defined Contribution (DC) Plan. A financial report is prepared by Industrial Alliance and that report is filed with the Annual Information Return (AIR) to the regulator annually. The 2023 report was provided to the Halifax Water Board on March 28, 2024.
		n/a	Notional Agreement*	Financial statements not required.
4 Investment Performance Review & Compliance with SIP&P	Quarterly	November 7, 2024	DB Plan	Second Quarter 2024 (January - June) Report prepared quarterly by administration staff for the Halifax Water Board of Directors, in conjunction with the quarterly HRM Pension Plan Committee meeting documentation. Statement of Investment Policies & Procedures (SIP&P) is reviewed annually and was last reviewed and approved on December 7, 2023.
5 Annual Pension Statements to Members	June 30th	June 24, 2024	DB Plan	Statements issued annually by June 30th.
		June 24, 2024	DC Plan	Statements issued annually in conjunction with the Defined Benefit (DB) Plan statements. Members also have access to online, real-time reporting.
		June 24, 2024	Notional Agreement*	Statements issued annually in conjunction with the DB Plan statements.
6 Fiduciary Liability Insurance	Annually	October 31, 2024	DB Plan	Reviewed and renewed annually by administration staff. The policy period expires November 30 each year.

\* Notional Agreements were implemented during 2017 with an effective date for January 1, 2017, Notional Agreements are not registered therefore not subject to reporting requirements to a regulatory body.

Quarter 3 (as at September 30, 2024)									
Transaction	Standard	Actuary				HW Staff		Total Average Service Days	Compliance with PBA
		Total # Completed	# Past Standard	% within Standard	Average Service Days	Total # Completed	Average Service Days		
Retirement Estimates	11 Business Days	5	0	100%	12	5	27	39	Yes
Marriage Breakdown Calculations	15 Business Days								
Post-Retirement Death Letter	15 Business Days								
Pre-Retirement Death Benefit	15 Business Days								
Termination Estimate Calculations									
- Standard	11 Business Days	13	0	100%	8	13	20	28	Yes
- Non Standard (Incl RTAs)	15 Business Days								
Total for Actuary		18	0	100%	10	18	24	34	

**TO:** Colleen Rollings, P.Eng., PMP., Chair and Members of the Halifax Regional Water Commission Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan

**SUBMITTED BY:**   
Signed by: \_\_\_\_\_  
A65D6874EBC146/...  
Louis de Montbrun, CPA, CA, Director, Corporate Services / CFO

**APPROVED:**   
Signed by: \_\_\_\_\_  
0C004AC015794F0...  
Kenda MacKenzie, P.Eng., Acting CEO & General Manager

**DATE:** November 19, 2024

**SUBJECT:** **Halifax Regional Municipality Master Trust Investment Performance, Second Quarter, 2024**

### INFORMATION REPORT

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#### ORIGIN

The Halifax Regional Municipality Master Trust (the "Master Trust") investment performance is reported to the Halifax Regional Water Commission Board as Trustees of the Halifax Regional Water Commission Employees' Pension Plan periodically throughout the year.

#### BACKGROUND

None

#### DISCUSSION

The table below and the attached Investment Report provide a performance update for the Second Quarter of 2024 (January to June) for the Master Trust, of which Halifax Regional Water Commission Employees' Pension Plan (the "Plan") is a part. The fair value of the investment in the Master Trust is determined and updated at year-end, and the Plan's share in the Master Trust at December 31, 2023 was 6.62%, totaling \$189.4 million.

The Master Trust earned 2.09% in the Second Quarter, which underperformed the Second Quarter policy benchmark of 2.42% by 0.34%. The return for the 1-year period ended June 30, 2024, was 10.93%, underperforming the 1-year policy benchmark of 13.74% by 2.81%. Other historical returns are provided in Table 1 below.



**Table 1 – Returns**

	<b>Current</b>				
	<b>Quarter</b>		<b>3 - Year</b>	<b>4 - Year</b>	<b>Inception</b>
	<b>(Apr - Jun)</b>	<b>1-Year</b>	<b>Annualized</b>	<b>Annualized</b>	<b>To Date</b>
Fund Return	2.09%	10.93%	7.28%	8.89%	7.28%
Policy Benchmark	2.42%	13.74%	6.23%	7.34%	5.89%
Excess Return	-0.34%	-2.81%	1.04%	1.55%	1.40%

The total fund returns are subject to investment management fees and plan expenses.

As of June 30, 2024, the Master Trust was in compliance with the Statement of Investment Policies and Procedures (SIP&P).

**ATTACHMENTS**

Attachment 1 – HRM Master Trust Investment Performance Q2 2024

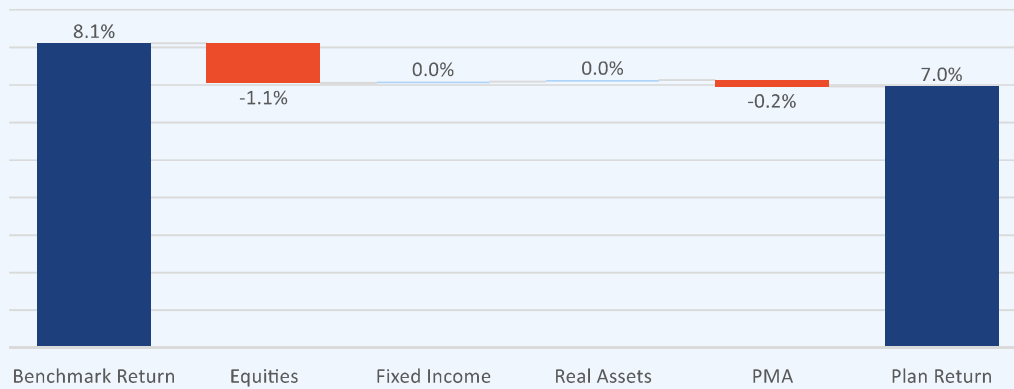
Attachment 2 – HRM Master Trust Investment Risk & Analytical Services Q2 2024

# Plan Performance

# Total Plan Performance

	Q2	YTD	1 Year	5 Year	10 Year
<b>Total Plan</b>	2.1%	7.0%	10.9%	8.1%	8.0%
<b>Benchmark</b>	2.4%	8.1%	13.7%	6.8%	6.4%
<b>Value Add</b>	-0.3%	-1.1%	-2.8%	1.3%	1.6%

YTD Performance Bridge



Note: Bridge returns for each asset class are the relative asset allocation and relative security selection returns. HRM Operating account, and residual effects are included within fixed income for total performance purposes.  
 Note: Total Plan Benchmark and breakdown is provided in the Appendix

SECTION 1

# HRM Master Trust

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## Investment Risk & Analytical Services

June 30, 2024

## Market Overview

MARKET OVERVIEW - SECOND QUARTER 2024

PROVIDED BY NORTHERN TRUST ASSET MANAGEMENT

SOFT LANDING

**A supportive macroeconomic backdrop** :- After exceeding expectations for most of the prior year, patches of sequentially softer U.S. growth data undershot upwardly revised projections during the quarter. However, the relative softness was not to be confused with absolute weakness as growth levels remained healthy overall. Indeed, consensus projects that second quarter real Gross Domestic Product (GDP) will come in at 2.0%. This would be a step down from the 2023 exit rate (3.4%), but above the Fed’s estimate of long-run GDP (1.8%). While the global growth impulse remained weak, there were some signs that U.S. growth leadership may be broadening to other regions. Specifically, global manufacturing and trade continued to show signs of improvement. Perhaps the most important macro development during the quarter was the resumption of disinflation. After exiting the first quarter at 4.5%, the 3-month annualized change in U.S. core inflation eased to 2.6% in the most recent data. More broadly, developed market inflation is still elevated and most major central banks remain committed to lowering it. While investors slightly reduced their expectations for rate cuts during the quarter, the base case remains for easier central bank policies than in recent years. Lastly, fiscal policy was back in the spotlight with elections heating up globally. Markets did not have enough information to make adjustments beyond contained initial reactions, but this could change as the outcomes and policies are firmed.

**Decent quarter for financial markets** :- Modest gains in fixed income were accompanied by somewhat more varied performance across equities and real assets – with U.S. equities still near the leaderboard. Fixed income returns were largely supported by coupon payments given sizeable initial headwinds from higher Treasury yields in April, followed by a partial reversal throughout May and June. While the overall credit backdrop remained quite firm, credit spreads were slightly higher across investment grade and high yield. Regional equity performance trends diverged as U.S. markets pushed higher with technology-driven gains while the recovery in China and strong performance in India and Taiwan helped emerging market equities finish as the top-performing major asset class. Non-U.S. developed markets struggled later in the quarter as French equities dipped due to election uncertainty while Japan was a drag throughout most of the quarter. U.S. megacap tech performance continued to be a point of focus with strong 50%-plus earnings growth in 1Q earnings season along with a healthy dose of optimism around AI. Overall, the “Magnificent 7” group accounted for essentially the entire S&P 500 second quarter gain and about 60% of the year-to-date return. Within real assets, global listed infrastructure outpaced both global natural resources and global real estate with a key boost from the utilities segment amid investor optimism on an AI-driven increase in power demand in the future.

SECOND QUARTER 2024 TOTAL RETURNS (%)

The 60/40 portfolio continued to push higher on the back of strong equity market performance.



Source: Northern Trust Asset Management, Bloomberg. Data from 3/31/2024 through 6/30/2024. NR: Natural Resources; GRE: Global Real Estate; GLI: Global Listed Infrastructure. Indexes are gross of fees. Past performance and historical trends are not predictive of future results. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index.

**MARKET REVIEW**

**Interest Rates**

After rising ~40-50 basis points (bps) in April, Treasury yields turned lower but still ended the quarter up 13 bps (2-year yield) and 20 bps (10-year yield). The turn lower coincided with incremental labor market easing and resumed disinflation. The Fed made no major policy changes during the quarter. It continued to convey a cautious and data-dependent approach to rate cuts, with little interest in further tightening. The prospect of a global easing cycle held in tact, with central banks in Europe and Canada cutting rates during the quarter.

**Credit Markets**

After widening in April alongside interest rate volatility, credit spreads snapped back and ended the quarter only slightly wider. Investment grade (IG) spreads widened 4 bps to 88 bps and high yield (HY) spreads widened 11 bps to 309 bps. Spreads for both areas still sit tighter than start-of-year levels and comfortably below historical averages. From a return standpoint, IG fixed income gained 0.1% and HY was up 1.1%. Higher quality credits modestly outperformed, while all-in-yields continued to drive most of the return at the index levels.

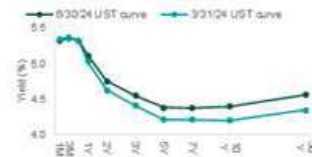
**Equities**

After inflationary pressures in April led to a ~5% sell-off, global equities rebounded to finish the quarter up 3.0%. Above-trend economic growth, disinflation traction and more favorable monetary policy supported the third consecutive quarter of equity gains. Emerging markets (+5.3%) led the major regions and China posted its first quarterly gain since early 2023. The U.S. (+3.4%) was not far behind, with its gains concentrated in large cap growth. Developed ex-U.S. equities lost 0.5%. They were keeping pace until French election risks surfaced.

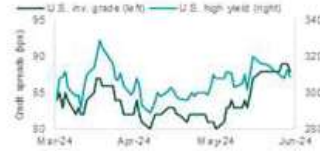
**Real Assets**

Listed infrastructure (+2.7%) was the only real asset that kept up with global equities. It had gained over 6% at one point, but its momentum faded. Investor focus on artificial intelligence (AI) was a potential tailwind given the infrastructure buildout that will likely be needed to support AI usage. Natural resources (-1.8%) had been outperforming with support from metals, but that turned in May along with lower energy prices. Global real estate (-1.9%) fell deeper into negative year-to-date territory with office and industrials notable detractors.

**U.S. TREASURY YIELD CURVE**



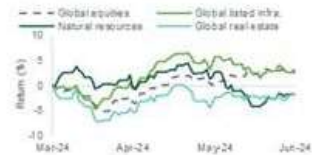
**CREDIT SPREADS**



**REGIONAL EQUITY INDICES**

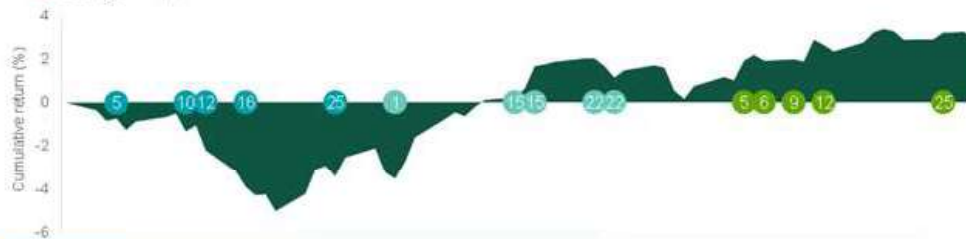


**REAL ASSET INDICES**



**MARKET EVENTS**

■ 2Q 2024 global equity total return: 3.0%



APRIL	MAY	JUNE
<p><b>5</b> U.S. jobs data portray ongoing labor market strength as payrolls gain 303k, the unemployment rate ticks down to 3.8% from 3.9%, and wage growth remains elevated at 4.1%.</p>	<p><b>1</b> In the post-meeting press conference, Fed Chair Powell outlines several of the likely policy scenarios – none of which include rate hikes. Jobs data eases across the same week.</p>	<p><b>5</b> The Bank of Canada (BOC) lowers its target rate by 25 basis points (bps) to 4.75%, becoming the first G7 central bank to ease policy this cycle.</p>
<p><b>10</b> U.S. Consumer Price Index (CPI) comes in hotter than expected for the third month in a row. Headline accelerates and core CPI doesn't budge at 3.8% year-over-year (expected 3.7%).</p>	<p><b>15</b> U.S. inflation resumes moderation. While still hot at 0.3% month-over-month, this represents a step down from 0.4% the prior three months.</p>	<p><b>6</b> The European Central Bank follows the BOC with a 25-bp cut that brings its deposit rate to 3.75%. Eurosystem staff upwardly revises 2024 and 2025 inflation projections.</p>
<p><b>12</b> Iran warns of retaliation against Israel after an attack on an Iranian consulate. Iran proceeds to launch drones and missiles toward Israel over the weekend, though fallout is contained.</p>	<p><b>15</b> China announces a broader property rescue package. Support measures include loans for unsold home purchases and easier requirements for homebuyers.</p>	<p><b>9</b> A rightward shift in the EU parliament prompts French President Macron to call for a snap election. French and European equities weaken as investors await voting outcomes.</p>
<p><b>16</b> Federal Reserve Chair Powell comments that it will likely take "longer for confidence after recent data", which shows a "lack of further progress on inflation".</p>	<p><b>22</b> NVIDIA reports another quarter of strong AI-driven results. The "Mag 7" contributes over 7 percentage points of the broader S&amp;P 500's 6% year-over-year (y/y) earnings growth in Q1.</p>	<p><b>12</b> U.S. CPI eases with core CPI ex-Shelter decelerating to 1.9% y/y. On the same day, the Fed convenes and makes no policy changes. Chair Powell acknowledges recent inflation progress.</p>
<p><b>25</b> First quarter U.S. Gross Domestic Product slows below expectations but underlying demand remains solid in aggregate.</p>	<p><b>22</b> U.K. core CPI eases less than expected. Services CPI ticks down to 5.9% y/y – not nearly as much as expected (5.4% y/y).</p>	<p><b>25</b> Inflation data for Australia and Canada tops expectations. Both central banks will analyze one more inflation print before their next policy meeting.</p>



**IMPORTANT INFORMATION**

Indexes used: Bloomberg Barclays (BBC) 1-3 Month UST (Cash); BBC Municipal (Muni); BBC Aggregate (Inv. Grade); BBC TIPS (TIPS); BBC High Yield 2% Capped (High Yield); JP Morgan GBI-EM Global Diversified (Em. Markets Fixed Income); MSCI U.S. Equities IMI (U.S. Equities); MSCI World ex-U.S. IMI (Dev. ex-U.S. Equities); MSCI Emerging Market Equities IMI (Em. Markets Equities); S&P Global Natural Resources (Natural Resources); MSCI ACWI IMI Core Real Estate (Global Real Estate); S&P Global Infrastructure (Global Listed Infrastructure).

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**Steady Macro Backdrop in 2Q**

The global growth backdrop incrementally improved in 2Q with a combination of resilient-but-moderating U.S. economic activity and some firming in data coming out of Europe and China off a weaker starting point – buffered by improvement in global trade and manufacturing. Resumption of disinflationary trends in U.S. inflation data was well-received by investors. This was a closely-watched area heading into the quarter by the Federal Reserve and investors alike given the hotter-than-expected inflation data in early 2024.

**Rate Cuts Commence**

Central bankers largely retained a patient approach with a bias towards rate cuts. The Bank of Canada and the European Central Bank both cut rates by 25 basis points in June with markets expecting the Bank of England and Federal Reserve to follow soon (perhaps August/September). Despite some movement in early 2Q, market expectations stabilized around 50-75 basis points of anticipated easing in 2024 from most major central banks. Meanwhile, the Bank of Japan held policy in 2Q with further tightening expected.

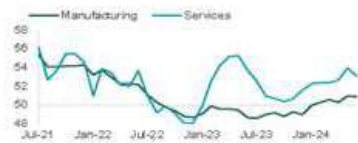
**Election Volatility**

Election news in 2Q included a smaller-than-expected win for Modi's party in India and a wider-than-expected win for Mexico's incumbent party. The spotlight turned to France after President Macron unexpectedly declared a parliamentary election after a weak showing for his party in the EU elections. The uncertainty led to weakness in French equities. The bumpy market reactions highlight the difficulty in investing around election outcomes, with investors often more focused on longer-term implications such as fiscal policy.

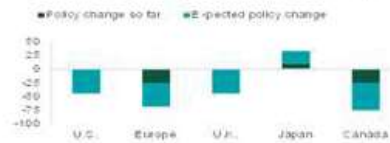
**Big Tech Leading the Way**

Optimism around artificial intelligence remained a key driver for U.S. equities with more areas of the markets benefitting such as utilities (increased AI-related power demand). Megacap tech companies gained steam in June – leaving market concentration top of mind for investors. The S&P 500 gained 4.3% in 2Q versus losses for both the Russell 2000 (-3.3%) and the equal-weighted S&P 500 (-2.6%). The S&P 500 gain was narrow – with standout returns from NVIDIA (+37%) and Apple (+23%) contributing almost 75% of that gain.

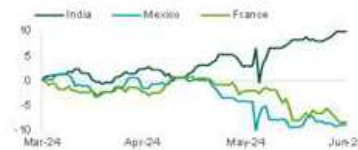
**GLOBAL PURCHASING MANAGER INDEXES**



**EXPECTED 2024 CENTRAL BANK ACTIVITY (BPS)**



**2Q2024 RETURNS IN LOCAL CURRENCY (%)**



**2024 YTD RELATIVE PERFORMANCE (%)**



### Investment Hierarchy

Account/Group	Ending Market Value CAD	Ending Weight	% Rate of Return								
			One Month	Three Months	Year to Date	One Year	Three Years	Four Years	Ten Years	Inception to Date	Inception Date
<b>HRM Master Trust</b>	<b>3,051,194,528</b>	<b>100.00</b>	<b>0.91</b>	<b>2.09</b>	<b>6.96</b>	<b>10.93</b>	<b>7.28</b>	<b>8.89</b>	<b>8.03</b>	<b>7.28</b>	<b>09/30/1999</b>
<i>HRM Policy Benchmark</i>			1.23	2.42	8.11	13.74	6.23	7.34	6.35	5.89	09/30/1999
<i>Excess Return</i>			-0.32	-0.34	-1.15	-2.81	1.04	1.55	1.68	1.40	09/30/1999
<b>HRM Total Equity</b>	<b>1,522,322,520</b>	<b>49.89</b>	<b>0.95</b>	<b>2.29</b>	<b>11.40</b>	<b>17.55</b>	<b>5.87</b>	<b>10.66</b>	-	<b>8.38</b>	<b>12/31/2015</b>
<i>HRM Total Equity Benchmark</i>			1.72	3.15	13.47	21.07	7.58	12.46	-	9.72	12/31/2015
<i>Excess Return</i>			-0.78	-0.85	-2.07	-3.52	-1.71	-1.80	-	-1.33	12/31/2015
<b>HRM Cdn Equity</b>	<b>117,778,479</b>	<b>3.86</b>	<b>-1.23</b>	<b>-0.16</b>	<b>6.02</b>	<b>13.74</b>	<b>5.96</b>	<b>12.31</b>	<b>4.54</b>	<b>5.20</b>	<b>03/31/2006</b>
<i>S&amp;P/TSX Composite</i>			-1.42	-0.53	6.05	12.13	5.98	12.35	6.95	6.40	03/31/2006
<i>Excess Return</i>			0.19	0.37	-0.03	1.62	-0.02	-0.04	-2.40	-1.20	03/31/2006
<b>Blackrock</b>	<b>52,435,661</b>	<b>1.72</b>	<b>-1.42</b>	<b>-0.54</b>	<b>6.03</b>	<b>13.05</b>	<b>6.06</b>	<b>12.43</b>	<b>7.00</b>	<b>8.59</b>	<b>12/31/2003</b>
<i>S&amp;P/TSX Composite</i>			-1.42	-0.53	6.05	12.13	5.98	12.35	6.95	7.91	12/31/2003
<i>Excess Return</i>			-0.00	-0.01	-0.03	0.93	0.08	0.08	0.05	0.68	12/31/2003
<b>EdgePoint</b>	<b>61,801,864</b>	<b>2.03</b>	<b>-1.00</b>	<b>0.51</b>	-	-	-	-	-	<b>1.11</b>	<b>03/14/2024</b>
<b>P2P Holdings</b>	<b>3,540,953</b>	<b>0.12</b>	<b>-2.49</b>	<b>-5.82</b>	<b>11.12</b>	<b>49.43</b>	<b>4.16</b>	<b>9.73</b>	-	<b>-21.41</b>	<b>02/03/2017</b>
<i>S&amp;P/TSX Composite</i>			-1.42	-0.53	6.05	12.13	5.98	12.35	-	8.05	02/03/2017
<i>Excess Return</i>			-1.08	-5.28	5.06	37.31	-1.81	-2.62	-	-29.46	02/03/2017
<b>Transition Account</b>	<b>0</b>	<b>0.00</b>	-	-	-	-	-	-	-	-	<b>02/25/2021</b>
<b>HRM Global Equity</b>	<b>952,669,711</b>	<b>31.22</b>	<b>1.81</b>	<b>3.21</b>	<b>14.66</b>	<b>23.10</b>	-	-	-	<b>22.29</b>	<b>12/31/2022</b>
<i>HRM Custom Global Equity Index</i>			1.33	2.63	13.60	21.46	-	-	-	22.02	12/31/2022
<i>Excess Return</i>			0.48	0.58	1.05	1.65	-	-	-	0.27	12/31/2022
<b>AB EDHEC</b>	<b>166,319,962</b>	<b>5.45</b>	<b>1.38</b>	<b>1.19</b>	<b>12.49</b>	<b>21.04</b>	<b>8.54</b>	<b>12.41</b>	-	<b>9.21</b>	<b>12/31/2015</b>
<i>MSCI World ND</i>			2.42	3.78	15.96	24.29	10.47	14.26	-	10.93	12/31/2015
<i>Excess Return</i>			-1.05	-2.59	-3.47	-3.25	-1.93	-1.86	-	-1.72	12/31/2015
<b>Blackrock Global Alpha Advanta</b>	<b>167,163,548</b>	<b>5.48</b>	<b>3.40</b>	<b>5.09</b>	<b>20.32</b>	<b>33.09</b>	<b>13.91</b>	-	-	<b>14.91</b>	<b>05/25/2021</b>
<i>MSCI ACWI ND</i>			2.62	4.02	15.50	23.45	9.00	-	-	10.28	05/25/2021
<i>Excess Return</i>			0.78	1.08	4.82	9.64	4.91	-	-	4.63	05/25/2021
<b>Blackrock MSCI Small Cap</b>	<b>54,589,114</b>	<b>1.79</b>	<b>-1.57</b>	<b>-1.62</b>	<b>5.33</b>	<b>13.32</b>	<b>2.36</b>	-	-	<b>4.03</b>	<b>05/19/2021</b>
<i>MS Wld Small Cap Net Index</i>			-1.57	-1.69	5.32	12.86	2.05	-	-	3.60	05/19/2021
<i>Excess Return</i>			-0.00	0.07	0.01	0.46	0.31	-	-	0.43	05/19/2021
<b>Blackrock MSCI World Passive</b>	<b>168,282,830</b>	<b>5.52</b>	<b>2.45</b>	<b>3.90</b>	<b>16.17</b>	<b>24.76</b>	<b>10.90</b>	-	-	<b>13.02</b>	<b>05/12/2021</b>
<i>MSCI World ND</i>			2.42	3.78	15.96	24.29	10.47	-	-	12.59	05/12/2021
<i>Excess Return</i>			0.03	0.12	0.21	0.47	0.43	-	-	0.43	05/12/2021
<b>Global Alpha</b>	<b>56,346,966</b>	<b>1.85</b>	<b>-2.50</b>	<b>0.68</b>	<b>10.42</b>	<b>14.33</b>	-	-	-	<b>4.88</b>	<b>03/09/2022</b>
<i>MS Wld Small Cap Net Index</i>			-1.57	-1.69	5.32	12.86	-	-	-	5.78	03/09/2022
<i>Excess Return</i>			-0.93	2.37	5.10	1.47	-	-	-	-0.90	03/09/2022

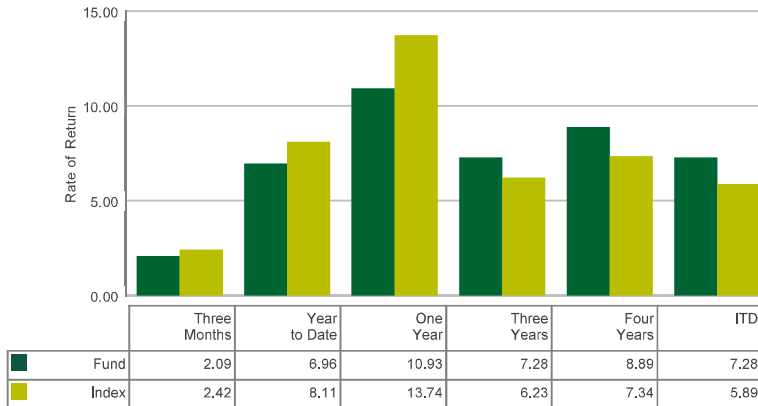
Account/Group	Ending Market Value CAD	Ending Weight	% Rate of Return								
			One Month	Three Months	Year to Date	One Year	Three Years	Four Years	Ten Years	Inception to Date	Inception Date
<b>Marathon International Equity</b>	<b>77,797,871</b>	<b>2.55</b>	<b>-1.66</b>	<b>0.38</b>	<b>9.41</b>	<b>14.89</b>	<b>5.61</b>	-	-	<b>5.56</b>	<b>05/28/2021</b>
<i>MSCI EAFE ND</i>			-1.24	0.69	9.31	15.34	6.38	-	-	6.53	05/28/2021
<i>Excess Return</i>			-0.42	-0.31	0.10	-0.45	-0.77	-	-	-0.97	05/28/2021
<b>Mawer International Equity</b>	<b>91,016,878</b>	<b>2.98</b>	<b>0.87</b>	<b>0.87</b>	<b>9.27</b>	<b>15.14</b>	<b>3.47</b>	-	-	<b>4.54</b>	<b>02/28/2021</b>
<i>MSCI ACWI ex USA ND</i>			0.29	2.09	9.68	15.43	3.86	-	-	4.83	02/28/2021
<i>Excess Return</i>			0.58	-1.22	-0.41	-0.28	-0.39	-	-	-0.30	02/28/2021
<b>Wellington US Equity</b>	<b>171,152,542</b>	<b>5.61</b>	<b>4.92</b>	<b>8.00</b>	<b>20.54</b>	<b>29.76</b>	<b>13.29</b>	<b>19.88</b>	<b>14.06</b>	<b>14.70</b>	<b>04/30/2011</b>
<i>HRM US Equity</i>			3.98	5.45	19.64	28.80	12.65	18.83	12.97	13.42	04/30/2011
<i>Excess Return</i>			0.93	2.55	0.90	0.96	0.65	1.05	1.09	1.28	04/30/2011
<b>HRM Emerging Markets</b>	<b>104,975,800</b>	<b>3.44</b>	<b>0.48</b>	<b>1.52</b>	<b>6.82</b>	<b>10.51</b>	<b>-2.88</b>	<b>2.16</b>	<b>4.95</b>	<b>5.08</b>	<b>09/30/2010</b>
<i>MSCI Emerging Markets ND</i>			4.34	6.17	11.54	16.38	-1.85	4.91	5.40	4.70	09/30/2010
<i>Excess Return</i>			-3.87	-4.65	-4.72	-5.87	-1.03	-2.74	-0.45	0.38	09/30/2010
<b>CC&amp;L Emerging Markets</b>	<b>51,378,860</b>	<b>1.68</b>	<b>4.04</b>	<b>8.43</b>	<b>17.00</b>	<b>25.71</b>	-	-	-	-	<b>12/31/2022</b>
<i>MSCI Emerging Markets ND</i>			4.34	6.17	11.54	16.38	-	-	-	12.43	12/31/2022
<i>Excess Return</i>			-0.30	2.26	5.45	9.32	-	-	-	-	12/31/2022
<b>Trinetra Emerg Mrkts Grwth Fnd</b>	<b>53,596,940</b>	<b>1.76</b>	<b>-2.72</b>	<b>-4.32</b>	<b>-1.41</b>	<b>-0.96</b>	<b>-5.87</b>	<b>-0.60</b>	-	<b>1.85</b>	<b>08/31/2017</b>
<i>MSCI Emerging Markets ND</i>			4.34	6.17	11.54	16.38	-1.85	4.91	-	3.74	08/31/2017
<i>Excess Return</i>			-7.06	-10.49	-12.95	-17.35	-4.02	-5.50	-	-1.89	08/31/2017
<b>HRM Private Equity</b>	<b>346,898,530</b>	<b>11.37</b>	<b>-0.50</b>	<b>0.90</b>	<b>6.26</b>	<b>7.48</b>	<b>17.18</b>	<b>18.04</b>	<b>19.32</b>	<b>19.41</b>	<b>09/30/2011</b>
<i>HRM PE Benchmark</i>			2.59	4.29	17.09	26.73	16.48	13.86	9.30	8.69	09/30/2011
<i>Excess Return</i>			-3.09	-3.38	-10.83	-19.25	0.71	4.18	10.02	10.71	09/30/2011
<b>Private Equity</b>	<b>346,898,530</b>	<b>11.37</b>	<b>-0.50</b>	<b>0.90</b>	<b>6.26</b>	<b>7.48</b>	<b>17.18</b>	<b>18.04</b>	<b>19.32</b>	<b>19.41</b>	<b>09/30/2011</b>
<b>HRM Total Fixed Income</b>	<b>597,565,277</b>	<b>19.58</b>	<b>0.65</b>	<b>0.98</b>	<b>1.11</b>	<b>4.94</b>	<b>1.18</b>	<b>2.16</b>	-	<b>3.03</b>	<b>12/31/2015</b>
<i>HRM FI Benchmark</i>			0.78	1.27	1.57	6.18	0.87	0.47	-	1.76	12/31/2015
<i>Excess Return</i>			-0.13	-0.29	-0.46	-1.24	0.31	1.69	-	1.27	12/31/2015
<b>Cash and Cash Equivalents</b>	<b>17,709,514</b>	<b>0.58</b>	<b>0.40</b>	<b>1.24</b>	<b>2.95</b>	<b>5.00</b>	<b>2.62</b>	<b>2.35</b>	<b>2.34</b>	<b>4.37</b>	<b>03/31/2009</b>
<i>HRM Canadian 91 Day T-Bill</i>			0.38	1.30	2.55	5.41	-	-	-	-	03/31/2009
<i>Excess Return</i>			0.03	-0.05	0.40	-0.40	-	-	-	-	03/31/2009
<b>Lincluden CDOR</b>	<b>17,709,514</b>	<b>0.58</b>	<b>0.40</b>	<b>1.24</b>	<b>2.95</b>	<b>5.00</b>	<b>3.47</b>	<b>2.04</b>	<b>1.94</b>	<b>1.92</b>	<b>12/31/2013</b>
<i>Canadian 91 Day T-Bill (CAD)</i>			0.38	1.30	2.55	5.13	3.06	2.32	1.52	1.49	12/31/2013
<i>Excess Return</i>			0.03	-0.05	0.40	-0.13	0.41	-0.28	0.42	0.42	12/31/2013
<b>Global Credit</b>	<b>73,037,480</b>	<b>2.39</b>	<b>0.74</b>	<b>1.09</b>	<b>2.00</b>	<b>7.25</b>	-	-	-	<b>2.89</b>	<b>03/31/2022</b>
<i>Global Credit Custom Benchmark</i>			0.60	0.86	1.49	6.21	-	-	-	2.28	03/31/2022
<i>Excess Return</i>			0.14	0.23	0.51	1.04	-	-	-	0.61	03/31/2022

Account/Group	Ending Market Value CAD	Ending Weight	% Rate of Return								
			One Month	Three Months	Year to Date	One Year	Three Years	Four Years	Ten Years	Inception to Date	Inception Date
<b>AB Global Credit</b>	<b>73,037,480</b>	<b>2.39</b>	<b>0.74</b>	<b>1.09</b>	<b>2.00</b>	<b>7.25</b>	<b>1.28</b>	<b>2.22</b>	<b>2.63</b>	<b>4.87</b>	<b>03/31/2009</b>
Global Credit Custom Benchmark			0.60	0.86	1.49	6.21	-	-	-	-	03/31/2009
Excess Return			0.14	0.23	0.51	1.04	-	-	-	-	03/31/2009
<b>North American Credit</b>	<b>195,722,560</b>	<b>6.41</b>	<b>0.84</b>	<b>1.48</b>	<b>3.36</b>	<b>8.36</b>	<b>3.84</b>	<b>7.14</b>	<b>-</b>	<b>6.17</b>	<b>12/31/2015</b>
HRM Custom Corporate Benchmark			0.88	1.37	2.08	7.35	-0.16	0.08	-	2.55	12/31/2015
Excess Return			-0.04	0.10	1.29	1.01	4.00	7.06	-	3.62	12/31/2015
<b>Canso</b>	<b>94,220,267</b>	<b>3.09</b>	<b>0.46</b>	<b>1.22</b>	<b>4.03</b>	<b>9.10</b>	<b>3.51</b>	<b>9.05</b>	<b>6.90</b>	<b>8.08</b>	<b>02/28/2010</b>
FTSE TMX Corporate Bond IDX			0.96	1.09	1.16	6.46	-0.09	0.14	2.73	3.62	02/28/2010
Excess Return			-0.50	0.13	2.87	2.64	3.60	8.91	4.17	4.46	02/28/2010
<b>HRM Corporate Debt</b>	<b>101,502,293</b>	<b>3.33</b>	<b>1.20</b>	<b>1.71</b>	<b>2.77</b>	<b>7.71</b>	<b>4.28</b>	<b>4.40</b>	<b>6.20</b>	<b>6.28</b>	<b>01/31/2014</b>
FTSE TMX Short Corp BD IDX			0.80	1.42	2.30	7.32	1.35	1.60	2.37	2.39	01/31/2014
Excess Return			0.41	0.29	0.47	0.38	2.92	2.79	3.84	3.89	01/31/2014
<b>Government Bonds</b>	<b>208,695,902</b>	<b>6.84</b>	<b>1.14</b>	<b>0.75</b>	<b>-0.93</b>	<b>2.65</b>	<b>-1.93</b>	<b>-2.13</b>	<b>-</b>	<b>1.28</b>	<b>12/31/2015</b>
FTSE TMX Government Univers			1.18	0.78	-0.89	2.75	-2.36	-2.67	-	0.94	12/31/2015
Excess Return			-0.04	-0.03	-0.03	-0.09	0.43	0.54	-	0.34	12/31/2015
<b>Lincluden Gov't</b>	<b>116,270,523</b>	<b>3.81</b>	<b>1.19</b>	<b>0.61</b>	<b>-1.12</b>	<b>2.62</b>	<b>-1.83</b>	<b>-2.06</b>	<b>1.82</b>	<b>2.18</b>	<b>08/31/2013</b>
FTSE TMX Government Univers			1.18	0.78	-0.89	2.75	-2.36	-2.67	1.60	1.99	08/31/2013
Excess Return			0.01	-0.16	-0.22	-0.12	0.54	0.62	0.22	0.19	08/31/2013
<b>Wellington Bond Overlay</b>	<b>92,425,379</b>	<b>3.03</b>	<b>1.08</b>	<b>0.91</b>	<b>-0.68</b>	<b>2.88</b>	<b>-2.16</b>	<b>-2.35</b>	<b>2.09</b>	<b>2.05</b>	<b>08/31/2012</b>
FTSE TMX Government Univers			1.18	0.78	-0.89	2.75	-2.36	-2.67	1.60	1.65	08/31/2012
Excess Return			-0.10	0.14	0.21	0.13	0.20	0.32	0.48	0.40	08/31/2012
<b>Private Debt</b>	<b>102,399,821</b>	<b>3.36</b>	<b>-0.71</b>	<b>0.25</b>	<b>0.02</b>	<b>0.96</b>	<b>8.11</b>	<b>9.16</b>	<b>8.11</b>	<b>0.74</b>	<b>12/31/2011</b>
HRM PD Benchmark			0.35	2.08	4.14	11.21	9.50	8.71	7.29	7.13	12/31/2011
Excess Return			-1.06	-1.82	-4.12	-10.25	-1.39	0.45	0.82	-6.40	12/31/2011
<b>Private Debt</b>	<b>102,399,821</b>	<b>3.36</b>	<b>-0.71</b>	<b>0.25</b>	<b>0.02</b>	<b>0.96</b>	<b>8.11</b>	<b>9.16</b>	<b>8.11</b>	<b>0.74</b>	<b>12/31/2011</b>
<b>HRM Real Assets</b>	<b>791,796,131</b>	<b>25.95</b>	<b>1.18</b>	<b>2.87</b>	<b>4.56</b>	<b>5.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.58</b>	<b>12/31/2022</b>
Rolling CPI 5 year + 5%			0.69	2.09	4.24	8.63	-	-	-	8.57	12/31/2022
Excess Return			0.49	0.78	0.32	-2.95	-	-	-	-0.98	12/31/2022
<b>Infrastructure</b>	<b>370,187,333</b>	<b>12.13</b>	<b>0.58</b>	<b>3.23</b>	<b>6.15</b>	<b>11.53</b>	<b>14.59</b>	<b>13.07</b>	<b>10.38</b>	<b>18.20</b>	<b>06/30/2011</b>
HRM Infrastructure Index			0.69	2.09	4.24	7.56	9.64	9.28	7.61	7.41	06/30/2011
Excess Return			-0.11	1.14	1.90	3.96	4.96	3.79	2.78	10.79	06/30/2011
<b>Infrastructure</b>	<b>370,187,333</b>	<b>12.13</b>	<b>0.58</b>	<b>3.23</b>	<b>6.15</b>	<b>11.53</b>	<b>14.59</b>	<b>13.07</b>	<b>10.38</b>	<b>18.20</b>	<b>06/30/2011</b>
<b>Real Estate</b>	<b>421,608,797</b>	<b>13.82</b>	<b>1.71</b>	<b>2.57</b>	<b>3.29</b>	<b>1.31</b>	<b>10.62</b>	<b>9.28</b>	<b>11.40</b>	<b>10.94</b>	<b>09/30/2011</b>
HRM Real Estate Index			0.69	2.09	4.24	7.56	9.64	9.28	7.61	7.40	09/30/2011
Excess Return			1.02	0.48	-0.95	-6.25	0.99	0.00	3.80	3.54	09/30/2011
<b>Real Estate</b>	<b>421,608,797</b>	<b>13.82</b>	<b>1.71</b>	<b>2.57</b>	<b>3.29</b>	<b>1.31</b>	<b>10.62</b>	<b>9.28</b>	<b>11.40</b>	<b>10.94</b>	<b>09/30/2011</b>

Account/Group	Ending Market Value CAD	Ending Weight	% Rate of Return								
			One Month	Three Months	Year to Date	One Year	Three Years	Four Years	Ten Years	Inception to Date	Inception Date
<b>Public Market Alternatives</b>	<b>124,903,150</b>	<b>4.09</b>	<b>0.54</b>	<b>2.30</b>	<b>4.47</b>	<b>9.72</b>	-	-	-	<b>5.94</b>	<b>02/28/2022</b>
<i>Canadian 91 Day T-Bill +3%</i>			<i>0.62</i>	<i>2.04</i>	<i>4.07</i>	<i>8.55</i>	-	-	-	<i>7.78</i>	<i>02/28/2022</i>
<i>Excess Return</i>			<i>-0.09</i>	<i>0.26</i>	<i>0.40</i>	<i>1.17</i>	-	-	-	<i>-1.84</i>	<i>02/28/2022</i>
<b>Public Market Alternatives</b>	<b>124,903,150</b>	<b>4.09</b>	<b>0.54</b>	<b>2.30</b>	<b>4.47</b>	<b>9.72</b>	-	-	-	<b>5.94</b>	<b>02/28/2022</b>
<i>Canadian 91 Day T-Bill +3%</i>			<i>0.62</i>	<i>2.04</i>	<i>4.07</i>	<i>8.55</i>	-	-	-	<i>7.78</i>	<i>02/28/2022</i>
<i>Excess Return</i>			<i>-0.09</i>	<i>0.26</i>	<i>0.40</i>	<i>1.17</i>	-	-	-	<i>-1.84</i>	<i>02/28/2022</i>
<b>HRM Operating</b>	<b>14,607,449</b>	<b>0.48</b>	-	-	-	-	-	-	-	-	<b>12/31/2015</b>
<b>Operating Account</b>	<b>14,607,449</b>	<b>0.48</b>	-	-	-	-	-	-	-	-	<b>03/31/2004</b>

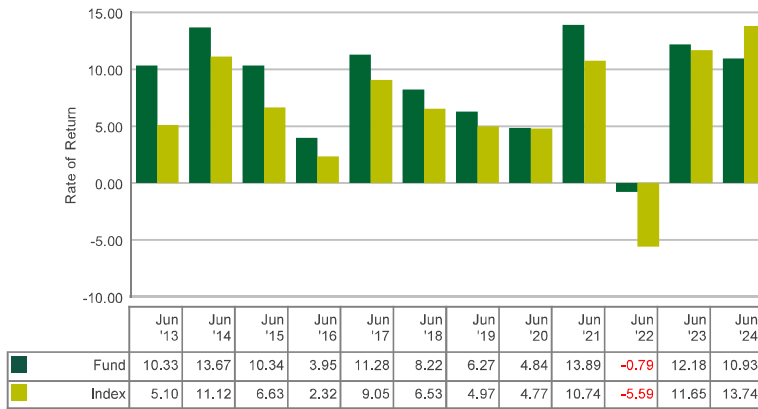
## Executive Summary

### HRM MASTER TRUST TOTAL FUND NET OF FEES



Index: HRM Policy Benchmark

### HRM MASTER TRUST ROLLING YEARS TOTAL FUND NET OF FEES



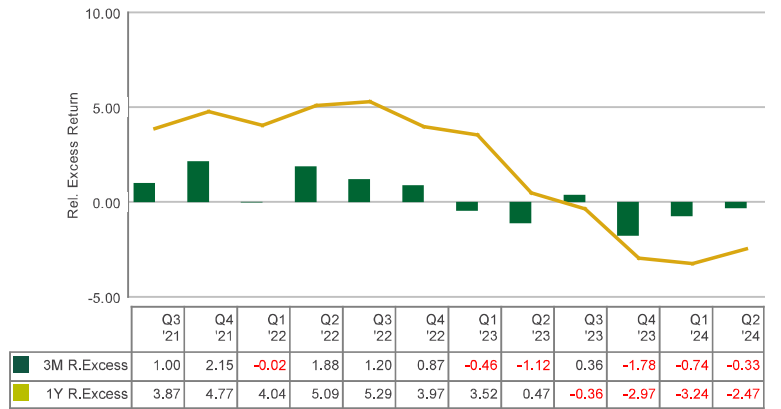
Index: HRM Policy Benchmark

### RISK STATISTICS

	3 Mos	1 Yr	4 Yrs
Return	2.09	10.93	8.89
Index Return	2.42	13.74	7.34
Excess Return	-0.34	-2.81	1.55
Standard Deviation	-	3.82	4.74
Index Standard Deviation	-	5.52	5.77
Tracking Error	-	2.32	2.38
Information Ratio	-	-1.21	0.65
Sharpe Ratio	-	1.56	1.48
Index Sharpe Ratio	-	1.59	0.95
Jensen's Alpha	-	0.28	2.73
Relative Volatility (Beta)	-	0.65	0.76
R Squared	-	0.88	0.83
Beginning MV (in 000s)	2,992,180	2,762,399	2,218,777
Net Contributions (in 000s)	-3,176	-11,669	-55,426
Income (in 000s)	16,411	60,704	217,215
Appreciation (in 000s)	45,778	239,761	670,628
Ending MV (in 000s)	3,051,195	3,051,195	3,051,195

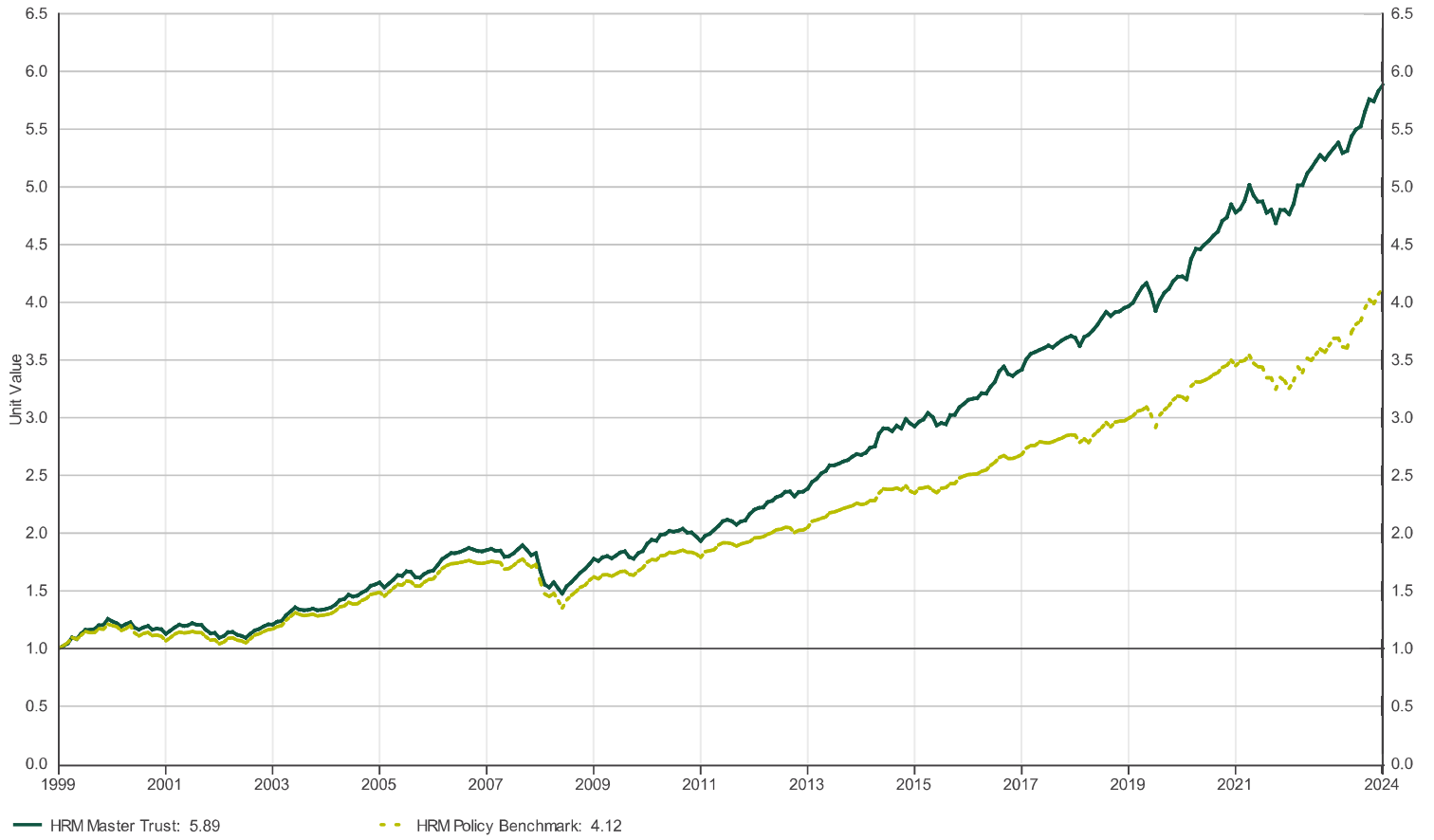
Index: HRM Policy Benchmark. Risk Free Index: JP Morgan 3 month Cash (CAD)  
Category: Total Fund Net of Fees. Calculation Frequency: Monthly

### HRM MASTER TRUST ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: HRM Policy Benchmark

### Growth Over Time - Inception to Date





## Risk Statistics

	One Year	Three Years	Four Years	Seven Years	Ten Years	ITD
Return	10.93	7.28	8.89	7.83	8.03	7.28
Index Return	13.74	6.23	7.34	6.51	6.35	5.89
Excess Return	-2.81	1.04	1.55	1.32	1.68	1.40
Relative Excess Return	-2.47	0.98	1.45	1.24	1.58	1.32
Internal Rate of Return	10.93	7.27	8.90	7.83	-	-
Index Internal Rate of Return	13.78	6.23	7.36	6.52	-	-
Risk-free Return	4.96	2.33	1.88	1.90	1.64	2.44
Standard Deviation	3.82	4.87	4.74	4.53	4.59	5.96
Index Standard Deviation	5.52	6.23	5.77	5.30	4.84	6.06
Tracking Error	2.32	2.69	2.38	2.24	2.25	1.85
Relative Tracking Error	2.28	2.66	2.36	2.22	2.23	1.84
Information Ratio	-1.21	0.39	0.65	0.59	0.75	0.76
Relative Information Ratio	-1.09	0.37	0.61	0.56	0.71	0.72
Sharpe Ratio	1.56	1.01	1.48	1.31	1.39	0.81
Index Sharpe Ratio	1.59	0.63	0.95	0.87	0.97	0.57
M Squared	13.58	8.65	10.42	8.84	8.37	7.36
Sortino Ratio	2.65	1.79	2.89	2.18	2.46	1.17
Index Sortino Ratio	3.07	1.08	1.73	1.43	1.64	0.80
Treynor Ratio	9.18	6.94	9.25	7.58	7.53	5.15
Jensen's Alpha	0.28	2.06	2.73	2.22	2.29	1.53
Relative Volatility (Beta)	0.65	0.71	0.76	0.78	0.85	0.94
R Squared	0.88	0.82	0.83	0.82	0.78	0.91
Up Market Capture Ratio	74.27	84.33	92.69	94.41	109.19	123.21
Down Market Capture Ratio	56.94	60.40	59.83	66.72	78.03	95.27

SECTION 2

# Appendix

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## Investment Risk & Analytical Services

June 30, 2024

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**Halifax Water Compliance Statement**  
**Quarterly Certification**

**For the period of July 1, 2024 to September 30, 2024**

We hereby certify that the Halifax Regional Water Commission is current in making all statutory remittances for payroll taxes, Harmonized Sales Tax and other remittances as required under the laws of the Government of Canada and its Provinces (the significant remittances are noted in the appendix) and that all significant legal claims have been disclosed.

Signed by:  
*Kenda MacKenzie*  
0C004AC815794F6...  
Kenda MacKenzie, P.Eng.  
Acting CEO and General Manager

Signed by:  
*Louis de Montbrun*  
A65D6874EBC1467...  
Louis de Montbrun, CPA, CA  
Director, Corporate Services/CFO

Dated:

November 22, 2024

**Halifax Water Compliance Statement**  
**Quarterly Certification**  
**Appendix I**

Significant statutory remittances for payroll taxes, Harmonized Sales Tax and other remittances as required under the laws of the Government of Canada and its Provinces for the Halifax Regional Water Commission.

**Statutory Payroll Remittances**

- **Canada Revenue Agency (CRA)** - Statutory employee payroll deductions and employer related contributions for:
  - Income Tax
  - Canada Pension Plan (CPP)
  - Employment Insurance (EI)
  
- **Workers' Compensation Board of Nova Scotia (WCB)** – Employer remittance based on employee payroll

**Other Payroll Remittances**

- **Northern Trust** - Employee payroll deductions and employer contributions to Halifax Water and HRM defined benefit pension plans
  
- **Industrial Alliance** – employer and employee contributions to defined contribution pension plan
  
- **Medavie Blue Cross & SSQ** – employee payroll deductions and employer related contributions for Health & dental, LTD, and Life benefit coverage, and payroll deductions for AD&D
  
- **Canadian Union of Public Employees** – Employee payroll deductions of union dues
  - CUPE Local 227
  - CUPE Local 1431

**HST and Other Remittances**

- **Canada Revenue Agency (CRA)** - Harmonized Sales Tax (HST) is filed online and a refund issued as HST paid is greater than HST collected
  
- **Workers' Compensation Board of Nova Scotia (WCB)** – Remittance for sub-contractors

