



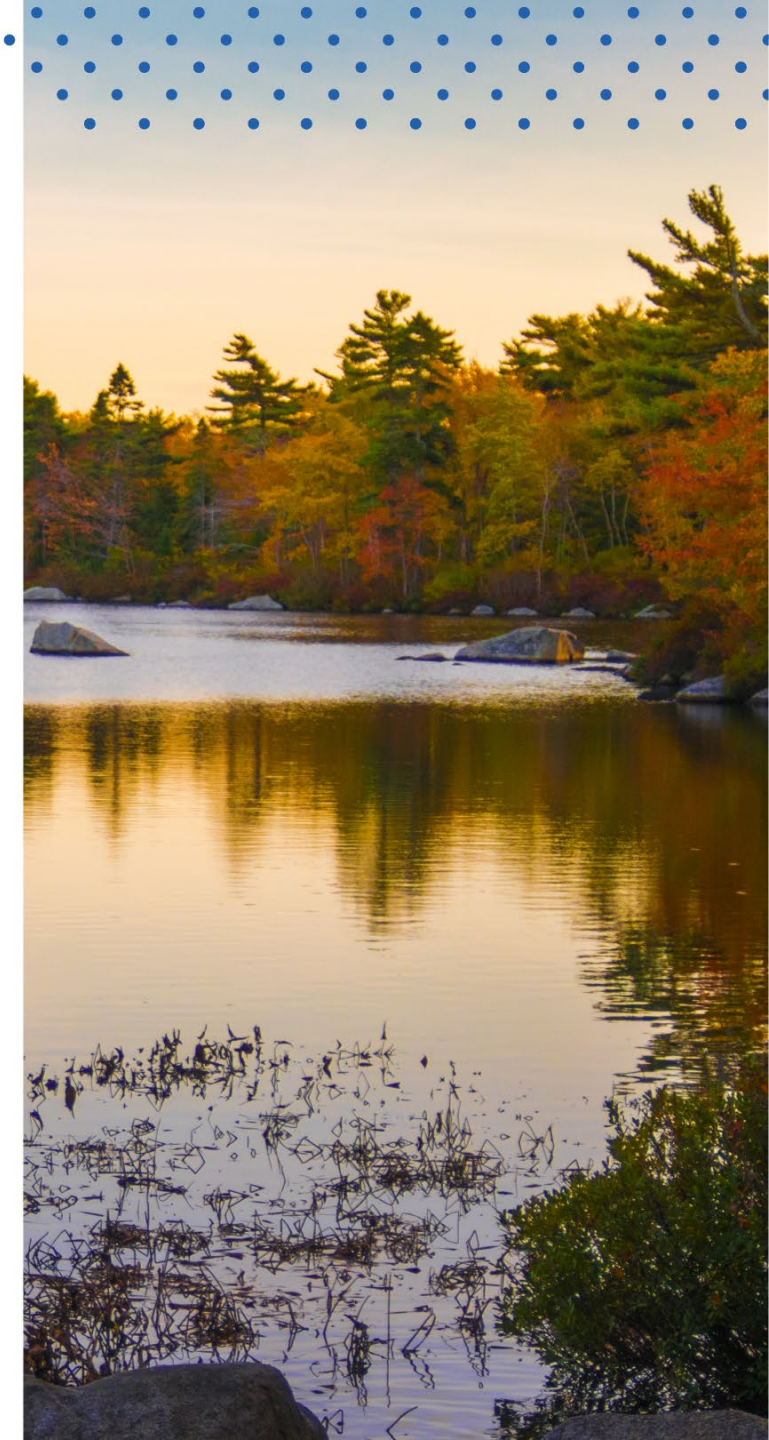
# Regional Development Charge – Interested Party Engagement

Introduction and Workshop #1 - Population Projects

Please note this session is being recorded and will be posted to Halifax Water's RDC website

Tuesday January 14

**STRAIGHT from  
the SOURCE**



# Agenda

- What is the Regional Development Charge (RDC)?
- Current State of the RDC
- RDC Interest Party Engagement
- Workshop #1 - Population Projections



# What is a Regional Development Charge?

- Regional infrastructure upgrades triggered by growth are identified through the Integrated Resource Plan (IRP) process and funded from the Regional Development Charge (RDC).
- New development must pay costs related to growth and development.
- In 2014, Halifax Water established the first RDC. The charge was reassessed 2019/20 and approved in 2021.
- Examples of regional infrastructure include:
  - Water supply plants and wastewater treatment facilities
  - Water transmission mains and large wastewater collection infrastructure



# Current State of the RDC: July 2024 Annual Filing

Regional Development Charge	Receipts	Interest	Merchant Fees	Disbursements	Cumulative
Water	\$ 17,690,252	\$ 351,138	\$70,027	\$ 17,312,824	\$658,908
Wastewater	\$ 119,358,558	\$ 4,107,023	\$216,694	\$ 30,877,337	\$ 92,371,550
<b>Grand Total</b>	<b>\$ 137,048,810</b>	<b>\$ 4,458,530</b>	<b>\$286,721</b>	<b>\$ 48,190,161</b>	<b>\$ 93,030,458</b>

As of March 31, 2024, both water and wastewater Regional Development Charges are in positive cash positions. Combined, the net balance is \$ 93.0 million with the implementation of \$48.2 million in infrastructure projects. The Regional Development Charge program is anticipated to be cost neutral to the existing water and wastewater customers, fulfilling the desired need to provide water and wastewater services for the projected growth of the Halifax Regional Municipality (HRM).



# Current State of the RDC: NSUARB Decision July 24, 2024

When the RDC was established, it was intended to be updated every five years with annual updates for CPI and financial check ins to confirm it is within +/- 15%.

The RDC rates have been frozen since October 2023 and are anticipated to remain so until October 2025.

Thus, to provide enough lead time for the Board's hearing process, Halifax Water is directed to file its next RDC review application with the Board by **March 31, 2025** (allowing the RDC rates to become effective as soon as the rate freeze expires).



# Current State of the RDC: RDC Update Strategy

- Integrated Resource Plan is being updated, funding request before the Board
- Update the Infrastructure list from 2019 study
  - Completed projects
  - Rescoped projects
  - No longer required projects
  - New projects
  - Escalate construction cost estimates
  - Review Benefit to Existing (BTE) customers
  - Review Post Period Benefit
- Update population projections
- Update the charge methodology - Residential Equivalent Units (REUs)
- Factor delay in collection of the RDC to meter installation



# Additional Information

- Looking for discussions and feedback.
- Halifax Water is starting a new Integrated Resource Plan which will produce a new infrastructure list for new population numbers.
- **Demand Side Management** initiatives will not be examined for this RDC update.
- Use [RDC2025@halifaxwater.ca](mailto:RDC2025@halifaxwater.ca) to sent feedback.



# RDC – Interested Party Engagement

## Proposed Schedule

Tuesday January 14 – 1 to 4pm - Population Projections

Tuesday January 28 – 1 to 4pm - Infrastructure List for Growth

Wednesday February 5 – 1 to 4pm - Financial Assumptions

Wednesday February 12 – 1 to 4pm - Application of the Charge (ICI Methodology)

Wednesday February 19 – 1 to 4pm - Additional Time





# Proposed Topics

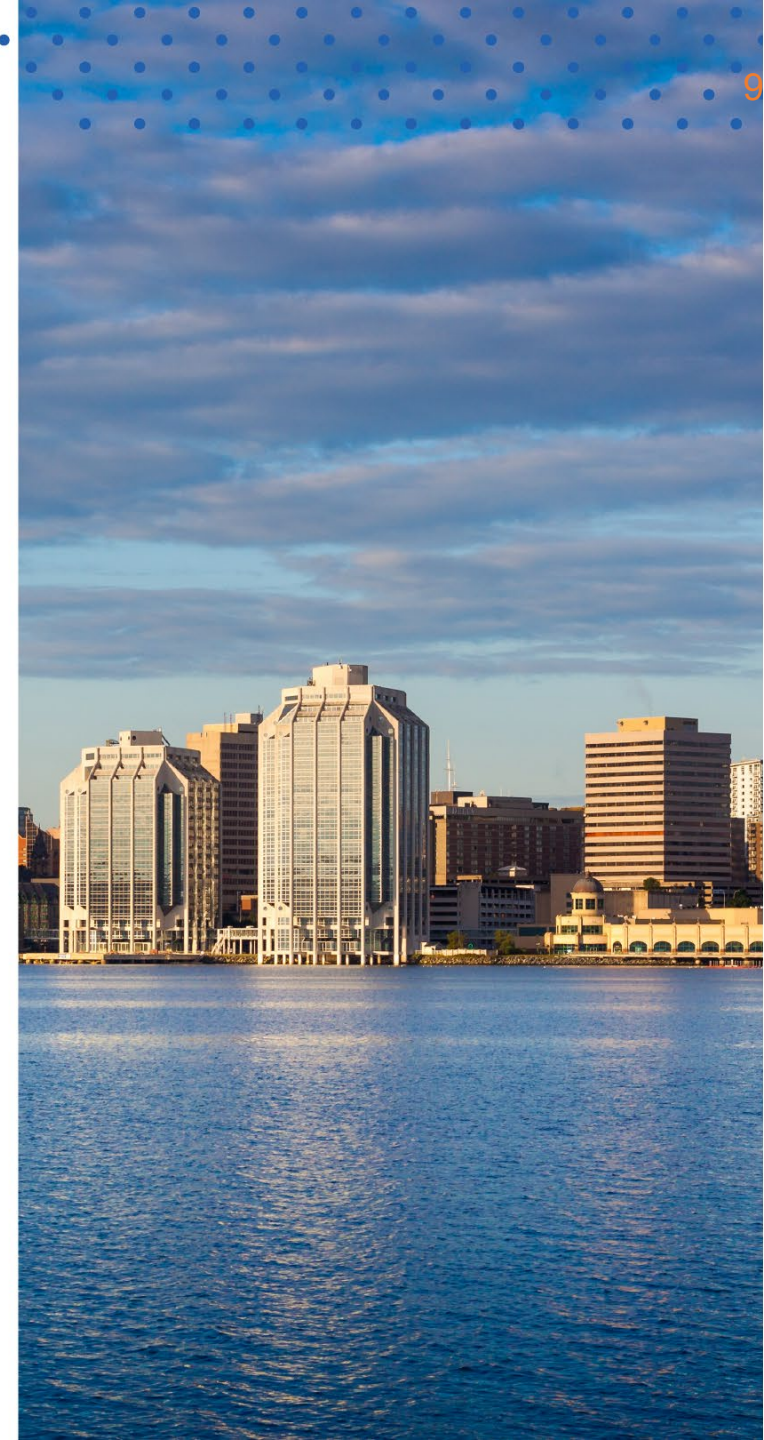
Population Projections	Infrastructure List for Growth	Financial Assumptions	Application of the Charge (ICI Methodology)
<ul style="list-style-type: none"><li>• Review 2020-2024</li><li>• SUD:MUD ratio</li><li>• People per unit</li><li>• Updated population projections</li></ul>	<ul style="list-style-type: none"><li>• Review revised infrastructure list from 2019 study</li><li>• Including Mill Cove WWTF and WSEP</li><li>• Benefit to Existing</li><li>• Post Period Benefit</li></ul>	<ul style="list-style-type: none"><li>• Construction Period Interest</li><li>• Debt Financing</li><li>• Interest earned on cash balances</li><li>• Inflation on Infrastructure</li><li>• Inflation on RDC rate charge</li><li>• Timing of charge</li></ul>	<ul style="list-style-type: none"><li>• ICI cost allocation methodology</li><li>• Residential Equivalent Unit (REU) &amp; Population equivalent (PE)</li><li>• Employment growth and density floor space per worker</li></ul>





# Workshop #1 Population Projections

**STRAIGHT from  
the SOURCE**



# Agenda

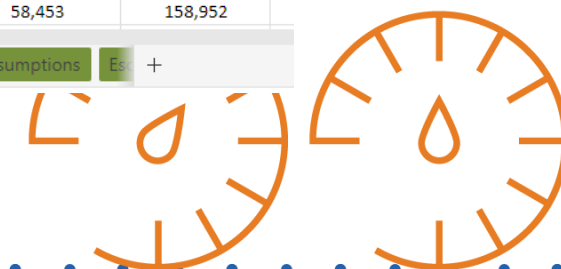
- RDC Model Assumptions
- Compare M09494 model with what was collected since April 1, 2020
- SUD:MUD Ratio
- People per Unit
- Population Projections

Pause for Discussion



# RDC Model – Population Projections

Population Projections										
Start Date	End Date	Period (years)	Residential Growth (people)	Residential Growth (units)	Residential Growth (singles unit dwelling & townhouses)	Residential Growth (multi-unit dwellings)	Residential Growth (cumulative people)	Employment Growth (PE)	Employment Growth (equivalent area sq.ft.)	Employment PE Growth (cumulative PE)
April 1, 2016	March 31, 2021	5	18,548	9,092	2,364	6,728	18,548	10,788	8,731,013	10,788
April 1, 2021	March 31, 2026	5	19,595	9,605	2,497	7,108	38,143	11,397	9,223,893	22,185
April 1, 2026	March 31, 2031	5	21,212	10,398	2,703	7,695	59,355	12,338	9,985,469	34,523
April 1, 2031	March 31, 2036	5	22,162	10,864	2,825	8,039	81,517	12,890	10,432,218	47,413
April 1, 2036	March 31, 2041	5	23,727	11,631	3,024	8,607	105,244	13,800	11,168,705	61,213
April 1, 2041	March 31, 2046	5	25,969	12,730	3,310	9,420	131,213	15,104	12,224,066	76,317
Total			131,213	64,320	16,723	47,597		76,317	61,765,364	
Integrated Master Plan - Population					Assumptions, NSUARB decision document #280268 dated February 12, 2021					
		Start Date	End Date							
Time period	30 years	April 1, 2016	March 31, 2046		2.04	people per unit (PPU)				
Residential growth	131,213				0.965	population equivalent (PE) to one employee (U-16 methodology of M09494)				
Employment growth to 2046	79,086				26.0%	single unit dwelling market share				
Total Growth	210,299				74.0%	multi-unit dwelling market share				
H-24 - Employment/Residential Ratio * 0.965	58.16%				58.0%	target employment growth HRM Regional Plan				
Residential growth	131,213				58.16%	employment PE growth (derived using H-24 M09494)				
Employment PE growth to 2046	76,317				781	employment density floor space per worker (FSW, sq.ft./worker)				
Total Growth (PE Adjusted)	207,530				809	employment density floor space per worker population equivalent (FSWPE, sq.ft./worker PE, 781sq.ft./.965)				
Residential growth	63.23%									
Employment growth	36.77%									
Regional Development Charge - Variables					Period Growth (PE)					
		Start Date	End Date		Start Date	End Date	Period (years)	Residential	Employment (PE)	Total
2019 estimated RDC collections	1 year	April 1, 2019	March 31, 2020		April 1, 2016	March 31, 2046	30	131,213	76,317	207,530
Financial model	20 years	April 1, 2020	March 31, 2040		April 1, 2016	March 31, 2040	24	100,499	58,453	158,952



# RDC Model – Population Projections

Start Date	End Date	Period (years)	Residential Growth (people)	Residential Growth (units)	Residential Growth (singles unit dwelling & townhouses)	Residential Growth (multi-unit dwellings)	Residential Growth (cumulative people)
April 1, 2016	March 31, 2021	5	18,548	9,092	2,364	6,728	18,548
April 1, 2021	March 31, 2026	5	19,595	9,605	2,497	7,108	38,143
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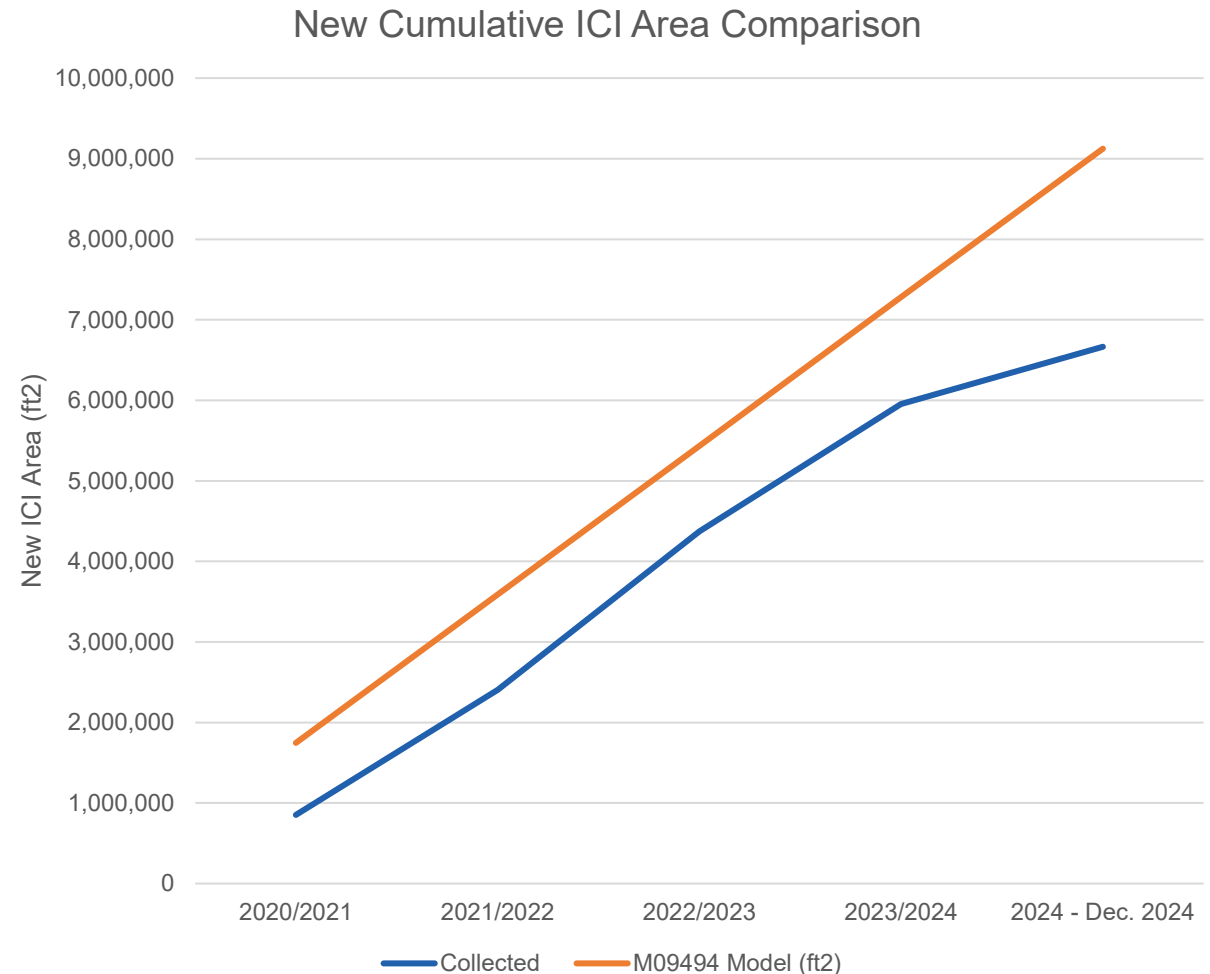
## RDC Model – Population Projections

### **Assumptions, NSUARB decision document #280268 dated February 12, 2021**

2.04	people per unit (PPU)		
0.965	population equivalent (PE) to one employee (U-16 methodology of M09494)		
26.0%	single unit dwelling market share		
74.0%	multi-unit dwelling market share		
58.0%	target employment growth HRM Regional Plan		
58.16%	employment PE growth (derived using H-24 M09494)		
781	employment density floor space per worker (FSW, sq.ft./worker)		
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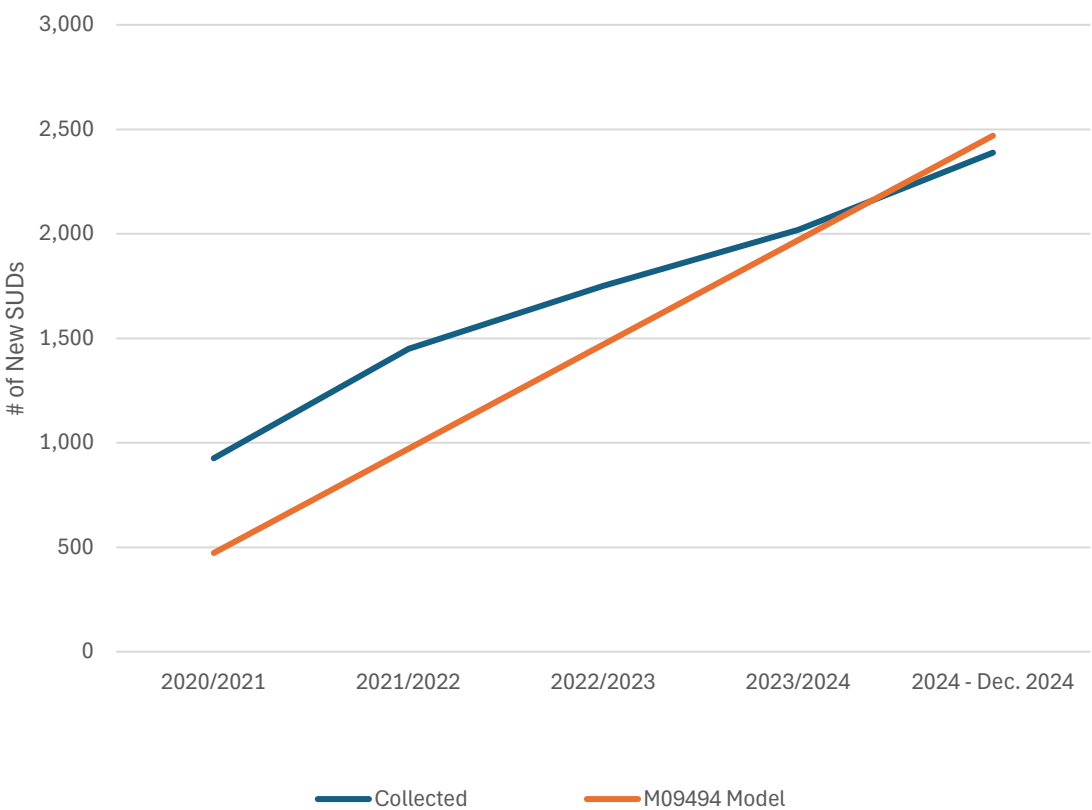
# Comparison: M09494 Model versus Collected

- Assumptions:
  - Cumulative units starting on April 1, 2020.
  - Collected:** Based on new water permits when submitted; does not include refunds or changes
  - M09494 Model:** Numbers from the approved RDC model
  - 2024/2025 is not completed yet, M09494 Model assumed full year.

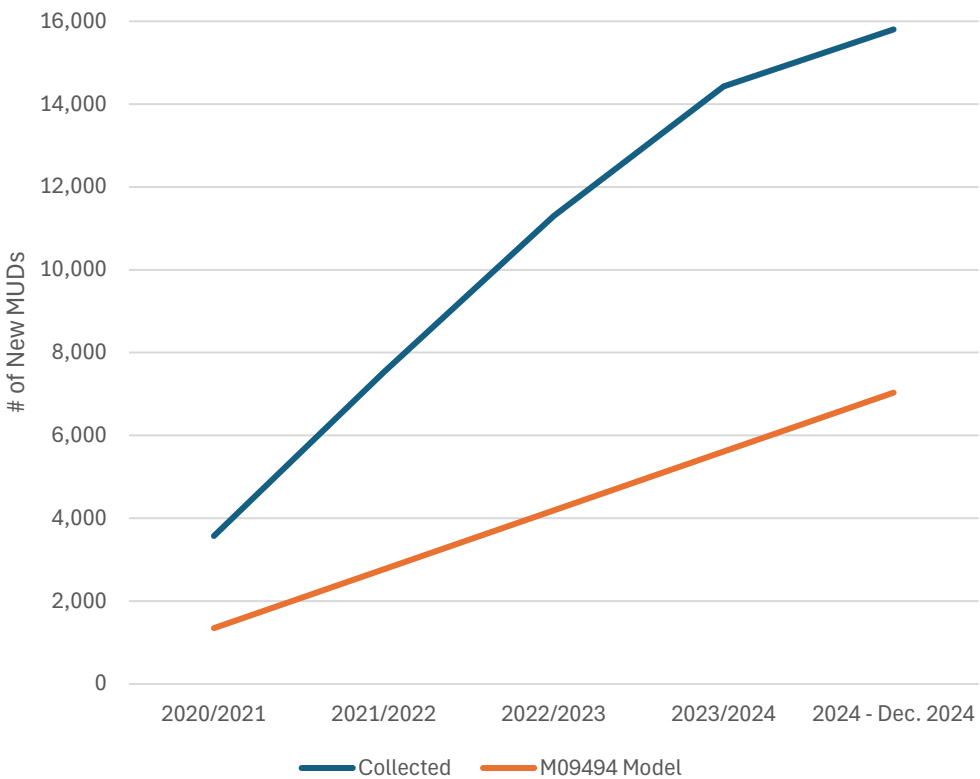


# Comparison: M09494 versus Collected

New Cumulative SUD Comparison



New Cumulative MUD Comparison





# SUD:MUD Ratio

Year	2020/2021*	2021/2022*	2022/2023*	2023/2024*	2024/2025*
SUD (SUD/(SUD+MUD))	21%	12%	7%	8%	21%
MUD (MUD/(SUD+MUD))	79%	88%	93%	92%	79%

	M09494	Cumulative (2020- Dec 2024)	5-Year Average*	3- Year Average*
SUD	26%	13%	14%	12%
MUD	74%	87%	86%	88%

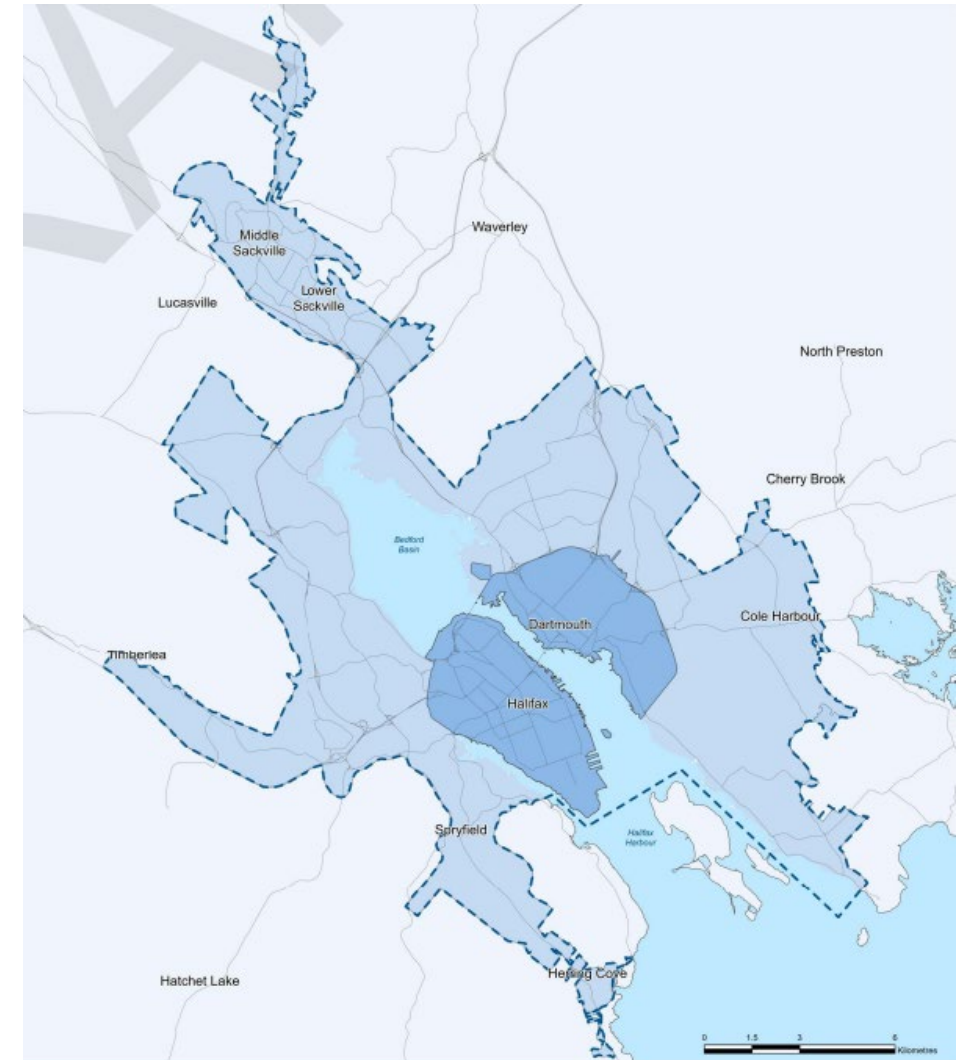
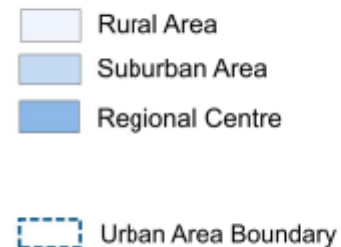
\* 5 and 3 Year averages are the averages of the annual percentages

*10 min Break  
Back at 1:55pm*

# People per Unit (PPU)

- 2.04 people per unit (PPU) in M09494
- Assumptions from HALIFAX (June 2024)
  - 1.9 PPU - Regional Center Halifax Peninsula
  - 1.9 PPU - Regional Center Dartmouth
  - 2.4 PPU - Suburban
  - 2.4 PPU - Suburban – Rural
  - 2.6 PPU - Rural

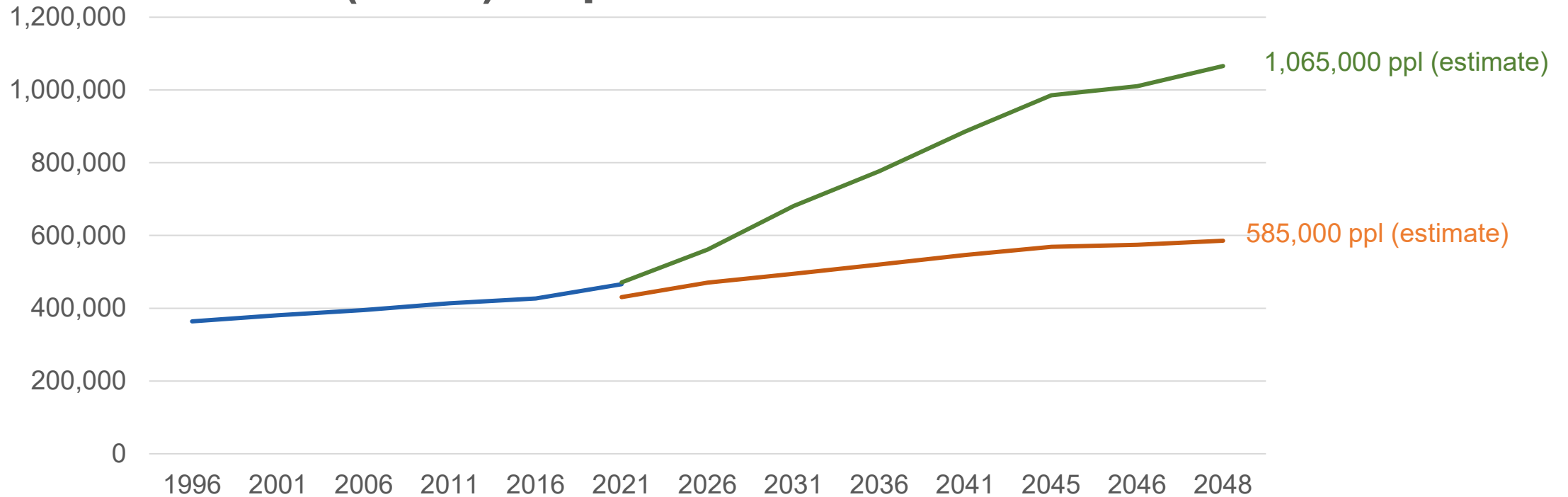
## Legend



Source: Map 1 – Regional Plan Geographies  
<https://www.shapeyourcityhalifax.ca/37947/widgets/158173/documents/109737>

# Population Projections

## Halifax (GMA) Population Growth Forecast



— Stats Canada — Halifax Water 2019 IMP — Nova Scotia Target Migration (Feb 2024)

# Summary of Workshop #1

- Outline of the Engagement Plan
- Compared the M09494 model with what was collected
- SUD:MUD Ratio
- People per Unit
- Population Projections
  
- **Next Steps:**
- Look for feedback to [RDC2025@halifaxwater.ca](mailto:RDC2025@halifaxwater.ca) within the next week
- Visit [Regional Development Charge Stakeholder Engagement 2025 | Halifax Water](#)
- Workshop #2 – Infrastructure List for Growth







# *Discussions*