



## Nova Scotia Utility and Review Board

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March 20, 2025

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Kenda MacKenzie, P.Eng.  
General Manager/CEO  
450 Cowie Hill Road, PO Box 8388, Stn. A  
Halifax, NS B3K 5M1

Dear Ms. MacKenzie:

### **Halifax Regional Water Commission - Regional Development Charge (RDC)**

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Your letter dated March 13, 2025, has been referred to the Board for its review. The panel considering this matter is Roland A. Deveau, K.C., Vice Chair; Steven M. Murphy, MBA, P.Eng., Member; and Jennifer L. Nicholson, CPA, CA, Member.

Halifax Water concludes in its letter as follows:

1. Halifax Water is requesting to defer the filing of the RDC five-year review application to the RDC as directed by the NSUARB and delay the setting of a new date for filing until more information is known on the CHIF program outcomes and conditions.
2. Halifax Water will formally request the Minister of Municipal Affairs to exclude the miscellaneous development related charges from the extension of a development charge freeze.
3. Halifax Water will update the NSUARB on the above on or before July 4, 2025, at which time it would propose a new date for filing an updated RDC review application based on the updated information available at that time.

The above requests result from a pending application by Halifax Water for funding from the Federal Canadian Housing Infrastructure Funding (CHIF) program. The CHIF program supports the construction and upgrading of infrastructure for water, wastewater, stormwater and solid waste systems, to enable developments to address Canada's housing crisis. Applications are due by March 31, 2025. Halifax Water is consulting with Halifax Regional Municipality (HRM) and Nova Scotia Municipal Affairs about eligibility and potential projects.

Halifax Water notes that a condition of accepting CHIF funding is to agree to a three-year freeze to development charges levied by both Halifax Water and HRM, commencing April 2024. This would mean that the current freeze up to November 9, 2025, would be extended.

The Board makes the following observations. First, Halifax Water asserts that if the RDC charges are not increased due to a continued freeze of development charges:

...any shortfalls would be “contained” within the RDC Reserve. The freeze in charge results in future year developers subsidizing today’s developers.

In fact, it would be future ratepayers that would subsidize today’s ratepayers. This raises a serious issue of intergenerational inequity and potential rate shock.

Second, each year during the five-year cycle of the RDCs, Halifax Water is required to update the status of the RDC for the Board. In the absence of the freeze on development charges, Halifax Water would have to apply to amend the RDC amounts if the difference is 15% more or 15% less than the existing charges. Last spring, Halifax Water’s update revealed that an increase of about 76% would have occurred on the Water RDCs for single family, multi-family units and ICI (Industrial, Commercial and Institutional). But for the freeze, the inclusion of added costs would have resulted in an increase in the Water SUD RDC rate from \$1,921.82 to \$3,383.83, an increase in the Water MUD rate from \$1,290.77 to \$2,272.72, and an increase in the Water ICI rate from \$9.49/m<sup>2</sup> to \$16.70/m<sup>2</sup>, an increase of 76.07%. The Wastewater RDC would have been less than a 15% increase (i.e., 8%) so would not have required an adjustment even if the freeze was not in place. The Board notes that additional deferral of changes to the RDCs to reflect an updated estimate of costs would further exacerbate this situation.

The Board grants Halifax Water’s request for an extension to file its RDC review application. However, the Board requires an update on the status of the RDC as part of your update to be provided by July 4, 2025.

In the event Halifax Water has not received funding from CHIF, or chose not to apply, and that the freeze will not be extended beyond November 2025, the Board directs Halifax Water to file its application to review the RDCs no later than August 29, 2025.

Yours truly,

*Pamela McGarrigle*

Pamela McGarrigle  
Clerk of the Board

c William Mahody, K.C., Board Counsel