

Halifax Water Board Meeting Minutes

Date: May 2, 2025

Meeting Time: 10:00 a.m.

Attendees:

Commissioner John MacPherson, Chair

Commissioner Cathy Deagle Gammon, Vice Chair

Commissioner Nancy MacLellan

Commissioner Cathie O'Toole

Commissioner Trish Purdy

Commissioner Patty Cuttell

Guests:

James MacDuff, MacInnes Cooper

Melanie Gillis, MacInnes Cooper

Regrets:

Commissioner Janet Steele

Staff:

Kenda MacKenzie, General Manager & CEO

Louis de Montbrun, Director, Corporate Services/CFO

Liana Rintoul, General Counsel

Josh DeYoung, Director, Capital Engineering & Infrastructure

John Eisnor, Director, Operations

Wendy Krkosek, Director, Regulatory Services

Ashley Kendell, Director, People and Culture

Jeff Myrick, Manager of Communications and Public Affairs

Lorna Skinner, Governance Coordination Assistant

Regular Reports

1. 2025/26 COST OF SERVICE MANUAL AND RATE APPLICATION – WATER, WASTEWATER AND STORMWATER SERVICES

Discussion Notes

A report dated April 25, 2025, was submitted.

Kenda MacKenzie gave a presentation on the overview of the General Rate Applications (GRA). The key points of the presentation were the focus and responsibility of cost neutrality, the mindfulness of affordability for customers, and the past utilization of surpluses and reserves. During and coming out of the global pandemic, Halifax Water used a total of \$17.6M to offset budget shortfalls due to intentionally suppressed rate increases.

Louis de Montbrun provided an overview of Halifax Water's financial position in relation to the GRA. He stated that at the beginning of 2021, Halifax Water had an accumulated surplus of \$38M. That surplus has since been used to help maintain rates during the pandemic. If there were no increase, there would be an accumulated deficit of \$90M. Mr. de Montbrun provided three rate-making scenarios to achieve the elimination of the deficit.

Liana Rintoul gave a brief overview of the proposed changes to the Halifax Water Regulations.

Ms. MacKenzie thanked Halifax Water staff for all their hard work in developing the application.

Commissioner O'Toole asked how cost containment played a role in the utility avoiding rate increases. She also inquired if the Province of Nova Scotia (PNS) and the Bridge Commission are a) aware of the increase, and b) are current in their bill payments. Mr. de Montbrun responded that cost containment has provided savings of an average of approximately \$5M per year and continues to be an active program. Mr. de Montbrun stated that staff held a briefing with PNS, and they are aware an increase in rates is coming. Progress has also been made with PNS' bill payment, and active conversations are ongoing. The Bridge Commission is fully compliant with paying their bills.

Commissioner Deagle Gammon inquired if once the deficit has been eliminated, will the rates remain the same. Mr. de Montbrun responded that until future rate studies are done, it is difficult to predict.

Commissioner Deagle Gammon asked if measures are being taken to encourage the full utilization of the H2O program. Ms. MacKenzie stated that staff will be meeting with the Salvation Army to see what measures can be taken to increase utilization.

Commissioner Purdy asked if the deficit elimination could be done over a five-year period rather than the current 2-year plan.

	<p>Mr. de Montbrun responded that while the deficit elimination could be extended over a longer time period, it could potentially lead to future rates being higher. Ms. MacKenzie added that Halifax Water recognizes that this is a significant increase and is very mindful of the financial challenges many of its customers are facing.</p> <p>MOVED BY Commissioner Deagle Gammon, seconded by Commissioner MacLellan that the Halifax Water Board approve the filing of an application to the Nova Scotia Utility and Review Board requesting approval for:</p> <ol style="list-style-type: none"> 1) An increase to rates for water, wastewater and stormwater service effective January 1, 2026, and April 1, 2026, as described in this report. 2) The updated Cost of Service Manual and Halifax Water Regulations. <p>It is further recommended that the Halifax Water Board approve the filing of the application based on the following parameters:</p> <ol style="list-style-type: none"> 3) Increase the average annual residential bill for water, wastewater and stormwater services not to exceed 17% in 2025/26 and 18% in 2026/27. 4) Any increase to water and wastewater rates is to apply only to consumption and discharge rates, respectively. 5) Increase to total public and private fire protection revenue shall not exceed 39% in 2025/26 and 29% in 2026/27. 6) Any increase to stormwater charges not to exceed 27% in 2025/26 and 29% in 2026/27. 7) Any increase to stormwater right of way charges based on current impervious area not to exceed 23% in 2025/26 and 27% in 2026/27 and an increase in the incremental per square meter charge to \$0.251 per square meter in 2025/26 and \$0.281 per square meter in 2026/27. 8) Any increases to take effect over two fiscal years, becoming effective January 1, 2026, and April 1, 2026.
Decision	MOTION PUT AND PASSED.

Next Meeting Date: June 19, 2025

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