

September 25, 2025

The regular meeting of the Halifax Water Board will be held virtually on Thursday, September 25, 2025, beginning at 9:00 a.m. Visit 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 Thursday, June 19, 2025

Motion: *That the Halifax Water Board approve the In-Camera minutes of June 19.*

2C Business Arising from Minutes

3C Security Matter - VERBAL

4C Communication Matter - VERBAL

5C Committee Matter - VERBAL

6C Communication Matter - VERBAL

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, June 19, 2025

Motion: *That the Halifax Water Board approve the minutes of the June 19, 2025, regular meeting.*

3. Business arising from minutes

a) Green Choice Program Enrollment Update - VERBAL

b) Boil Water Advisory: Update on Corrective Measures and NSRAB Audit- VERBAL

Financial Reports

- 4.1 Operating Financial results as of July 31, 2025
- 4.2 Capital expenditures as of July 31, 2025
- 4.3 Capital Projects Spending Summary 2024/2025
- 4.4 Fall 2025 Debenture (10 minutes)

Motion: *That the Halifax Water Board approve:*

1. *Approve the financing of \$34,000,000 with a thirty-year amortization term and financing over ten years. The maximum all-inclusive rate is not to exceed 7.0%.*
2. *Approve the re-financing of \$15,403,516 with a ten-year amortization term and financing over ten years, with an all-inclusive rate not to exceed 7.0%.*

- 4.5 Change to the Financial Statements Approved at the Audit & Finance Committee

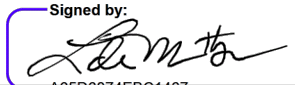
Motion: *It is recommended that the Halifax Water Board approve the updated financial statements of the Halifax Regional Water Commission for the year ended March 31, 2025.*

Information Reports

- 1-I Operational Performance Information Report
- 2-I Halifax Water Compliance Statement – Quarterly Certification
- 3-I Halifax Water Employees’ Pension Plan Financial Report – Quarterly Update
- 4-I 2024 Annual Report – Pension and Benefits Advisory Committee

Nicole Jollymore
Administrative Coordinator

TO: John MacPherson, Chair and Members of the Halifax Regional Water Commission Board

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

APPROVED: 
Signed by: 0C004AC813794F6...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: September 23, 2025

SUBJECT: Operating Results for the four (4) months ended July 31, 2025

ORIGIN

Financial information reporting.

RECOMMENDATION

It is recommended that the Halifax Water Board approve the operational financial report for the (4) months ended July 31, 2025.

DISCUSSION

Attached are the operating results for Halifax Water for the four (4) months year ended July 31, 2025, with comparative figures for July 31, 2024.

The following discussion of the operating results reflects direct operating costs by department and allocations among water, wastewater and stormwater for common costs shared across all the services provided by Halifax Water.

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.

Table 1: Assets

July 31 (in thousands)	Notes	2025	2024	March 31 2025	From Prior Year	
					\$ Change	% Change
Assets						
Current						
Cash and cash equivalents	A	\$ 97,183	\$ 39,722	\$ 73,126	\$ 57,461	144.7%
Receivables						
Customer charges and contractual	B	20,482	19,711	21,851	771	3.9%
Unbilled service revenues	C	21,275	21,108	22,019	167	0.8%
Inventory		2,527	2,589	2,530	(62)	(2.4%)
Prepays	D	1,554	2,349	2,178	(795)	(33.8%)
		143,021	85,479	121,704	57,542	67.3%
Utility plant in service	E	1,416,094	1,277,268	1,436,849	138,826	10.9%
Capital work in progress	F	142,343	139,727	115,627	2,616	1.9%
Total assets		1,701,458	1,502,474	1,674,180	198,984	13.2%
Regulatory deferral account		1,789	1,981	1,852	(192)	(9.7%)
Total assets and regulatory deferral account		\$ 1,703,247	\$ 1,504,455	\$ 1,676,032	\$ 198,792	13.2%

Notes related to Table 1:

- A) *Cash and cash equivalents* increased by \$57.5 million from the prior year. The increase is due to the proceeds from the Spring debenture and continuing growth of the Regional Development Charge (RDC) reserves.
- B) *Customer charges and contractual* increased by \$0.8 million due to an increase in revenue related to consumption and base charges.
- C) *Unbilled service revenues* increased by \$0.1 million due to the timing of billing cycles.
- D) *Prepays* has decreased \$0.8 million due to the timing of invoices received on prepaid services.
- E) *Utility plant in service* increased by \$138.8 million due to new assets recorded at the end of fiscal 2024-25, less depreciation.
- F) The \$2.6 million increase in *capital work in progress* relates to the expenditures on active capital projects as of July 31, 2025.

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Table 2: Liabilities and Equity

July 31 (in thousands)	2025	2024	March 31 2025	From Prior Year	
				\$ Change	% Change
Liabilities					
Current					
Payables and accruals					
Trade	24,190	19,757	35,900	4,432	22.4%
Non-trade	7,266	5,547	6,430	1,719	31.0%
Interest on long term debt	2,704	1,942	4,061	762	39.3%
Halifax Regional Municipality	254	(14,882)	4,459	15,137	(101.7%)
Contractor and customer deposits	1,409	1,221	1,447	189	15.4%
Current portion of long term debt	32,881	39,832	32,881	(6,951)	(17.5%)
Unearned revenue	10,230	9,967	442	263	2.6%
	78,934	63,384	85,619	15,550	24.5%
Long term debt	286,947	204,946	260,129	82,001	40.0%
Deferred contributions	144,874	109,026	130,596	35,848	32.9%
Total liabilities	510,755	377,356	476,344	133,399	35.4%
Equity					
Accumulated capital surplus	1,192,725	1,108,845	1,191,266	83,880	7.6%
Accumulated operating surplus	(3,958)	11,690	11,690	(15,648)	(133.9%)
Operating surplus used to fund capital	12,380	12,380	12,380	0	0.0%
Deficiency of revenues over expenditures	(8,655)	(5,817)	(15,648)	(2,838)	48.8%
Total equity	1,192,492	1,127,099	1,199,688	65,393	5.8%
Total liabilities and equity	\$ 1,703,247	\$ 1,504,455	\$ 1,676,032	\$ 198,792	13.2%

Notes related to Table 2:

- A) *Trade payables and accruals* have increased by \$4.4 million from the prior year due to a higher level of purchasing activity, higher average value per invoice, and more timely reporting of contractor holdbacks for future payments.

Payables and Accruals					
	2025/26	2024/25			
	'000	'000	\$ Change	% Change	
Trade payables	\$ 13,168	\$ 9,930	\$ 3,238	32.6%	
Trade accrued payables	8,797	8,761	35	0.4%	
Accrued wastewater rebate	2,226	1,066	1,160	108.8%	
	\$ 24,190	\$ 19,757	\$ 4,432	22.4%	

- B) *Halifax Regional Municipality payable* has increased by \$15.1 million from prior year as a result of a decrease in receivables from HRM due to the timing of payment of the annual fire protection invoice, an increase in the RDC receivable, and an increase in cost sharing amounts payable to HRM.

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HRM Receivables and Payables				
	2025/26	2024/25		
	'000	'000	\$ Change	% Change
Receivables	\$ 2,055	\$ 8,899	\$ (6,844)	(76.9%)
RDC	8,123	7,165	959	13.4%
Payables	(10,433)	(1,182)	(9,251)	783.0%
Net receivables (payables)	\$ (254)	\$ 14,882	\$ (15,137)	(101.7%)

- C) *Current portion of long-term debt* has decreased \$7.0 million due to the repayment of HRM debt in September 2024 and balloon payments in November 2024 and May 2025.
- D) Increase in *long term debt* by \$82.0 million due to the addition of new debt in November 2024 and May 2025.

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 July 31, 2025, is as follows:

Debt Servicing Ratio by Service		
	2025/26	2024/25
Water	19.70%	16.22%
Wastewater	14.26%	20.10%
Stormwater	24.19%	21.81%
Combined	17.15%	18.78%

The combined debt servicing ratio has decreased from the prior year. Debt servicing ratios have increased for water and stormwater because of the addition of new debt and decreased for wastewater because of the repayment of HRM debt in September 2024. The combined debt servicing ratio of 17.15% is below the maximum 35.00% ratio allowed under the blanket guarantee agreement with Halifax.

Statement of Earnings (NSUARB) – Page 4 of Attachment 1

Table 3: Summarized Statement of Earnings (NSUARB)

Summarized Statement of Earnings							
Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
				\$ Change	% Change	\$ Change	% Change
Operating revenues	\$ 174,617	\$ 58,432	\$ 57,502	\$ 930	1.62%	\$ (116,185)	(66.54%)
Operating expenditures	169,004	54,733	50,376	4,357	8.65%	(114,271)	(67.61%)
Earnings from operations before financial and other revenues and expenditures	5,613	3,699	7,126	(3,426)	(48.08%)	(1,914)	(34.10%)
Financial and other revenues	1,085	214	288	(73)	(25.50%)	(871)	(80.25%)
Financial and other expenditures	40,773	12,569	13,230	(661)	(5.00%)	(28,204)	(69.17%)
Loss for the year	A \$ (34,075)	\$ (8,655)	\$ (5,817)	\$ (2,838)	48.80%	\$ 25,420	(74.60%)

Notes related to Table 3:

- A) The *loss for the year* of \$8.6 million is an increase of \$2.8 million from the prior year *earnings*. The following is a discussion of factors influencing the change.

Table 4: Operating Revenues:

Operating Revenues							
Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
				\$ Change	% Change	\$ Change	% Change
Consumption revenue	B \$ 114,246	\$ 38,759	\$ 38,132	\$ 628	1.65%	\$ (75,487)	(66.07%)
Base charge revenue	34,356	11,245	10,953	292	2.67%	(23,111)	(67.27%)
Wastewater rebate	(1,628)	(810)	(864)	54	(6.27%)	818	(50.26%)
Metered sales total	146,974	49,195	48,221	974	2.02%	\$ (97,779)	(66.53%)
Stormwater site generated charge	8,865	2,768	2,744	24	0.86%	(6,097)	(68.78%)
Stormwater right of way	6,515	2,172	2,172	-	0.00%	(4,343)	(66.66%)
Public fire protection	8,083	2,694	2,694	-	0.00%	(5,389)	(66.67%)
Private fire protection	1,711	608	572	36	6.26%	(1,103)	(64.46%)
Other operating revenue	2,463	995	1,098	(102)	(9.33%)	(1,468)	(59.59%)
Operating revenue total	A \$ 174,611	\$ 58,432	\$ 57,501	\$ 931	1.62%	\$ (116,179)	(66.54%)

Notes related to Table 4:

Operating revenues are presented above, broken down by type:

- A) *Operating revenues* have increased \$0.9 million as compared to the previous year.
- B) Metered consumption revenue has increased 1.6% as compared to the previous year. Consumption billed within the period was up 4.2%, however meter readings indicate growth in

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consumption is easing. Metered consumption revenue includes billed and unbilled consumption and as such reflects the more modest consumption growth. Consumption growth is highest in institutional, multi-residential and commercial classes.

Consumption Growth Based on Billed Consumption is as follows:

Consumption by Customer Class (m³)				
	2025/26	2024/25	m³ Change	% Change
Commercial	2,375,116	2,260,009	115,107	5.1%
Industrial	569,450	579,577	(10,127)	(1.7%)
Institutional	1,465,512	1,316,360	149,152	11.3%
Multi-residential	2,996,124	2,787,186	208,938	7.5%
Residential	4,576,699	4,561,250	15,448	0.3%
	11,982,902	11,504,383	478,519	4.2%

Based on billed consumption

- C) Base charge revenue has increased by \$2.7 million due to increased customers. Since the same time last year, the number of customers has grown by 560.

Table 5: Operating expenditures:

Operating Expenditures								
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
					\$ Change	% Change	\$ Change	% Change
Water supply and treatment	B	\$ 16,146	\$ 4,617	\$ 4,795	\$ (178)	(3.72%)	\$ (11,529)	(71.40%)
Water transmission and distribution	C	16,910	5,641	4,510	1,132	25.09%	(11,269)	(66.64%)
Wastewater collection		15,530	4,634	4,736	(102)	(2.15%)	(10,896)	(70.16%)
Stormwater collection		6,969	1,935	2,102	(168)	(7.96%)	(5,034)	(72.23%)
Wastewater treatment	D	28,640	8,688	7,846	842	10.74%	(19,952)	(69.66%)
Information and technology services	E	16,625	5,789	6,124	(335)	(5.48%)	(10,836)	(65.18%)
Engineering services	F	5,813	1,872	1,385	487	35.17%	(3,941)	(67.79%)
Regulatory services	G	5,359	2,083	1,616	467	28.88%	(3,276)	(61.13%)
Customer services		5,186	1,617	1,435	182	12.70%	(3,569)	(68.81%)
Corporate services		4,255	1,305	1,185	119	10.09%	(2,950)	(69.32%)
Administration services	H	7,647	2,371	1,847	524	28.39%	(5,276)	(68.99%)
Depreciation and amortization	I	39,924	14,178	12,797	1,382	10.80%	(25,746)	(64.49%)
Total operating expenditures	A	\$ 169,004	\$ 54,733	\$ 50,378	\$ 4,355	8.64%	\$ (114,271)	(67.61%)

Notes related to Table 5:

- A) *Operating expenditures* of \$54.7 million are \$4.4 million higher than the prior year.
- B) *Water supply and treatment* expenditures decreased \$0.2 million from prior year due to a decrease in chemicals including alum, phosphate and caustic soda.

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- C) *Water transmission and distribution* expenditures increased \$1.1 million from prior year due to an increase in contract services and salaries/wages. Increased costs are primarily in core maintenance activities for distribution mains, hydrants, and services.
- D) *Wastewater treatment* expenditures increased \$0.8 million from prior year due mainly to increases in salaries, contract services and supplies.
- E) *Information and technology services* is now presented as a separate expenditure category due to the recent organizational changes. Expenditures decreased \$0.3 million as compared to the prior year. Increases in salaries are offset by a decrease in consulting.
- F) *Engineering services* expenditures increased \$0.5 million from prior year due to an increase in salaries and consulting.
- G) *Regulatory services* expenditures increased \$0.5 million from the prior year due to an increase in salaries.
- H) *Administration services* expenditures increased \$0.5 million from the prior year. A decrease in contract services is offset by an increase in salaries.
- I) *Depreciation and amortization* increased \$1.4 million over prior year because of depreciation on additions to assets in the prior year.

Table 6: Financial and other revenues:

Financial and other revenues								
Notes	Budget	Actual	Actual	From Prior Year		Actual to Budget		
	2025/26	2025/26	2024/25	\$ Change	% Change	\$ Remaining	% Remaining	
	'000	'000	'000					
Interest	\$ 468	\$ 46	\$ 110	\$ (64)	(58.29%)	\$ (422)	(90.17%)	
Other	617	168	177	(9)	(5.10%)	(449)	(72.73%)	
Total financial and other revenues	A \$ 1,085	\$ 214	\$ 288	\$ (73)	(25.50%)	\$ (871)	(80.25%)	

Notes related to Table 6:

- A) *Financial and other revenues* decreased from prior year due to lower interest rates resulting in less revenue earned on cash balances for regulated services. Interest income is also allocated to regional development charge reserve funds.

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Table 7: Financial and other expenditures:

Financial and other expenditures							
Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
				\$ Change	% Change	\$ Remaining	% Remaining
Interest	323	58	76	(18)	(23.51%)	(265)	(81.97%)
Interest on long term debt	12,291	3,426	2,811	615	21.87%	(8,865)	(72.13%)
Repayment on long term debt	20,514	6,502	7,910	(1,408)	(17.80%)	(14,012)	(68.31%)
Amortization of debt discount	279	96	79	17	21.46%	(183)	(65.57%)
Dividend/grant in lieu of taxes	7,236	2,412	2,307	105	4.55%	(4,824)	(66.67%)
Other	130	75	47	28	59.91%	(55)	(42.47%)
Total financial and other expenditure	A \$ 40,773	\$ 12,569	\$ 13,230	\$ (661)	(5.00%)	\$ (28,204)	(69.17%)

Notes related to Table 7:

- A) *Financial and other expenditures* decreased \$0.7 million when compared to prior year due to a decrease in debt repayment amounts. These will increase during the year as the repayments associated with new debt are recorded.

Table 8: Operating Results by Service:

Operating Results by Service							
	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
				\$ Change	% Change	\$ Change	% Change
Water	\$ (21,183)	\$ (6,922)	\$ (4,581)	\$ (2,341)	51.10%	\$ 14,261	(67.32%)
Wastewater	(8,853)	(241)	(372)	131	(35.15%)	8,612	(97.27%)
Stormwater	(4,038)	(1,492)	(863)	(628)	72.75%	2,547	(63.06%)
Earnings (loss) for the year	\$ (34,075)	\$ (8,655)	\$ (5,817)	\$ (2,838)	48.80%	\$ 25,420	(74.60%)

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

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Table 9: Operating Results by Service – Water:

Operating Results by Service - Water								
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
					\$ Change	% Change	\$ Change	% Change
Operating revenues	A	\$ 66,780	\$ 21,942	\$ 21,735	\$ 207	0.95%	\$ (44,838)	(67.14%)
Operating expenditures	B	68,557	22,609	20,989	1,620	7.72%	(45,948)	(67.02%)
Earnings from operations		(1,776)	(666)	746	(1,412)	(189.31%)	1,110	(62.49%)
Financial and other revenues		772	159	215	(56)	(25.90%)	(613)	(79.39%)
Financial and other expenditures	C	20,179	6,415	5,542	873	15.75%	(13,764)	(68.21%)
Earnings (loss) for the year		\$ (21,183)	\$ (6,922)	\$ (4,581)	\$ (2,341)	51.10%	\$ 14,261	(67.32%)

Water services loss of \$6.9 million increased from the prior year loss by \$2.3 million due to the following factors:

- A) Increase in *operating revenues* of \$0.2 million due to an increase in consumption and base charge revenue as previously discussed under Notes to Table 4.
- B) Increase in *operating expenditures* of \$1.6 million due to higher costs in water transmission and distribution, and depreciation and amortization.
- C) Increase in *financial and other expenditures* of \$0.9 million due to higher interest rates on new long-term debt as compared to existing debt, and a higher dividend/grant in lieu of taxes.

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Table 10: Operating Results by Service – Wastewater:

Operating Results by Service - Wastewater								
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
					\$ Change	% Change	\$ Change	% Change
Operating revenues	A	\$ 92,210	\$ 31,482	\$ 30,711	\$ 770	2.51%	\$ (60,728)	(65.86%)
Operating expenditures	B	85,109	26,954	24,704	2,250	9.11%	(58,155)	(68.33%)
Earnings (loss) from operations		7,101	4,527	6,007	(1,480)	(24.63%)	(2,574)	(36.25%)
Financial and other revenues		313	55	73	(18)	(24.30%)	(257)	(82.38%)
Financial and other expenditures	C	16,267	4,824	6,452	(1,628)	(25.24%)	(11,444)	(70.35%)
Earnings (loss) for the year		\$ (8,853)	\$ (241)	\$ (372)	\$ 131	(35.15%)	\$ 8,612	(97.27%)

Wastewater services loss of \$0.2 million has decreased from \$0.4 million in prior year due to the following factors:

- A) *Operating revenues* increase of \$0.8 million is attributable to an increase in consumption and base charge revenue as previously discussed under Notes to Table 4.
- B) *Operating expenditures* increase of \$2.2 million is attributable primarily to increases in costs associated with wastewater treatment, engineering services, administration services, and depreciation and amortization.
- C) *Financial and other expenditures* decrease of \$1.6 million is due to lower repayment of long-term debt following the final payment on a large debt issue payable to HRM to finance wastewater assets. Repayments will be higher in future months with the new debt issued with the Spring and Fall debentures.

Table 11: Operating Results by Service – Stormwater:

Operating Results by Service - Stormwater								
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget	
					\$ Change	% Change	\$ Change	% Change
Operating revenues	A	\$ 15,627	\$ 5,008	\$ 5,056	\$ (47)	(0.94%)	\$ (10,619)	(67.95%)
Operating expenditures	B	15,339	5,170	4,683	487	10.39%	(10,168)	(66.29%)
Loss from operations		288	(162)	372	(534)	(143.44%)	(450)	(156.07%)
Financial and other expenditures	C	4,327	1,330	1,236	94	7.61%	(2,997)	(69.26%)
Earnings (loss) for the year		\$ (4,038)	\$ (1,492)	\$ (863)	\$ (628)	72.75%	\$ 2,547	(63.06%)

Stormwater services loss of \$1.5 million is \$0.6 million greater than the prior year loss. The following factors influenced the results:

- A) *Operating revenues* decreased by less than \$0.1 million from the prior year due to the timing of bills issued and estimates of accrued revenue balances. Billable impervious area is expected

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to continue to gradually increase in conjunction with continuing growth in development activity.

- B) Increase of \$0.5 million in *operating expenditures* from prior year is due to an increase in the allocation of engineering services and regulatory services to Stormwater.
- C) Increase of \$0.1 million in *financial and other expenditures* is due to increasing interest on long-term debt.

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.

ATTACHMENT

1. Financial results for the four (4) months ended July 31, 2025.

Report prepared by:

Signed by:

Warren Brake

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Warren Brake, CPA, CGA

Manager of Accounting (902) 719-4814

HALIFAX WATER
UNAUDITED STATEMENT OF FINANCIAL POSITION - IFRS
JULY 31, 2025 (in thousands)

July 31 (in thousands)	2025	2024	March 31 2025	From Prior Year \$ Change	% Change
Assets					
Current					
Cash and cash equivalents	\$ 97,183	\$ 39,722	\$ 73,126	\$ 57,461	144.7%
Receivables					
Customer charges and contractual	20,482	19,711	21,851	771	3.9%
Unbilled service revenues	21,275	21,108	22,019	167	0.8%
Inventory	2,527	2,589	2,530	(62)	(2.4%)
Prepays	1,554	2,349	2,178	(795)	(33.8%)
	143,021	85,479	121,704	57,542	67.3%
Employee benefit surplus (obligations)	1,003	(3,110)	1,053	4,113	(132.2%)
Intangible assets	42,855	34,622	42,855	8,234	23.8%
Capital work in progress	142,343	139,727	115,627	2,616	1.9%
Utility plant in service	1,322,160	1,268,145	1,345,901	54,015	4.3%
Total assets	1,651,383	1,524,863	1,627,140	126,520	8.3%
Regulatory deferral account	1,789	1,981	1,852	(192)	(9.7%)
Total assets and regulatory deferral account	\$ 1,653,172	\$ 1,526,844	\$ 1,628,992	\$ 126,328	8.3%
Liabilities					
Current					
Payables and accruals					
Trade	24,190	19,757	35,898	4,432	22.4%
Non-trade	7,266	5,547	6,430	1,719	31.0%
Interest on long term debt	2,704	1,942	4,061	762	39.3%
Halifax Regional Municipality	254	(14,882)	4,459	15,137	101.7%
Contractor and customer deposits	1,409	1,221	1,447	189	15.4%
Current portion of deferred contributed capital	19,249	19,260	19,249	(11)	(0.1%)
Current portion of long term debt	32,881	39,832	32,881	(6,951)	(17.5%)
Unearned revenue	10,230	9,967	442	263	2.6%
	98,183	82,644	104,865	15,539	18.8%
Deferred contributed capital	961,201	930,784	951,883	30,417	3.3%
Long term debt	286,947	204,946	260,129	82,001	40.0%
Total liabilities	1,346,331	1,218,374	1,316,877	127,957	10.5%
Equity					
Accumulated other comprehensive loss	66,922	60,395	66,923	6,527	10.8%
Accumulated surplus	239,918	248,074	245,192	(8,156)	(3.3%)
Total equity	306,841	308,470	312,115	(1,629)	(0.5%)
Total liabilities and equity	\$ 1,653,172	\$ 1,526,844	\$ 1,628,992	\$ 126,328	8.3%

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS AND COMPREHENSIVE EARNINGS - ALL SERVICES - IFRS
APRIL 1, 2025 - JULY 31, 2025 (4 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 33.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR	LAST YEAR	BUDGET	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
	'000	'000	'000					
Operating revenues								
Water	\$ 18,411	\$ 18,178	\$ 56,210	32.75%	\$ 233	1.28%	\$ (37,799)	(67.25%)
Wastewater	30,784	30,044	90,770	33.91%	740	2.46%	(59,986)	(66.09%)
Stormwater	4,940	4,916	15,380	32.12%	24	0.48%	(10,440)	(67.88%)
Public fire protection	2,694	2,694	8,083	33.33%	0	0.00%	(5,389)	(66.67%)
Private fire protection	608	572	1,711	35.54%	36	6.26%	(1,103)	(64.46%)
Other operating revenue	995	1,098	2,463	40.41%	(102)	(9.33%)	(1,468)	(59.59%)
	58,432	57,502	174,617	33.46%	930	1.62%	(116,185)	(66.54%)
Operating expenditures								
Water supply and treatment	4,617	4,795	16,146	28.60%	(178)	(3.71%)	(11,529)	(71.40%)
Water transmission and distribution	5,641	4,510	16,910	33.36%	1,131	25.08%	(11,269)	(66.64%)
Wastewater collection	4,634	4,736	15,530	29.84%	(102)	(2.14%)	(10,896)	(70.16%)
Stormwater collection	1,935	2,102	6,969	27.77%	(167)	(7.94%)	(5,034)	(72.23%)
Wastewater treatment	8,688	7,846	28,640	30.34%	843	10.74%	(19,952)	(69.66%)
Information and technology services	5,789	6,124	16,625	34.82%	(335)	(5.47%)	(10,836)	(65.18%)
Engineering services	1,872	1,385	5,813	32.21%	488	35.23%	(3,941)	(67.79%)
Regulatory compliance services	2,083	1,616	5,359	38.86%	467	28.91%	(3,276)	(61.14%)
Customer services	1,617	1,435	5,186	31.19%	182	12.72%	(3,569)	(68.81%)
Corporate services	1,305	1,185	4,255	30.67%	121	10.17%	(2,950)	(69.33%)
Administration services	2,371	1,847	7,647	31.01%	524	28.38%	(5,276)	(68.99%)
Pension services	0	956	3,154	0.00%	(956)	(100.00%)	(3,154)	(100.00%)
Depreciation and amortization	20,376	9,174	59,184	34.43%	11,201	122.10%	(38,808)	(65.57%)
	60,930	47,710	191,418	31.83%	13,221	27.71%	(130,488)	(68.17%)
Earnings (loss) from operations before financial and other revenues and expenditures	(2,498)	9,792	(16,801)	14.87%	(12,290)	(125.51%)	14,303	(85.13%)
Financial and other revenues								
Interest	46	110	468	9.83%	(64)	(58.29%)	(422)	(90.17%)
Amortization of contributed capital	3,078	14,816	19,260	15.98%	(11,738)	(79.23%)	(16,182)	(84.02%)
Other	168	177	617	27.27%	(9)	(5.10%)	(449)	(72.73%)
	3,292	15,103	20,345	16.18%	(11,811)	(78.20%)	(17,053)	(83.82%)
Financial and other expenditures								
Interest	58	76	323	18.03%	(18)	(23.51%)	(265)	(81.97%)
Interest on long term debt	3,426	2,811	12,291	27.87%	615	21.87%	(8,865)	(72.13%)
Amortization of debt discount	96	79	279	34.43%	17	21.46%	(183)	(65.57%)
Dividend/grant in lieu of taxes	2,412	2,307	7,236	33.33%	105	4.55%	(4,824)	(66.67%)
Other	75	47	130	57.53%	28	59.91%	(55)	(42.47%)
	6,067	5,320	20,259	29.95%	747	14.04%	(14,192)	(70.05%)
Total comprehensive earnings for the year	\$ (5,273)	\$ 19,575	\$ (16,715)	31.55%	\$ (24,848)	(126.94%)	\$ 11,442	(68.45%)

HALIFAX WATER
UNAUDITED STATEMENT OF FINANCIAL POSITION - NSRAE
JULY 31, 2025 (in thousands)

July 31 (in thousands)	2025	2024	March 31 2025	From Prior Year \$ Change	% Change
Assets					
Current					
Cash and cash equivalents	\$ 97,183	\$ 39,722	\$ 73,126	\$ 57,461	144.7%
Receivables					
Customer charges and contractual	20,482	19,711	21,851	771	3.9%
Unbilled service revenues	21,275	21,108	22,019	167	0.8%
Inventory	2,527	2,589	2,530	(62)	(2.4%)
Prepays	1,554	2,349	2,178	(795)	(33.8%)
	<u>143,021</u>	<u>85,479</u>	<u>121,704</u>	<u>57,542</u>	<u>67.3%</u>
Utility plant in service	1,416,094	1,277,268	1,436,849	138,826	10.9%
Capital work in progress	142,343	139,727	115,627	2,616	1.9%
Total assets	<u>1,701,458</u>	<u>1,502,474</u>	<u>1,674,180</u>	<u>198,984</u>	<u>13.2%</u>
Regulatory deferral account	1,789	1,981	1,852	(192)	(9.7%)
Total assets and regulatory deferral account	\$ 1,703,247	\$ 1,504,455	\$ 1,676,032	\$ 198,792	13.2%
Liabilities					
Current					
Payables and accruals					
Trade	24,190	19,757	35,900	4,432	22.4%
Non-trade	7,266	5,547	6,430	1,719	31.0%
Interest on long term debt	2,704	1,942	4,061	762	39.3%
Halifax Regional Municipality	254	(14,882)	4,459	15,137	(101.7%)
Contractor and customer deposits	1,409	1,221	1,447	189	15.4%
Current portion of long term debt	32,881	39,832	32,881	(6,951)	(17.5%)
Unearned revenue	10,230	9,967	442	263	2.6%
	<u>78,934</u>	<u>63,384</u>	<u>85,619</u>	<u>15,550</u>	<u>24.5%</u>
Long term debt	286,947	204,946	260,129	82,001	40.0%
Deferred contributions	144,874	109,026	130,596	35,848	32.9%
Total liabilities	<u>510,755</u>	<u>377,356</u>	<u>476,344</u>	<u>133,399</u>	<u>35.4%</u>
Equity					
Accumulated capital surplus	1,192,725	1,108,845	1,191,266	83,880	7.6%
Accumulated operating surplus	(3,958)	11,690	11,690	(15,648)	(133.9%)
Operating surplus used to fund capital	12,380	12,380	12,380	0	0.0%
Deficiency of revenues over expenditures	(8,655)	(5,817)	(15,648)	(2,838)	48.8%
Total equity	<u>1,192,492</u>	<u>1,127,099</u>	<u>1,199,688</u>	<u>65,393</u>	<u>5.8%</u>
Total liabilities and equity	\$ 1,703,247	\$ 1,504,455	\$ 1,676,032	\$ 198,792	13.2%

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - ALL SERVICES - NSRAB
APRIL 1, 2025 - JULY 31, 2025 (4 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 33.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR	LAST YEAR	BUDGET	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
	'000	'000	'000					
Operating revenues								
Water	\$ 18,411	\$ 18,178	\$ 56,210	32.75%	\$ 233	1.28%	\$ (37,799)	(67.25%)
Wastewater	30,784	30,044	90,770	33.91%	740	2.46%	(59,986)	(66.09%)
Stormwater site generated service	2,768	2,744	8,865	31.22%	24	0.86%	(6,097)	(68.78%)
Stormwater right of way service	2,172	2,172	6,515	33.34%	0	0.00%	(4,343)	(66.66%)
Fire protection (public and private)	3,302	3,267	9,794	33.72%	36	1.10%	(6,492)	(66.28%)
Other services and fees	598	589	1,340	44.61%	9	1.55%	(742)	(55.39%)
Late payment and other connection fees	211	204	589	35.79%	7	3.43%	(378)	(64.21%)
Miscellaneous	187	305	534	34.99%	(118)	(38.80%)	(347)	(65.01%)
	58,432	57,502	174,617	33.46%	930	1.62%	(116,185)	(66.54%)
Operating expenditures								
Water supply and treatment	4,617	4,795	16,146	28.60%	(178)	(3.71%)	(11,529)	(71.40%)
Water transmission and distribution	5,641	4,510	16,910	33.36%	1,131	25.08%	(11,269)	(66.64%)
Wastewater collection	4,634	4,736	15,530	29.84%	(102)	(2.14%)	(10,896)	(70.16%)
Stormwater collection	1,935	2,102	6,969	27.77%	(167)	(7.94%)	(5,034)	(72.23%)
Wastewater treatment	8,688	7,846	28,640	30.34%	843	10.74%	(19,952)	(69.66%)
Information and technology services	5,789	6,124	16,625	34.82%	(335)	(5.47%)	(10,836)	(65.18%)
Engineering services	1,872	1,385	5,813	32.21%	488	35.23%	(3,941)	(67.79%)
Regulatory compliance services	2,083	1,616	5,359	38.86%	467	28.91%	(3,276)	(61.14%)
Customer services	1,617	1,435	5,186	31.19%	182	12.72%	(3,569)	(68.81%)
Corporate services	1,305	1,185	4,255	30.67%	121	10.17%	(2,950)	(69.33%)
Administration services	2,371	1,847	7,647	31.01%	524	28.38%	(5,276)	(68.99%)
Depreciation and amortization	14,178	12,797	39,924	35.51%	1,382	10.80%	(25,745)	(64.49%)
	54,733	50,376	169,004	32.39%	4,357	8.65%	(114,271)	(67.61%)
Earnings from operations before financial and other revenues and expenditures	3,699	7,126	5,613	65.90%	(3,426)	(48.08%)	(1,914)	(34.10%)
Financial and other revenues								
Interest	46	110	468	9.83%	(64)	(58.29%)	(422)	(90.17%)
Other	168	177	617	27.27%	(9)	(5.10%)	(449)	(72.73%)
	214	288	1,085	19.75%	(73)	(25.50%)	(871)	(80.25%)
Financial and other expenditures								
Interest	58	76	323	18.03%	(18)	(23.51%)	(265)	(81.97%)
Interest on long term debt	3,426	2,811	12,291	27.87%	615	21.87%	(8,865)	(72.13%)
Repayment on long term debt	6,502	7,910	20,514	31.69%	(1,408)	(17.80%)	(14,012)	(68.31%)
Amortization of debt discount	96	79	279	34.43%	17	21.46%	(183)	(65.57%)
Dividend/grant in lieu of taxes	2,412	2,307	7,236	33.33%	105	4.55%	(4,824)	(66.67%)
Other	75	47	130	57.53%	28	59.91%	(55)	(42.47%)
	12,569	13,230	40,773	30.83%	(661)	(5.00%)	(28,204)	(69.17%)
Earnings (loss) for the year	\$ (8,655)	\$ (5,817)	\$ (34,075)	25.40%	\$ (2,838)	48.80%	\$ 25,420	(74.60%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WATER - NSRAB
APRIL 1, 2025 - JULY 31, 2025 (4 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 33.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26 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
Operating revenues - Water								
Water	\$ 18,411	\$ 18,178	\$ 56,210	32.75%	\$ 233	1.28%	\$ (37,799)	(67.25%)
Public fire protection	2,694	2,694	8,083	33.33%	0	0.00%	(5,389)	(66.67%)
Private fire protection	608	572	1,711	35.54%	36	6.26%	(1,103)	(64.46%)
Bulk water stations	73	83	340	21.48%	(10)	(11.79%)	(267)	(78.52%)
Late payment and other connection fees	58	61	202	28.87%	(2)	(3.70%)	(144)	(71.13%)
Miscellaneous	98	147	234	41.73%	(50)	(33.75%)	(136)	(58.27%)
	21,942	21,735	66,780	32.86%	207	0.95%	(44,838)	(67.14%)
Operating expenditures - Water								
Water supply and treatment	4,617	4,795	16,146	28.60%	(178)	(3.71%)	(11,529)	(71.40%)
Water transmission and distribution	5,641	4,510	16,910	33.36%	1,131	25.08%	(11,269)	(66.64%)
Information and technology services	2,707	2,976	8,150	33.22%	(269)	(9.03%)	(5,443)	(66.78%)
Engineering services	211	219	2,017	10.46%	(8)	(3.76%)	(1,806)	(89.54%)
Regulatory compliance services	620	576	1,576	39.35%	44	7.67%	(956)	(60.65%)
Customer services	825	732	2,645	31.18%	93	12.72%	(1,820)	(68.82%)
Corporate services	666	604	2,086	31.91%	61	10.17%	(1,420)	(68.09%)
Administration services	1,174	942	3,900	30.11%	232	24.64%	(2,726)	(69.89%)
Depreciation and amortization	6,147	5,635	15,127	40.64%	513	9.10%	(8,979)	(59.36%)
	22,609	20,989	68,557	32.98%	1,620	7.72%	(45,948)	(67.02%)
Earnings from operations before financial and other revenues and expenditures	(666)	746	(1,776)	37.51%	(1,412)	(189.31%)	1,110	(62.49%)
Financial and other revenues								
Interest	22	70	295	7.54%	(47)	(68.01%)	(273)	(92.46%)
Other	137	145	477	28.71%	(8)	(5.70%)	(340)	(71.29%)
	159	215	772	20.61%	(56)	(25.90%)	(613)	(79.39%)
Financial and other expenditures								
Interest on long term debt	1,722	1,275	5,484	31.40%	447	35.06%	(3,762)	(68.60%)
Repayment on long term debt	2,559	2,219	8,303	30.83%	341	15.36%	(5,743)	(69.17%)
Amortization of debt discount	41	32	119	34.71%	10	29.95%	(78)	(65.29%)
Dividend/grant in lieu of taxes	2,053	1,973	6,158	33.33%	79	4.02%	(4,105)	(66.67%)
Other	40	43	115	34.41%	(4)	(8.82%)	(76)	(65.59%)
	6,415	5,542	20,179	31.79%	873	15.75%	(13,764)	(68.21%)
Loss for the year	\$ (6,922)	\$ (4,581)	\$ (21,183)	32.68%	\$ (2,341)	51.10%	\$ 14,261	(67.32%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WASTEWATER - NSRAB
APRIL 1, 2025 - JULY 31, 2025 (4 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 33.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26 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
Operating revenues - Wastewater								
Wastewater	\$ 30,784	\$ 30,044	\$ 90,770	33.91%	\$ 740	2.46%	\$ (59,986)	(66.09%)
Leachate and other contract revenue	130	179	323	40.29%	(49)	(27.26%)	(193)	(59.71%)
Septage tipping fees	283	250	572	49.42%	33	13.04%	(289)	(50.58%)
Overstrength surcharge	34	65	0	0.00%	(31)	(47.99%)	34	0.00%
Airplane effluent	78	12	105	74.19%	66	575.29%	(27)	(25.81%)
Late payment and other connection fees	99	100	207	47.76%	(1)	(1.32%)	(108)	(52.24%)
Miscellaneous	74	61	233	31.85%	13	20.75%	(159)	(68.15%)
	31,482	30,711	92,210	34.14%	770	2.51%	(60,728)	(65.86%)
Operating expenditures - Wastewater								
Wastewater collection	4,634	4,736	15,530	29.84%	(102)	(2.14%)	(10,896)	(70.16%)
Wastewater treatment	8,688	7,846	28,640	30.34%	843	10.74%	(19,952)	(69.66%)
Information and technology services	2,773	2,833	7,797	35.57%	(59)	(2.10%)	(5,024)	(64.43%)
Engineering services	981	733	2,823	34.75%	248	33.77%	(1,842)	(65.25%)
Regulatory compliance services	677	588	1,763	38.43%	90	15.30%	(1,086)	(61.57%)
Customer services	727	643	2,338	31.11%	84	13.12%	(1,611)	(68.89%)
Corporate services	576	522	1,996	28.83%	53	10.17%	(1,420)	(71.17%)
Administration services	1,070	815	3,372	31.73%	255	31.35%	(2,302)	(68.27%)
Depreciation and amortization	6,827	5,989	20,850	32.74%	838	14.00%	(14,023)	(67.26%)
	26,954	24,704	85,109	31.67%	2,250	9.11%	(58,155)	(68.33%)
Earnings from operations before financial and other revenues and expenditures	4,527	6,007	7,101	63.75%	(1,480)	(24.63%)	(2,574)	(36.25%)
Financial and other revenues								
Interest	24	41	172	13.76%	(17)	(41.62%)	(149)	(86.24%)
Other	31	32	140	22.36%	(1)	(2.40%)	(109)	(77.64%)
	55	73	313	17.62%	(18)	(24.30%)	(257)	(82.38%)
Financial and other expenditures								
Interest on long term debt	1,268	1,262	5,287	23.98%	5	0.42%	(4,019)	(76.02%)
Repayment on long term debt	3,178	4,871	9,942	31.97%	(1,693)	(34.76%)	(6,764)	(68.03%)
Amortization of debt discount	44	38	126	34.72%	5	13.24%	(82)	(65.28%)
Dividend/grant in lieu of taxes	299	277	898	33.33%	23	8.25%	(599)	(66.67%)
Other	35	3	15	235.14%	32	948.41%	20	135.14%
	4,824	6,452	16,267	29.65%	(1,628)	(25.24%)	(11,444)	(70.35%)
Earnings (loss) for the year	\$ (241)	\$ (372)	\$ (8,853)	2.73%	\$ 131	(35.15%)	\$ 8,612	(97.27%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - STORMWATER - NSRAB
APRIL 1, 2025 - JULY 31, 2025 (4 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 33.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26 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
Operating revenues - Stormwater								
Stormwater site generated service	\$ 2,768	\$ 2,744	\$ 8,865	31.22%	\$ 24	0.86%	\$ (6,097)	(68.78%)
Stormwater right of way service	2,172	2,172	6,515	33.34%	0	0.00%	(4,343)	(66.66%)
Late payment and other connection fees	54	43	180	29.79%	11	24.52%	(126)	(70.21%)
Miscellaneous	15	97	67	22.40%	(81)	(84.45%)	(52)	(77.60%)
	5,008	5,056	15,627	32.05%	(47)	(0.94%)	(10,619)	(67.95%)
Operating expenditures - Stormwater								
Stormwater collection	1,935	2,102	6,969	27.77%	(167)	(7.94%)	(5,034)	(72.23%)
Information and technology services	308	315	678	45.45%	(7)	(2.10%)	(370)	(54.55%)
Engineering services	681	432	973	69.95%	248	57.50%	(292)	(30.05%)
Regulatory compliance services	785	452	2,020	38.87%	333	73.64%	(1,235)	(61.13%)
Customer services	65	60	203	32.14%	5	8.39%	(138)	(67.86%)
Corporate services	64	58	173	36.96%	6	10.17%	(109)	(63.04%)
Administration services	127	91	375	33.91%	37	40.51%	(248)	(66.09%)
Depreciation and amortization	1,205	1,173	3,948	30.51%	31	2.65%	(2,743)	(69.49%)
	5,170	4,683	15,339	33.71%	487	10.39%	(10,168)	(66.29%)
Earnings from operations before financial and other revenues and expenditures	(162)	372	288	(56.07%)	(534)	(143.44%)	(450)	(156.07%)
Financial and other expenditures								
Interest	58	76	323	18.03%	(18)	(23.51%)	(265)	(81.97%)
Interest on long term debt	436	274	1,520	28.71%	162	59.23%	(1,084)	(71.29%)
Repayment on long term debt	764	820	2,269	33.67%	(56)	(6.79%)	(1,505)	(66.33%)
Amortization of debt discount	11	9	34	32.44%	2	26.73%	(23)	(67.56%)
Dividend/grant in lieu of taxes	60	57	180	33.33%	3	4.97%	(120)	(66.67%)
	1,330	1,236	4,327	30.74%	94	7.61%	(2,997)	(69.26%)
Earnings (loss) for the year	\$ (1,492)	\$ (863)	\$ (4,038)	36.94%	\$ (628)	72.75%	\$ 2,547	(63.06%)

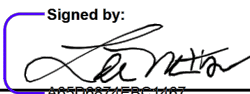
HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB
APRIL 1, 2025 - JULY 31, 2025 (4 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 33.33%

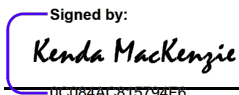
	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR	LAST YEAR	BUDGET	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
	'000	'000	'000					
REGULATED ACTIVITIES								
Operating revenues								
Water	\$ 18,411	\$ 18,178	\$ 56,210	32.75%	\$ 233	1.28%	\$ (37,799)	(67.25%)
Wastewater	30,784	30,044	90,770	33.91%	740	2.46%	(59,986)	(66.09%)
Stormwater	4,940	4,916	15,380	32.12%	24	0.48%	(10,440)	(67.88%)
Public fire protection	2,694	2,694	8,083	33.33%	0	0.00%	(5,389)	(66.67%)
Private fire protection	608	572	1,711	35.54%	36	6.26%	(1,103)	(64.46%)
Miscellaneous	505	657	1,463	34.49%	(153)	(23.22%)	(958)	(65.51%)
	57,941	57,061	173,617	33.37%	880	1.54%	(115,676)	(66.63%)
Operating expenditures								
Water supply and treatment	4,617	4,794	16,146	28.60%	(177)	(3.69%)	(11,529)	(71.40%)
Water transmission and distribution	5,641	4,510	16,910	33.36%	1,131	25.08%	(11,269)	(66.64%)
Wastewater collection	4,617	4,719	15,468	29.85%	(102)	(2.16%)	(10,851)	(70.15%)
Stormwater collection	1,935	2,102	6,969	27.77%	(167)	(7.94%)	(5,034)	(72.23%)
Wastewater treatment	8,437	7,614	27,725	30.43%	824	10.82%	(19,288)	(69.57%)
Information and technology services	5,789	6,124	16,625	34.82%	(335)	(5.47%)	(10,836)	(65.18%)
Engineering services	1,872	1,385	5,813	32.21%	488	35.23%	(3,941)	(67.79%)
Regulatory compliance services	2,083	1,616	5,359	38.86%	467	28.91%	(3,276)	(61.14%)
Customer services	1,602	1,420	5,146	31.12%	181	12.78%	(3,544)	(68.88%)
Corporate services	1,299	1,179	4,242	30.63%	121	10.22%	(2,943)	(69.37%)
Administration services	2,333	1,810	7,510	31.07%	523	28.91%	(5,177)	(68.93%)
Depreciation and amortization	14,159	12,790	39,887	35.50%	1,369	10.70%	(25,728)	(64.50%)
	54,385	50,062	167,800	32.41%	4,324	8.64%	(113,414)	(67.59%)
Earnings from operations before financial and other revenues and expenditures	3,556	7,000	5,817	61.13%	(3,443)	(49.19%)	(2,261)	(38.87%)
Financial and other revenues								
Interest	46	110	468	9.83%	(64)	(58.29%)	(422)	(90.17%)
Other	5	5	17	30.48%	0	9.83%	(12)	(69.52%)
	51	115	485	10.57%	(64)	(55.46%)	(434)	(89.43%)
Financial and other expenditures								
Interest	58	76	323	18.03%	(18)	(23.51%)	(265)	(81.97%)
Interest on long term debt	3,426	2,811	12,291	27.87%	615	21.87%	(8,865)	(72.13%)
Repayment on long term debt	6,502	7,910	20,514	31.69%	(1,408)	(17.80%)	(14,012)	(68.31%)
Amortization of debt discount	96	79	279	34.43%	17	21.46%	(183)	(65.57%)
Dividend/grant in lieu of taxes	2,412	2,307	7,236	33.33%	105	4.55%	(4,824)	(66.67%)
	12,494	13,183	40,643	30.74%	(689)	(5.23%)	(28,149)	(69.26%)
Earnings (loss) for the year - Regulated	\$ (8,887)	\$ (6,069)	\$ (34,340)	25.88%	\$ (2,818)	46.44%	\$ 25,454	(74.12%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAE
APRIL 1, 2025 - JULY 31, 2025 (4 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 33.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR	LAST YEAR	BUDGET	as % of BUDGET	\$ Change	% Change	33	% Remaining
	'000	'000	'000					
UNREGULATED ACTIVITIES								
Operating revenues								
Septage tipping fees	\$ 283	\$ 250	\$ 572	49.42%	\$ 33	13.04%	\$ (289)	(50.58%)
Leachate and other contract revenue	130	179	323	40.29%	(49)	(27.26%)	(193)	(59.71%)
Airplane effluent	78	12	105	74.19%	66	575.29%	(27)	(25.81%)
	491	441	1,000	49.07%	50	11.39%	(509)	(50.93%)
Operating expenditures								
Water supply and treatment	(0)	1	0	0.00%	(1)	(137.76%)	(0)	0.00%
Wastewater treatment	251	232	915	27.48%	19	8.18%	(663)	(72.52%)
Wastewater collection	17	17	62	27.96%	0	2.57%	(45)	(72.04%)
Sponsorships and donations	17	15	80	20.82%	2	12.83%	(63)	(79.18%)
Corporate services	6	6	13	45.47%	0	0.00%	(7)	(54.53%)
Administration services	37	37	97	38.26%	0	0.00%	(60)	(61.74%)
Depreciation and amortization	19	7	37	52.19%	13	188.65%	(18)	(47.81%)
	348	314	1,204	28.86%	33	10.51%	(856)	(71.14%)
Earnings from operations before financial and other revenues and expenditures	143	126	(204)	(70.21%)	17	13.60%	347	(170.21%)
Financial and other revenues								
Other - leases and rentals	98	100	365	26.96%	(2)	(1.73%)	(267)	(73.04%)
Other - energy projects	65	72	235	27.51%	(8)	(10.76%)	(170)	(72.49%)
	163	173	600	27.18%	(10)	(5.52%)	(437)	(72.82%)
Financial and other expenditures								
Other	75	47	130	57.53%	28	59.91%	(55)	(42.47%)
	75	47	130	57.53%	28	59.91%	(55)	(42.47%)
Earnings for the year - Unregulated	\$ 231	\$ 252	\$ 266	87.07%	\$ (20)	(8.12%)	\$ (34)	(12.93%)
Total earnings (loss) for the year (Regulated and Unregulated)	\$ (8,655)	\$ (5,817)	\$ (34,075)	25.40%	\$ (2,838)	48.80%	\$ 25,420	(74.60%)

TO: John MacPherson, Chair and Members of the Halifax Regional Water Commission Board

SUBMITTED BY: 
Signed by: A03D0874EBC1407...
Louis de Montbrun, CPA, CA Director, Corporate Services/CFO

APPROVED: 
Signed by: UC084AC815794F0...
Kenda MacKenzie, P.Eng., General Manager and CEO

DATE: September 9, 2025

SUBJECT: Capital Expenditures as of July 31, 2025

ORIGIN

The Corporate Balanced Scorecard (CBS) identifies the percentage of current of total unspent budget available, spent in the current fiscal year as a critical success factor and sets a target of 45%. There is an additional CBS target of \$135 million in capital spend during the year.

BACKGROUND

At the September 4, 2025, meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #8, Capital Expenditures as of July 31, 2025, was presented, reviewed, and discussed.

DISCUSSION

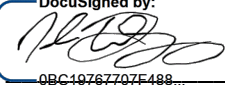
No additional information was requested to be brought forward to the Halifax Water Board meeting following the discussion of the attached at the Committee meeting. The Committee passed the motion to approve the Capital Expenditures as of July 31, 2025.

ATTACHMENT

1. Report to the Halifax Water Audit and Finance Committee Item #8, Capital Expenditures as of July 31, 2025.

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

SUBMITTED BY: 
Signed by: A05DB0074EBC1407...
Louis de Montbrun, CPA, CA
Director, Corporate Services/CFO


DocuSigned by: 0BC19767707F488...
Josh DeYoung, P.Eng.
Director, Engineering & Capital Infrastructure

APPROVED: 
Signed by: 00001A0016704F0...
Kenda MacKenzie, P.Eng.
General Manager/CEO

DATE: September 4, 2025

SUBJECT: Capital Expenditures for the fiscal year to July 31, 2025

ORIGIN

The Corporate Balanced Scorecard (CBS) identifies the percentage of total unspent budget available, spent in the current fiscal year as a critical success factor and sets a target of 45%. There is an additional CBS target of \$135 million in capital spend during the year.

RECOMMENDATION

It is recommended that the Audit and Finance Committee forward the Capital Expenditures for the fiscal year to July 31, 2025, 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 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 fiscal year to July 31, 2025. The total budget available of \$368.2 million represents total approved budgets as at July 31, 2025. Halifax Water has spent \$107.9 million on active projects.

The total capital budget remaining to be spent at July 31, 2025 is \$233.5 million.

Total expenditures as a percentage of the total budget available is 36.6%. Expenditures in the current fiscal year as a percentage of the current year capital budget is 20.1%.

The average capital spend per month compared to the same timeframe in the prior year has increased from \$6.2 million to \$6.7 million.

Capital Expenditure Report

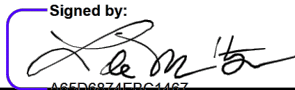
Category	Total Budget Available	Expenditures to March 31, 2025	Expenditures April 1, 2025 to July 31, 2025	Total Expenditures to July 31, 2025	Remaining Budget Available as of July 31, 2025	Total Expenditures to July 31, 2025 as a Percentage of Total Budget Available
Water	\$ 84,774,564	\$ 15,765,596	\$ 4,853,167	\$ 20,618,764	\$ 64,155,801	24.3%
Wastewater	112,365,052	30,082,111	11,531,651	41,613,761	70,751,290	37.0%
Stormwater	34,170,988	6,088,229	2,677,550	8,765,779	25,405,210	25.7%
Corporate	135,869,177	56,009,997	7,653,569	63,663,567	72,205,610	46.9%
District Energy	1,030,000	-	-	-	1,030,000	0.0%
	\$ 368,209,782	\$ 107,945,933	\$ 26,715,937	\$ 134,661,870	\$ 233,547,911	36.6%

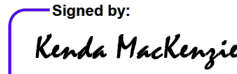
The achievement of annual targets for the current fiscal year will be significantly impacted by the timing of several major projects. The NSRAB has granted approval for the Burnside Operations Centre, enabling the project team to commence construction in the spring of 2025. The procurement process for the Biosolids Processing Facility continues. The Fairview Cove Trunk Sewer is anticipated to be tendered in 2025, contingent upon the finalization of land agreements with the relevant parties.

Significant projects including the Integrated Resource Plan Update, Sullivan's Pond Stormwater Phase 2 Parts 1 and 2, Phase 1 of Port Wallace Watermain, the wastewater trenchless program are all underway. The timing of these projects in achieving their respective milestones will have a substantial impact on capital expenditures for the current fiscal year. It is also common to have projects see increases in capital recorded in the final months of the year as work is completed and project documentation is received, especially on HRM integrated works.

Report prepared by:  Signed by:
FF7DA207844542C...
Warren Brake, Manager of Accounting, (902) 719-4814

TO: John MacPherson, Chair and Members of the Halifax Regional Water Commission Board

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

APPROVED: 
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Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: September 23, 2025

SUBJECT: Capital Project Spending Summary – 2024/25

ORIGIN

Nova Scotia Regulatory and Appeals Board (NSRAB) requirement for reconciliation of Capital Budget expenditures.

BACKGROUND

The Halifax Water Board approves an annual Capital Budget for capital projects. The specific funding for individual projects is further approved by the General Manager, Halifax Water Board, and the NSRAB as required based on total project cost, as per the Capital Funding Approval Policy.

RECOMMENDATION

It is recommended the Halifax Water Board approve for filing with the NSRAB the capital project spending summary for the period April 1, 2024, to March 31, 2025, and the capital project spending over \$1,000,000 summary for the period April 1, 2024, and March 31, 2025.

DISCUSSION

During the 2024/25 fiscal year, a series of capital projects were completed, placed in service, and “closed out” from a fiscal work order perspective. These projects were funded from the 2024/25 Capital Budget, previous years’ capital budgets for projects with multi-year delivery timelines, and surpluses from previously closed projects or projects that have been deferred or cancelled. Approvals for projects drawing funding from the surpluses were obtained in accordance with the Capital Funding Approval Policy.

The first attached report entitled, “Capital Spending Summary - April 1, 2024 - March 31, 2025”, identifies all capital projects funded from the Halifax Water Capital Budget that were completed prior to March 31,

2025. For water projects, the total expenditure for these completed projects totals \$46,001,174 with an aggregate net surplus of \$3,566,213 (7.2%) relative to the total funding approvals. For wastewater projects, the total expenditure for these completed projects totals \$38,895,486, with an aggregate net surplus of \$8,075,617 (17.2%). For stormwater projects, the total expenditure for these completed projects totals \$8,575,498, with an aggregate net deficit of \$223,088 (2.7%). For corporate projects, the total expenditure for these completed projects totals \$11,798,080, with an aggregate net deficit of \$4,158,006 (26.1%).

The second attached report entitled, “Capital Project Spending Summary – Projects Over \$1,000,000, April 1, 2024, to March 31, 2025”, identifies all capital projects funded from the Halifax Water Capital Budget that were completed prior to March 31, 2025, and required specific NSRAB approval based on the \$1,000,000 threshold. For water projects, the total expenditure for these completed projects totals \$30,567,289 with an aggregate net surplus of \$3,595,206. For wastewater projects, the total expenditure for these completed project totals \$20,310,751 with an aggregate net surplus of \$1,639,249. For corporate projects, the total expenditure for this completed project totals \$1,072,914 with an aggregate net deficit of \$3,914.

Halifax Water’s Capital Funding Policy requires all material funding increases for capital projects to be approved at the time of the funding need. This process promotes fiscal accountability and improves management of available funds. It should be noted that the threshold for NSRAB approval increased from \$250,000 to \$1,000,000 on October 30, 2019.

The net surpluses will be utilized as a capital funding source in future years, and for funding adjustment to projects as required, subject to NSRAB approval as per the Capital Funding Approval Policy.

ATTACHMENTS

Attachment 1 - Capital Project Spending Summary, April 1, 2024 – March 31, 2025

Attachment 2 - Capital Project Spending over \$1 Million, April 1, 2024 - March 31, 2025

Report Prepared By:

Signed by:



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Warren Brake, CPA, CGA
Manager, Finance (902) 719-4814

Financial Review By:

Signed by:



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Louis de Montbrun, CPA, CA
Director, Corporate Services/CFO (902) 717-5897

Capital Project Spending Summary

April 1, 2024 - March 31, 2025

ITEM # 4.3

HRWC BOARD

September 25, 2025

ATTACHMENT 1

Project Number	Project Name	Amount Spent: Cumulative to March 31/25	Project Budget	Over Budget	(Under Budget)
300002365	JDK WSP - SOURCE WATER QUALITY STUDY	\$146,008	\$165,000	\$0	-\$18,992
300002718	COWIE HILL RESERVOIR REHABILITATION	\$8,139,697	\$8,710,000	\$0	-\$570,303
300002908	LAKE MAJOR WATERSHED - GLASGOW LANDS	\$35,044	\$40,000	\$0	-\$4,956
300002990	HYDRAULIC WATER MODEL BUILD	\$258,945	\$343,000	\$0	-\$84,055
300003121	CHAIN CTRL TRANS-PENINSULA LOW UPSIZE	\$8,822,810	\$9,805,000	\$0	-\$982,190
300003146	MT EDWARD CTRL CHAMBER-EXT OF POWER SUPP	\$14,732	\$0	\$14,732	\$0
300003165	LM - BUTTERFLY VALVE REPLACEMENT PROG	\$323,970	\$350,000	\$0	-\$26,030
300003168	LM - SLUDGE DRYING BEDS IMPROVEMENTS	\$897,297	\$850,000	\$47,297	\$0
300003246	SILVERSIDE PS PUMP UPGRADE DESIGN	\$771,200	\$735,000	\$36,200	\$0
300003347	BOOSTER STATION BUILDING ENVELOPE	\$140,979	\$60,000	\$80,979	\$0
300003359	DAM SAFETY REVIEW-CHAIN LAKE DAM-CAPITAL	\$1,023,254	\$1,500,000	\$0	-\$476,746
300003371	JDK - PURCH NEW SCALES FOR LIME/POLYMER	\$4,116	\$15,000	\$0	-\$10,884
300003382	RECHLORINATION SYSTEM UPGRADES	\$21,222	\$50,000	\$0	-\$28,778
300003385	PURCH ALGAL ANALYTICAL EQUIP	\$22,574	\$40,000	\$0	-\$17,426
300003464	JUBILEE ROAD CN BRIDGE REPL. WM - PRELIM	\$679,120	\$670,000	\$9,120	\$0
300003470	JOFFRE STREET WM - PRELIM	\$1,038,323	\$1,044,000	\$0	-\$5,677
300003522	WALKER/RAYMOND ST MAIN RENEWAL (PRE-LIM)	\$1,762,832	\$1,835,475	\$0	-\$72,643
300003543	LAKE MAJOR DFO OFFSETTING	\$736,259	\$792,000	\$0	-\$55,741
300003563	MACINTOSH ESTATES PH 1 OVERSIZING	\$117,580	\$230,000	\$0	-\$112,420
300003574	RESERVOIR MIXING & RESID MGMT UPGR 22/23	\$123,030	\$450,000	\$0	-\$326,970
300003602	BLUE MOUNTAIN METER REPLACEMENT	\$22,470	\$20,000	\$2,470	\$0
300003613	BENNERY WSP - LAGOON MAINTEN STUDY/IMPR	\$204,275	\$350,000	\$0	-\$145,725
300003616	PURCHASE ALGAE PARTICLE COUNTER	\$163,806	\$200,000	\$0	-\$36,194
300003630	ALMA CRESC (TITUS ST) WATER MAIN RELOC	\$133,051	\$131,734	\$1,317	\$0
300003662	WATER TRANS STRAT - BEDFORD BURNSIDE CON	\$364,415	\$490,000	\$0	-\$125,585
300003760	PAULINE CRES WM RENEW (PRELIM)	\$766,259	\$793,000	\$0	-\$26,741
300003761	CHARLOTTE/JAYDEN WM RENEW (PRELIM)	\$1,249,126	\$1,221,000	\$28,126	\$0
300003762	LANGVIN DR WM RENEW (PRELIM)	\$795,777	\$905,000	\$0	-\$109,223
300003763	MELROSE AVE WM RENEW (PRELIM)	\$802,400	\$845,000	\$0	-\$42,600
300003766	VIENNA ST WM RENEW RENEW (PRELIM)	\$1,676,496	\$2,086,000	\$0	-\$409,504
300003767	ARCHIBALD AIKENS WM RENEW (PRELIM)	\$748,506	\$789,000	\$0	-\$40,494
300003782	WAVERLEY CONTROL CHAMBER CSE RETOFIT	\$295,500	\$261,000	\$34,500	\$0
300003783	GORDON AVE PRV CHAMBER CSE RETROFIT	\$99,609	\$135,000	\$0	-\$35,391
300003785	Pen Intermediate Looping Windsor St 2023	\$650,427	\$702,000	\$0	-\$51,573
300003816	Lake Major WSP - Roof Replacement	\$1,135,149	\$1,170,000	\$0	-\$34,851
300003839	Fleet Upgrade Program- Water 23/24	\$1,122,772	\$1,369,496	\$0	-\$246,724
300003839	Fleet Upgrade Program- Water 24/25	\$1,196,724	\$950,000	\$246,724	\$0
300003844	Security Upgrade Program(Water) 23/24	\$72,823	\$240,000	\$0	-\$167,177
300003867	Lake Major WSP- Residuals Handling Upgra	\$136,184	\$100,000	\$36,184	\$0
300003873	Small Systems - Replace Compressors	\$2,441	\$20,000	\$0	-\$17,559

Capital Project Spending Summary

April 1, 2024 - March 31, 2025

ITEM # 4.3

HRWC BOARD

September 25, 2025

ATTACHMENT 1

Project Number	Project Name	Amount Spent: Cumulative to March 31/25	Project Budget	Over Budget	(Under Budget)
300003875	Small Systems- Power Flux VFD Modules	\$28,410	\$50,000	\$0	-\$21,590
300003876	Install Boat Launch at JD Kline	\$62,077	\$65,000	\$0	-\$2,923
300003877	Install Boat Launch at Collins Park	\$80,198	\$60,000	\$20,198	\$0
300003902	Valve Renewals 23/24	\$543,461	\$200,000	\$343,461	\$0
300003902	Valve Renewals 24/25	\$439,512	\$425,000	\$14,512	\$0
300003904	Hydrant Renewals	\$358,197	\$150,000	\$208,197	\$0
300003906	Service Line Renewals 23/24	\$111,372	\$100,000	\$11,372	\$0
300003906	Service Line Renewals 24/25	\$287,461	\$75,000	\$212,461	\$0
300003910	Lead Service Line Repl Prog 24/25	\$1,345,920	\$2,000,000	\$0	-\$654,080
300003923	Pump/Equip Overhauls Prog WSPs	\$323,496	\$250,000	\$73,496	\$0
300003933	WATER SURVEY OF CAN HYDRO MONITORING	\$106,527	\$106,500	\$27	\$0
800000073	Davison Street WM Replacement IP 24/25	\$979,823	\$979,823	\$0	\$0
800000074	Coburg Road WM Replacement IP 24/25	\$620,865	\$620,865	\$0	\$0
800000075	Bowser/Avery Avenue WM REPLC IP 24/25	\$904,473	\$904,473	\$0	\$0
800000076	Stone Terrace WM Replacement IP 24/25	\$425,751	\$390,000	\$35,751	\$0
800000080	Quinpool Road WM Replacement IP 24/25	\$2,207,272	\$2,208,020	\$0	-\$748
800000308	Hach DR300 Colorimeters	\$8,982	\$10,000	\$0	-\$1,018
800000385	Prescott Dr WM Extension	\$450,172	\$510,000	\$0	-\$59,828
Water Capital Total		\$46,001,174	\$49,567,386	\$1,457,124	-\$5,023,337
				Net Water	-\$3,566,213

300003657	Cowie Hill Solar PV	\$313,509	\$382,990	\$0	-\$69,481
600001533	MCC VENTILATION UPGRADES-HWWTF	\$163,572	\$180,000	\$0	-\$16,428
600001871	FAIRFIELD HOLDING TANK REHABILITATION	\$110,182	\$158,565	\$0	-\$48,383
600002062	AKERLEY BLVD FORCEMAIN REPLACMENT	\$2,004,752	\$2,300,000	\$0	-\$295,248
600002082	WILLIAMS'S LAKE PS REHABILITATION	\$3,835,931	\$3,840,000	\$0	-\$4,069
600002089	WW RESEARCH PROGRAM PILOT PLANT	\$473,688	\$450,000	\$23,688	\$0
600002100	HWWTF SLUDGE DEWATERING-FOURNIER PRESS	\$2,664,816	\$2,950,000	\$0	-\$285,184
600002101	HWWTF HHSP-INDUSTRIAL WATER SYSTEM-REPLA	\$78,374	\$205,000	\$0	-\$126,626
600002143	SSO MANAGEMENT PROGRAM	\$37,339	\$1,320,000	\$0	-\$1,282,661
600002146	WW COMMUNITY PLANTS SCADA SYS RELOCATION	\$72,157	\$71,000	\$1,157	\$0
600002241	HWWTF DENSADEGS LAMELLA TUBE SETTLER UPG	\$1,401,697	\$1,340,000	\$61,697	\$0
600002283	BEAVERBANK PS-MECHAN'L/ELECTR'L REHAB	\$369,966	\$376,000	\$0	-\$6,034
600002355	ROCKCLIFFE ST MANHOLE REHABILITATION	\$159,540	\$192,250	\$0	-\$32,710
600002380	AEROTECH SOLAR PV	\$835,546	\$836,384	\$0	-\$838
600002408	JOFFRE STREET WW IP 22/23 PRELIM	\$175,802	\$186,000	\$0	-\$10,198
600002441	Jubilee Rd CN Bridge Replacement - WW	\$1,594,448	\$2,000,000	\$0	-\$405,552
600002445	MCWWTF-DEWATERING-CENTRIFUGE REBUILD PRO	\$42,006	\$95,000	\$0	-\$52,994
600002446	BLTWWTF - ASSET RENEWAL PROGRAM 22/23	\$54,943	\$50,000	\$4,943	\$0
600002454	DARTMOUTH WWTF - FOURNIER CHANNEL REPL	\$161,714	\$161,714	\$0	\$0

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ATTACHMENT 1

Project Number	Project Name	Amount Spent: Cumulative to March 31/25	Project Budget	Over Budget	(Under Budget)
600002456	Fleet Upgrade Program WW 22/23	\$243,493	\$1,404,000	\$0	-\$1,160,507
600002483	Dingle FM Replacement & Twinning	\$860,560	\$925,000	\$0	-\$64,440
600002487	WW Pumping Station Component Replace-eas	\$50,993	\$474,207	\$0	-\$423,214
600002490	Roach's Pond PS- Storage Tank Condition	\$63,814	\$65,000	\$0	-\$1,186
600002497	Pier A Pumping Station VFD Replacement	\$294,350	\$270,000	\$24,350	\$0
600002499	Duffus Street PS - Pump Replacement	\$104,880	\$335,000	\$0	-\$230,120
600002501	PS Control Panel / Electrical Replacemen	\$997,436	\$960,000	\$37,436	\$0
600002502	WW Pumping Station Generator Plug/Switch	\$59,286	\$105,000	\$0	-\$45,714
600002507	HWWTF VFD Replacement Program	\$100,000	\$100,000	\$0	\$0
600002511	DWWT UV Disinfect Syst-Replace Hydraulic	\$14,428	\$30,000	\$0	-\$15,572
600002523	New Sludge Extraction Solids Analyzers	\$150,543	\$150,000	\$543	\$0
600002525	Grease Sprayers Integration into SCADA	\$22,087	\$50,000	\$0	-\$27,914
600002527	Mill Cove Asset Renewal Program	\$76,725	\$200,000	\$0	-\$123,275
600002534	Lagoon - Fencing Repairs	\$3,872	\$20,000	\$0	-\$16,128
600002538	Community WWTF Asset Renewal Program	\$168,376	\$175,000	\$0	-\$6,624
600002540	Middle Musq WWTF-Refurb Pol. Pond Berm	\$332,432	\$305,000	\$27,432	\$0
600002564	ROOSEVELT/FLINN/CHURCHILL WW	\$11,789	\$11,000	\$789	\$0
600002664	PAULINE CRES WW IP 23/24	\$65,532	\$64,000	\$1,532	\$0
600002665	ESTATE DR WW IP 23/24	\$139,592	\$139,592	\$0	\$0
600002666	JAYDEN DR WW IP 23/24	\$86,487	\$85,000	\$1,487	\$0
600002668	ISNER AVE AIKENS AVE WW IP 23/24	\$131,881	\$131,881	\$0	\$0
600002669	MELROSE AVE WW IP 23/24	\$107,336	\$111,000	\$0	-\$3,664
600002670	COBURG RD WW IP 23/24	\$124,828	\$124,828	\$0	\$0
600002673	LANGEVIN DR WW IP 23/24	\$108,472	\$141,000	\$0	-\$32,528
600002681	WW SYSTEM - TRENCHLESS REHAB PRGM 23/24	\$3,166,261	\$3,452,000	\$0	-\$285,739
600002694	FLEET UPGRADE 23/24	\$1,900,220	\$2,032,000	\$0	-\$131,780
600002694	FLEET UPGRADE 24/25	\$2,061,296	\$2,156,000	\$0	-\$94,704
600002702	HHSPs - Critical Spares	\$500,000	\$500,000	\$0	\$0
600002704	HWWTF- Replace Garage Bay D	\$72,099	\$125,000	\$0	-\$52,901
600002706	HWWTF- Replace Alum Fill Ta	\$10,651	\$50,000	\$0	-\$39,349
600002707	HWWTF- Replace Hypo Fill Li	\$14,522	\$75,000	\$0	-\$60,478
600002708	DWWTf- Raw Water Pump Refur	\$64,057	\$95,000	\$0	-\$30,943
600002712	DWWTf - Repair Exterior Doo	\$15,292	\$25,000	\$0	-\$9,708
600002714	DWWTf- Instrumentation Sens	\$60,040	\$65,000	\$0	-\$4,960
600002715	DWWTf - VFD Replacements	\$49,999	\$100,000	\$0	-\$50,001
600002716	HCWWTF - Industrial Water S	\$24,424	\$25,000	\$0	-\$576
600002720	HCWWTF - Roof Replacement	\$663,901	\$647,000	\$16,901	\$0
600002724	MCWWTF - UV AC Unit Replace	\$39,630	\$50,000	\$0	-\$10,370
600002725	MCWWTF- MCC 1- Replace Ten	\$116,556	\$150,000	\$0	-\$33,444
600002727	EPWWTF - Centrifuge Rebuild	\$74,308	\$150,000	\$0	-\$75,692

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Project Number	Project Name	Amount Spent: Cumulative to March 31/25	Project Budget	Over Budget	(Under Budget)
600002729	EPWWTF - VFD Replacements	\$86,260	\$60,000	\$26,260	\$0
600002731	ATWWTF - Dewatering - Centr	\$58,178	\$50,000	\$8,178	\$0
600002732	ATWWTF - Lagoon - Building	\$19,230	\$75,000	\$0	-\$55,770
600002737	Frame WWTF - New Membranes	\$27,795	\$35,000	\$0	-\$7,205
600002742	New Pole Camera	\$17,761	\$35,000	\$0	-\$17,239
600002745	Lateral Cutter	\$262,629	\$245,000	\$17,629	\$0
600002750	Emergency Pumping Station Program 23/24	\$1,111,298	\$550,000	\$561,298	\$0
600002750	Emergency Pumping Station Program 24/25	\$799,254	\$300,000	\$499,254	\$0
600002751	WW Pump Station Component R	\$143,501	\$556,410	\$0	-\$412,909
600002755	Plant Optimization Program 23/24	\$203,287	\$525,000	\$0	-\$321,713
600002756	Emergency WWTF Equipment Repl 23/24	\$607,315	\$625,806	\$0	-\$18,491
600002758	Misc. Equipment Replacement	\$193,979	\$360,000	\$0	-\$166,021
600002760	Manhole Renewals WW - East	\$21,505	\$20,000	\$1,505	\$0
600002762	Lateral Replacements WW (Non Tree Roots)	\$431,441	\$733,054	\$0	-\$301,613
600002764	Lateral Replacements WW (Non Tree Roots)	\$228,908	\$1,290,592	\$0	-\$1,061,685
600002765	Lateral Replacement WW(Tree Roots)	\$270,671	\$270,671	\$0	\$0
600002766	Lateral Replacement WW(Tree Roots)	\$110,099	\$153,999	\$0	-\$43,900
600002767	Lateral Replacement WW(Tree Roots)	\$5,430	\$390,568	\$0	-\$385,138
600002768	Wet Weather Management Prog	\$898,809	\$750,000	\$148,809	\$0
600002770	WW Sewer Condition Assessment	\$620,196	\$550,000	\$70,196	\$0
600002771	Corporate Flow Monitoring Program	\$2,423,990	\$3,080,000	\$0	-\$656,010
600002772	Hfx Peninsula Combined	\$46,961	\$50,000	\$0	-\$3,039
600002775	I&I Reduction (SIR) Program	\$37,623	\$50,000	\$0	-\$12,377
600002780	Raw Water Pump Refurbishment 23/24	\$14,447	\$125,000	\$0	-\$110,553
800000059	Dewatering Bin - Pilot Project	\$61,426	\$100,000	\$0	-\$38,574
800000090	Bowser/Avery WWIP 24/25	\$115,235	\$115,235	\$0	\$0
800000091	Pinecrest Dr WWIP 24/25	\$350,781	\$350,781	\$0	\$0
800000139	HHSPs - Outfall Inspection Program	\$57,849	\$35,000	\$22,849	\$0
800000142	HWWTF - Female Locker Room	\$42,105	\$50,000	\$0	-\$7,895
800000151	MCWWTF - Replacement Gas Booster	\$38,981	\$45,000	\$0	-\$6,019
800000161	Timberlea WWTF - Female Locker Room	\$43,725	\$30,000	\$13,725	\$0
800000169	Odour Control Dosing Systems - Central O	\$8,847	\$50,000	\$0	-\$41,153
800000175	Raymond St/Walker St WW IP 2024/25	\$250,302	\$285,576	\$0	-\$35,274
800000248	HHSP WWTFs - Raw Water Pump Variable Fre	\$207,039	\$230,000	\$0	-\$22,961
800000249	Halifax WWTF - Asset Renewal Program	\$624,342	\$775,000	\$0	-\$150,658
800000250	Dartmouth WWTF - Asset Renewal Program	\$158,343	\$150,000	\$8,343	\$0
800000251	Herring Cove WWTF - Asset Renewal Program	\$100,151	\$150,000	\$0	-\$49,849
800000254	Biosolids Processing Facility - Asset Renewal	\$45,891	\$50,000	\$0	-\$4,109
800000261	WW Sewer Condition Assess 24/25	\$447,475	\$505,000	\$0	-\$57,525
Wastewater Capital Total		\$38,895,486	\$46,971,103	\$1,580,002	-\$9,655,619

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Project Number	Project Name	Amount Spent: Cumulative to March 31/25	Project Budget	Over Budget	(Under Budget)
Wastewater Capital Total				Net Wastewater	-\$8,075,617

700001446	CULVERT REPL-WAVERLEY RD, near 832	\$48,282	\$38,000	\$10,282	\$0
700001667	MONAGHAN STREET SW IP 22/23 PRELIM	\$49,367	\$50,000	\$0	-\$633
700001706	CROSS ROAD CULVERT REPLACEMENT PROGRAM	\$228,279	\$300,000	\$0	-\$71,721
700001713	73 KINGSWAY DRIVE	\$17,213	\$30,000	\$0	-\$12,787
700001715	1 ARBUTUS AVENUE	\$24,401	\$27,000	\$0	-\$2,599
700001721	MILLERS RD, NEAR CIVIC 1	\$14,499	\$81,000	\$0	-\$66,501
700001724	RILEY RD, NEAR CIVIC 135	\$59,264	\$87,000	\$0	-\$27,736
700001760	STORM INSTALLATION PROJ - HUME ST CAP	\$55,800	\$0	\$55,800	\$0
700001762	CULVERT RENEWAL PROG - ENGINEERING SERV	\$348,408	\$315,000	\$33,408	\$0
700001763	ROOSEVELT/FLINN/CHURCHILL WW IP 22/23	\$46,457	\$46,457	\$0	\$0
700001863	CATHY LANE SW IP	\$91,819	\$91,819	\$0	\$0
700001864	ALBRO LAKE RD SW IP	\$9,966	\$9,966	\$0	\$0
700001867	COBURG RD SW IP	\$26,076	\$26,076	\$0	\$0
700001869	ISLEVILLE ST SW IP	\$65,425	\$65,000	\$425	\$0
700001870	LANGEVIN DR SW IP	\$133,450	\$98,000	\$35,450	\$0
700001880	DRIVEWAY CULVERT REPL W 23/24	\$502,051	\$400,000	\$102,051	\$0
700001880	DRIVEWAY CULVERT REPL W 24/25	\$760,905	\$400,000	\$360,905	\$0
700001889	CATCHBASIN RENEWALS SW C 23/24	\$30,363	\$76,624	\$0	-\$46,261
700001890	CATCHBASIN RENEWALS SW W 23/24	\$1,706	\$21,000	\$0	-\$19,294
700001896	DRIVEWAY CULVERT REPL - E	\$380,958	\$428,442	\$0	-\$47,483
700001897	DRIVEWAY CULVERT REPL - C	\$910,881	\$326,776	\$584,106	\$0
700001898	FLEET UPGRADE PROGRAM SW	\$171,767	\$1,153,251	\$0	-\$981,484
700001899	ROSEDALE SW SEWER RENEWAL	\$64,488	\$100,000	\$0	-\$35,512
700001902	20 FRENCH MAST LANE	\$391,573	\$410,000	\$0	-\$18,427
700001903	MURRAY RD @ CALDWELL	\$98,785	\$106,000	\$0	-\$7,215
700001904	CANTERBURY LANE, near civic 2	\$38,917	\$65,000	\$0	-\$26,083
700001905	DOLOMITE CRT, near civic 7	\$77,909	\$98,000	\$0	-\$20,091
700001909	GOLD LANE, near civic 5	\$60,820	\$88,000	\$0	-\$27,180
700001910	GRANT LANE RD, near civic 2	\$91,804	\$102,000	\$0	-\$10,196
700001911	LAKECREST DR, near civic 82	\$72,531	\$108,000	\$0	-\$35,469
700001912	RISING SUN TRAIL, near civic 4	\$164,247	\$180,000	\$0	-\$15,753
700001917	STORM SEWER CONDITION ASSESSMENT	\$197,729	\$214,827	\$0	-\$17,098
700001923	JAYDEN DR SW IP	\$56,173	\$69,000	\$0	-\$12,827
700001926	29 PARKLEA DR CROSS CULVERT REPL	\$55,259	\$50,000	\$5,259	\$0
700001927	60 PARKLEA DR CROSS CULVERT REPL	\$59,266	\$60,000	\$0	-\$734
700001929	255 PARKLEA DR CROSS CULVERT REPL	\$53,244	\$58,000	\$0	-\$4,756
700001933	DRIVEWAY CULVERTS-JULY 2023 FLOOD	\$641,301	\$0	\$641,301	\$0
700001934	CROSS CULVERTS-JULY FLOOD	\$110,585	\$110,585	\$0	\$0

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Project Number	Project Name	Amount Spent: Cumulative to March 31/25	Project Budget	Over Budget	(Under Budget)
800000015	15 French Village Station Road (Flood)	\$397,564	\$397,564	\$0	\$0
800000028	121 Jamieson Dr Cross Culv Repl	\$455,805	\$490,000	\$0	-\$34,195
800000092	Liverpool St SWIP 24/25	\$7,426	\$7,426	\$0	\$0
800000097	Locke St SWIP 24/25	\$47,597	\$47,597	\$0	\$0
800000121	Howe Ave SW IP	\$74,025	\$80,000	\$0	-\$5,975
800000224	103 Southwood	\$294,191	\$300,000	\$0	-\$5,809
800000276	Farrell St SW Sewer Emerg Repair	\$321,813	\$330,000	\$0	-\$8,187
800000364	Kingswood Dr, Civic 139 Drainage Corr	\$206,624	\$240,000	\$0	-\$33,376
800000449	Caper Court, Near Civ 1 - Culv Rein	\$165,759	\$170,000	\$0	-\$4,241
800000508	Magenta Dr-remediation work	\$125,961	\$121,000	\$4,961	\$0
800000739	HUBLEYS RD CULVERT REPLACEMENT	\$74,307	\$83,000	\$0	-\$8,693
800000741	DOHERTY & MICHELLE CULVERT REPL	\$192,456	\$195,000	\$0	-\$2,544
Stormwater Capital Total		\$8,575,498	\$8,352,410	\$1,833,948	-\$1,610,860
				Net Stormwater	\$223,088

300002627	SHAREPOINT IMPLEMENTATION	\$27,612	\$28,000	\$0	-\$388
300002975	ANALYTICS DECISION SUPPORT SYSTEM	\$1,072,914	\$1,069,000	\$3,914	\$0
300003206	DOCUMENT MANAGEMENT SHAREPOINT ROLLOUT	\$988,684	\$970,000	\$18,684	\$0
300003207	FULL ENTERPRISE DATA WAREHOUSE	\$801,460	\$601,210	\$200,250	\$0
300003230	SCADA CONTROL SYSTEM ENHANCEMENTS 20/21	\$149,829	\$100,000	\$49,829	\$0
300003300	HR TRAINING AND BENEFITS PHASE 1	\$380,317	\$1,369,000	\$0	-\$988,683
300003401	ASSET MGMT PROG ROADMAP UPDATE-IMPL	\$326,789	\$400,000	\$0	-\$73,211
300003410	MODEL ENHANCEMENTS	\$140,358	\$170,000	\$0	-\$29,642
300003433	GIS HARDWARE/SOFTWARE PROGRAM 21/22	\$98,074	\$150,000	\$0	-\$51,926
300003434	GIS APPLICATION SUPPORT PROGRAM	\$106,635	\$110,000	\$0	-\$3,365
300003548	GET THE LEAD OUT - SERV CARD CONS, GIS	\$254,671	\$360,000	\$0	-\$105,329
300003557	INSTITUTIONAL CAPACITY ASSESS UPDATE	\$358,087	\$350,000	\$8,087	\$0
300003584	Data Protection and Classification 22/23	\$981,068	\$981,068	\$0	\$0
300003598	GIS Application Support Program 22/23	\$20,077	\$110,000	\$0	-\$89,923
300003636	SPECTRUM RADIO NETWORK 22/23	\$202,578	\$140,000	\$62,578	\$0
300003639	AMI Communications Upgrade 22/23	\$55,168	\$60,000	\$0	-\$4,832
300003640	SCADA Equipment Renewals 22/23	\$269,400	\$448,000	\$0	-\$178,600
300003700	EDW Enhancements	\$494,302	\$498,790	\$0	-\$4,487
300003729	WORKSPACE PROJECT	\$748,776	\$1,407,000	\$0	-\$658,224
300003730	ROADMAP PROJECT	\$241,234	\$240,000	\$1,234	\$0
300003740	SAFETY DASHBOARD	\$149,084	\$596,000	\$0	-\$446,916
300003769	TELUS ELEMENTS UPGRADE (PRELIM)	\$273,279	\$316,273	\$0	-\$42,994
300003809	Strategic Planning Business Cases	\$138,424	\$150,000	\$0	-\$11,576
300003819	EE- New AMI Ert Read System- Neptune 360	\$83,186	\$250,000	\$0	-\$166,814
300003826	Central Spectrum Radio Network Replaceme	\$126,860	\$150,000	\$0	-\$23,140

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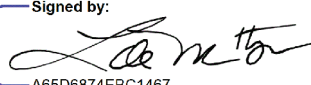
September 25, 2025

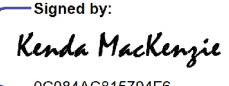
ATTACHMENT 1

Project Number	Project Name	Amount Spent: Cumulative to March 31/25	Project Budget	Over Budget	(Under Budget)
300003829	AMI Communications Upgrade 23/24	\$24,150	\$350,000	\$0	-\$325,850
300003837	Building Capital Improvements 22/23	\$261,885	\$260,000	\$1,885	\$0
300003837	Building Capital Improvements 23/24	\$84,328	\$300,000	\$0	-\$215,672
300003838	Customer Meters - New and Replacement	\$613,630	\$800,000	\$0	-\$186,370
300003890	ES - AMI Battery Replacement	\$150,916	\$350,000	\$0	-\$199,084
300003893	QSC - TS Work Tracking	\$216,499	\$400,000	\$0	-\$183,501
300003928	GIS UPDATING FOR CLOSED WO'S 2324	\$24,713	\$24,746	\$0	-\$33
800000038	ArcMap to ArcGIS Pro Migrat	\$238,627	\$230,000	\$8,627	\$0
800000047	Insights Accelerator	\$270,000	\$270,000	\$0	\$0
800000050	CCFN Upgrade	\$294,544	\$475,000	\$0	-\$180,456
800000199	Aerial Imagery Acquisition	\$19,194	\$250,000	\$0	-\$230,806
800000202	Asset Management Program Development	\$99,352	\$100,000	\$0	-\$648
800000283	Sewer Inspect ion Prog Review Proj	\$121,704	\$140,000	\$0	-\$18,296
800000287	VIP Upgrades	\$107,674	\$200,000	\$0	-\$92,326
800000291	Insights BIA2	\$782,000	\$782,000	\$0	\$0
Corporate Capital Total		\$11,798,080	\$15,956,086	\$355,086	-\$4,513,092
				Net Corporate	-\$4,158,006
Capital Total		\$105,270,238	\$104,890,900	\$4,871,073	-\$16,289,815
				Net Total	-\$11,418,742

Capital Project Spending Over \$1 Million April 1, 2024 - March 31, 2025								
Item	Project Number	Project Name	NSRAB Approval Date	Matter Number	Amount Spent: Cumulative to March 31/25	Total Project Budget	Over Budget	(Under Budget)
1	300002718	COWIE HILL RESERVOIR REHABILITATION	4/8/21 & 11/24/21	M09997 & M10305	\$8,139,697	\$8,710,000	\$0	-\$570,303
2	300003121	CHAIN CTRL TRANS-PENINSULA LOW UPSIZE	22-Aug-22	M10687	\$8,822,810	\$9,805,000	\$0	-\$982,190
3	300003470	JOFFRE STREET WM - PRELIM	12-Aug-22	M10689	\$1,038,323	\$1,044,000	\$0	-\$5,677
4	300003522	WALKER/RAYMOND ST MAIN RENEWAL (PRE-LIM)	11-Mar-24	M11580	\$1,762,832	\$1,835,475	\$0	-\$72,643
5	300003761	CHARLOTTE/JAYDEN WM RENEW (PRELIM)	19-Jul-23	M11200	\$1,249,126	\$1,221,000	\$28,126	\$0
6	300003766	VIENNA ST WM RENEW RENEW (PRELIM)	19-Jul-23	M11200	\$1,677,334	\$2,086,000	\$0	-\$408,666
7	300003770	BEAVERBANK RES REHAB - DESIGN PH	11-Mar-24	M11567	\$3,188,079	\$4,083,000	\$0	-\$894,921
8	300003816	Lake Major WSP - Roof Replacement	27-Sep-23	M11289	\$1,135,149	\$1,170,000	\$0	-\$34,851
9	300003910	Lead Service Line Repl Prog 24/25	14-May-24	M11605	\$1,345,920	\$2,000,000	\$0	-\$654,080
10	800000080	Quinpool Rd WM Replacement IP 24/25	24-May-24	M11664	\$2,208,020	\$2,208,020	\$0	\$0
					\$30,567,289	\$34,162,495	\$28,126	-\$3,623,332
Water Capital Total					-\$3,595,206			
11	600002062	AKERLEY BLVD FORCEMAIN REPLACMENT	7-Jul-24	M11676	\$2,004,752	\$2,300,000	\$0	-\$295,248
12	600002082	WILLIAMS'S LAKE PS REHABILITATION	30-Jun-21	M10130	\$3,835,931	\$3,840,000	\$0	-\$4,069
13	600002100	HWWTF SLUDGE DEWATERING-FOURNIER PRESS	15-Nov-22	M10772	\$2,664,816	\$2,950,000	\$0	-\$285,184
14	600002241	HWWTF DENSADEGS LAMELLA TUBE SETTLER UPG	5-May-21	M10070	\$1,401,697	\$1,340,000	\$61,697	\$0
15	600002441	JUBILEE RD CN BRIDGE REPLACEMENT - VVV	6-Mar-23	M10983	\$1,594,448	\$2,000,000	\$0	-\$405,552
16	600002681	VV SYSTEM - TRENCHLESS REHAB PRGM 23/24	3-Aug-23	M11228	\$3,166,633	\$3,452,000	\$0	-\$285,367
17	600002694	FLEET UPGRADE 23/24	13-Jul-23	M11122	\$1,900,220	\$2,032,000	\$0	-\$131,780
18	600002694	FLEET UPGRADE 24/25	14-May-24	M11605	\$2,061,296	\$2,156,000	\$0	-\$94,704
19	600002771	Corporate Flow Monitoring Program	26-Aug-24	M11742	\$1,680,959	\$1,880,000	\$0	-\$199,041
Wastewater Capital Total					\$20,310,751	\$21,950,000	\$61,697	-\$1,700,946
					-\$1,639,249			
20	300002975	ANALYTICS DECISION SUPPORT SYSTEM	30-Jun-21	M10132	\$1,072,914	\$1,069,000	\$3,914	\$0
Corporate Capital Total					\$1,072,914	\$1,069,000	\$3,914	\$0
					\$3,914			

TO: John MacPherson, Chair and Members of the Halifax Regional Water Commission Board

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

APPROVED: 
Signed by: _____
0C084AC815794F6...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: September 10, 2025

SUBJECT: Fall 2025 Debenture

ORIGIN

Halifax Regional Water Commission's (Halifax Water) participation in the Fall 2025 Nova Scotia Finance and Treasury Board Municipal Finance Division (NSFTB) debenture issue to secure debt financing for 2025/26 additions to utility plant in service and re-finance a balloon payment on existing debt.

RECOMMENDATION

It is recommended that the Halifax Water Board approve the following motions:

1. Approve the financing of \$34,000,000 with a thirty-year amortization term and financing over ten years. The maximum all-inclusive rate is not to exceed 7.0%.
2. Approve the re-financing of \$15,403,516 with a ten-year amortization term and financing over ten years, with an all-inclusive rate not to exceed 7.0%.

BACKGROUND

At the June 9, 2025, meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #10, Fall 2025 Debenture, was presented, reviewed, and discussed.

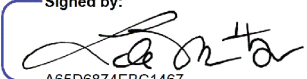
DISCUSSION


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. The Committee passed the motions to approve the debenture.

ATTACHMENT

1. Report to the Halifax Water Audit and Finance Committee Item #10, Fall 2025 Debenture.

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

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

APPROVED: 
Signed by: 0C084AC815794F6...
Kenda MacKenzie, P.Eng., General Manager/CEO

DATE: August 29, 2025

SUBJECT: Fall 2025 Debenture

ORIGIN

Halifax Regional Water Commission (Halifax Water) participation in the Fall 2025 Nova Scotia Finance and Treasury Board Municipal Finance Division (NSFTB) debenture issue to secure debt financing for 2025/26 additions to utility plant in service and re-finance a balloon payment on existing debt.

RECOMMENDATION

It is recommended that the Halifax Water Audit and Finance Committee recommend the Board approve the following motions:

1. Approve the financing of \$34,000,000 with a thirty-year amortization term and finance over ten years. The maximum all-inclusive rate is not to exceed 7.0%.
2. Approve the re-financing of \$15,403,516 with a ten-year amortization term and financing over ten years, with an all-inclusive rate not to exceed 7.0%.

BACKGROUND

Halifax Water is required to borrow through the NSFTB. The borrowing proposed in this report is estimated using the One Year Business Plan, the approved Operating and Capital Budgets for 2025/26, and the rate schedule approved by the Nova Scotia Regulatory and Appeals Board.

DISCUSSION

The 2025/26, Operating Budget was prepared based on issuing new debt of \$68.0 million to finance water, wastewater, and stormwater additions to utility plant in service. The \$68.0 million will be applied to water, wastewater, and stormwater as follows:

Water	\$30.0 million
Wastewater	\$30.0 million
Stormwater	\$8.0 million

Halifax Water obtained half of the new debt in the Spring of 2025 as follows:

Water	\$15.0 million
Wastewater	\$15.0 million
Stormwater	\$4.0 million

In addition to funding the new capital assets, refinancing of \$15.4 million is required in the Fall of 2025 for a balloon payment.

The balloon payment due relates to debt issued in fiscal 2015/16 of \$30.8 million which was acquired to fund water, wastewater, and stormwater capital expenditures. The debenture was issued for a ten-year term with a twenty-year amortization. The 2015/16 debenture of \$30,807,026 issued on November 20, 2015, had an all-in interest rate of 2.78%. Halifax Water's current Weighted Average Cost of Debt is 3.79%.

In the recommendation, Halifax Water uses a rate of 7.0% as recommended by NSFTB. This would be the upper limit that Halifax Water can finance debt. If the actual interest rate is greater than 7.0%, a revised report will be required for the Board. If the actual interest rate is lower than 7.0%, a revised report is not required.

The final interest rates and timing of the debt issues will not be known with certainty until NSFTB concludes the formal debenture process.

Halifax Water's debt is covered by a blanket guarantee approved by Halifax Regional Municipality (HRM) Council in September 2014. The blanket guarantee will apply to all Halifax Water debt with a condition that Halifax Water must maintain a debt service ratio of 35% or less. Halifax Water's debt service ratio is 17.64% as of March 31, 2025. The debt service ratio is calculated as the cost of debt interest, principal and discount payments divided by the total Operating Revenue as found on the income statement (NSRAB format).

Halifax Water's outstanding debt on July 31, 2025 (including the current portion) was \$319.8 million, and debt is projected to be \$327.5 million by March 31, 2026, assuming the aforementioned new debt is acquired and the balloon payment refinanced.

BUDGET IMPLICATIONS

The 2025/26 budget includes \$33.1 million in debt servicing costs. Halifax Water's capital financing strategy is designed to maintain a debt service ratio of 35% or less; and to use a mixture of infrastructure funding, development related charges (reserves), depreciation, and debt.

The budget was based on an all-inclusive rate of 4.00% on both new and refinanced debt. The Spring 2025 debenture had an all-inclusive rate of 3.73% and the expectation is the Fall refinancing will be similar.

ALTERNATIVES

1. Halifax Water could choose not to refinance the 2025 Fall balloon payment. This would lower the cash balance by \$15.4 million and have an impact on the ability to fund capital. For this reason, Halifax Water has chosen to refinance the balloon payment.
2. Halifax Water could finance an amount different than \$34.0 million. If Halifax Water chooses to finance less debt, approximately \$0.2 million would be saved for every \$5.0 million of debt. Principal costs would decrease \$0.1 million from budget, and interest would decrease \$0.1 million from budget.

Attachment 2 provides a cash flow estimate for the 2025/26 fiscal year. The model estimates capital expenditures for the year to be \$140.0 million based on the Integrated Resource Plan required spend of \$135.0 million plus a target increase.

ATTACHMENT

1. Borrowing Resolution for \$39,403,516 million of debt.
2. Cash Flow Model for 2025/26 based on approved Operating and Capital Budgets and anticipated cash flow.

ITEM #10

Halifax Water Audit and Finance Committee

September 4, 2025

Report Prepared by:

Signed by:

Warren Brake

FF7DA207844542C...

Warren Brake, CPA, CGA, Manager, Accounting, 902-791-4814

HALIFAX REGIONAL WATER COMMISSION
BORROWING RESOLUTION

WHEREAS the Halifax Regional Water Commission (Halifax Water), is incorporated under the provisions of the *Halifax Regional Water Commission Act*, Ch. 55 of the Acts of 2007 (the “Act”);

AND WHEREAS the Act provides that Halifax Water has power to borrow such sums as may be authorized and approved by the Board of the Commission for the purposes of the Commission, subject to the approval of the Nova Scotia Utility and Review Board;

AND WHEREAS Halifax Water wishes to borrow \$15,403,516 for the purpose of refinancing balloon payments for their remaining 10-year amortization period;

AND WHEREAS Halifax Water wishes to borrow \$34,000,000 for the purpose of financing regular additions to utility plant in service for a 30-year amortization period;

AND WHEREAS a blanket guarantee for Halifax Water Debt was approved by the Halifax Regional Municipality on September 23, 2014;

BE IT RESOLVED THAT:

1. Under the authority of Section 16 of the *Act*, Halifax Water borrow from the Nova Scotia Finance and Treasury Board Municipal Finance Division, for the purpose set forth above, a sum or sums not exceeding \$34,000,000 with a thirty-year amortization term and finance over ten years and a sum or sums not exceeding \$15,403,516 with a ten-year amortization term and finance over ten years. The maximum all-inclusive rate is not to exceed 7.0% percent;
2. The sum noted above be borrowed by the issue of debentures of Halifax Water to such an amount as Halifax Water deems necessary and that the debentures be arranged with the Nova Scotia Finance and Treasury Board Municipal Finance Division, with interest to be paid semi-annually and principal payments made annually; and
3. This resolution remains in force for a period of not more than 12 months from the passing of this resolution.

I certify the above to be a true copy of a Resolution approved at a meeting of the Halifax Water Board of Directors held on September 25, 2025.

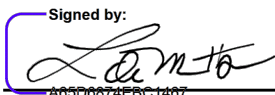
Kenda MacKenzie
General Manager/CEO

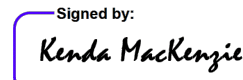
Attachment 2

**Cash Flow Model for 2025-26
Extended to May 2026 for Spring Debenture**

Extended to May 2026 for Spring Debenture				Original Budget	Forecast	Adjustments for Cash Flow	Cash Flow	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total														
Operating Revenues																																				
Revenues				158,308,577	158,308,577	-	158,308,577	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	13,192,381	184,693,340														
Potential rate increases				-	-	-	-	300,000	300,000			500,000	500,000	500,000			300,000	300,000	300,000	300,000	300,000	6,596,191														
Seasonality adjustment				-	-	-	-																													
Fire Protection				9,794,000	9,794,000	-	9,794,000				9,794,000											600,000														
HRM SW Right of Way				6,515,400	6,515,400	-	6,515,400				6,515,400											9,794,000														
				174,617,977	174,617,977	-	174,617,977	12,892,381	12,892,381	13,192,381	29,501,781	13,692,381	13,692,381	13,692,381	13,192,381	13,192,381	12,892,381	13,552,000	14,211,620	14,871,239	15,530,858	206,998,931														
Operating Expenses																																				
Monthly Expenses				129,081,763	129,081,763	-	2,600,000	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	147,562,057													
Months with a third or special pays							2,600,000					1,300,000										2,600,000														
Pension Expense							-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-														
Total				129,081,763	129,081,763	-	129,081,763	10,540,147	10,540,147	10,540,147	10,540,147	11,840,147	10,540,147	10,540,147	10,540,147	10,540,147	10,540,147	11,840,147	10,540,147	10,540,147	10,540,147	10,540,147	150,162,057													
Non Op Revenue																																				
Interest & Non Op Revenue				1,085,195	1,085,195	-	1,085,195	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	1,266,061													
Provincial Funding							-																													
Total				1,085,195	1,085,195	-	1,085,195	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	90,433	1,266,061													
Non Op Expenses																																				
LT Debt Appropriation				20,513,855	20,513,855	-	20,513,855															-														
LT Debt Interest				12,291,183	12,291,183	-	12,291,183															-														
LT Debt P Repayment - existing							21,280,027		3,020,412		1,140,000		5,500,000	4,746,631	6,592,984		280,000				3,020,412	24,300,439														
LT Debt I Repayment - existing				322,704			6,564,178	1,322,326	1,744,782		193,642		163,350	1,227,396	1,727,013		185,669			1,322,326	1,744,782	9,631,287														
LT Debt P & I Repayment - balloon							19,096,986		247,043	3,114,318					15,735,625						247,043	19,344,029														
Bond Discount				279,171	279,171	-	279,171															-														
Dividend				7,236,050	7,236,050	-	7,236,050													7,236,050		7,236,050														
Depreciation				39,923,680	39,923,680	-	39,923,680															-														
Other				130,244	130,244	-	130,244	10,854	10,854	10,854	10,854	10,854	10,854	10,854	10,854	10,854	10,854	10,854	10,854	10,854	10,854	151,951														
Total				80,696,887	80,374,183	-	26,066,698	1,333,180	5,023,091	3,125,172	1,344,495	10,854	5,674,204	5,984,881	24,066,476	10,854	476,522	10,854	7,246,904	1,333,180	5,023,091	60,663,756														
Operations Total				-	34,075,478	-	33,752,774	26,066,698	-	7,686,076	1,109,488	-	2,580,423	-	382,505	17,707,572	1,931,814	-	2,431,536	-	2,742,213	-	21,323,808	2,731,814	666,145	3,091,433	-	3,484,998	3,088,345	58,053	-	2,560,821				
Capital Expenditures																																				
Total				132,994,000	132,994,000	7,006,000	140,000,000	6,000,000	6,500,000	7,000,000	7,000,000	11,666,667	11,666,667	11,666,667	11,666,667	11,666,667	14,666,667	15,666,667	16,666,667	19,833,333	11,082,833	11,082,833	162,165,667													
New Long Term Debt							-															-														
Spring				34,000,000	34,000,000	-	255,000		33,745,000													33,745,000	67,490,000													
Balloon Refinancing				15,403,516	15,403,516	-	115,526									15,287,990						15,287,990														
Fall				34,000,000	34,000,000	-	255,000									33,745,000						33,745,000														
Total				83,403,516	83,403,516	-	625,526	-	33,745,000	-	-	-	-	-	-	49,032,990	-	-	-	-	-	33,745,000	116,522,990													
Other Incoming Cash																																				
RDC				20,000,000	20,000,000		20,000,000	6,000,000	1,100,000	3,000,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,700,000	1,700,000	23,400,000													
Reserves proceeds				-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Total				20,000,000	20,000,000	-	20,000,000	6,000,000	1,100,000	3,000,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,700,000	1,700,000	23,400,000													
Changes in working capital																																				
Total				-	-	-	-	-	1,950,000	-	1,100,000	-	1,200,000	-	700,000	-	-	100,000	-	100,000	-	50,000	-	50,000	1,950,000	2,000,000	1,300,000	-	950,000	-	950,000	-	1,900,000			
Net Cash Flow				-	63,665,962	-	63,343,258	18,435,172	-	44,908,087	-	840,512	24,664,577	-	5,582,505	11,107,572	-	8,634,853	-	13,098,203	-	13,408,880	17,092,515	-	10,884,853	-	11,950,521	-	10,475,234	-	20,918,331	-	7,244,489	23,470,219	-	26,703,498
Opening Cash Balance							73,126,000	73,126,000	72,285,488	96,950,064	91,367,560	102,475,132	93,840,279	80,742,076	67,333,196	84,425,710	73,540,857	61,590,336	51,115,102	30,196,771	22,952,282	73,126,000														
Ending Cash Balance							28,217,914	72,285,488	96,950,064	91,367,560	102,475,132	93,840,279	80,742,076	67,333,196	84,425,710	73,540,857	61,590,336	51,115,102	30,196,771	22,952,282	46,422,502	46,422,502														

TO: John MacPherson, Chair and Members of the Halifax Regional Water Commission Board

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

APPROVED: 
Signed by: 00004A0015794F0...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: September 9, 2025

SUBJECT: Changes to the Financial Statements presented to the Board

ORIGIN

Operational and regulatory requirements.

RECOMMENDATION

It is recommended that the Halifax Water Board approve the updated financial statements of the Halifax Regional Water Commission for the year ended March 31, 2025.

BACKGROUND

At the September 4, 2025, meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #4, Changes to the Financial Statements presented to the Board was presented, reviewed, and discussed.

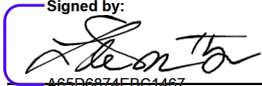
DISCUSSION

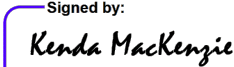
No additional information was requested to be brought forward to the Halifax Water Board meeting following the discussion of the attached at the Committee meeting. The Committee passed the motion to approve the updated financial statements of the Halifax Regional Water Commission for the year ended March 31, 2025.

ATTACHMENT

1. Report to the Halifax Water Audit and Finance Committee Item #4, Changes to the Financial Statements presented to the Board.

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

SUBMITTED BY: 
Signed by:
A65D6874EBC4467...
Louis de Montbrun, CPA, CA
Director, Corporate Services/CFO

APPROVED: 
Signed by:
0C084AC815794F6...
Kenda McKenzie, P.Eng.
General Manager/CEO

DATE: August 29, 2025

SUBJECT: Changes to the Financial Statements presented to the Board

ORIGIN

Operational and regulatory requirements.

RECOMMENDATION

It is recommended the Audit and Finance Committee recommend the Halifax Regional Water Commission Board approve the updated financial statements of the Halifax Regional Water Commission for the year ended March 31, 2025.

BACKGROUND

Halifax Regional Water Commission (Halifax Water) is required to submit audited financial statements, approved by the Halifax Water Board, to the Halifax Regional Municipality (HRM) by June 30, 2025, and the Nova Scotia Regulatory Appeals Board (NSRAB) formally the Nova Scotia Utility and Review Board (NSUARB) within 180 days of the fiscal year end.

The financial statements were submitted to the Audit and Finance Committee and approved at the June 9, 2025, meeting, and then submitted to the Halifax Water Board of Commissioners and approved at the June 19, 2025, meeting. On both occasions it was acknowledged that Doane Grant Thornton were finalizing their audit of the Financial Results and that if any changes were made a subsequent approval would be required.

DISCUSSION

Attached are the operating results for Halifax Water for the fiscal year ended March 31, 2025, with comparative figures for March 31, 2024.

During the final stages of the audit of the financial results, the auditors identified one notable error. Several asset records dating as far back as the 1970s had not been properly depreciated under IFRS. IFRS was adopted in 2016 and assets that had differing depreciation rates under IFRS and the NSRAB standards in use at the time were to have an opening adjustment and the adoption of the IFRS depreciation rates. These assets did not have that adjustment recorded and had incorrect or no depreciation applied to them. As a result, there is a restatement of the opening April 1, 2023, balances reducing utility plant in service and accumulated surplus by \$10.4 million (note 17). There is also a change to depreciation and amortization expense, reducing it by \$2.8 million. There were also updates made to related notes and schedules. There was no impact on the results under NSRAB standards.

Other edits to the financial statements compared to what was presented at the June meetings are as follows:

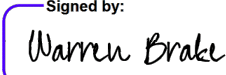
- In the statement of cash flows, a correction to the employee benefit obligation to adjust for only the non-cash portion. The \$3.1 million change does not impact Note 4 employee benefit surplus or any other areas of the statements.
- In the statement of cash flows, a correction to purchase of capital work in progress, utility plant in service and intangible assets to reflect the non-cash capital contributions. The \$3.1 million change does not have any other impacts on the statements.
- In note 4 - Employee benefit surplus (obligations), a correction to the discount rates identified for the pre-retirement benefit.
- In schedule B - Schedule of long-term debt, corrections to the naming and interest rates listed for some debentures.

As a result of these changes the earnings for the year under IFRS is now \$6.0 million, an improvement of \$2.5 million.

Additionally, at the June 19, 2025, meeting, the Halifax Water Board approved the results of the Corporate Balance Scorecard and the associated financial award. This estimated cost of \$0.3 million was recorded in the March 31, 2025, Financial Results. The loss under NSRAB increased by \$0.3 million and is now \$15.6 million.

Attachments

Attachment 1: Financial statements for the fiscal year ended March 31, 2025.

Report prepared by:  Signed by:
FF7DA207844542C...
Warren Brake, CPA, CGA
Manager of Accounting (902) 719-4814



Financial Statements

Halifax Regional Water Commission

March 31, 2025

DRAFT

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Independent auditor's report

To the Members of the Board of the
Halifax Regional Water Commission

DRAFT

DRAFT

Halifax Regional Water Commission

Statement of financial position

(As restated -
Note 17)
2024

March 31 (in thousands)

2025

Assets

Current

Cash and cash equivalents	\$ 73,126	\$ 44,021
Receivables		
Customer charges and contractual (Note 8)	21,851	21,546
Unbilled service revenues (Note 8)	22,019	20,959
Inventory	2,530	2,364
Prepays	2,178	1,735
	<u>121,704</u>	<u>90,625</u>

Employee benefit surplus (Note 4)	1,053	-
Intangible assets (Note 10)	42,855	35,989
Capital work in progress	115,627	114,374
Utility plant in service (Note 11)	<u>1,345,901</u>	<u>1,287,511</u>
Total assets	<u>1,627,140</u>	<u>1,528,499</u>

Regulatory deferral account (Note 5)	1,852	2,044
Total assets and regulatory deferral account	\$ 1,628,992	\$ 1,530,543

Liabilities

Current

Payables and accruals		
Trade	\$ 35,896	\$ 23,393
Non-trade	6,430	5,579
Interest on long term debt	4,061	3,062
Halifax Regional Municipality	4,459	5,047
Contractor and customer deposits	1,447	1,095
Current portion of deferred contributed capital (Note 12)	19,249	19,260
Current portion of long term debt (Note 13)	32,881	39,832
Unearned revenue	442	157
	<u>104,865</u>	<u>97,425</u>

Deferred contributed capital (Note 12)	951,883	928,048
Long term debt (Note 13)	260,129	196,622
Employee benefit obligations (Note 4)	-	2,353
Total liabilities	<u>1,316,877</u>	<u>1,224,448</u>

Equity

Accumulated other comprehensive income	66,923	60,396
Accumulated surplus	245,192	245,699
Total equity	<u>312,115</u>	<u>306,095</u>
Total liabilities and equity	\$ 1,628,992	\$ 1,530,543

Contingent liabilities (Note 3)

Commitments (Note 6)

Approved by the Halifax Regional Water Commission Board

Chair

Vice Chair

See accompanying notes to the financial statements.

Halifax Regional Water Commission

Statement of earnings and comprehensive earnings

Year ended March 31 (in thousands)

	2025	2024
Operating revenues		
Water	\$ 56,116	\$ 54,938
Wastewater	90,110	89,512
Stormwater	15,226	15,196
Public fire protection	8,083	8,083
Private fire protection	1,785	1,698
Other operating revenue	2,903	2,552
	<u>174,223</u>	<u>171,979</u>
Operating expenditures (Note 14)		
Water supply and treatment	16,127	14,786
Water transmission and distribution	16,717	13,768
Wastewater collection	15,383	14,554
Stormwater collection	6,053	5,755
Wastewater treatment	26,950	24,782
Engineering and technology services	16,864	16,053
Regulatory services	5,346	5,532
Customer services	4,477	4,631
Corporate services	4,043	3,114
Administration services	6,635	6,263
Pension services	3,107	3,012
Depreciation and amortization	56,195	53,654
	<u>177,897</u>	<u>165,904</u>
Income (loss) from operations before financial and other revenues and expenditures	<u>(3,674)</u>	<u>6,075</u>
Financial and other revenues		
Interest	367	412
Amortization of deferred contributed capital	19,122	18,997
Other	611	488
	<u>20,100</u>	<u>19,897</u>
Financial and other expenditures		
Interest	253	103
Interest on long term debt	9,294	7,276
Amortization of debt issue costs	244	222
Dividend/grant in lieu of taxes (Note 6)	6,816	6,589
Other	134	132
	<u>16,741</u>	<u>14,322</u>
Earnings (loss) for the year before regulatory deferral account depreciation	<u>(315)</u>	<u>11,650</u>
Regulatory deferral account depreciation	<u>192</u>	<u>192</u>
Earnings for the year	<u>(507)</u>	<u>11,458</u>
Other comprehensive earnings		
Items that will not be reclassified subsequently to earnings:		
Re-measurement on defined benefit plans	6,527	8,745
Total comprehensive earnings for the year	<u>\$ 6,020</u>	<u>\$ 20,203</u>

See accompanying notes to the financial statements.

Halifax Regional Water Commission

Statement of changes in equity

Year ended March 31 (in thousands)

	Accumulated other comprehensive income	Accumulated surplus	Total
Balance, April 1, 2023, as previously reported	\$ 51,651	\$ 244,672	\$ 296,323
Restatement of utility plant in service (Note 17)	-	(10,431)	(10,431)
Balance, April 1, 2023, as restated	<u>51,651</u>	<u>\$ 234,241</u>	<u>285,892</u>
Earnings for the year	-	11,458	11,458
Other comprehensive earnings	<u>8,745</u>	<u>-</u>	<u>8,745</u>
Comprehensive earnings for the year	<u>8,745</u>	<u>11,458</u>	<u>20,203</u>
Balance, March 31, 2024	<u>\$ 60,396</u>	<u>\$ 245,699</u>	<u>\$ 306,095</u>
Earnings (loss) for the year	-	(507)	(507)
Other comprehensive earnings	<u>6,527</u>	<u>-</u>	<u>6,527</u>
Comprehensive earnings for the year	<u>6,527</u>	<u>(507)</u>	<u>6,020</u>
Balance, March 31, 2025	<u>\$ 66,923</u>	<u>\$ 245,192</u>	<u>\$ 312,115</u>

See accompanying notes to the financial statements.

Halifax Regional Water Commission

Statement of cash flows

Year ended March 31 (in thousands)

2025

2024

Increase (decrease) in cash and cash equivalents

Operating

Comprehensive earnings for the year	\$ 6,020	\$ 20,203
Depreciation and amortization	39,111	36,395
Employee benefit obligation	6,527	5,725
Gain on disposal of utility plant in service	-	8
	<u>51,658</u>	<u>62,331</u>

Change in non-cash operating working capital items

Receivables, customer charges and contractual	(305)	(3,722)
Receivables, unbilled service revenues	(1,060)	(1,694)
Inventory	(166)	1,153
Prepays	(443)	(453)
Payables and accruals, trade	12,503	(1,099)
Payables and accruals, non-trade	851	862
Payables and accruals, accrued interest on long term debt	999	857
Payable to Halifax Regional Municipality	(588)	7,000
Contractor and customer deposits	352	(1,746)
Unearned revenue	285	81
	<u>12,428</u>	<u>1,239</u>
	<u>64,086</u>	<u>63,570</u>

Financing

Proceeds from issuance of long term debt	80,000	39,988
Contributed capital and interest	32,833	3,512
Debt issue costs	(478)	(251)
Principal repayment on Halifax Regional Municipality long term debt	(6,500)	(6,500)
Principal repayments on long term debt	(16,466)	(15,234)
	<u>89,389</u>	<u>21,515</u>

Investing

Proceeds from sale of utility plant in service	-	75
Purchase of capital work in progress, utility plant in service and intangible assets	(124,370)	(85,735)
	<u>(124,370)</u>	<u>(85,660)</u>

Net increase (decrease) in cash and cash equivalents

29,105 (575)

Cash and cash equivalents, beginning of year

44,021 44,596

Cash and cash equivalents, end of year

\$ 73,126 \$ 44,021

See accompanying notes to the financial statements.

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

1. Nature of operations

The Halifax Regional Water Commission (Halifax Water) is a public utility owned and controlled by the Halifax Regional Municipality (HRM). Halifax Water is responsible for the supply of municipal Water, Wastewater and Stormwater Services to the residents of HRM. Halifax Water's principal place of business is 450 Cowie Hill Road, Halifax, Nova Scotia. Halifax Water is exempt from income tax.

2. Summary of material accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements were authorized for issue by the Board of Commissioners on June 19, 2025.

(b) Basis of measurement

Halifax Water's financial statements are prepared on the historical cost basis, except for certain financial instruments measured at fair value. The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand. The financial statements are presented in accordance with International Accounting Standards (IAS) 1: Presentation of Financial Statements.

(c) Regulation

In matters of administrative policy relating to customers, rates and other charges, capital expenditures, depreciation rates and accounting matters, Halifax Water is subject to the jurisdiction of the Nova Scotia Regulatory and Appeals Board (NSRAB), which replaced the Nova Scotia Utility and Review Board (NSUARB) on April 1, 2025. Rates and other charges charged to and collected from customers are designed to recover the cost of providing the regulated services. Halifax Water is required to prepare submissions in accordance with the Water Utility Accounting and Reporting Handbook (the NSRAB Handbook) issued by the NSRAB. There are differences in the accounting treatment of certain transactions from IFRS Accounting Standards including the accounting of principal debt payments, employee future benefits, depreciation and amortization, gains and losses on the disposal of utility plant in service, and accumulated surplus.

Regulatory assets represent costs incurred that have been deferred as approved by the NSUARB and will be recovered through future rates collected from customers. These assets are described as the "regulatory deferral account" and are disclosed in Note 5.

(d) Utility plant in service

Utility plant in service (Note 11) is recorded at cost, being the purchase price and directly attributable cost of acquisition or construction. Losses or gains related to assets retired, demolished or sold are charged or credited to the statement of earnings.

(e) Leased assets

Halifax Water makes use of lease arrangements for office space and equipment, and assesses whether a contract is, or contains a lease at the inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

At lease commencement date, Halifax Water assess whether the recognition of a right-of-use asset and lease liability would have a material impact on the financial statements.

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

2. Summary of significant accounting policies (continued)

(e) Leased assets (continued)

A right-of-use asset is initially measured at cost, which is comprised of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). A right-of-use asset is subsequently measured at cost less any accumulated depreciation or impairment losses and adjusted for certain re-measurements of the lease liability. A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Halifax Water's incremental borrowing rate.

Halifax Water has elected to apply the practical expedients available under IFRS 16 for short-term leases and leases for which the underlying asset is of low value. Short-term leases and low value leases are expensed in the period incurred.

Halifax Water maintains very few lease arrangements and management will assess future leases as they arise to determine whether the impact of the recognition of a right-of-use asset and lease liability on the statements of financial position, where Halifax Water is acting as a lessee, is material to the financial statements. All existing leases have been assessed and recognition in the financial statements has been deemed immaterial.

(f) Deferred contributed capital

Contributions towards capital projects are treated as deferred contributed capital on the statement of financial position and amortized over the estimated useful lives of the assets (Note 12). Deferred contributed capital is initially measured at cost, being the value of contributions received by Halifax Water for the acquisition of utility plant in service. Contributions for capital expenditures are amortized over the estimated useful lives of the assets and show as a reduction in the amortization of utility plant in service.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash balances managed by HRM that are held within financial institutions.

(h) Depreciation of utility plant in service

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives for the major classifications of utility plant in service are as follows:

Office equipment and furniture and transportation equipment	3 to 10 years
Supervisory control and data acquisition (SCADA) equipment	5 to 25 years
Meters	20 to 25 years
Pumping equipment	5 to 30 years
Tools and work equipment	5 to 30 years
Culverts	25 to 50 years
Purification and treatment equipment	20 to 50 years
Services and laterals	50 to 60 years
Hydrants	50 to 80 years
Structures and improvements	50 to 100 years
Water, Wastewater and Stormwater mains	50 to 100 years

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

2. Summary of significant accounting policies (continued)

(h) Depreciation of utility plant in service (continued)

Depreciation commences in the year an asset is placed into service and ready for its intended use. In the year of acquisition, depreciation is calculated at 50% of the above rates unless a project is significant, in which case depreciation is prorated for the number of months the asset was in use. Halifax Water does not maintain a depreciation fund per regulatory reporting requirements. Halifax Water has received NSRAB approval for exemption from establishing a depreciation fund as long as net depreciable additions to utility plant in service exceed the depreciation expense included within the rates.

(i) Inventory

Inventory is comprised of direct materials and supplies. Inventory is valued at the lower of cost and net realizable value with cost being determined on the weighted average cost method.

(j) Revenues and expenditures

Halifax Water recognizes revenue in a manner that depicts the transfer of goods or services to customers at an amount that reflects the consideration Halifax Water is entitled to in exchange for those goods or services rendered.

All revenues and expenditures are recorded on an accrual basis. Revenues relating to supplying Water, Wastewater and Stormwater Services are recorded based on cyclical billings and include an accrual for amounts not yet billed. Fire protection revenue is recorded based on approved rates. Other revenues are recorded at the time services are performed, the amount can be measured reliably, and collection is reasonably assured.

(k) Long term debt

Debt issue costs are deferred and amortized over the term of the debt to which they relate.

(l) Use of estimates and critical accounting judgments

In preparing Halifax Water's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. Significant estimates and assumptions include the following:

- At year end, unbilled service revenues from Water, Wastewater and Stormwater Services have been earned, but not yet billed due to the timing of the billing cycles. Management estimates the unbilled service revenues accrual based on actual consumption information.
- Management assumptions are used in the actuarial determination of employee benefit obligations, such as standard rates of inflation, mortality, discount rates, and anticipation of future salary increases.
- Useful lives of utility plant in service are reviewed based on expected patterns of usage and historical information.
- The impairment loss of plant in service and intangibles based on judgement of future utility in the delivery of services.
- Recognition and measurement of provisions and contingencies.
- The collectability of accounts receivable, allowance for doubtful accounts and bad debts are estimated based on the age of receivables, historical rates of collection, and review of the likelihood of collection of individual balances.

Actual results could differ from these estimates.

(m) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when Halifax Water becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

2. Summary of significant accounting policies (continued)

(m) Financial instruments (continued)

Classification and initial measurement of financial instruments

All financial instruments are initially measured at fair value and adjusted for transaction costs, where applicable. Financial instruments are classified as: those measured at amortized cost, fair value through other comprehensive income (assets only), or fair value through profit and loss (FVTPL).

Halifax Water has classified its financial instruments as follows:

<u>Asset/Liability</u>	<u>Classification</u>
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Payables and accruals	Amortized cost
Long term debt	Amortized cost
Contractor and customer deposits	Amortized cost

The classification is determined by both the Halifax Water business model for managing the financial instrument and the contractual cash flow characteristics of the financial instrument.

Subsequent measurement of financial assets

Financial assets are measured subsequently at amortized cost if the assets meet the following conditions, and are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial instruments are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

Impairment requirements use more forward-looking information to recognize expected credit losses, the expected credit loss (ECL) model. Financial assets that are subject to the ECL model include cash and cash equivalents and receivables.

Subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. All interest charges are included in interest costs or revenues within the statement of earnings and comprehensive earnings.

(n) Provisions

A provision is recognized in the statement of financial position when Halifax Water has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the obligation.

(o) Impairments

At the end of each reporting period, Halifax Water reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication of an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. The recoverable amount of any asset is the higher of its fair value less costs to sell and its value in use.

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

2. Summary of significant accounting policies (continued)

(o) Impairments (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (CGU), which is the lowest group of assets to which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Halifax Water has three CGU's (Water, Wastewater and Stormwater) for which impairment testing is performed.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in earnings. When an impairment loss is subsequently reversed, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(p) Intangible assets

Intangible assets include land rights, water removal rights, studies, and capital master plans. These are recorded at cost less accumulated amortization. Land rights include payment for easements and right of use over land and have an indefinite useful life. Intangibles with finite useful lives are amortized annually over the estimated useful lives. The expected useful lives are as follows:

Intangible assets	10 to 30 years
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(q) Employee benefit obligations

Halifax Water accrues annually, the estimated liabilities for pension and other employee benefits.

Pension benefits

Halifax Water provides employment, post-retirement and pre-retirement benefits through defined benefit plans and supplemental retirement plans.

The cost of pension benefits for the supplemental retirement plans are expensed at the time active employees are compensated.

The defined benefit plan sponsored by Halifax Water determines the amount of pension benefits employees will receive on retirement by reference to length of service and salary levels. Obligations associated with the defined benefit plan reside with Halifax Water, even if plan assets for funding the plan are set aside.

The liability recognized in the statement of financial position for the defined benefit plan sponsored by Halifax Water is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets.

Management estimates the defined benefit obligation annually with assistance from an independent actuaries using the projected unit credit method. The defined benefit obligation uses estimates for inflation, medical cost trends, mortality, and anticipated salary levels. The discount factor used to present value estimated future cash flows is determined with reference to high quality corporate bonds that have terms to maturity approximating the terms of the related pension liability.

Gains and losses resulting from re-measurements of the net defined benefit liability are charged to other comprehensive income in the period in which they arise. Service costs are recognized immediately into earnings.

Net interest cost related to pension obligations and returns on plan assets are included in salary and benefits on the statement of earnings.

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

2. Summary of significant accounting policies (continued)

(q) Employee benefit obligations (continued)

Halifax Water is responsible for funding the employer share of contributions to the HRM pension plan for certain employees that transferred from HRM as of August 1, 2007. HRM administers this defined benefit pension plan and Halifax Water reimburses HRM for the pension costs related to Halifax Water's proportionate share of the employees covered under the plan. Due to the nature of the plan, Halifax Water does not have sufficient information to account for the plan as a defined benefit pension plan; therefore, the multi-employer defined benefit plan is accounted for in the same manner as the supplemental retirement plans. An expense is recorded in the period when Halifax Water is obligated to make contributions for services rendered by the employee.

Short-term employee benefits

Short-term employee benefit obligations that are due to be settled wholly within twelve months after the end of the annual reporting period in which the employees rendered the related service are measured on an undiscounted basis and are expensed as the related service is provided.

(r) Regulatory deferral account

The regulatory deferral account is recognized and measured at historical cost less depreciation. Management continually assesses the likelihood of recovery of regulatory assets. If recovery through future rates is no longer considered probable, the amounts would be charged to the results of operations in the period that the assessment is made.

3. Contingent liabilities

Halifax Water has reviewed environmental risk factors at properties owned to determine whether there is an obligation for reclamation. As of the date of issue of the financial statements the likelihood of any related liability is not determinable.

There are active claims against Halifax Water; however, the likelihood of actual liability is not determinable at this time. If Halifax Water's defence of active claims is unsuccessful, the potential exposure would be \$1,000 - \$2,000.

4. Employee benefit surplus (obligations)

Retirement benefit plan – employees transferred from HRM

For employees that transferred from HRM, Halifax Water records an expense for the employer's share of the contributions to the Halifax Regional Municipality Pension Plan (HRM Pension Plan) in the period when Halifax Water is obligated to make contributions for services rendered by the employee. During 2025, Halifax Water funded \$446 (2024 - \$431) in contributions to the HRM Pension Plan. The number of employees included in this plan is 39 (2024 - 44) and this number is reducing over time. As former HRM employees retire, they are replaced with employees in the Halifax Regional Water Commission Employee Pension Plan (the Plan).

Supplemental retirement plans sponsored by Halifax Water

For employees who participate in the supplemental retirement plans, the cost of pension benefits are expensed at the time active employees are compensated. During 2025, Halifax Water funded \$22 (2024 - \$21) in contributions to these plans. The number of employees included in these plans is 11 (2024 - 5).

Halifax Regional Water Commission

Notes to the financial statements

March 31, 202 (in thousands)

4. Employee benefit surplus (obligations) (continued)

Defined benefit plan sponsored by Halifax Water and other long term employment benefits

For all other employees, Halifax Water maintains a defined benefit pension plan and offers post-retirement health and insurance benefits. The defined benefit pension plan provides pensions based upon length of service and best seven consecutive years' earnings. The defined benefit pension plan is funded by employer and employee contributions with employees contributing 9.60% (10.34% to December 31, 2021) of pensionable employee earnings and Halifax Water matching employee contributions. The defined benefit pension plan assets are managed by the HRM Pension Committee.

Employees, who retired prior to July 1, 1998, have extended health benefits coverage for life, and drug coverage until age 65. Employees, who retired after July 1, 1998 and before December 31, 2008, had coverage for extended health, drug, dental and life insurance until age 65 on a 50/50 cost shared basis. Employees who retired after December 31, 2008 have coverage for extended health, drug, dental and life insurance until age 65 on a 100% retiree paid basis. As of March 31, 2025, only pre-July 1998 participants remain, as such the actuarial assumptions for the post-retirement benefits reflect only the remaining health benefit trending percentage. Extended health coverage for retirees and their spouses after the age of 65 is available on an optional basis at 100% retiree cost and drug coverage is available through the provincially managed drug program.

Halifax Water has a non-funded pre-retirement benefit that is accrued annually, and is payable on retirement, termination or death of the employee. For individuals who elected to defer receipt of their benefit until the time which they leave employment, their individual benefit equates to approximately three days' pay for each year of completed service. Completed service for unionized employees was frozen as at June 7, 2019, and June 20, 2019 for non-union employees, for the purposes of determining their pre-retirement benefit. Pre-retirement benefits accrue to a maximum of six months' salary and can be taken as a lump sum payment at the time of retirement in lieu of pre-retirement leave.

Information about Halifax Water's plans, based on an actuarial valuation of the defined benefit pension plan, and an actuarial extrapolation of the pre-retirement benefits and the post-retirement benefits as at March 31, 2025, is as follows:

	Defined benefit pension plan		Post-retirement benefits		Pre-retirement benefits		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Change in accrued benefit obligation								
Balance, April 1	\$ 199,825	\$ 186,747	\$ 212	\$ 290	\$ 1,441	\$ 1,357	\$ 201,478	\$ 188,394
Current service cost	11,512	10,710	54	-	72	71	11,638	10,781
Interest cost	9,850	9,245	9	12	68	68	9,927	9,325
Benefit payments	(9,122)	(6,877)	(38)	(39)	(272)	(76)	(9,432)	(6,992)
Re-measurements – actuarial (gains)/ losses from changes in financial/experience assumptions	5,273	-	(2)	(51)	127	21	5,398	(30)
Balance, March 31	217,338	199,825	235	212	1,436	1,441	219,009	201,478
Change in fair value of plan assets								
Balance, April 1	199,125	180,316	-	-	-	-	199,125	180,316
Investment income	9,742	8,865	-	-	-	-	9,742	8,865
Administrative expenses	(114)	(109)	-	-	-	-	(114)	(109)
Actual return on plan assets	11,803	8,743	-	-	-	-	11,803	8,743
Benefit payments	(9,122)	(6,877)	(38)	(39)	(271)	(76)	(9,431)	(6,992)
Contributions: Employee	4,419	4,505	-	-	-	-	4,419	4,505
Employer	4,209	3,682	38	39	271	76	4,518	3,797
Balance, March 31	220,062	199,125	-	-	-	-	220,062	199,125
Accrued benefit surplus (liability), March 31	\$ 2,724	\$ (700)	\$ (235)	\$ (212)	\$ (1,436)	\$ (1,441)	\$ 1,053	\$ (2,353)

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

4. Employee benefit surplus (obligations) (continued)

Included in the statement of earnings and comprehensive earnings is pension expense of \$7,045 (2024 - \$6,514).

The significant actuarial assumptions adopted in measuring Halifax Water's accrued benefit obligations are as follows:

	2025	2024	2025	2024	2025	2024
	Defined	Defined	Post-	Post-	Pre-	Pre-
	benefit	benefit	retirement	retirement	retirement	retirement
	Pension	Pension	benefits	benefits	benefit	benefit
	plan	plan				
Discount rate	4.80%	4.90%	4.20%	4.75%	4.40%	4.90%
Expected return on plan assets	4.80%	4.90%	N/A	N/A	N/A	N/A
Rate of compensation increase	3.75%	3.75%	N/A	N/A	3.90%	3.75%
Expenses for life benefits as a % of claims	N/A	N/A	0.00%	0.00%	N/A	N/A
Health benefit trending per year	N/A	N/A	6.16%	6.30%	N/A	N/A
Dental benefit trending per year	N/A	N/A	0.00%	0.00%	N/A	N/A

The measurement date used to determine the plan assets and the accrued benefit obligation was March 31, 2025. The most recent actuarial valuation for the defined benefit pension plan was January 1, 2025, with the next actuarial valuation scheduled for January 1, 2028. The most recent actuarial valuation for the accrued benefit obligation was March 31, 2024. Going concern extrapolations of the defined benefit pension plan occur annually between the actuarial valuation dates.

The estimated employer contributions expected to be paid to the pension plans for the next fiscal year are \$4,800.

5. Regulatory deferral account

In 2011, the NSUARB granted Halifax Water approval to defer depreciation charges on certain assets transferred in 2010 from HRM relating to the Halifax Harbour Solutions Project (HHSP). Depreciation of \$2,078 was deferred in each of fiscal 2011 and 2012. As a result, Halifax Water recognized a \$4,156 regulatory deferral account. In absence of rate regulation, this regulatory deferral account would have been expensed as depreciation in fiscal 2011 and 2012. In 2012, the NSUARB granted approval of the depreciation of this deferral account over the remaining useful lives of the underlying assets, beginning in 2014. The expense recognized in 2025 is \$192 (2024 - \$192).

	2025	2024
Balance, April 1	\$ 2,044	\$ 2,236
Depreciation	<u>(192)</u>	<u>(192)</u>
Balance, March 31	<u>\$ 1,852</u>	<u>\$ 2,044</u>

6. Commitments

An agreement with HRM for the dividend/grant in lieu of taxes (dividend) for the period from April 1, 2023 through March 31, 2028 whereby dividend payments are approved as part of revenue requirements by the NSRAB. The total amount payable will be calculated based on Property Valuation Services Corporation's (PVSC) assessed value of Halifax Water properties and the property tax rates set by HRM each fiscal year. The assessed value of Halifax Water properties will be reduced by a declining percentage over the five-year period to phase in this new approach. For the fiscal year ended March 31, 2025, the assessed values of the properties were reduced by 6% for the calculation (2024 - 8%). The payment will be allocated to each service based on no more than 1.56% times the water rate base, at least 0.25% times the wastewater rate base, and at least 0.25% times the stormwater rate base. In the event these allocations are not sufficient to fund the payment in any given fiscal year, the allocations for wastewater and stormwater will be increased to an amount sufficient to fund the payment.

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

7. Capital management

Halifax Water's objective when managing capital is to ensure sufficient liquidity to support its financial obligations and execute its operating and capital plans. Halifax Water monitors and adjusts its capital structure through additional borrowings of long term debt which are used to finance capital projects.

Halifax Water considers its total capitalization to include all long term debt and total equity. The calculation is set out as follows:

	<u>2025</u>	<u>2024</u>
Long term debt	\$ 293,010	\$ 236,454
Equity	<u>319,733</u>	<u>316,526</u>
Capital under management	<u>\$ 612,743</u>	<u>\$ 552,980</u>

Halifax Water has obtained regulatory approval for all borrowings during the fiscal year. Halifax Water is not subject to financial borrowing covenants other than as outlined in Note 9.

8. Financial instruments and risk management

Halifax Water applies a three-tier hierarchy framework for disclosing fair value of financial instruments, based on whether the inputs into the various valuation techniques are observable or unobservable. Observable techniques reflect market data obtained from independent sources, while unobservable inputs reflect management assumptions. Changes in valuation techniques of financial instruments may result in transfers of assigned levels. The hierarchy of input is as follows:

- Level I Quoted prices in active markets for identical assets or liabilities;
- Level II Inputs other than quoted prices included in Level I that are observable, either directly or indirectly; and
- Level III Inputs that are not based on observable market data.

The carrying values of current assets and current liabilities approximate their fair value due to the relatively short period to maturity of these financial instruments. The fair value of fixed rate long-term debt is assumed to approximate its carrying value given the limitations where Halifax Water can obtain long-term debt.

There were no transfers between classes of the fair value hierarchy during the year.

Halifax Water is exposed to risks as a result of holding financial instruments. Management considers and evaluates those risks on an on-going basis to ensure that the risks are appropriately managed. These potential risks include credit risk, interest risk, market risk and liquidity risk.

Credit risk

Credit risk arises from the possibility that Halifax Water's customers may experience financial difficulty and be unable to fulfill their obligations. Halifax Water's maximum exposure to credit risk corresponds to customer charges and contractual receivables. However, Halifax Water's customers are numerous and diverse, which reduces the concentration of credit risk.

Halifax Water makes use of a simplified approach in accounting for receivables and records the loss allowance as lifetime ECL. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, Halifax Water uses its historical experience, external indicators and forward-looking information to calculate the ECL for non-government balances using a provision matrix. Halifax Water includes 75% of the balance of closed accounts in the allowance and 1% of active accounts. Halifax Water assesses impairment of receivables on a collective basis. As receivables possess shared credit risk characteristics, receivables have been grouped based on the days past due.

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

8. Financial instruments and risk management (continued)

An analysis of Halifax Water's receivables and continuity of Halifax Water's provision for impairment losses on receivables is as follows:

	<u>2025</u>	<u>2024</u>
Customer charges, contractual, and unbilled service revenues	\$ 46,447	\$ 45,521
Less: allowance for doubtful accounts	<u>(2,577)</u>	<u>(3,016)</u>
	<u>\$ 43,870</u>	<u>\$ 42,505</u>

The credit quality of financial assets that are neither past due nor impaired are assessed with reference to historical information and includes the following considerations; new customers, existing customers and payment pattern history.

Interest risk

Interest risk arises from the possibility that changes in interest rates will cause fluctuations in expenses and/or cash flows associated with Halifax Water's long term debt. Halifax Water's long term debt has been acquired with a variety of fixed rates and has staggered maturity dates which mitigates the interest rate risk.

Market risk

Market risk arises from the possibility that the value of an investment will fluctuate as a result of changes in market prices. These changes could affect the market value of the investments in Halifax Water's Plan and consequently the Plan's surplus. The risk is mitigated by the Plan diversifying the types of investments in its portfolio.

Liquidity risk

Liquidity risk arises from the possibility of Halifax Water not being able to meet its cash requirements in a timely and cost-effective manner. Halifax Water manages this risk by closely monitoring the cash on hand in comparison to upcoming cash commitments.

9. Related party transactions

The immediate parent and ultimate controlling party of Halifax Water is HRM.

Halifax Water is obligated to make payments on debt, held in the name of HRM, associated with Wastewater and Stormwater assets which were transferred to Halifax Water in 2007 and subsequent years. The final payment on this debt was in 2025.

Amounts receivable from HRM have normal credit terms.

Halifax Water had the following related party transactions with HRM:

	<u>2025</u>	<u>2024</u>
Revenue for provision of Water, Wastewater and Stormwater Services	\$ 7,834	\$ 7,563
Public fire protection revenue	8,083	8,083
Dividend/grant in lieu of taxes	(6,816)	(6,589)
Operating expenditures	<u>(2,996)</u>	<u>(2,428)</u>
Net revenue and expenditures	<u>\$ 6,105</u>	<u>\$ 6,629</u>

The debt issued by Halifax Water was covered by a blanket guarantee from HRM subject to Halifax Water maintaining a debt service ratio of less than 35%. The debt service ratio at March 31, 2025 is 17.64% (2024 - 17.50%).

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

9. Related party transactions (continued)

Compensation of key management personnel

Members of the Board of Commissioners and Executive Management team are deemed to be key management personnel. It is the Board of Commissioners and Executive Management team who have the responsibility for planning, directing and controlling the activities of Halifax Water.

The following is compensation expense for key management personnel:

	<u>2025</u>	<u>2024</u>
Compensation and benefits	\$ 1,463	\$ 1,769
Post-employment benefits	<u>118</u>	<u>118</u>
Total compensation	<u>\$ 1,581</u>	<u>\$ 1,887</u>

10. Intangible assets

	<u>2025</u>	<u>2024</u>
Cost		
Balance, April 1	\$ 52,928	\$ 36,423
Additions	<u>11,501</u>	<u>16,505</u>
Balance, March 31	<u>64,429</u>	<u>52,928</u>
Accumulated amortization		
Balance, April 1	16,939	13,616
Amortization	<u>4,635</u>	<u>3,323</u>
Balance, March 31	<u>21,574</u>	<u>16,939</u>
Net book value, March 31	<u>\$ 42,855</u>	<u>\$ 35,989</u>

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

11. Utility plant in service

	Land	Structures and improvements	Treatment and network equipment	Distribution and collection network	Tools and work equipment	Total
Cost						
Balance, April 1, 2024	\$ 25,771	\$ 291,756	\$ 299,014	\$ 1,066,536	\$ 46,430	\$ 1,729,507
Additions	35	23,185	16,296	62,952	9,328	111,796
Disposals	-	-	-	-	(86)	(86)
Balance, March 31, 2025	<u>25,806</u>	<u>314,941</u>	<u>315,310</u>	<u>1,129,488</u>	<u>55,672</u>	<u>1,841,217</u>
Accumulated depreciation						
Balance, April 1, 2024	\$ -	\$ 101,717	\$ 140,249	\$ 172,173	\$ 27,857	\$ 441,996
Depreciation	-	9,427	16,480	20,628	6,871	53,406
Depreciation retired	-	-	-	-	(86)	(86)
Balance, March 31, 2025	<u>-</u>	<u>111,144</u>	<u>156,729</u>	<u>192,801</u>	<u>34,642</u>	<u>495,316</u>
Net book value, March 31, 2025	<u>\$ 25,806</u>	<u>\$ 203,797</u>	<u>\$ 158,581</u>	<u>\$ 936,687</u>	<u>\$ 21,030</u>	<u>\$ 1,345,901</u>

	Land	Structures and improvements	Treatment and network equipment	Distribution and collection network	Tools and work equipment	Total (As Restated - Note 17)
Cost						
Balance, April 1, 2023	\$ 25,771	\$ 284,830	\$ 292,869	\$ 1,037,049	\$ 41,861	\$ 1,682,380
Additions	-	6,926	6,390	29,487	4,569	47,372
Disposals	-	-	(245)	-	-	(245)
Balance, March 31, 2024	<u>25,771</u>	<u>291,756</u>	<u>299,014</u>	<u>1,066,536</u>	<u>46,430</u>	<u>1,729,507</u>
Accumulated depreciation						
Balance, April 1, 2023	\$ -	\$ 92,416	\$ 122,306	\$ 154,215	\$ 21,360	\$ 390,297
Depreciation	-	9,301	18,121	17,958	6,497	51,877
Depreciation retired	-	-	(178)	-	-	(178)
Balance, March 31, 2024	<u>-</u>	<u>101,717</u>	<u>140,249</u>	<u>172,173</u>	<u>27,857</u>	<u>441,996</u>
Net book value, March 31, 2024	<u>\$ 25,771</u>	<u>\$ 190,039</u>	<u>\$ 158,765</u>	<u>\$ 894,363</u>	<u>\$ 18,573</u>	<u>\$ 1,287,511</u>

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

12. Deferred contributed capital

	<u>2025</u>	<u>2024</u>
Balance, April 1	\$ 947,308	\$ 938,258
Assets contributed during the year	10,113	24,535
Contributions and interest	32,833	3,512
Amortization	<u>(19,122)</u>	<u>(18,997)</u>
Balance, March 31	971,132	947,308
Less: current portion	<u>(19,249)</u>	<u>(19,260)</u>
	<u>\$ 951,883</u>	<u>\$ 928,048</u>

Deferred contributed capital is comprised of contributions received by Halifax Water for the acquisition of utility plant in service. Contributions for capital expenditures are amortized over the estimated useful lives of the assets.

13. Long-term debt

	<u>Interest rates</u>	<u>2025</u>	<u>2024</u>
Payable to Nova Scotia Department of Finance and Treasury Board			
Water	0.565% to 5.460%	\$ 129,794	\$ 101,166
HHSP	2.205% to 2.561%	3,250	3,900
Wastewater	0.565% to 5.460%	123,961	96,634
Stormwater	0.565% to 5.460%	<u>37,656</u>	<u>29,427</u>
		294,661	231,127
Payable to Halifax Regional Municipality			
Wastewater/Stormwater	3.041% to 5.940%	<u>-</u>	<u>6,500</u>
		294,661	237,627
Less: debt issue costs		<u>(1,651)</u>	<u>(1,173)</u>
		293,010	236,454
Less: amount payable within one year		<u>(32,881)</u>	<u>(39,832)</u>
		<u>\$ 260,129</u>	<u>\$ 196,622</u>

During the year Halifax Water acquired \$80,000 (2024 – \$39,988) in new debt with a ten year term and thirty year amortization period and refinanced \$16,865 (2024 - \$24,228) in existing debt for the remaining ten year term.

The debentures are repayable in fixed annual principal instalments plus interest payable semi-annually. Interest expensed during the year was \$9,294 (2024 - \$7,276). Principal instalments for the next five years are as follows:

2025/26	\$ 32,881
2026/27	\$ 21,089
2027/28	\$ 22,010
2028/29	\$ 24,010
2029/30	\$ 29,010
Thereafter	\$ 165,661

Halifax Regional Water Commission

Notes to the financial statements

March 31, 2025 (in thousands)

14. Operating expenditures by nature	<u>2025</u>	<u>2024</u>
Salaries and benefits	\$ 52,337	\$ 47,492
Pension	3,107	3,012
Training and conferences	633	789
Contract services	21,149	18,208
Electricity	9,334	8,476
Operating supplies	18,493	17,140
Professional services	5,254	4,840
Chemicals	9,549	10,747
Depreciation on assets allocated to departments	1,846	1,546
Depreciation and amortization	<u>59,008</u>	<u>53,654</u>
	\$ 180,710	\$ 165,904

15. Comparative figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current fiscal year.

16. Revenue Deficiency Account

Halifax Water is in the process of establishing an Ambient Temperature District Energy System (DES) and as such, has approval from the NSUARB to establish a Revenue Deficiency Account (RDA). The RDA will accumulate expenditures being made in relation to the DES. Once the DES is operational, RDA amounts will be recovered through the setting of rates which reflect the cost of providing this service together with a provision for the recovery of the amounts accumulated in the RDA over a reasonable period of time. There is no balance in the RDA as of March 31, 2025 as the infrastructure is not yet complete. Capital costs to March 31, 2025 reflected in the total balance of work in progress, are \$3,391 (2024 - \$1,390).

17. Restated comparative information

During the year, management determined that certain assets of the utility plant in service capitalized prior to 1985 were not being depreciated in error. This resulted in the overstatement of utility plant in service and accumulated surplus prior to March 31, 2024.

As a result, the following financial statement items as at March 31, 2024, have been increased (decreased) as follows:

	<u>Previously reported</u>	<u>Adjustments</u>	<u>Restated</u>
Assets			
Utility plant in service	\$ 1,297,942	\$ (10,431)	\$ 1,287,511
Equity			
Accumulated Surplus	\$ 256,130	\$ (10,431)	\$ 245,699

Halifax Regional Water Commission

Schedule of utility plant in service

Schedule A

Year ended March 31, 2025 (in thousands)

Water

	Land	Structures and improvements	Pumping equipment	Purification equipment	SCADA equipment	Transmission & distribution mains	Services	Meters	Hydrants	Aerotech and small systems	Tools and work equipment	Total
Cost												
Balance, April 1, 2024	\$ 18,215	\$ 138,022	\$ 10,778	\$ 32,880	\$ 12,241	\$ 442,189	\$ 50,440	\$ 19,372	\$ 23,506	\$ 10,056	\$ 49,282	\$ 806,981
Additions	35	15,232	601	495	577	26,920	4,686	382	1,850	315	7,354	58,447
Disposals	-	-	-	-	-	-	-	-	-	-	(129)	(129)
Balance, March 31, 2025	18,250	153,254	11,379	33,375	12,818	469,109	55,126	19,754	25,356	10,371	56,507	865,299
Accumulated depreciation												
Balance, April 1, 2024	\$ -	\$ 40,247	\$ 9,069	\$ 23,955	\$ 6,476	\$ 116,216	\$ 11,570	\$ 8,530	\$ 6,359	\$ 5,046	\$ 27,502	\$ 254,970
Depreciation	-	2,794	222	735	586	5,759	3,537	906	1,862	429	4,967	21,797
Depreciation retired	-	-	-	-	-	-	-	-	-	-	(129)	(129)
Balance, March 31, 2025	-	43,041	9,291	24,690	7,062	121,975	15,107	9,436	8,221	5,475	32,340	276,638
Net book value, March 31, 2025	\$ 18,250	\$ 110,213	\$ 2,088	\$ 8,685	\$ 5,756	\$ 347,134	\$ 40,019	\$ 10,318	\$ 17,135	\$ 4,896	\$ 24,167	\$ 588,661

	Land	Structures and improvements	Pumping equipment	Purification equipment	SCADA equipment	Transmission & distribution mains	Services	Meters	Hydrants	Aerotech and small systems	Tools and work equipment	Total
Cost												
Balance, April 1, 2023	\$ 18,215	\$ 131,837	\$ 10,778	\$ 32,106	\$ 12,185	\$ 434,296	\$ 49,019	\$ 19,372	\$ 23,300	\$ 10,048	\$ 39,870	\$ 781,026
Additions	-	6,185	-	774	56	7,893	1,421	-	206	8	9,430	25,973
Disposals	-	-	-	-	-	-	-	-	-	-	(18)	(18)
Balance, March 31, 2024	18,215	138,022	10,778	32,880	12,241	442,189	50,440	19,372	23,506	10,056	49,282	806,981
Accumulated depreciation												
Balance, April 1, 2023	\$ -	\$ 37,900	\$ 8,771	\$ 22,448	\$ 5,919	\$ 110,677	\$ 10,678	\$ 7,621	\$ 5,958	\$ 4,626	\$ 23,203	\$ 237,801
Depreciation	-	2,347	298	1,507	557	5,539	892	909	401	420	4,317	17,187
Depreciation retired	-	-	-	-	-	-	-	-	-	-	(18)	(18)
Balance, March 31, 2024	-	40,247	9,069	23,955	6,476	116,216	11,570	8,530	6,359	5,046	27,502	254,970
Net book value, March 31, 2024	\$ 18,215	\$ 97,775	\$ 1,709	\$ 8,925	\$ 5,765	\$ 325,973	\$ 38,870	\$ 10,842	\$ 17,147	\$ 5,010	\$ 21,780	\$ 552,011

Schedule A is presented in accordance with the NSRAB Handbook.

Utility plant in service under IFRS differs from the NSRAB Handbook due to exclusion of intangible assets, componentization of certain assets and differences in useful lives for depreciation.

Halifax Regional Water Commission

Schedule of utility plant in service

Schedule A

Year ended March 31, 2025 (in thousands)

Wastewater

	Land	Structures and improvements	Pumping equipment	Purification equipment	SCADA equipment	Collection system	Laterals	Meters	Aerotech and small systems	Tools and work equipment	Total
Cost											
Balance, April 1, 2024	\$ 7,083	\$ 203,394	\$ 29,960	\$ 184,411	\$ 16,333	\$ 362,940	\$ 38,891	\$ 9,109	\$ 13,546	\$ 61,089	\$ 926,756
Additions	-	6,945	3,867	6,099	474	10,862	5,251	382	1,295	12,079	47,254
Disposals	-	-	-	-	-	-	-	-	-	(215)	(215)
Balance, March 31, 2025	7,083	210,339	33,827	190,510	16,807	373,802	44,142	9,491	14,841	72,953	973,795
Accumulated depreciation											
Balance, April 1, 2024	\$ -	\$ 81,352	\$ 13,238	\$ 108,434	\$ 6,876	\$ 89,944	\$ 5,704	\$ 2,314	\$ 6,876	\$ 32,412	\$ 347,150
Depreciation	-	4,169	1,368	9,307	877	5,147	840	461	1,315	5,607	29,091
Depreciation retired	-	-	-	-	-	-	-	-	-	(215)	(215)
Balance, March 31, 2025	-	85,521	14,606	117,741	7,753	95,091	6,544	2,775	8,191	37,804	376,026
Net book value, March 31, 2025	\$ 7,083	\$ 124,818	\$ 19,221	\$ 72,769	\$ 9,054	\$ 278,711	\$ 37,598	\$ 6,716	\$ 6,650	\$ 35,149	\$ 597,769

	Land	Structures and improvements	Pumping equipment	Purification equipment	SCADA equipment	Collection system	Laterals	Meters	Aerotech and small systems	Tools and work equipment	Total
Cost											
Balance, April 1, 2023	\$ 7,083	\$ 202,942	\$ 29,151	\$ 180,499	\$ 16,040	\$ 355,662	\$ 37,207	\$ 9,109	\$ 12,784	\$ 52,323	\$ 902,800
Additions	-	452	809	3,912	293	7,278	1,684	-	762	9,244	24,434
Disposals	-	-	-	-	-	-	-	-	-	(478)	(478)
Balance, March 31, 2024	7,083	203,394	29,960	184,411	16,333	362,940	38,891	9,109	13,546	61,089	926,756
Accumulated depreciation											
Balance, April 1, 2023	\$ -	\$ 77,345	\$ 11,993	\$ 99,369	\$ 6,049	\$ 84,927	\$ 4,932	\$ 1,857	\$ 5,600	\$ 28,233	\$ 320,305
Depreciation	-	4,007	1,245	9,065	827	5,017	772	457	1,276	4,657	27,323
Depreciation retired	-	-	-	-	-	-	-	-	-	(478)	(478)
Balance, March 31, 2024	-	81,352	13,238	108,434	6,876	89,944	5,704	2,314	6,876	32,412	347,150
Net book value, March 31, 2024	\$ 7,083	\$ 122,042	\$ 16,722	\$ 75,977	\$ 9,457	\$ 272,996	\$ 33,187	\$ 6,795	\$ 6,670	\$ 28,677	\$ 579,606

Schedule A is presented in accordance with the NSRAB Handbook.

Utility plant in service under IFRS differs from the NSRAB Handbook due to exclusion of intangible assets, componentization of certain assets and differences in useful lives for depreciation.

Halifax Regional Water Commission

Schedule of utility plant in service

Schedule A

Year ended March 31, 2025 (in thousands)

Stormwater

	Land	Structures and improvements	Collection system	Laterals	Tools and work equipment	Total
Cost						
Balance, April 1, 2024	\$ 473	\$ 12,732	\$ 305,539	\$ 5,826	\$ 9,111	\$ 333,681
Additions	-	652	15,180	335	1,709	17,876
Disposals	-	-	-	-	-	-
Balance, March 31, 2025	473	13,384	320,719	6,161	10,820	351,557
Accumulated depreciation						
Balance, April 1, 2024	\$ -	\$ 2,918	\$ 82,005	\$ 1,041	\$ 5,253	\$ 91,217
Depreciation	-	244	8,636	119	922	9,921
Depreciation retired	-	-	-	-	-	-
Balance, March 31, 2025	-	3,162	90,641	1,160	6,175	101,138
Net book value, March 31, 2025	\$ 473	\$ 10,222	\$ 230,078	\$ 5,001	\$ 4,645	\$ 250,419

	Land	Structures and improvements	Collection system	Laterals	Tools and work equipment	Total
Cost						
Balance, April 1, 2023	\$ 473	\$ 12,732	\$ 295,041	\$ 5,784	\$ 6,919	\$ 320,949
Additions	-	-	10,498	42	2,192	12,732
Disposals	-	-	-	-	-	-
Balance, March 31, 2024	473	12,732	305,539	5,826	9,111	333,681
Accumulated depreciation						
Balance, April 1, 2023	\$ -	\$ 2,681	\$ 74,819	\$ 925	\$ 4,431	\$ 82,856
Depreciation	-	237	7,186	116	822	8,361
Depreciation retired	-	-	-	-	-	-
Balance, March 31, 2024	-	2,918	82,005	1,041	5,253	91,217
Net book value, March 31, 2024	\$ 473	\$ 9,814	\$ 223,534	\$ 4,785	\$ 3,858	\$ 242,464

	Water	Wastewater	Stormwater	Total
Collective utility plant in service				
Net book value, March 31, 2025	\$ 588,661	\$ 597,769	\$ 250,419	\$ 1,436,849
Net book value March 31, 2024	\$ 552,011	\$ 579,606	\$ 242,464	\$ 1,374,081

Schedule A is presented in accordance with the NSRAB Handbook.

Utility plant in service under IFRS differs from the NSRAB Handbook due to exclusion of intangible assets, componentization of certain assets and differences in useful lives for depreciation.

Halifax Regional Water Commission

Schedule B

Schedule of long term debt

Year ended March 31, 2025 (in thousands)

			Balance Remaining	
			2025	2024
Payable to NS Finance and Treasury Board				
Water				
Debenture 34 B 1	3.041% to 3.190%	2024	\$ -	\$ 7,520
Debenture 35 A 1	2.573% to 2.894%	2025	7,407	8,080
Debenture 36 A 1	2.443% to 2.925%	2026	400	600
Debenture 36 B 1	2.048% to 2.506%	2026	2,603	2,820
Debenture 37 A 1	2.671% to 3.073%	2027	2,275	2,450
Debenture 38 A 1	2.884% to 3.300%	2028	400	500
Debenture 38 B 1	3.048% to 3.389%	2028	4,200	4,500
Debenture 39 A 1	2.205% to 2.561%	2029	8,250	8,800
Debenture 40 A 1	0.995% to 1.879%	2030	9,600	10,200
Debenture 40 B 1	0.565% to 2.376%	2031	8,500	9,000
Debenture 42 A 1	2.575% to 3.782%	2032	12,262	12,700
Debenture 42 B 1	4.177% to 4.116%	2032	4,615	4,999
Debenture 43 A 1	3.550% to 4.714%	2033	4,550	5,056
Debenture 43 B 1	4.897% to 5.460%	2033	3,335	3,706
Debenture 43 B 1	4.897% to 5.460%	2033	19,561	20,235
Debenture 44 A 1	4.438% to 4.940%	2034	6,000	-
Debenture 44 B 1	2.720% to 4.096%	2034	6,836	-
Debenture 44 B 1	2.720% to 4.096%	2034	29,000	-
Wastewater				
Debenture 34 A 1	3.193% to 3.347%	2024	-	3,063
Debenture 34 B 1	3.041% to 3.190%	2024	-	4,722
Debenture 35 A 1	2.573% to 2.894%	2025	7,761	8,466
Debenture 36 B 1	2.048% to 2.506%	2026	1,088	1,178
Debenture 37 A 1	2.671% to 3.073%	2027	3,965	4,270
Debenture 38 B 1	3.048% to 3.389%	2028	4,480	4,800
Debenture 39 A 1	2.205% to 2.561%	2029	11,250	12,000
Debenture 40 A 1	0.955% to 1.879%	2030	6,940	7,480
Debenture 40 B 1	0.565% to 2.376%	2031	5,100	5,400
Debenture 42 A 1	2.575% to 3.782%	2032	13,759	15,478
Debenture 42 B 1	4.177% to 4.116%	2032	1,516	1,900
Debenture 43 A 1	3.550% to 4.714%	2033	7,587	8,430
Debenture 43 B 1	4.897% to 5.460%	2033	4,902	5,446
Debenture 43 B 1	4.897% to 5.460%	2033	13,535	14,001
Debenture 44 A 1	4.438% to 4.940%	2034	2,785	-
Debenture 44 A 1	4.438% to 4.940%	2034	6,000	-
Debenture 44 B 1	2.720% to 4.096%	2034	4,293	-
Debenture 44 B 1	2.720% to 4.096%	2034	29,000	-
HHSP				
Debenture 39 A 1	2.205% to 2.561%	2029	3,250	3,900
Stormwater				
Debenture 34 B 1	3.041% to 3.190%	2024	-	3,247
Debenture 35 A 1	2.573% to 2.894%	2025	1,776	1,938
Debenture 36 B 1	2.048% to 2.506%	2026	541	586
Debenture 37 A 1	2.671% to 3.073%	2027	260	280
Debenture 38 B 1	3.048% to 3.389%	2028	1,820	1,950
Debenture 39 A 1	2.205% to 2.561%	2029	3,000	3,200
Debenture 40 A 1	0.955% to 1.879%	2030	4,480	4,760
Debenture 40 B 1	0.565% to 2.376%	2031	3,400	3,600
Debenture 42 A 1	2.575% to 3.782%	2032	2,437	2,524
Debenture 43 A 1	3.550% to 4.714%	2033	243	270
Debenture 43 B 1	4.897% to 5.460%	2033	1,188	1,320
Debenture 43 B 1	4.897% to 5.460%	2033	5,560	5,752
Debenture 44 A 1	4.438% to 4.940%	2034	3,000	-
Debenture 44 B 1	2.720% to 4.096%	2034	2,951	-
Debenture 44 B 1	2.720% to 4.096%	2034	7,000	-
			294,661	231,127

Halifax Regional Water Commission
Schedule of long term debt

Schedule B

Year ended March 31, 2025 (in thousands)

Payable to Halifax Regional Municipality				
Wastewater/Stormwater				
Debenture 24 B 1	5.920% to 5.940%	2024	-	5,500
Debenture 34 B 1	3.041% to 3.190%	2024	-	1,000
			-	6,500
			294,661	237,627
Less: debt issue costs			(1,651)	(1,173)
			293,010	236,454
Less: amount payable within one year			(32,881)	(39,832)
Total long term debt			\$ 260,129	\$ 196,622

DRAFT

Halifax Regional Water Commission

Schedule of earnings

Schedule C

Year ended March 31, 2025 (in thousands)

Water

	<u>2025</u>	<u>2024</u>
Operating revenues		
Water	\$ 56,116	\$ 54,938
Public fire protection	8,083	8,083
Private fire protection	1,785	1,698
Other operating revenue		
Bulk water stations	209	257
Late payment and connection fees	119	191
Miscellaneous	426	187
	<u>66,738</u>	<u>65,354</u>
Operating expenditures		
Water supply and treatment	16,127	14,786
Water transmission and distribution	16,717	13,768
Engineering and technology services	6,541	6,003
Regulatory services	1,717	2,052
Customer services	2,283	2,380
Corporate services	2,062	1,588
Administration services	3,272	3,179
Depreciation and amortization	11,305	13,212
	<u>60,024</u>	<u>56,968</u>
Earnings from operations before financial and other revenues and expenditures	<u>6,714</u>	<u>8,386</u>
Financial and other revenues		
Interest	232	300
Other	514	392
	<u>746</u>	<u>692</u>
Financial and other expenditures		
Interest on long term debt	3,963	2,833
Repayment of long term debt	7,062	6,164
Amortization of debt issue costs	105	88
Dividend/grant in lieu of taxes	5,828	5,824
Other	124	129
	<u>17,082</u>	<u>15,038</u>
Loss for the year	\$ <u>(9,622)</u>	\$ <u>(5,960)</u>

Schedule C is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission

Schedule of earnings

Schedule C

Year ended March 31, 2025 (in thousands)

Wastewater

	<u>2025</u>	<u>2024</u>
Operating revenues		
Wastewater	\$ 90,110	\$ 89,512
Other operating revenue		
Leachate and other contract revenue	562	551
Septage tipping fees	795	577
Over strength surcharge	169	7
Airplane effluent	67	94
Late payment and connection fees	194	309
Miscellaneous	165	184
	<u>92,062</u>	<u>91,234</u>
Operating expenditures		
Wastewater collection	15,383	14,554
Wastewater treatment	26,950	24,782
Engineering and technology services	8,505	8,281
Regulatory services	1,791	1,604
Customer services	2,022	2,062
Corporate services	1,783	1,373
Administration services	2,986	2,779
Depreciation and amortization	19,348	17,809
	<u>78,768</u>	<u>73,244</u>
Earnings from operations before financial and other revenues and expenditures	<u>13,294</u>	<u>17,990</u>
Financial and other revenues		
Interest	135	112
Other	97	96
	<u>232</u>	<u>208</u>
Financial and other expenditures		
Interest on long term debt	4,120	3,581
Repayment of long term debt	11,790	13,954
Amortization of debt issue costs	110	110
Dividend/grant in lieu of taxes	808	630
Other	10	11
	<u>16,838</u>	<u>18,286</u>
Loss for the year	\$ (3,312)	\$ (88)

Schedule C is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission

Schedule of earnings

Schedule C

Year ended March 31, 2025 (in thousands)

Stormwater

	<u>2025</u>	<u>2024</u>
Operating revenues		
Stormwater site generated service	\$ 8,599	\$ 8,676
Stormwater right-of-way service	6,627	6,520
Other operating revenue		
Late payment and connection fees	38	80
Miscellaneous	159	115
	<u>15,423</u>	<u>15,391</u>
Operating expenditures		
Stormwater collection	6,053	5,755
Engineering and technology services	1,818	1,769
Regulatory services	1,838	1,876
Customer services	172	189
Corporate services	198	153
Administration services	377	305
Depreciation and amortization	3,659	3,065
	<u>14,115</u>	<u>13,112</u>
Earnings from operations before financial and other expenditures	<u>1,308</u>	<u>2,279</u>
Financial and other expenditures		
Interest	253	103
Interest on long term debt	1,211	862
Repayment of long term debt	2,349	2,486
Amortization of debt issue costs	29	24
Dividend/grant in lieu of taxes	180	135
	<u>4,022</u>	<u>3,610</u>
Loss for the year	\$ (2,714)	\$ (1,331)

Schedule C is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission

Schedule of earnings

Year ended March 31, 2025 (in thousands)

Schedule D

Regulated activities

	<u>2025</u>	<u>2024</u>
Operating revenues		
Water	\$ 56,116	\$ 54,938
Wastewater	90,110	89,512
Stormwater	15,226	15,196
Public fire protection	8,083	8,083
Private fire protection services	1,785	1,698
Other operating revenue	<u>1,479</u>	<u>1,330</u>
	<u>172,799</u>	<u>170,757</u>
Operating expenditures		
Water supply and treatment	16,122	14,781
Water transmission and distribution	16,717	13,768
Wastewater collection	15,320	14,499
Stormwater collection	6,053	5,755
Wastewater treatment	26,065	23,888
Engineering and technology services	16,864	16,053
Regulatory services	5,346	5,532
Customer services	4,465	4,627
Corporate services	4,025	3,095
Administration services	6,524	6,132
Depreciation and amortization	<u>34,273</u>	<u>34,066</u>
	<u>151,774</u>	<u>142,196</u>
Earnings from operations before financial and other revenues and expenditures	<u>21,025</u>	<u>28,561</u>
Financial and other revenues		
Interest	367	412
Other	<u>18</u>	<u>11</u>
	<u>385</u>	<u>423</u>
Financial and other expenditures		
Interest	253	103
Interest on long term debt	9,294	7,276
Repayment of long term debt	21,201	22,604
Amortization of debt issue costs	244	222
Dividend/grant in lieu of taxes	<u>6,816</u>	<u>6,589</u>
	<u>37,808</u>	<u>36,794</u>
Loss for the year	<u>\$ (16,398)</u>	<u>\$ (7,810)</u>

Halifax Regional Water Commission

Schedule of earnings

Schedule D

Year ended March 31, 2025 (in thousands)

Unregulated activities

	<u>2025</u>	<u>2024</u>
Operating revenues		
Septage tipping fees	\$ 795	\$ 577
Leachate treatment and contract revenue	562	551
Airplane effluent	67	94
	<u>1,424</u>	<u>1,222</u>
Operating expenditures		
Water supply and treatment	5	5
Wastewater treatment	885	894
Wastewater collection	63	55
Customer services	12	4
Corporate services	18	19
Administration services	111	131
Depreciation and amortization	39	20
	<u>1,133</u>	<u>1,128</u>
Earnings from operations before financial and other revenues and expenditures	<u>291</u>	<u>94</u>
Financial and other revenues		
Other	<u>593</u>	<u>477</u>
Financial and other expenditures		
Other	<u>134</u>	<u>140</u>
Earnings for the year	<u>\$ 750</u>	<u>\$ 431</u>

Schedule D is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission

Nova Scotia Utility and Review Board information

Schedule E

Year ended March 31, 2025 (in thousands)

Return on rate base	<u>2025</u>	<u>2024</u>
Rate of return on rate base for Water Service	0.28%	0.67%
Rate of return on rate base for Wastewater Service	3.65%	5.37%
Rate of return on rate base for Stormwater Service	1.73%	2.98%

Return on rate base is calculated based on earnings from operations before financial and other revenues and expenditures divided by the net book value of funded utility plant in service.

Special purpose reserves

	Regional Development Charge Water Reserve	Regional Development Charge Wastewater Reserve	Other Capital Reserves	<u>2025 Total</u>	<u>2024 Total</u>
Reserve, April 1	\$ 660	\$ 92,373	\$ 1,071	\$ 94,104	\$ 91,905
Contributions and interest	9,093	25,760	-	34,853	19,615
Expenditures	(1,803)	(299)	-	(2,102)	(17,416)
Reserve, March 31	\$ 7,950	\$ 117,834	\$ 1,071	\$ 126,855	\$ 94,104


Summarized consolidated operating results

	<u>2025</u>	<u>2024</u>
Operating revenues	\$ 174,223	\$ 171,979
Operating expenditures	<u>152,907</u>	<u>143,324</u>
Earnings from operations before financial and other revenues and expenditures	21,316	28,655
Financial and other revenues	978	900
Financial and other expenditures	<u>37,942</u>	<u>36,934</u>
Loss for the year	\$ (15,648)	\$ (7,379)

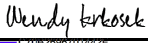
Schedule E is presented in accordance with the NSRAB Handbook.

TO: John MacPherson, K.C., Chair and Members of the Halifax Regional Water Commission Board

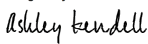
SUBMITTED BY:

Signed by:

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

Signed by:

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

Signed by:

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Ashley Kendall, CPHR., Director, People & Culture

APPROVED:

Signed by:

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

DATE: September 17, 2025

SUBJECT: Operational Performance Information Report

ORIGIN

Regular update.

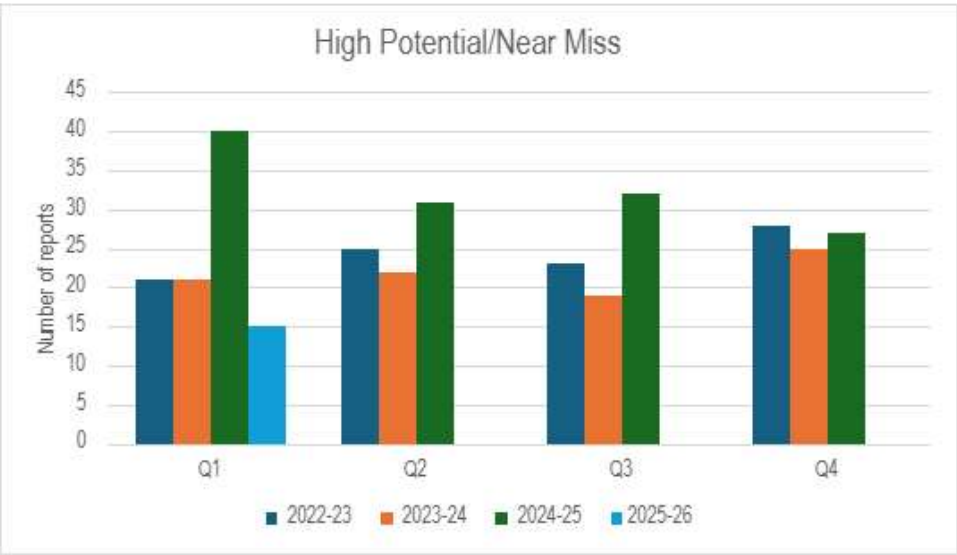
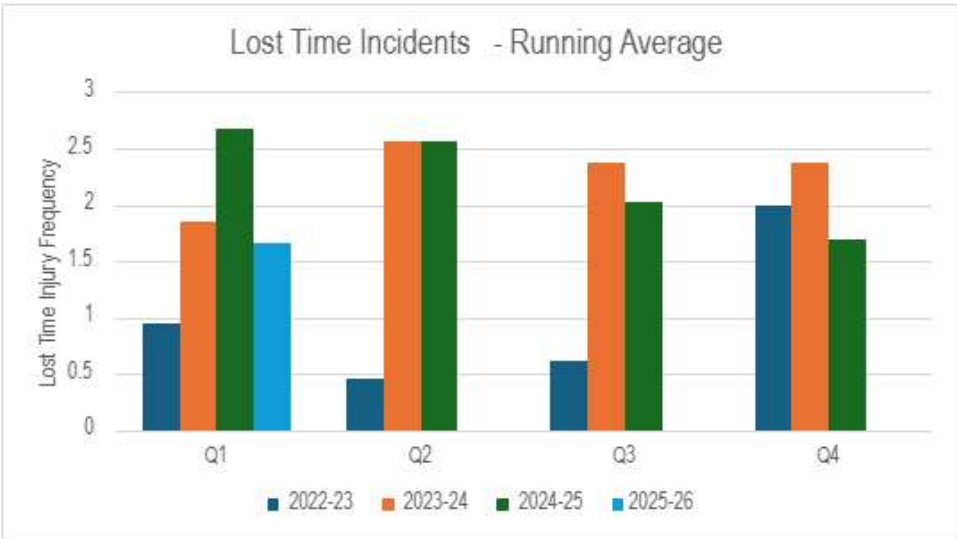
This report provides a high level overview of operational performance for the utility. The safety statistics results are first, followed by indicators and statistics for water and wastewater.

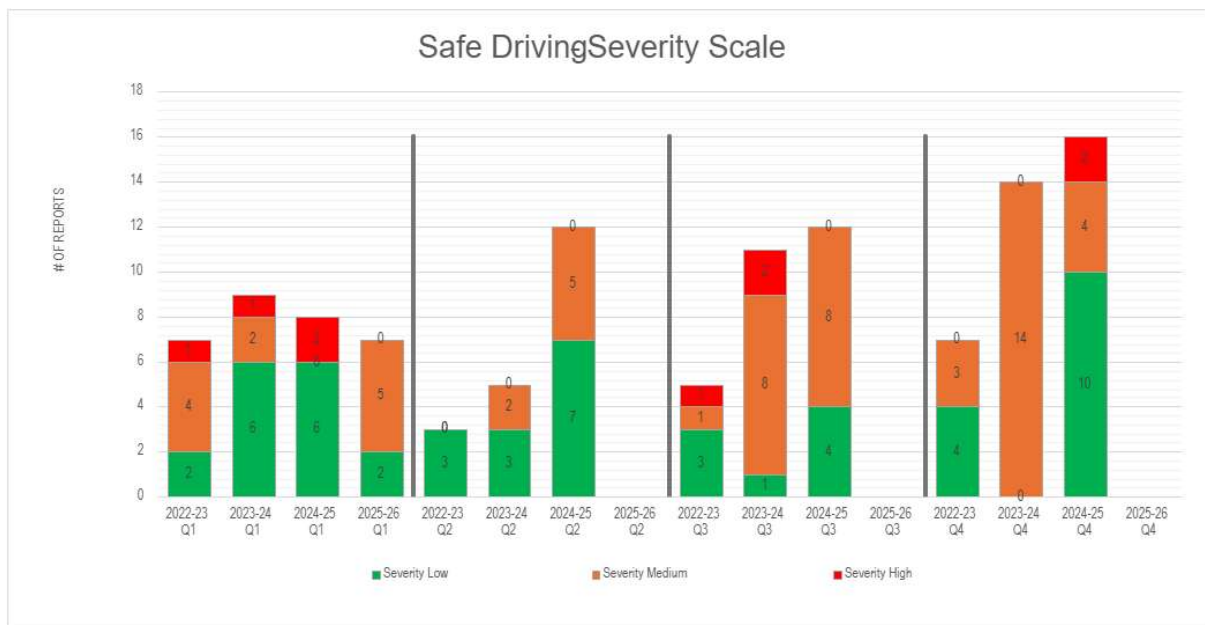
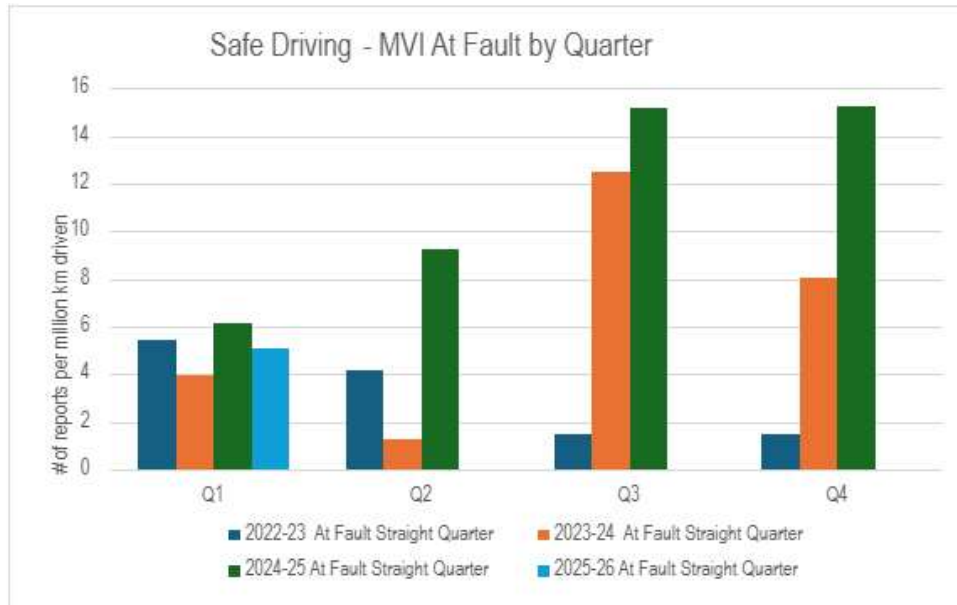
SAFETY STATISTICS – Q1 – April 1, 2025 to June 30, 2025

Organizational Metrics	Q1 Apr 1 - Jun 30	CBS Target 2025-26
Lost Time Incident Reporting (LTIR) – running average (Lost Time Cases x 200,000 / Total Employee Hours Worked) YTD	0.83	2
Total Recordable Injury Frequency (TRIF) - running average (Lost Time + Medical Aid + Modified Work Cases) x 200,000/Hours Worked	1.66	3.5
Safe Driving – MVI at fault by quarter (Total number at fault traffic accidents per 1,000,000 km driven)	5.11	4
Workplace inspections conducted	44	Score
Safety Talks conducted (reported at the end of each quarter)	19%	90%
High Potential/Near Miss	15	N/A
Employees on accommodation (new/still open)	0/9	N/A
Employees on gradual return to work	2	N/A
WCB claims (new/still open)	8/3	N/A
Work refusals	0	N/A
Incidents with written compliance orders	0	2
Employees trained or recertified before due date *	217	85%
• Courses Taken	647	N/A

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

TRENDS FOR SAFETY STATISTICS





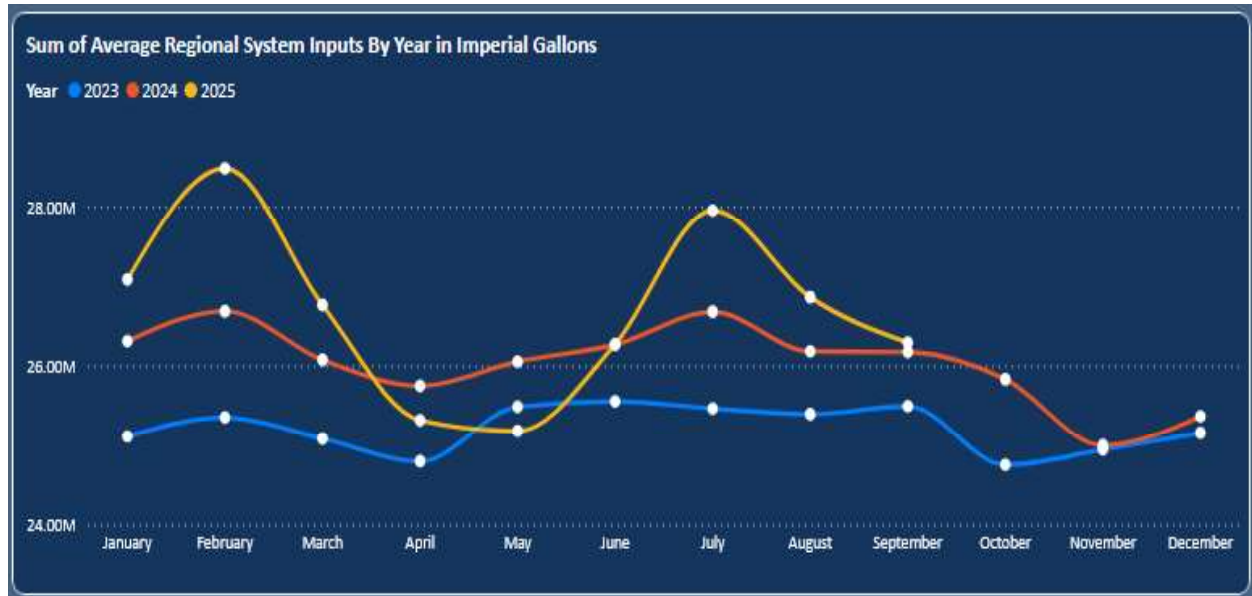
Severity Scale

L = Unlikely to cause serious property damage and personal injury

M = May cause serious property damage and personal injury

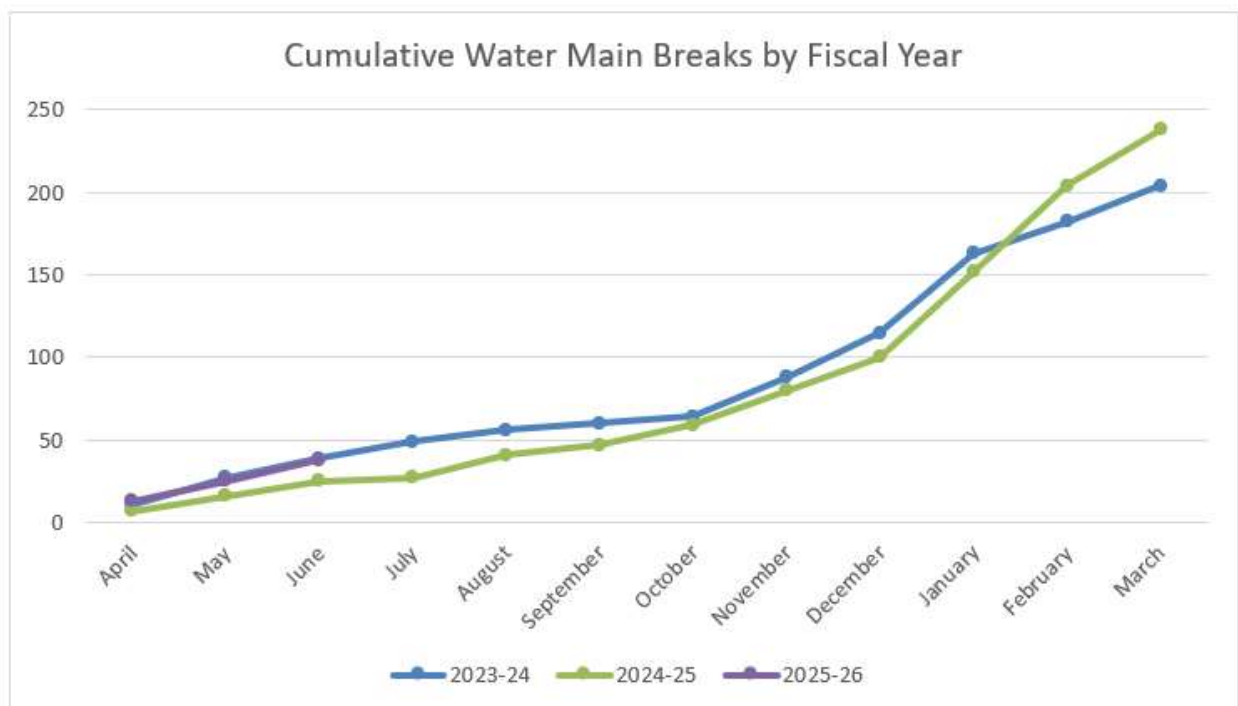
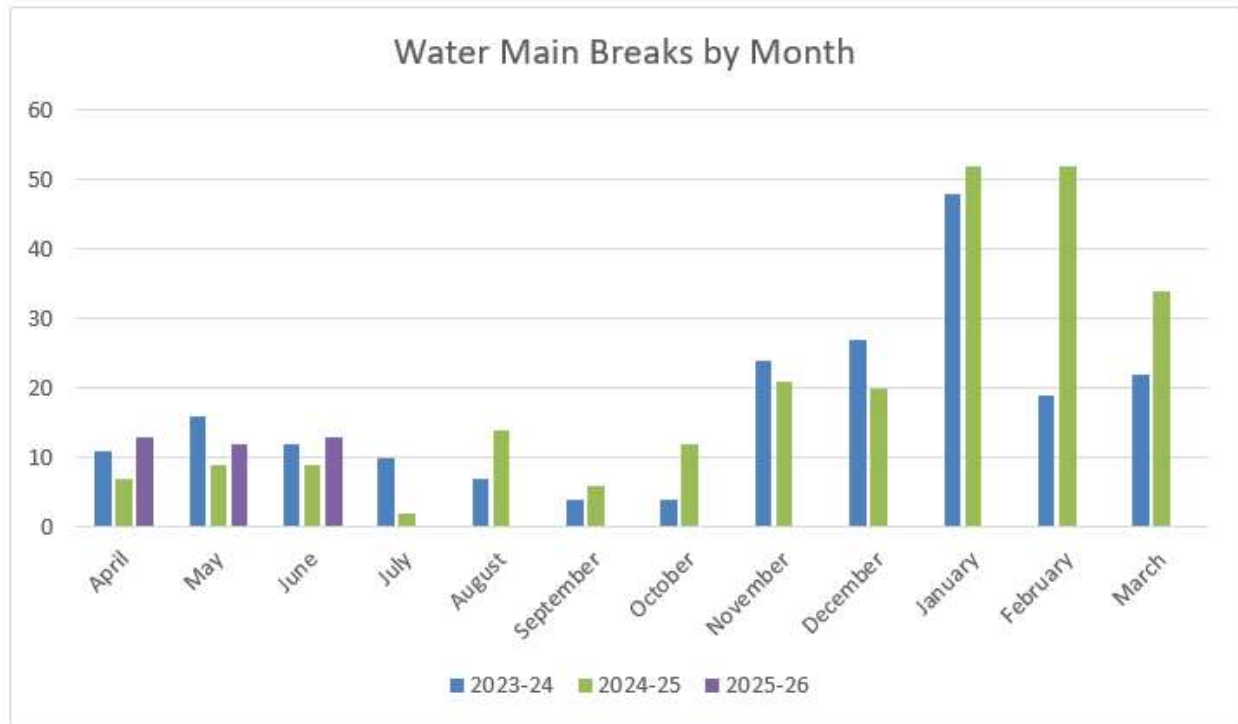
H = Very likely to cause serious extensive property damage and personal injury

AVERAGE DAILY WATER PRODUCTION



Water Accountability
Losses per Service Connection/Day (International Water Association Standard)
<i>Period Ending: June 2025</i>
Q1 Running Annual Real Losses: 253 L/service connection/day

REGIONAL WATER MAIN BREAK/LEAK DATA



COMPLIANCE SUMMARY

Water Safety Plan Objectives 2025-2026 Q1				
Objective	Total Sites	% Sites Achieving Target	All Sites: 90th Percentile < 10 µg/L	CBSC Awarded Points
Disinfection	63	100%	---	20
Total Trihalomethanes	25	100%	---	20
Haloacetic Acids	25	100%	---	20
Particle Removal	5	100%	---	20
Bacteriological	63	100%	---	20
Corrosion Control	107	---	3.57	20
Summary Total	---	---	---	120

Score: 120/120
100%

Number of times primary disinfection in water supply facility criteria not met: 0

Fluoridation was reinstated at JDK WSP on December 12, 2024. Fluoridation remains off at Lake Major WSP.

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
	April-25								May-25								June-25								
	CBOD ₅ (mg/L)		TSS (mg/L)		E. coli (counts/100mL)		pH		CBOD ₅ (mg/L)		TSS (mg/L)		E. coli (counts/100mL)		pH		CBOD ₅ (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	27	50	19	5000	0	6-9	6.8	67	38	50	21	5000	674	6-9	6.8	67	43	50	22	5000	3,225	6-9	6.8	N/A
Dartmouth	50	31	40	46	5000	0	6-9	6.9	50	28	40	17	5000	0	6-9	6.7	50	40	40	20	5000	182	6-9	6.8	N/A
Herring Cove	50	20	40	20	5000	0	6-9	6.9	50	31	40	27	5000	32	6-9	7.0	50	35	40	24	5000	130	6-9	6.9	Not acutely lethal*
Eastern Passage	25	15	25	25	200	0	6-9	7.0	25	6	25	5	200	21	6-9	7.0	25	8	25	10	200	11	6-9	7.1	Not acutely lethal*
Mill Cove	25	15	25	19	200	32	6-9	6.6	25	14	25	18	200	20	6-9	6.5	25	7	25	10	200	10	6-9	6.6	Not acutely lethal*

*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 April, May, and June 2025																
	CBOD ₅ (mg/L)		TSS (mg/L)		E. coli (counts/ 100mL)		pH		Ammonia (mg/L)		Phosphorous (mg/L)		TRC (mg/L)		Dissolved Oxygen (mg/L)		Toxicity
	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	3	20	7	200	24	6-9	7.0	-	-	-	-	-	-	-	-	-
Frame	20	9	20	1	200	10	6-9	7.2	-	-	-	-	-	-	-	-	-
Middle Musq.	20	12	20	36	200	207	6-9	7.2	-	-	-	-	-	-	-	-	-
Uplands	20	6	20	12	200	2,109	6-9	6.7	-	-	-	-	-	-	-	-	-
Aerotech	5	2	5	1	200	10	6-9	7.2	5.7 W 1.2 S	0.1	0.13	0.07	-	-	6.5	7.5	Not acutely lethal
North Preston	10	3	10	2	200	10	6-9	6.8	3	0.2	1.5	0.7	-	-	-	-	-
Lockview	20	4	20	10	200	28	6.5-9	6.7	8.0 S	0.9	1.2 S	1.3	-	-	-	-	-
Steeves (Wellington)	20	3	20	7	200	10	6.5-9	7.0	14.4 S	0.1	1.0 S	0.2	-	-	-	-	-
BLT	15	5	20	21	200	25	6-9	7.0	5 W 3 S	6	3 W 1 S	1	0.02 *	0.10	-	-	Not acutely lethal**

NOTES & ACRONYMS:

CBOD₅ - Carbonaceous 5-Day Biochemical Oxygen Demand

TSS - Total Suspended Solids

* TRC - Total Residual Chlorine - an accredited lab 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, reflecting WSER.

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

NON-COMPLIANCE EXPLANATIONS:

Dartmouth WWTF: Plant negatively affected by wet weather (high flow) events causing dosing challenges and unseetable floc. One treatment train for part of April, resulting in higher than normal flows through the treatment process.

Middle Musq. WWTF: Heavy algal growth in aeration pond due to nitrification of sludge, increased sludge amounts and high pond temp.

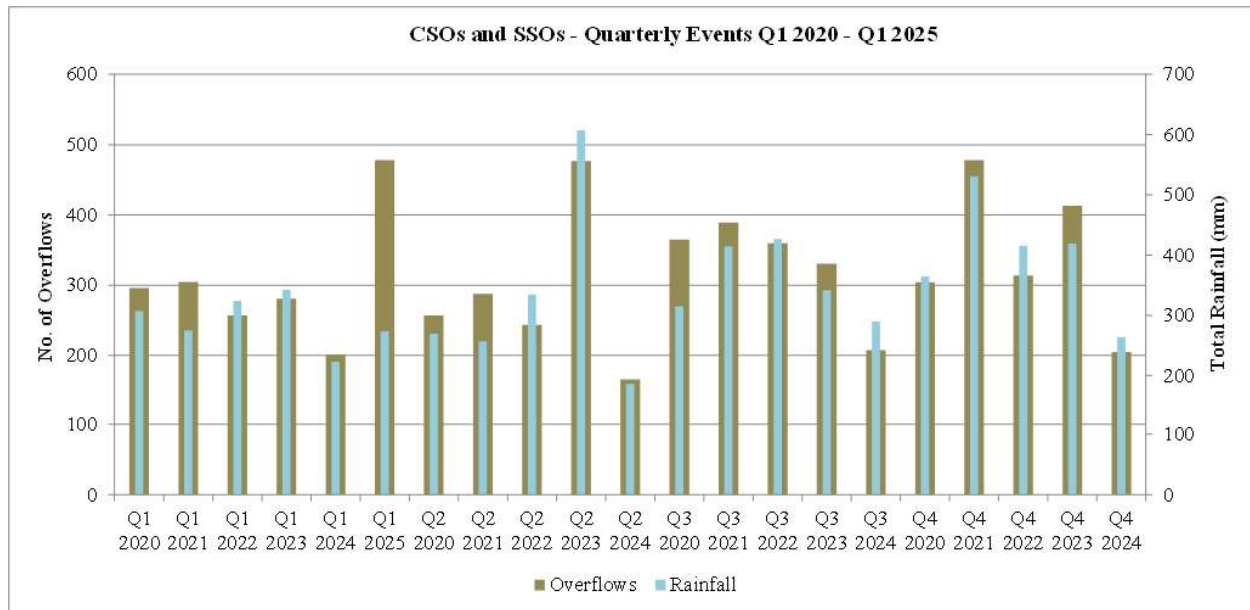
Uplands WWTF: Wet weather flows in April caused treatment challenges. Unknown discharge of substance into system in May caused biological growth die-off and increased solids impacting UV disinfection.

BLT WWTF: Equipment breakdown, repairs and full shutdown issues from previous quarter continued to impact performance. Seasonal decrease in flow resulting in longer recovery of treatment process.

Fall River: high influent phosphorus (suspected cleaning chemicals), clog of chemical feed system, and insufficient dosage of chemical that treats phosphorus.

LEGEND

	NSECC Compliant
	NSECC Non-Compliant



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 139 overflows in Q1 beginning on days when there was no recorded rainfall, as follows:

1. April 2: The CSOs at Skokomul St PS & CSO and Chain Rock PS & CSO occurred due to rain on the previous day.
2. April 7: The CSOs at Skokomul St PS & CSO, Jamieson St PS & CSO, and Chain Rock PS & CSO occurred due to rain on the previous day. The CSOs at King St PS & CSO, Lyle St CSO, Skokomul St PS & CSO, and Old Ferry Rd PS & CSO were due to an area power outage. The SSOs at Herring Cove PS and Mill Cove WWTF Surge Tank were due to rain on the previous day.
3. April 24: The CSOs at North St CSO, Upper Water St CSO, Pier A PS & CSO and Sackville St CSO occurred due to work being completed as part of an authorized Temporary Bypass Authorization by ECCC.
4. April 29: The CSO at Lyle St CSO occurred due to an emergency electrical repair at Park Ave PS & CSO. The SSOs at the Herring Cove PS occurred due to mechanical issue with the pumps.
5. April 30: The CSOs at Upper Water St CSO, North St CSO and Pier A PS & CSO occurred due to work being completed within Halifax WWTF system as part of an authorized Temporary Bypass Authorization by ECCC.
6. Between May 5 and June 2 at 9am, CSOs throughout Dartmouth WWTF collections system occurred due to work being completed at Dartmouth WWTF as part of an authorized Temporary Bypass Authorization by ECCC.
7. June 2: The CSO at Lyle St CSO occurred due to a blockage caused by debris.
8. June 4: The CSOs at Wallace St CSO and Ferguson Rd CSO occurred due to emergency work required at Jamieson St PS & CSO.
9. June 25: The CSOs at Lyle St CSO and Park Ave PS & CSO occurred due to a shutdown of Park Ave PS & CSO for electrical work.

Halifax Water Compliance Statement
Quarterly Certification

For the period of April 1, 2025 to June 30, 2025

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:

OC084AC815794F6...
Kenda MacKenzie, P.Eng.
CEO and General Manager

Signed by:

A65D6874EBC1467...
LOUIS de MONTBRUN, CPA, CA
Director, Corporate Services/CFO

Dated:

Sep-19-2025 | 3:19 PM ADT

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

Quarterly Remittance Certification

Appendix II

Period: Apr-June 2025/2026

<u>Vendor</u>	<u>Vendor #</u>	<u>Items Remitted</u>	<u>Total remitted</u>	<u>Exceptions</u>
Statutory Payroll Remittances				
CRA	174	Tax, CPP, EI, WCB	<u>\$5,588,885.45</u>	
Other Payroll				
Northern Trust	1215	HW Pension Plan	<u>\$ 2,903,381.18</u>	
Northern Trust	1216	HRM Pension Plan	<u>\$ 206,882.86</u>	
Manulife Financial	1171	Bedford Pension Plan	<u>\$ 2,048.52</u>	
Industrial Alliance	2971	DCPP	<u>\$ -</u>	
Medavie Blue Cross	340, 3101	Health, Dental, Life, LTD	<u>\$ 994,605.98</u>	
SSQ Insurance	429	AD&D	<u>\$ 6,910.53</u>	
CUPE	160	Union Dues 1431	<u>\$ 39,008.31</u>	
CUPE	3517	Union Dues 227	<u>\$ 66,905.29</u>	

Other payroll items remitted in accordance with stated requirements:

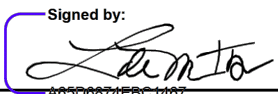
United Way, Credit Union, Garnishments (WCB, CRA, Family Court, Sherriff's Office),
Water for People, Salvation Army, Racially Visible Caucus

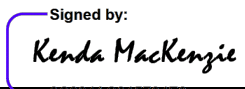
HST and Other

CRA	N/A	HST (refunds)	<u>\$ (2,896,184.89)</u>	
Receiver General	210	WCB subcontractors	<u>\$ 156.08</u>	

Exceptions, errors and/or late remittances

TO: John MacPherson, Chair and Members of the Halifax Regional Water Commission Board

SUBMITTED BY: 
Signed by: A05D0674EBC1407...
Louis de Montbrun, CPA, CA Director, Corporate Services/CFO

APPROVED: 
Signed by: UC084AC815794F6...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: September 9, 2025

SUBJECT: Halifax Regional Water Commission Employees' Pension Plan Financial Report – June 30, 2025

INFORMATION REPORT

ORIGIN

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

BACKGROUND

At the September 4, 2025, meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #6, Halifax Regional Water Commission Employees' Pension Plan Financial Report – June 30, 2025, was presented, reviewed, and discussed.

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. Item #6 – Halifax Regional Water Commissioner Employees' Pension Plan Financial Report – June 30, 2025.

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

SUBMITTED BY: 
Signed by: A65B0074ED01467...
Louis de Montbrun, CPA, CA, Director, Corporate Services/CFO

APPROVED: 
Signed by: 0C084AC846704FE...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: August 18, 2025

SUBJECT: Halifax Regional Water Commission Employees' Pension Plan Financial Report – June 30, 2025

ORIGIN

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

RECOMMENDATION

It is recommended that the Audit and Finance Committee accept the financial report for the Halifax Regional Water Commission Employees' Pension Plan for the six-month period ended June 30, 2025, and forward the report to the Halifax Water Board as the Trustee of the Plan as an information report.

BACKGROUND

The Audit and Finance Committee 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 six-month period ending June 30, 2025. Audited financial results for 2023 and 2024 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 \$7.0 million for the six (6) month period ending June 30, 2025. The pro-rated budget for the period forecasted an increase of \$6.9 million. Actual results for the period compared to the pro-rated budget result in a favourable variance of \$0.1 million.

ITEM #6

Halifax Water Audit and Finance Committee September 4, 2025

The annual budget forecasted revenue of \$14.0 million. Revenue for the period is \$6.7 million which when compared to the pro-rated revenue budget of \$7.0 million results in an unfavourable variance of \$0.3 million. Revenue figures are directly impacted by the performance of the HRM Master Trust. This unfavourable variance is a result of the increase in the fair value of investment assets being less than the pro-rated budget for the period. Investment income for the period is \$2.9 million compared to a pro-rated budget of \$2.0 million resulting in a favourable variance of \$0.9 million or 48%.

Contributions of \$4.6 million are above the pro-rated budget of \$4.1 million by \$0.5 million. This results in a favourable variance of 13% and is partly due to negotiated union increases paid in January 2025 but budgeted in 2024 and increased salaries resulting from a market review that was conducted early in 2025.

Expenses of \$4.3 million for the period are higher than the pro-rated budget of \$4.2 million by \$0.1 million or 2%. 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.

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 Second Quarter (April 1 – June 30, 2025) 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.

Second Quarter results reported in Appendix D shows that for the 1 request 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 11 termination calculations completed during the period, with the terminated

ITEM #6

Halifax Water Audit and Finance Committee September 4, 2025

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 12 requests in total, the actuary met the pre-determined standard in all instances, with average response times for retirement and termination calculation estimates of 7 days and 9 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 six (6) month period ended June 30, 2025

APPENDIX B – Regulatory Filing Requirements – Q2 2025

APPENDIX C – Administrative Reporting Requirements – Q2 2025

APPENDIX D – Service Standards Report – Q2 2025

Report Prepared by:  Signed by:
7F50B0451C80405...
Heather Britten, Quality Assurance Officer
(782) 641-1431

Halifax Regional Water Commission Employees' Pension Plan
Statement of changes in net assets available for benefits
For the six (6) month period ended June 30, 2025
Benchmark 50%

		June 30, 2025				Actual (Audited) 2024	Actual (Audited) 2023
2025 Budget	Actual	Prorated Budget 50%	Actual versus Budget Change				
			\$	%			
Revenue							
Net investment income:							
Total investment income	\$3,900,000	\$2,894,958	\$1,950,000	\$944,958	48%	\$4,736,825	\$3,640,508
Investment manager fees	(\$470,000)	(\$321,702)	(\$235,000)	(\$86,702)	37%	(\$537,242)	(\$383,410)
Increase (decrease) in the fair value of investment assets	\$10,600,000	\$4,118,148	\$5,300,000	(\$1,181,852)	(22%)	\$22,807,009	\$11,981,675
	<u>\$14,030,000</u>	<u>\$6,691,404</u>	<u>\$7,015,000</u>	<u>(\$323,596)</u>	<u>(5%)</u>	<u>\$27,006,592</u>	<u>\$15,238,773</u>
Contributions							
Participants:							
Current service (including Additional Voluntary Contributions)	\$4,168,000	\$2,358,522	\$2,084,000	\$274,522	13%	\$4,221,091	\$4,384,560
Reciprocal Transfers	\$0	\$0	\$0	\$0	0%	\$49,611	\$0
Sponsors:							
Current service	\$4,038,000	\$2,273,493	\$2,019,000	\$254,493	13%	\$4,096,790	\$3,588,545
	<u>\$8,206,000</u>	<u>\$4,632,015</u>	<u>\$4,103,000</u>	<u>\$529,015</u>	<u>13%</u>	<u>\$8,367,492</u>	<u>\$7,973,105</u>
Expenses							
Benefit payments:							
Benefit payments	\$6,139,000	\$3,035,343	\$3,069,500	(\$34,157)	(1%)	\$5,595,413	\$5,280,758
Termination payments	\$2,000,000	\$1,136,359	\$1,000,000	\$136,359	14%	\$2,479,967	\$1,470,618
Death benefit payments	\$0	\$0	\$0	\$0	n/a	\$0	\$296,728
Administrative:							
Actuarial & consulting fees	\$90,000	\$39,654	\$45,000	(\$5,346)	(12%)	\$131,549	\$77,631
Audit & accounting fees	\$9,200	\$3,473	\$4,600	(\$1,127)	(25%)	\$9,243	\$9,022
Bank custodian fees	\$34,000	\$17,639	\$17,000	\$639	4%	\$31,331	\$24,509
Insurance	\$11,130	\$0	\$5,565	(\$5,565)	(100%)	\$9,000	\$11,130
Miscellaneous	\$23,000	\$12,666	\$11,500	\$1,166	10%	\$22,510	\$25,170
Professional fees	\$44,000	\$32,673	\$22,000	\$10,673	49%	\$38,906	\$44,484
Registration fees	\$3,300	\$0	\$1,650	(\$1,650)	(100%)	\$3,178	\$2,935
Training (Trustees/ Administration/ Pension Committee)	\$2,000	\$0	\$1,000	(\$1,000)	(100%)	\$0	\$0
	<u>\$8,355,630</u>	<u>\$4,277,807</u>	<u>\$4,177,815</u>	<u>\$99,992</u>	<u>2%</u>	<u>\$8,321,097</u>	<u>\$7,242,985</u>
Increase in net assets available for benefits	<u><u>\$13,880,370</u></u>	<u><u>\$7,045,612</u></u>	<u><u>\$6,940,185</u></u>	<u><u>\$105,427</u></u>	<u><u>2%</u></u>	<u><u>\$27,052,987</u></u>	<u><u>\$15,968,893</u></u>
<hr/>							
Net assets available for benefits, beginning of period	\$218,261,884	\$218,261,884				\$191,208,897	\$175,240,003
Increase (decrease) in net assets available for benefits	<u>\$13,880,370</u>	<u>\$7,045,612</u>				<u>\$27,052,987</u>	<u>\$15,968,893</u>
Net assets available for benefits, end of period	<u><u>\$232,142,254</u></u>	<u><u>\$225,307,496</u></u>				<u><u>\$218,261,884</u></u>	<u><u>\$191,208,897</u></u>

Expenses on this statement are reported on a cash basis.

**Halifax Regional Water Commission Employees' Pension Plan
Regulatory Filing Requirements - 2025
as at June 30, 2025**

Report	Regulatory Body	Filing Deadline	Date last filed		Comments
1 Annual Form 3 - Summary of Contributions	Superintendent of Pensions	60 days after the beginning of each fiscal year	February 18, 2025	DB Plan	Filed directly with the Trustee, Northern Trust, for the DB Plan.
			February 18, 2025	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	March 27, 2025	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	2024 audited financial statements were approved by the Halifax Water Board on June 19, 2025. Financial statements will be signed in conjunction with the corporate financial statements and subsequently submitted to the regulatory body. (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 25, 2025	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 25, 2025	DB Plan	Annual Information Return is filed each year prior to June 30.
			June 25, 2025	DC Plan	Annual Information Return is filed each year prior to June 30.
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, 2025 and will be filed with the Superintendent of Pensions and CRA in September 2025 by Eckler.
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. Plan amendment as a result of the contribution rate change as determined by the Actuarial Valuation of January 1st, 2025 is in process of being filed with the Superintendent of Pensions and CRA. The Plan amendment relating to the DC provision on overtime earnings is also in process of being filed by late August 2025.
	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 - 2025
as at June 30, 2025

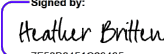
Report	Filing Deadline/ Recurrence	Date last filed/ Performed		Comments
1 Pensioners' Payroll	Monthly	August 1, 2025		Pensioners are paid the 1st of each month; no exceptions to report for the Second Quarter of 2025.
2 Contributions to the Trustee	Monthly	July 22, 2025	DB Plan	Remittances due to Northern Trust within 30 days of month end; no exceptions to report for the Second Quarter 2025.
		January 15, 2025	DC Plan	Remittances due to Northern Trust within 30 days of month end; no exceptions to report for the Second Quarter 2025.
		n/a	Notional Agreement*	Contributions are not made to an external trustee or custodian. Liability plus interest is recorded by Halifax Water annually on the corporate financial statements.
3 Pension Plan Financial Statements	Quarterly	September 25, 2025	DB Plan	Second quarter results will be submitted to the Halifax Water Board on September 25, 2025.
		March 27, 2025	DC Plan	Quarterly statements are not prepared for the Defined Contribution (DC) Plan. A financial report is prepared by Industrial Alliance which is filed with the Annual Information Return (AIR) to the regulator. The 2024 report was provided to the Halifax Water Board on March 27, 2025.
		n/a	Notional Agreement*	Financial statements not required.
4 Investment Performance Review & Compliance with SIP&P	Quarterly	June 19, 2025	DB Plan	First Quarter 2025 (January - March) 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 12, 2024.
5 Annual Pension Statements to Members	June 30th	June 26, 2025	DB Plan	Statements issued annually by June 30
		June 26, 2025	DC Plan	Statements issued annually in conjunction with the Defined Benefit (DB) Plan statements. Members also have access to online, real-time reporting.
		June 26, 2025	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. 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.

Halifax Regional Water Commission Employees' Pension Plan
Service Standards Report - 2025

Quarter 2 (as at June 30, 2025)									
Transaction	Actuary					HW Staff			
	Standard	Total # Completed	# Past Standard	% within Standard	Average Service Days	Total # Completed	Average Service Days	Total Average Service Days	Compliance with PBA
Retirement Estimates	11 Business Days	1	0	100%	7	1	9	16	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	11	0	100%	9	11	18	27	Yes
- Non Standard (Incl RTAs)	15 Business Days								
Total for Actuary		12	0	100%	8	12	14	22	

TO: John M. MacPherson, K.C., Chair and Members of the Halifax Regional Water Commission Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan

SUBMITTED BY: 
Heather Britten, Chair, Pension and Benefits Advisory Committee

APPROVED: 
Louis de Montbrun, CPA, CA, Director of Corporate Services/CFO

DATE: July 17, 2025

SUBJECT: **2024 Annual Report - Pension and Benefits Advisory Committee**

ORIGIN

Activities of the Pension and Benefits Advisory Committee (the "Committee") are reported to the Halifax Regional Water Commission Board of Commissioners (the "Administrator") annually, in accordance with the Terms of Reference of the Committee.

RECOMMENDATION

None

BACKGROUND

As defined in the Terms of Reference of the Committee, its objectives and responsibilities include:

- Monitor the administration of the Pension and Benefits plans (the "Plans") to ensure that the Plans are conducted in a manner consistent with the provisions of the official Pension Plan documents, group insurance and other benefit plan documents, and governing legislation
- Make recommendations to the Administrator respecting the administration of the Plans
- Promote awareness and understanding of the Plans on the part of members, and persons receiving pension or other benefits under the Plans
- Assist with the monitoring of the Plan's activities, and provide input in this regard, through review of audited financial statements, actuarial valuations, key contracts and agreements, reports on investment performance and other performance metrics
- Review annual communication plans to all stakeholders, which will include a plan for:
 - ✓ Annual pension statements
 - ✓ Newsletters and articles in the Pipeline Post
 - ✓ Annual general meeting for pension plan members, and
 - ✓ Educational sessions for pre-retirement.

The purpose of this report is to provide a summary of the Committee's activities during 2024.

DISCUSSIONS

The Committee met as follows during 2024:

- ✓ March 20, 2024 1:00 PM
- ✓ May 15, 2024 1:00 PM
- ✓ November 18, 2024 2:00 PM

All meetings were held virtually via Microsoft® Teams.

Table 1 below provides a summary of attendance at Committee meetings held during 2024.

Table 1

	Meeting Dates:	March 20	May 15	November 18
Representatives:				
Heather Britten, Chair	Non-Union	✓	✓	✓
Joel O'Neil, Vice Chair	Local 227	-	-	✓
Gary McPherson	Local 1431	✓	✓	✓
Paul Taylor	Local 1431	✓	✓	-
Anna McCarron	Local 1431	✓	✓	✓
Louis de Montbrun	Management	✓	✓	✓
Alicia Scallion	Management	-	-	n/a
Fabio Alonso	Management	n/a	n/a	✓
Karen Kearney	Non-Union	-	✓	n/a
Cheryl Little	Pensioners	✓	✓	✓
Alternates:				
Stephen Kerr	Local 227	-	-	✓
Susan Dwyer	Local 1431	✓	-	-
Justin Cull	Local 1431	n/a	n/a	-
Blaine Rooney	Pensioners	✓	✓	✓
Joel Haley	Non-Union	✓	✓	✓
Observers:				
Cindy MacLean	Supervisor, P&C	✓	✓	✓
Administration Support:				
Lorna Skinner		n/a	n/a	✓
Amanda Jodrey		✓	n/a	n/a
Ellen Wilcox		-	✓	n/a
Guest:				
Jasmine Tse (Mercer)		✓	✓	-
Michael Horne (Mercer)		-	✓	-

Legend:	✓	» Present
	-	» Absent
	n/a	» Not a member of the Committee/ not in that position, at that time.

Key issues the Committee addressed or discussed during the year included:

- Life, Dependent Life and Long-term Disability (LTD) insurance renewals.
- Benefit renewals for Health and Dental
- Virtual Health options
- Subcommittee struck to assess training and education options
- Embarked on review of the Committee Terms of Reference - required every 3 years
- Update pension and benefits information on Halifax Water Intranet site
- Discussed and reviewed proposed enhancements to health benefits including:
 - ✓ Short Term Disability
 - ✓ Increase dental coverage for preventative care and major restorative care
 - ✓ Additional optional life, dependent life, and critical illness insurances
 - ✓ Diabetic pump supplies
 - ✓ Laser eye and cataract surgery and care
 - ✓ Increased massage coverage
 - ✓ Vaccination coverage – Shingrix
 - ✓ Research telecare service versus private plan service structure

Main accomplishments of the Committee for the year were:

1. Through Mercer, Halifax Water was able to successfully negotiate benefit renewals for health and dental, with increases of 2.0% and 5.0% respectively. The renewals became effective June 1, 2024.
2. Through Mercer, Halifax Water was able to successfully negotiate Life, Dependent Life and LTD insurance renewals. Basic Life and Dependent Life rates decreased by 6.9%. LTD rates decreased by 10.5%. These rates became effective April 1, 2024.
3. The review of various pension and benefit communication initiatives during the year prepared by Halifax Water staff such as the annual Pension Plan budget, and the Pension Plan financial reports that go to the Administrator quarterly. The purpose of these initiatives was to provide members:
 - i. Updated information regarding the financial health of the Pension Plan.
 - ii. Overview of the Pension Plan.
 - iii. An Actuarial Valuation is required by January 1, 2025.
 - iv. Overview of health, dental and other benefits accessible to members.

SUBSEQUENT EVENTS AND FUTURE INITIATIVES

- Review and provide recommendations as required relating to benefit plan enhancements
- Continuing education for Committee members, including guest speakers at scheduled meetings

FORMAL MOTIONS TO THE ADMINISTRATOR

There were no formal motions made to the Administrator during 2024.

Report Prepared by: <i>Anna McCarron and Nicole Jollymore</i> Members of the Halifax Water Pension & Benefits Advisory Committee
