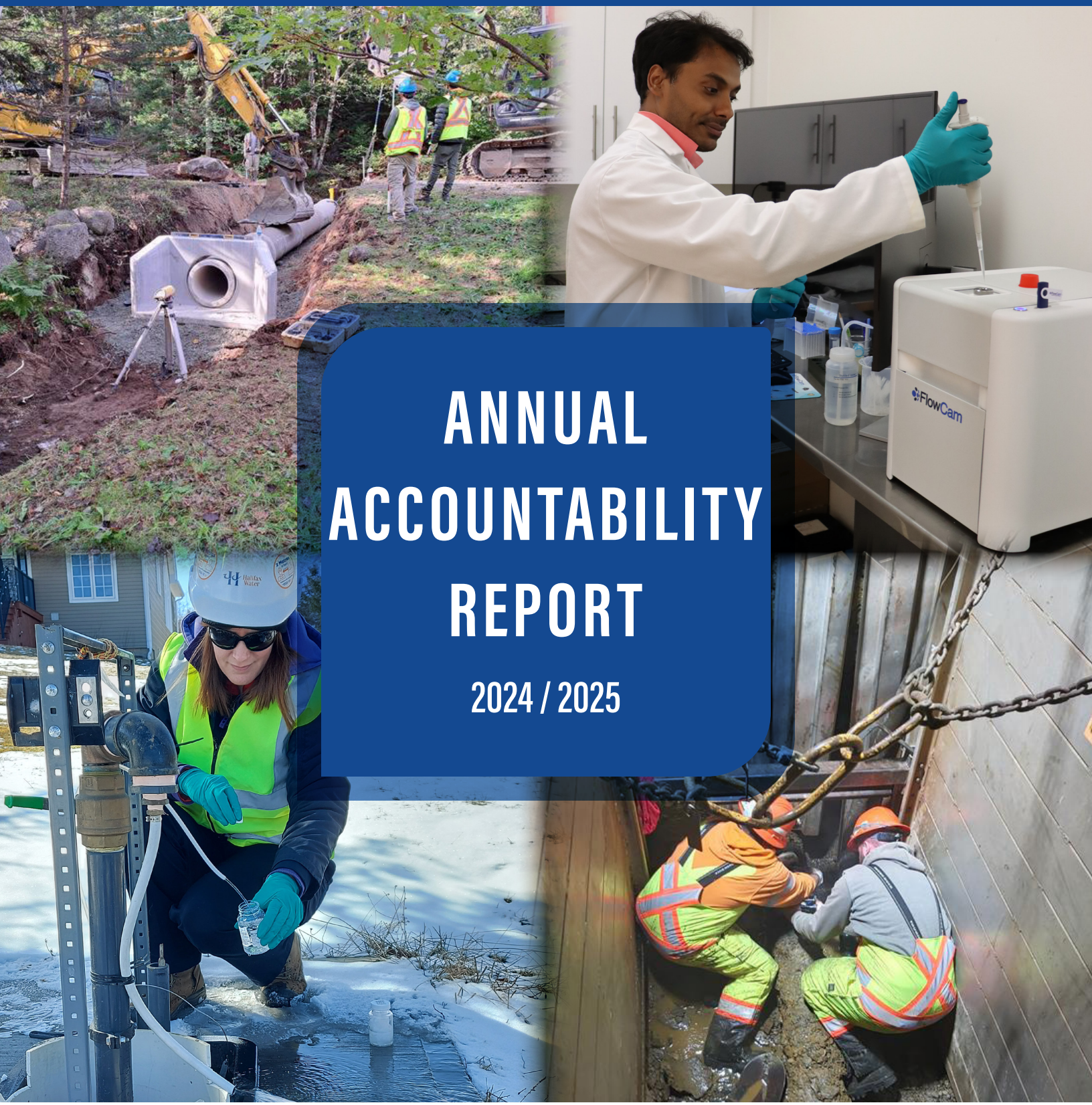
TRUST, TRANSPARENCY & VALUE



ANNUAL ACCOUNTABILITY REPORT

2024 / 2025

Halifax Water

TABLE OF CONTENTS

About Us 3

Message from the Chair 4

Message from the General Manager & CEO 5

Leadership at Halifax Water 6

People 8
- Employee Experience
- Employee Recognition
- Diversity, Equity & Inclusion
- In the Community

Environment, Health, Safety & Social Responsibility 18
- Get the Lead Out
- Environmental Engineering
- Climate Change
- Committment to Safety
- Drinking Water & Wastewater Regulatory Compliance

Operational Effectiveness 26
- Operational Highlights
- Operational Resiliency at J.D. Kline WSP
- Infrastructure Renewal Statistics
- Water Loss Control
- Driveway & Cross Culvert Program
- Burnside Operations Depot Update
- Water Supply Enhancement Program
- Cyber &Physical Security
- Customer Care
- Customer Connect Portal Update

Financial & Regulatory Compliance 37
- Capital Investments
- Halifax Water Capital Projects
- Biosolids Processing Facility Expansion
- Cogswell District Energy System
- Alignment with HRM
- Integrated Capital Projects
- Financial Overview
- **Audited Financial Statements 52 - 105**

Halifax Water by the Numbers 107

Get in Touch

24-Hour Emergency Line & Customer Care Centre: 902-420-9287

customercare@halifaxwater.ca

Office Hours:
Monday-Friday
8:30 AM - 4:30 PM
450 Cowie Hill Road

Manage your Halifax Water account at customerconnect.halifaxwater.ca

About Us

Halifax Water is a proud steward of the water cycle, providing clean water to customers and safely conveying it back to the source.

Our Purpose

Our purpose is to supply and safeguard sustainable, high-quality water services.

Our Vision

We will provide our customers with high-quality water, wastewater, and stormwater services. Through adoption of best practices, we will place the highest value on public health, customer service, fiscal responsibility, workplace safety and security, asset management, regulatory compliance, and stewardship of the environment. We will fully engage employees through teamwork, innovation, and professional development.

Our Values

Relationships

We nurture relationships with our customers, our team members, and the environment. We are engaged in the neighbourhoods we serve, and we support continual learning across our team.

Accountability

We refuse to cut corners. We check in with our excellence standards regularly and look to one another for support. Safety steers our decision-making. We are driven to make our policies, decisions, and projects as clear as our drinking water.

Innovation

We are among the top utilities across the continent, and we are known on the global stage. We always ask, "How can we improve efficiency, sustainability, creativity and the customer experience?"

Protection

Halifax Water protects the health and well-being of our population. We exist to guard natural resources, finding ways to sustain our communities and environment.

Message from the Chair

As I reflect on my time as Chair of the Halifax Water Board of Commissioners, I am filled with pride for what we have accomplished together over the past 2.5 years. Halifax Water plays a vital role in our growing community, ensuring essential services that support our residents, businesses, and institutions are in place and adapting to address today's challenges and tomorrow's needs and expectations.

Despite operational challenges in fiscal 2024/25, particularly related to drinking water, we have remained committed to understanding the issues we face and implementing necessary changes. I appreciate the resilience of our team and the support from our new Board members, including John MacPherson, Nancy MacLellan, and Municipal Councillors Trish Purdy and Janet Steele.

We have navigated a period of senior management turnover with resilience. In January 2025, we appointed Kenda MacKenzie, P.Eng., as our permanent General Manager and CEO. I am confident in her leadership as Halifax Water navigates the future.

With a capital budget of $152.5 million and an operating budget of $191.8 million, we are focused on maintaining services and improving our aging infrastructure, vital for our community's economic and environmental well-being.

We have made significant strides in accountability and have prioritized programs like the lead service line replacement and the incorporation of renewable energy solutions, including solar and the District Energy System.

The dedication of staff stepping up to lead through challenges such as wildfires, floods, and infrastructure issues has been truly admirable. Their commitment reassures me that Halifax Water is in good hands moving forward.

As I conclude my six-year journey with Halifax Water, I extend my sincerest gratitude to the Board, the dedicated team, and the community for their support. It has been an honour to serve alongside such committed individuals. Together, we have laid a strong foundation for Halifax Water's future.

As a Haligonian and a professional engineer, I have complete confidence in Halifax Water's leadership and team, and their ability to provide the essential water, wastewater, and stormwater services we expect daily.

Colleen Rollings,
P.Eng., PMP

Message from the General Manager & CEO

As a municipality-owned water utility, Halifax Water is committed to the pillars of Trust, Transparency, and Value, which are vital for our long-term sustainability and customer satisfaction, especially in light of the operational challenges over the past year.

As we approach fiscal 2024/25, we are focused on rebuilding and strengthening our relationships with customers and the community. Every Halifax Water employee takes pride in being part of a utility that has a shared mission to provide and protect sustainable, high-quality water services.

We prioritize trust by maintaining open communication about our operations and decisions, ensuring our customers feel informed and valued. Our commitment to transparency allows us to effectively share our challenges and the steps we are taking to address them.

By delivering exceptional value through quality service and sustainable practices, we aim to enhance customer confidence.

This year, the Annual Report includes the reporting requirements of the HRM Accountability Report to simplify reporting and avoid duplication of information. This comprehensive document includes all necessary information for the public and the municipality.

Over the past year, significant challenges arose, including two incidents at the JD Kline Water Treatment Plant in July 2024 and January 2025, which led to Boil Water Advisories and major service disruptions. In response, we took full responsibility and quickly implemented measures to mitigate operational risks, including establishing an operational resiliency team to strengthen systems against vulnerabilities.

We value our reputation for providing high-quality, reliable services and are dedicated to transparency regarding our operational decisions, whether financial changes, environmental impacts, or adjustments in water treatment processes.

Throughout 2024/25, the utility fulfilled all obligations under the Halifax Regional Water Commission Act (HRWC Act) and the Public Utilities Act. We achieved 93.7% compliance with Nova Scotia Environment and Climate Change requirements at wastewater treatment facilities and reached 100% compliance with our Water Safety Plan.

As we concentrate on asset renewal, system compliance and support community growth, we are advancing the next update to Halifax Water's Integrated Resource Plan (IRP). This comprehensive document outlines the anticipated infrastructure needs for the coming 30 years and aligns with the municipality's future growth.

While we plan growth and make decisions in our customers' best interests, we continuously face increased cost pressures that impact our customers. As a not-for-profit utility, we manage costs while delivering cost-effective and sustainable water, wastewater, and stormwater services. None of this could be possible without our dedicated employees. I thank them for their ongoing commitment to serving our customers and our municipality.

Together, we look forward to overcoming challenges and achieving success in the years to come. We remain committed to enhancing our service and our partnerships with the community and our customers.

Kenda MacKenzie,
General Manager & CEO

Leadership at Halifax Water

BOARD OF COMMISSIONERS March 31, 2025

Colleen Rollings
Board Chair

Cathy Deagle Gammon
Vice Chair
Councillor, HALIFAX

Cathie O'Toole
CAO, HALIFAX

Patty Cuttell
Councillor, HALIFAX

Trish Purdy
Councillor, HALIFAX

Janet Steele
Councillor, HALIFAX

John MacPherson
Board Commisioner

Nancy MacLellan
Board Commisioner

EXECUTIVE STAFF

Kenda MacKenzie
P.Eng.
General Manager & CEO

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

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

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

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

Ashley Kendell
BBA, CPHR,
Director, People & Culture

Liana Rintoul
JD, MBA,
General Counsel

People

Employee Experience

In fiscal 2024/25, Halifax Water's People & Culture team prioritized enhancing the employee experience as a key part of its strategic initiatives.

Responding to the evolving needs of the workforce and the competitive landscape, the team restructured its service delivery framework by implementing an HR Business Partner/Center of Excellence model. This approach was designed to cultivate stronger partnerships with leaders and employees, ensuring a holistic focus on all people-related programs

After several months of negotiations, management signed four-year collective agreements with CUPE Locals 1431 and 227.

This successful Collective Bargaining process was completed through a constructive and respectful negotiation of terms, resulting in a positive outcome for everyone.

Additionally, in the spirit of collaboration, Halifax Water and CUPE Local 227 completed a joint job evaluation of member employees. As a result, job roles were reevaluated, and updates were implemented to better reflect the current employment market.

The People & Culture Team continues to assess internal processes and recommend changes and enhancements where necessary. This has helped streamline and optimize the performance management process and provided informed updates on Halifax Water's non-union compensation practices.

For fiscal 2024/25, the employee turnover rate was 9.32%, an increase from the prior fiscal year and continuing to reflect a highly competitive job market and an aging workforce.

The team also created a Psychological Health and Safety strategic plan to promote greater awareness and support for employee Health and Wellness. This focuses on creating a workplace where employees can thrive and belong.

The initiatives outlined in this plan will be delivered over three years and are intended to provide leaders and employees with support, training, education, and awareness on a variety of Health and Wellness topics.

These positive changes are being designed and implemented to enhance the attraction and retention of highly valued employees.

Employee Survey

Halifax Water conducts annual employee engagement surveys, which provide employees with an opportunity to share their experiences and help the organization understand what and how to adjust to better support and enhance the overall employee experience.

The results are compared with industry-specific data to understand how Halifax Water performed compared to similar organizations and identify specific topics or issues that matter to employees.

In 2024, approximately 65 percent of employees were surveyed, and an overall Engagement Index score of 71 was achieved. This year, responding employees agreed that Halifax Water was doing well in general safety in the workplace, as well as efforts to create a healthy workplace culture. However, employees also shared feedback on opportunities Halifax Water could improve on include wages, staffing and communication.

Survey Report Card

Employee Commitment	3.7	B
Personal Development	3.7	B
Communication	3.8	B+
Work Environment	3.9	B+
Employee Value	3.7	B
Teamwork & Cooperation	3.9	B+
Overall	**3.8**	**B+**

In 2024/25 the team proposed a new approach to Employee Survey action planning with the creation of an Employee Engagement Council. The Council will be comprised of a variety of employees from across the organization with diverse perspectives, experience, and backgrounds. The Council will analyze the survey results and recommend one organizational action to prioritize with the support and commitment of the Executive Team.

Employee Recognition

One Water Excellence Awards

This past March marked the third year of the Halifax Water One Water Excellence Awards. In addition to the highly regarded Carolyn Bruce Excellence in Customer Service Award, three additional award categories recognize employees who have significantly contributed to Safety and Environment, True Value and Team Spirit.

Carolyn Bruce Customer Service Excellence Award
Since 2012, the Carolyn Bruce Award has been awarded annually to an employee who demonstrates their passion and dedication to Customer Service.

The recipient of the 2024 Carolyn Bruce Excellence in Customer Service Award is George Bent. George has a vast knowledge of Customer Service and knows how to make the customers feel heard and valued. As a long-term employee, he has demonstrated an excellent work ethic, he always goes above and beyond with customer service and is the heart and soul of his depot.

Even when dealing with tough situations, in which people often become emotional, he reassures and helps them through the process with his positive attitude. He's even rescued wildlife trapped in our infrastructure - everything from fish, raccoons, birds, and baby ducklings.

George Bent - East Construction Collection Subforeman

Halifax Water Service Awards

Employee commitment and dedication of service mean a great deal to Halifax Water, and to show that appreciation, Halifax Water has a long-standing tradition of recognizing employees for their length of service with the organization. Halifax Water's Service Award policy, eligible employees will have their years of continuous service completed by the end of the calendar year in which the award was received.

In 2024, the following employees were recognized for reaching their service milestones!

35 Years of Service

Operations
Alan Ossinger
Tim Dewolfe
Terrance Nelson

30 Years of Service

Operations
George Bent
Kevin Kelloway

25 Years of Service

Engineering & Capital Infrastructure
Chris Marks

Operations
Glen Campbell

Corporate Services
Paul Boiduk

20 Years of Service

Corporate Services
Amanda Seguin
Ann Marie Sturgeon

Operations
Cheryl MacEachern
Richard Lowe

Administration
Trish Simms

Corporate Services
William Stevens

Engineering & Capital Infrastructure
Darcy Josey
Kimberley Fawcett
Michelle MacDonald

15 Years of Service

Administration
Amanda Jodrey

Engineering & Capital Infrastructure
Bradley Baxter
David Waterfield
Mary Anne Orman
Steven Doucet

Operations
Justin Beaver
Christian Croft
Colin Waddell
Gregory Merrick
Jean-Paul Michaud
Kevin Healy
Michael Deagle
Michael Doucette
Nigel Crouse
Robert Carroll
Shaun Borden

Environment, Health, Safety & Social Responsibility
Dwayne Bell
Katherine MacDougall
Shiju Mathew
Amanda O'Neil

Corporate Services
Heather Britten
Ingrid Elliott
Justin Wilson
Kevin Healey
Lucie Kendell
Marielle Pearce
Susan Dwyer
Tanya Houlihan

People and Culture
Rebecca Rowe

10 Years of Service

Corporate Services
Bruce Kennedy
Henri Sangalang
Rachel Fricker
Shelly Fraser
Stephanie Strathdee
Steven Temchuk
Tammy MacDonald

Operations
Christopher Baker
David Young
Michael McCulloch
Ronald Moser

Environment, Health, Safety & Social Responsibility
Emily Burke Englehutt
Mark McGonnell

Engineering & Capital Infrastructure
Jonathan MacDonald
Renée Roberge

5 Years of Service

Operations
Adam Doucette
Corey Nicholson
Jacob Giles
Jordan Higgins
Matthew Davis
Michael McKenzie
Michael Miller
Rene Amamio
Robert Snooks
Shawn Ryan
Stephen Belfield
Tony White

Corporate Services
Alicia Scallion
Cathy Goulard
Dale Stevens
Ian Woodacre
Jake Parker
Laura Fraser
Liam MacNeil
Louis de Montbrun
Megan Jackson
Natalya LeBlanc
Rebecca Dalley
Yiwen Sun

Environment, Health, Safety & Social Responsibility
Alicia McEachern
Brenna Farmer
Jessica Campbell
Leonard Muise
Maria Joudrey
Pam MacKinnon
Patrick Connolly

Administration
Anne Just

Engineering & Capital Infrastructure
Danielle Vokey
Hannah Valentine
Jennifer Richardson
Josh VanAndel

Diversity, Equity & Inclusion

Diversity, Equity, and Inclusion (DEI) continues to be a strategic priority for Halifax Water as it works to foster and promote a workplace culture representative of the broader community.

Days, months, and initiatives throughout that year that educate, celebrate, and promote DEI are communicated to everyone at Halifax Water. Our workforce celebrated International Women's Day with virtual coffee breaks, where employees were encouraged to share their personal stories that highlight the importance of empowering female leadership.

Halifax Water is proud to have sponsored the Black Cultural Centre for Nova Scotia's African Heritage Month Gala and the Engineers Nova Scotia Women in Engineering Committee's Spotlight on Local Innovation.

The upcoming fiscal year will focus on expanding the DEI Committee's membership to better represent all equity-seeking groups within Halifax Water and implementing the next three-year strategy to help ensure an inclusive workplace.

In the Community

Halifax Water is dedicated to fostering strong relationships within the community, and our activities in 2024/25 highlight this commitment and a focus on building trust and transparency.

Our community engagement initiatives focused on a range of pertinent topics. We actively reached out to local groups to gather valuable input and feedback. This proactive approach allowed us to educate and raise awareness among residents about important issues related to water services and sustainability.

Engagement Activities

Regional Development Charges
Halifax Water hosted engagement sessions with interested parties related to the Regional Development Charge. This included previous and current industry contacts, government, and regulatory partners.

Sessions were led by a Halifax Water Project Engineer and the Manager of Finance, with support from the General Manager, Director of Corporate Services, Director of Engineering and Capital Infrastructure and Manager of Regional Infrastructure Planning.

- Workshop #1 Population Projections – January 14, 2025
- Workshop #2 – Infrastructure List for Growth – January 28, 2025
- Workshop #3 and #4 – Financial Assumptions and Application of the Charge (ICI Methodology) – February 12, 2025

Cole Harbour Open House
In September 2024, Halifax Water and HRM staff attended an open house to field questions from residents related to local drainage issues, questions relating to stormwater management and potential impacts on infrastructure from future development within the community.

Fall River Open House
On May 22, 2024, Halifax Water attended a community open house with HRM and the RCMP on some community issues, particularly questions relating to stormwater management and drainage complaints.

Upper Hammonds Plains Community
In August, September, and January of 2024/25, Halifax Water participated in meetings led by HRM to address questions related to low water pressure, reduced fire protection and impacts from growth on the existing water system.

Watershed Advisory Board/Committee
Hosted by Halifax Water, this board/committee meets 10 times yearly to share and discuss watershed-related information. It acts as a communication channel between the regulator, the water utility, and the communities.

Topsail Mountain Biking Steering Committee
Specific to the Cycle NS agreement with Halifax Water to permit the Topsail Mountain bike park on Halifax Water lands, the group meets 2 times per year to discuss /plan mountain biking activities

Newsletters
Halifax Water Newsletters provide specific information about Halifax Water watersheds. Hard copies are delivered to community focal points and are available on the Halifax Water website.

Halifax Water Research Symposium
Halifax Water hosted the event in October 2024, and representatives from various communities and watershed advisory boards attended to learn about the quality, composition, and changes to the source waters.

North Preston Rate Payers Association
Halifax Water provided an in-person update on the changes in the Lake Major Watershed Protected Water Area Regulations.

Fundraising & Volunteering

Halifax Water employees take great pride in being part of the communities served. Throughout the year, employees can get involved in several different fundraising events, volunteer groups, and community causes.

United Way Halifax
Halifax Water employees have been helping support United Way Halifax for over 25 years. Halifax Water employees proudly pitched in and raised a total of $4199.

Water for People
Halifax Water employees donated $5854 to Water for People. These funds support the digging of wells to provide clean drinking water for approximately 4 million people in nine different countries.

Water Stations
Halifax Water proudly provided a water station for the 2024 Halifax Pride Festival. Halifax Water also provided several water stations around downtown Halifax for the 2024 Blue Nose Marathon.

Angel Tree Toy Drive
For more than ten years, it has been a tradition for Halifax Water employees to continue the Angel Tree Program to provide gifts for children in need in the community. Employees provided gifts for over 100 children, from newborns to 11 years old, and thanks to the giving spirit of Halifax Water employees, they will get something special on Christmas Morning.

Sponsorships & Donations

Special Olympics Nova Scotia
Halifax Water's fleet operators rolled into action for the Truck Convoy for Special Olympics. This event showcases impressive trucks and, more importantly, raises funds to support Special Olympics Nova Scotia athletes in training and playing in local, provincial, national and international competitions. Halifax Water was thrilled to be a Silver Level Sponsor.

Purple Ribbon Campaign
In support of the Purple Ribbon Campaign, Halifax Water employees donated gift cards to the Transition House Association of Nova Scotia (THANS), which distributes them to women in transitional homes throughout the province. The Purple Ribbon Campaign is held every November to raise awareness about domestic violence and show support for survivors through education, advocacy, and community events.

Financial Assistance Program

The H2O (Help to Others) Fund is a water, wastewater, and stormwater assistance fund for Halifax Water residential customers who are having difficulty making their bill payments. Approved applicants will receive assistance up to a maximum of $275.00 once in a 24-month period. The Salvation Army administers this program on behalf of Halifax Water.

Halifax Water's H2O Fund is funded by donations from Halifax Water employees throughout the year. Halifax Water matches these donations to a maximum of $25,000 annually. This year, Halifax Water supported 53 people. **For more information, visit halifaxwater.ca/H2O-Fund**

NSCC Scholarships

Halifax Water is an active supporter of the educational growth of the community through scholarships provided to the Nova Scotia Community College. Since 2008, Halifax Water has offered over $124,000 in scholarships for NSCC students, with accompanying work terms. The scholarships not only benefit the community and recipients, but they have also provided Halifax Water with many highly skilled and motivated employees over the years

Women in Non-Traditional Careers - $2,000 Awarded each Fall

This award is open to women in non-traditional careers who are entering one of the eligible NSCC Programs listed. This award includes an opportunity for the successful recipient to complete their required work placement with Halifax Water and an opportunity for summer employment with Halifax Water.

Jipuktuk etli apatua'timk Award - $4,000 Awarded each Fall & Spring

Established by Halifax Water to support First Nations, Métis and Inuit students entering the Civil Engineering Technology, Environmental Engineering Technology, Electronic Engineering Technology, or Mechanical Engineering Technology Programs at NSCC.

Arnold D. Johnson Sr. Award for Water Resources - $3,600 Awarded each Fall

Established by Halifax Water to support Indigenous African Nova Scotian students entering Environmental Engineering Technology or Mechanical Engineering Technology at NSCC. Named in honour of Arnold D. Johnson Sr., who served the Preston area communities as a Halifax County Councillor and was instrumental in creating the Watershed Association Development Enterprise and the Lake Major Watershed Advisory Committee, the award recognizes Mr. Johnson's foresight and dedication during his many years of public service and his many accomplishments.

Environment, Health, Safety & Social Responsibility

Get the Lead Out

Halifax Water's Get the Lead Out program aims to replace all lead service lines (LSLs) by 2038. The number of LSLs continues to decrease each year. These replacements are provided at no cost to property owners, up to a maximum of $10,000 (including taxes). The average cost of public replacements in 2024/25 was $8,455, while the average cost of private lead service line replacements was $8,009.

Get the Lead Out Water Service Line Inventory as of April 1,2025

Service Line Material	Public Portion (Owned by Halifax Water)	Private Portion (Owned by the Property Owner)
Lead	1,097	2,654
Unkmown Material	1,827	4,479

Halifax Water coordinates LSL replacements where possible with HRM's street paving and renewal schedule. This minimizes community disruption and ensures improved cost-effectiveness for customers. In addition, Halifax Water completed 76 individual replacements based on customer applications to the program, with priority given to those most at risk from lead exposure. The figures below show lead service line replacements for the 2024/25 fiscal year. Market conditions, including high inflation, supply chain disruptions, labour shortages, and other factors, have resulted in increased costs of lead service line replacements.

Get the Lead Out Statistics as of April 1, 2025

Year	Public LSL Goal	Public LSLs (Actual)	Private LSL Goal	Private LSLs Replaced (Actual)
2024/2025	120	79	200	146

Replacement levels have stayed consistent compared to last year, influenced by factors like 2023/2024, including resource constraints in operations for investigating service line material, leading to delays in planning, tendering, and contracting replacements in 2024/2025. Delays in integrated projects have also resulted in fewer replacements than anticipated.

Environmental Engineering

Inflow & Infiltration (I&I) Reduction Program
Through the I&I Program, Halifax Water staff identify and work to resolve private property connections where stormwater enters the wastewater system. The goal is to reduce I&I in target areas from private sources.

In 2024/25, the I&I team worked closely with the Engineering & Capital Infrastructure group and the Wet Weather Management Program to ensure that private sources of I&I are being investigated during the planning and delivery of capital projects, including sewer separation and pipelining projects. The I&I team also began revising and refreshing its education material, culminating in developing an enhanced website resource for people with I&I-related questions and concerns. Implementation of a Campus Program began, including engagement with campus property owners to comply with Halifax Water's regulations.

Pollution Prevention (P2) Program
The P2 Program identifies and addresses instances of noncompliant discharges entering Halifax Water's wastewater and stormwater systems.
P2 staff inspected, investigated, and engaged 317 industrial, commercial, and institutional (ICI) customers in 2024/25. The P2 team responded to numerous spills and other non-compliant discharges into wastewater and stormwater systems. These discharges ranged in nature from construction site dewatering to wastewater-to-stormwater cross-connections. The team successfully identified and resolved seven cross-connections in the past year. P2 worked with the Engineering & Capital Infrastructure group to help streamline construction dewatering as part of capital projects. The new procedure will allow for easier planning and more accurate budgeting for sites that require dewatering.

Climate Change Program

In 2024/25, Halifax Water assessed the recommendations of the Climate Action Plan and considered the requirements to implement a Climate Change Program. A short-term program roadmap was compiled which identified various actions to establish organizational governance and commitment to perform climate change initiatives in support of Halifax Water's purpose to supply and safeguard sustainable water services.

Both climate change adaptation and mitigation are factors in many of Halifax Water's existing and emerging programs:

- The Water Supply Enhancement Program (WSEP), the Source Water Quality Monitoring Program and the Source Water Protection Program are focusing on understanding and addressing the effects of climate change on Halifax Water's source waters and operation of the water treatment facilities.

- Climate events leading to increased intensity and frequency of wet weather and stormwater flows show the continued importance of the wet weather management program to help alleviate excessive stormwater flows in wastewater infrastructure.

- In 2024/25, Halifax Water installed another on-site solar PV installation at 450 Cowie Hill; progressed the Green Choice program application which will facilitate the purchase of privately produced clean electricity; continued with the design and construction of the Cogswell District Energy System; and continued with the approval and planning process for the upgrade of the Aerotech Biosolids Processing Facility to enable the recovery of greenhouse gas emissions for conversion to renewable natural gas (RNG).

- Emergency planning and response continues to address concerns related to climate change events such as flooding and wildfires. Halifax Water continues to manage and improve emergency preparedness efforts with internal staff and external stakeholders.

Climate change remains one of Halifax Water's top enterprise risks. Through collaboration between the Enterprise Risk Management and Asset Management teams, an assessment of climate change risk to critical assets was performed. The risk ratings identify how various climate hazards can have differing effects on Halifax Water's critical assets. This information will be used to inform further climate change initiatives and capital planning.

Commitment to Safety

In 2024/25, Halifax Water's Safety Department focused on promoting safety awareness and fostering a positive safety culture throughout the organization. With the addition of new field resources, the department increased the number of safety checks at operational and capital work sites, conducted more vehicle gate checks, and carried out thorough safety incident investigations. The processes for root cause analysis and the identification and implementation of corrective actions were also improved.

Additionally, new safety messaging initiatives were introduced, including the creation of Safety Alerts that addressed specific incidents at Halifax Water and monthly presentations themed around safety.

This year, 258 incidents were reported to the Safety Department, including 7 security and 12 environmental incidents.

Our Lost Time Injury Frequency Rate (LTIFR) was 1.69, meaning there were 1.69 lost time injuries on our job sites for every million hours worked. This well below the target of 2.5.

Drinking Water Regulatory Compliance

Halifax Water oversees three larger Water Supply Plants (WSPs) and five smaller, community-based WSPs. WSPs in Nova Scotia are regulated by Nova Scotia Environment and Climate Change (NSECC). They set regulatory limits for all water supply plants, outlined in each facility's Approval.

The limits define specific concentrations of parameters to be measured at each facility, such as chlorine residual and turbidity. Halifax Water is also regulated through Federal Regulations (Health Canada and Department of Fisheries and Oceans (DFO), which outline specific parameter limits to ensure the public drinking water supply is safe to drink and that upset events do not negatively impact the environment.

Halifax Water undertakes a comprehensive water testing program with weekly bacteriological testing at 63 locations within the urban core and at each small system. Parameters listed in the Guidelines for Canadian Drinking Water Quality (Health Canada) are also sampled annually at all Halifax Water facilities. Sampling is completed within each drinking water system from the source to the consumer's tap to ensure all known and potential hazards are identified and addressed so water remains free of contaminants.

To ensure transparency and increase public trust, Halifax Water created an internal reporting system for customers and regulators, where staff are available 24/7 to receive reports of incidents requiring operational actions and report them to a regulator. Increased knowledge is also being shared amongst all groups at Halifax Water to ensure that all staff know what types of incidents need action or reporting.

Halifax Water has continued to improve preparations and procedures for events that could happen through the Emergency Management group and facilities. Notifying incidents to customers and reports to Regulators are well documented, which can be used to learn from mistakes or from incidents that occur to work to prevent similar incidents in the future. By increasing internal knowledge and notifying customers of non-compliant events when human health is of concern, Halifax Water is demonstrating that customers are valued. Halifax Water is responsible for maintaining the trust of customers and Regulators by ensuring that, when upset events occur, transparency is provided through the information provided to any individuals or groups of concern.

Over 3,300 tests are conducted yearly for Total Coliform bacteria and E. coli. Halifax Water consistently achieves results where 99.9% of samples are free of bacteria.

Drinking Water Compliance Summary

Total Coliform Sample Results April 2024 to March 2025		
Systems	% Absent	# of Samples
Pockwock	99.99%	1426
Lake Major	100.00%	1199
Bennery	100.00%	156
Five Islands	100.00%	102
Silver Sands	100.00%	108
Middle Musquodoboit	100.00%	106
Collins Park	100.00%	106
Bomont	100.00%	106
Totals		3309
Absent		3308
Present		1
All Sites - % Absent		99.97%

Wastewater Treatment Regulatory Compliance

As a provider of wastewater services, part of Halifax Water's role is to determine the impact of upset events within its systems on customers and the environment. Halifax Water values the responsibility of maintaining the trust of customers and regulators by ensuring that, when upset events occur, transparency is provided through the information communicated to any individuals or groups of concern. It is also important to note that any way to mitigate or minimize impacts on any group is always considered.

Monitoring all wastewater system flows is completed daily, and reports of untreated or partially treated effluent released into the environment from facilities are provided to the Regulator as per regulatory requirements outlined in operating permits and federal regulations. When incidents occur and regulatory requirements cannot be met, Halifax Water has processes in place to ensure that impacted people are made aware, and in many cases, how the customers can help Halifax Water to minimize the impact.

Halifax Water oversees five large Harbour Wastewater Treatment Facilities (WWTFs) and nine smaller, community-based WWTFs. WWTFs in Nova Scotia are regulated by Nova Scotia Environment and Climate Change (NSECC). They set effluent discharge limits for all wastewater facilities, outlined in each facility's Approval to Operate. The limits define specific maximum concentrations of parameters to be measured at each facility, such as Carbonaceous Biochemical Oxygen Demand (cBOD – the amount of material in water which will consume oxygen), Total Suspended Solids (TSS – the amount of particulate matter in the water), and E.coli (the amount of bacteria present normally associated with wastewater). For some facilities, parameters such as nutrients (nitrogen and phosphorus, which cause excess growth of algae and plants), or pH (a measure of acidity) are also required to be monitored.

Halifax Water is also regulated through Federal Regulations (Department of Fisheries and Oceans (DFO) and the Wastewater Systems Effluent Regulations (WSER). The WSER outlines effluent discharge limits for all wastewater facilities that discharge greater than an average daily effluent volume of 100 m^3. The limits define specific maximum concentrations of TSS (25 mg/L) and cBOD (25 mg/L) to be measured at each facility unless a Transitional Authorization (TA) has been approved (different TSS and cBOD limits are applied). Parameters such as total chlorine and ammonia could be considered deleterious to fish at certain concentrations and are also regulated.

A majority proportion of the Halifax and Dartmouth WWTF collections systems are combined wastewater systems (meaning that they collect wastewater and stormwater and direct these flows to the treatment facilities for full treatment).

Within these systems, approved relief points are designed to alleviate pressure from high volumes of flows in the system so that customers do not have wastewater backing up into their homes or prevent discharges into the environment from unapproved locations. Many of these relief locations have screens in place to prevent large pieces of debris and solids from being released into the environment. NSECC, DFO and ECCC also regulate overflow events from these locations. During planned maintenance, Halifax Water started sending notifications when it believed the work may impact neighbouring communities.

Compliance for the larger WWTFs is assessed based on monthly averages, and the smaller plants are assessed on a quarterly basis, per each regulation (provincial and federal). North Preston and Wellington are evaluated on an annual average. Halifax Water continues to gauge compliance at all facilities, and there continues to be an improvement in compliance at the five larger WWTFs, with Mill Cove and Eastern Passage being fully compliant for the year.

A few of the wastewater systems experienced operational issues during heavy precipitation events or at times of operational improvements. However, compliance was maintained outside of these times. All smaller systems were compliant for the year, other than Lockview-MacPherson, which experienced UV-related issues in Q2 and Q3, Middle Musquodoboit WWTF, which experienced non-compliance due to upgrades being completed in Q1 and Q2, and Springfield Lake, which experienced UV-related issues in Q1 and Q2.

Wastewater Treatment Facility Compliance Summary

April 2024 to March 2025

WWTF	Apr-24					May-24					Jun-24				
	$CBOD_s$	TSS	E.Coli	pH	Toxicity Pass	$CBOD_s$	TSS	E.Coli	pH	Toxicity Pass	$CBOD_s$	TSS	E.Coli	pH	Toxicity Pass
Halifax	33	27	N/A	7	YES	49	24	18,964	7	N/A	52	28	167,059	7	N/A
Herring Cove	20	17	N/A	7	N/A	40	27	12	7	N/A	29	27	10	7	N/A
Dartmouth	38	31	N/A	7	N/A	59	22	59	7	N/A	54	21	54	7	N/A
Eastern Passage	9	8	N/A	7	N/A	11	25	70	7	YES	7	7	98	7	N/A
Mill Cove	23	22	26	7	N/A	20	18	12	7	YES	8	7	10	7	N/A
	Jul-24					**Aug-24**					**Sep-24**				
Halifax	53	23	187,170	7	N/A	60	26	210,822	7	N/A	44	22	107,458	7	N/A
Herring Cove	31	23	32	7	N/A	44	27	267	7	N/A	21	12	79	7	N/A
Dartmouth	62	21	166	7	N/A	59	29	714	7	N/A	44	15	687	7	N/A
Eastern Passage	5	6	31	7	N/A	5	9	50	7	N/A	5	7	83	7	N/A
Mill Cove	11	14	20	7	N/A	17	19	10	7	N/A	11	11	16	7	N/A
	Oct-24					**Nov-24**					**Dec-24**				
Halifax	59	23	107,991	7	N/A	48	21	N/A	7	N/A	32	24	N/A	7	N/A
Herring Cove	33	24	30	7	N/A	28	25	N/A	7	N/A	17	20	N/A	7	N/A
Dartmouth	49	20	3,499	7	N/A	52	36	N/A	7	N/A	30	27	N/A	7	N/A
Eastern Passage	6	6	88	7	N/A	5	7	N/A	7	N/A	8	9	N/A	7	N/A
Mill Cove	25	20	48	6	N/A	22	24	22	7	N/A	14	20	17	6	N/A
	Jan-25					**Feb-25**					**Mar-25**				
Halifax	31	25	N/A	7	N/A	35	26	N/A	7	N/A	33	26	N/A	7	N/A
Herring Cove	25	32	>5000	7	N/A	33	32	N/A	7	N/A	23	30	N/A	7	N/A
Dartmouth	34	39	N/A	7	N/A	41	28	N/A	7	N/A	36	45	N/A	7	N/A
Eastern Passage	7	10	N/A	7	N/A	9	8	N/A	7	N/A	13	10	N/A	7	N/A
Mill Cove	12	19	37	6	N/A	19	19	19	7	N/A	9	18	11	7	N/A

Compliance Achieved (< NSE Limit)

Compliance not Achieved (> NSE Limit)

Wastewater Treatment Facility Compliance Summary

Q1 - April to June 2024

WWTF	CBOD5	TSS	E. coli	Phospho-rus	Ammonia	pH	Dissolved Oxygen	Chlorine	Toxicity Pass
Aerotech	2	1	10	0.1	0.1	7.1	8.2	N/A	YES
Frame	2	1	10	N/A	N/A	6.9	N/A	N/A	N/A
Lakeside-Timberlea	3	12	10	0.5	2	6.9	N/A	0.10	N/A
Lockview-MacPherson	3	5	26	0.3	2	6.6	N/A	N/A	N/A
Middle Musquodoboit	20	28	189	N/A	N/A	7.0	N/A	N/A	N/A
North Preston	Compliance based on annual averages. See Q4.						N/A	N/A	N/A
Springfield	7	12	335	N/A	N/A	6.9	N/A	N/A	N/A
Steeves (Wellington)	Compliance based on annual averages. See Q4.						N/A	N/A	N/A
Uplands Park	6	9	49	N/A	N/A	6.7	N/A	N/A	N/A

Q2 - July to September 2024

WWTF	CBOD5	TSS	E. coli	Phospho-rus	Ammonia	pH	Dissolved Oxygen	Chlorine	Toxicity Pass
Aerotech	2	2	10	0.07	0.1	7.4	7.6	N/A	YES
Frame	2	1	10	N/A	N/A	7.3	N/A	N/A	N/A
Lakeside-Timberlea	5	17	15	1	2	7.2	N/A	0.10	N/A
Lockview-MacPherson	5	6	397	0.9	2	6.6	N/A	N/A	N/A
Middle Musquodoboit	23	60	317	N/A	N/A	7.4	N/A	N/A	N/A
North Preston	Compliance based on annual averages. See Q4.						N/A	N/A	N/A
Springfield	5	24	214	N/A	N/A	7.1	N/A	N/A	N/A
Steeves (Wellington)	Compliance based on annual averages. See Q4.						N/A	N/A	N/A
Uplands Park	14	18	109	N/A	N/A	6.8	N/A	N/A	N/A

Q3 - October to December 2024

WWTF	CBOD5	TSS	E. coli	Phospho-rus	Ammonia	pH	Dissolved Oxygen	Chlorine	Toxicity Pass
Aerotech	2	1	10	0.03	0.1	7.2	7.4	N/A	YES
Frame	2	1	10	N/A	N/A	7.5	N/A	N/A	N/A
Lakeside-Timberlea	4	12	12	1	3	7.1	N/A	0.10	N/A
Lockview-MacPherson	5	5	616	1.0	1	6.7	N/A	N/A	N/A
Middle Musquodoboit	7	13	39	N/A	N/A	7.4	N/A	N/A	N/A
North Preston	Compliance based on annual averages. See Q4.						N/A	N/A	N/A
Springfield	5	14	82	N/A	N/A	7.2	N/A	N/A	N/A
Steeves (Wellington)	Compliance based on annual averages. See Q4.						N/A	N/A	N/A
Uplands Park	8	6	100	N/A	N/A	7.0	N/A	N/A	N/A

Q4 - January to March 2025

WWTF	CBOD5	TSS	E. coli	Phospho-rus	Ammonia	pH	Dissolved Oxygen	Chlorine	Toxicity Pass
Aerotech	3	1	10	0.1	0.8	7.1	8.5	N/A	YES
Frame	2	1	10	N/A	N/A	6.4	N/A	N/A	N/A
Lakeside-Timberlea	5	16	22	1	6	7.1	N/A	0.10	N/A
Lockview-MacPherson	9	9	35	0.7	2	6.8	N/A	N/A	N/A
Middle Musquodoboit	6	4	14	N/A	N/A	7.2	N/A	N/A	N/A
North Preston	3	3	10	0.4	0.1	6.8	N/A	N/A	N/A
Springfield	4	7	14	N/A	N/A	6.9	N/A	N/A	N/A
Steeves (Wellington)	2	4	10	0.2	0.1	7.1	N/A	N/A	N/A
Uplands Park	5	17	64	N/A	N/A	6.6	N/A	N/A	N/A

Specific parameter limit achieved

Specific parameter limit not achieved

NOTES & ACRONYMS:

CBOD - Carbonaceous 5-Day Biochemical Oxygen Demand
TSS - Total Suspended Solids
TRC - Total Residual Chlorine
S / W - Summer / Winter compliance limits
Toxic may indicate only a single sample
NSECC requires monthly averages be less than the NSECC Compliance Limit for each parameter at Dartmouth, Eastern 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, Belmont, Frame, BLT, Uplands, Springfield
NSECC requires an annual average be less than the NSECC Compliance Limit for each parameter at North Preston, Steeve

Operational Effectiveness

2024/2025 Operational Highlights

The past year has been one of transition, improvement, and addressing significant challenges for our operations team. Two separate incidents at the J.D. Kline Water Supply Plant resulted in the loss of chlorination at the plant and required issuing boil water advisories for customers served by the facility. All Halifax Water employees felt the impact this had on customers, and for an operational team that prides itself on service, the consistent response has been that it needs to be better.

With this lens, operational resilience and reliability were given even greater priority, with a dedicated team working diligently to identify and address the corrective actions that can help prevent future incidents at the facility.

The team also managed the results of a long, dry summer and fall of 2024, which led to low water levels at the Lake Major Reservoir. As a result, a water conservation advisory was issued for customers served by the Lake Major Water Supply Plant, which was not lifted until a few significant rains in November replenished the lake.

In July 2024, issues with a private septage facility meant that septage haulers needed an alternate location to dispose of waste from residential septic tanks. Halifax Water made interim changes at the Aerotech Lagoon to accept additional septage to help support local private haulers.

Fiscal 2024/25 was also a transition year for the Operations Department. In addition to appointing a new Director of Operations, several senior management team members have also changed. While change brings challenges, it is also an opportunity to bring fresh faces and new perspectives on various roles within the department. These changes will help lay the foundation for future success in delivering operational services for customers.

The Operations Department is in the fourth year of the “One Team, One Water” journey to improve integration between all services. As the journey continues, the focus remains on finding efficiencies and improvements. Whether sharing resources to complete a task or supporting another depot, cooperation is integral to the transition to the new Burnside Operations Centre, where four existing operational depots will combine into one.

Operational Resiliency Program at J.D.Kline Water Supply Plant

In response to recent disinfection interruptions at the J.D. Kline Water Supply Plant (JDKWSP), which led to boil water advisories on July 1, 2024, and January 21, 2025, Halifax Water has established a dedicated cross-sectional team who have launched a comprehensive Operational Resiliency Program.

Key components of the Operational Resiliency Program include:

- **Risk Identification and Assessment**: Evaluating potential risks proactively to manage and mitigate them.
- **Infrastructure Resilience**: Strengthening physical assets to withstand disruptions.
- **Incident Response and Recovery**: Enhancing protocols to swiftly address and recover from incidents.
- **Business Continuity**: Ensuring uninterrupted operations through robust planning.
- **Workforce Resilience**: Training and supporting the team to handle emergencies effectively.
- **Continuous Improvement and Learning**: Regularly reviewing and updating practices to adapt to new challenges.

The program is also guided by an external JDKWSP Operational Resiliency Review, which aims to identify and address the facility's needs to ensure the continuous delivery of safe drinking water, even during potential disruptions. This initiative underscores Halifax Water's commitment to building trust, transparency, and value for customers.

Halifax Water is dedicated to improving its systems and processes through these measures. The team is confident that it will learn from past experiences and emerge stronger to continue ensuring a safe and reliable water supply for customers.

Infrastructure Renewal Statistics

Water Mains Replaced

Wastewater/Stormwater Mains Reinforced

Wastewater/Stormwater Mains Replaced

Water Loss Control

Halifax Water owns, maintains, and operates 1,580 km of water mains throughout its service area. Finding and fixing leaks reduces water loss and the related costs of treating and distributing that water. This work is being done to ensure customers continue to receive good value for water services. The American Water Works Association's M36 Manual – Water Audits and Loss Control Programs, the industry standard in effective water loss control programs, identifies four key focus areas for a successful water loss control program:

- Speed and Quality of Repair
- Pressure Management
- Active Leakage Control
- Asset Management, Renewal, Replacement

Halifax Water actively engages strategies and programs in all these areas.

Dunbrack Transmission Main – Leak Detection and Condition Assessment
Halifax Water conducted a condition assessment and leak detection survey of a critical 900 mm transmission main on Dunbrack Street. The work was completed by a third-party consultant and using cutting-edge technology offered by a pipe inspection contractor. No leakage was detected along the almost 4 km of transmission main that was inspected, a positive sign for the asset 50 years into its service life.

Meter Replacement Program

Halifax Water has replaced a number of large flowmeters in the water distribution system that were reaching the end of their useful life. Continuous and accurate flow monitoring enables Halifax Water to identify and repair leaks quickly after they occur, reducing leakage run time and total water loss. The flow meters replaced supported meter zones in the Herring Cove, Birch Cove, and Woodside areas, along with a larger flowmeter measuring flows entering the Bedford and Sackville area.

Driveway & Cross Culvert Program

Halifax Water is responsible for owning and maintaining a substantial inventory of culverts (driveway and cross culverts) within the service boundary established by HRM. Cross culverts are designed to convey stormwater beneath municipally owned roads, while driveway culverts manage stormwater flow beneath private driveways.

As these assets reach the end of their service life, they are assessed and scheduled for replacement. To support this ongoing infrastructure renewal, Halifax Water allocated approximately $2.55 million annually for driveway culvert replacements and $2.50 million for cross culvert replacements.

During the 2024/25 fiscal year, Halifax Water replaced 214 driveway culverts and 24 cross culverts. Internal Operations crews primarily carry out driveway culvert replacements, whereas cross-culvert projects involve a combination of in-house and contracted resources.

To ensure cost-effectiveness and minimize disruption, culvert replacements are strategically grouped and coordinated, maximizing efficiency and value for stormwater ratepayers.

Halifax Water continues to invest in the long-term reliability of its stormwater infrastructure through proactive culvert management. By combining strategic planning, operational efficiency, and targeted investment, the utility ensures effective stormwater flow while delivering value to customers and maintaining public infrastructure.

Burnside Operations Depot Update

In July 2024, Halifax Water received approval to move forward with the construction of a new Operations Facility in Burnside to amalgamate four operations depots that have reached the end of their useful lives and must be replaced. Three existing depots will be considered surplus properties, and the funds will help offset customer costs and one was sold for the new Provincial Hwy 107 alignment.

Consolidating this group of Halifax Water employees into one facility reduces the locations that must be maintained and creates a centralized location for Central/Eastern Region employees and equipment for all three services (Water, Wastewater and Stormwater).

The new operations facility is expected to be completed in 2027.

Water Supply Enhancement Program

The J.D. Kline and Lake Major Water Supply Plants (WSPs) have reliably delivered high-quality water to Halifax Water customers for many years. However, aging infrastructure, changing source water conditions, and climate impacts have increasingly challenged the treatment processes at both WSPs. The J.D. Kline and Lake Major WSPs will undergo capital renewal, upgrades, and enhancements over the next eight to ten years to ensure a reliable, safe, high-quality drinking water supply and compliance with current and future regulatory requirements.

The Water Supply Enhancement Program (WSEP) consolidates numerous projects at J.D. Kline WSP and Lake Major WSP into one comprehensive program. This integrated approach aims to minimize potential impacts on services and customers.

High-Level Goals of the WSEP:

- Upgrade, expand, replace, and enhance the existing J.D. Kline and Lake Major WSPs for the next operating horizon, considering design life spans of 20-50 years.
- Add treatment process resiliency at both WSPs that can adapt to evolving source water quality changes caused by climate change, including increased levels of organic matter, biological activity, metals, minerals, algae, and algal by-products.
- Improve the reliability of both plants to meet future challenges related to water quantity or quality objectives.
- Execute the program efficiently and in a coordinated manner with shared design principles and strategic compatibilities to streamline long-term operations between the facilities.

Extensive efforts have been undertaken to assess the risks associated with retrofitting and adding treatment processes at the JD Kline Water Supply Plant (WSP). Following a thorough evaluation, particularly for maintaining reliable operations during construction and addressing design constraints dating back to the plant's original construction in the 1970s, Halifax Water has determined that a complete replacement of the facility is the most viable path forward.

As part of the Water Supply Enhancement Program two critical projects have been prioritized:

- J.D. Kline Water Storage Reservoir: This project is being expedited due to existing design limitations that played a role in recent Boil Water Advisories.
- Lake Major Low Lift Station: This project is also being expedited in response to current design constraints that have resulted in multiple water conservation advisories during recent periods of low precipitation.

The WSEP represents a significant investment in the region's water infrastructure, with an estimated future total value of approximately $515 million at the Pockwock WSP and $141 million at the Lake Major WSP over the next decade. The program encompasses eight major projects and is expected to continue through 2034.

Halifax Water continues to develop the program and determine project delivery methodology prior to seeking NSUARB approval to spend.

IT Strategic Plan Progress

Halifax Water adopted a five-year IT Strategic plan in 2023 and has been actively executing initiatives and programs since then. In fiscal 2024/25, ten projects were completed, detailed as follows:

- Mobile Metering software upgrade.
- Enterprise Resource Planning software upgrade.
- Advance Metering software upgrade.
- Insights RFP and selection for a Data, Analytics and Visualization Platform.
- Human Capital Management software upgrade.
- Computer maintenance management software upgrade.
- Geographic Information System upgrades.
- Electrical Service Panel Upgrades.
- 2024 new technology business cases.

New Capital Delivery Management Software
There are currently forty projects in progress from the roadmap, and an additional forty-eight projects planned to commence in the 2025/26 fiscal year.

The "really good idea" process was designed for more centralized collaboration to foster more innovative thinking and find creative ways to improve efficiency through technology.

In 2024/25, it generated sixty-one new technological ideas that shape our future projects and investment plans. This includes exploring innovations such as automated test tools, signal boosters for field staff, and enhancements to our customer portal experience. Furthermore, research and evaluation are underway for quantum computing and its potential applications in informing our cybersecurity strategy.

Cyber & Physical Security

Halifax Water operates and maintains critical infrastructure that is continually being probed and tested through external cyberattacks.

Employees throughout the organization are made aware of and educated on the importance of remaining vigilant to outside threats.

The Municipal Auditor General (MAG) made forty-seven recommendations in its 2023 review of the Halifax Water Cyber Security Program. Halifax Water respects the MAG's findings and shares the goal of securing critical water infrastructure.

As of March 2025, the MAG reported that Halifax Water has completed 38% of these recommendations, while the rest are in progress.

These recommendations are prioritized based on risk, with higher-risk factors receiving more attention. While addressing these recommendations, Halifax Water prioritizes maintaining service, prudent infrastructure operation, and employee safety.

Addressing cybersecurity in an Operational Technology environment is complex and must be managed carefully. Halifax Water remains committed to the security of its infrastructure and is confident in the path forward, which includes a realistic timeline.

Intelligent Water - Data Analytics & Artificial Intelligence (AI) Update

Halifax Water's five-year Information and Technology Plan for 2023-2028 identified the need to create data, analytics, and visualization programs that would help improve operations and long-term planning. As this program was set up, greater focus was placed on linking sources of information that could help boost operational efficiency and improve long-term planning. As this program is established, it paves the way for smarter decision-making and enhanced performance throughout Halifax Water.

In 2024/2025, the program generated corporate and operational dashboards and automations providing the information on:

- Operation and maintenance cost data for pump stations to assist in life cycle costing and capital budgeting.
- Automation and monitoring of water consumption, billing, and weather.
- Monitor customer leak detection and high water usage costs.
- Project financial reporting.
- Procurement analytics with data automation.
- Water quality dashboards.
- Monitor water loss by district-metered area.
- Automation of locates requests from the call centre to the work order system.

A centralized data platform is being implemented to integrate information from various sources, such as Operational Technology, assets, and business systems. The software includes optional prebuilt modules and algorithms for key utility operations, such as central event management, consumption insights, demand management, water quality, and digital twin.

In addition, the program has deployed Generative AI to 90 users. Generative AI assists users in repetitive tasks, writing, creating presentations, data analysis, and report generation. Its natural language capabilities make generating content easy, improving document quality and streamlining workflows. This increased efficiency translates to higher productivity across the organization and frees up valuable time for employees to focus on more strategic and high-value activities. Staff are using our Generative AI tool for 300 hours per month, resulting in an estimated cost containment of $23,000 per month, and tasks can be completed between 1.7 times faster to 3.8 times faster.

Customer Care

Customer Care Centre Performance

Our customer care staff are dedicated to providing high-quality service, even during the most challenging times.

The call centre experienced an overall increase of 11.5% in call volumes in 2024/25, with significant increases of 75% and 93%, respectively, in December and January. These high call volumes were attributed to factors such as:

- **Water Main Breaks**
- **Canada Post Mail Strike**
- **Voluntary Water Conservation**
- **Fluoridation**
- **Boil Water Advisory Inquiries**

The average rate at which customers abandoned calls before speaking with a Halifax Water representative increased by 8% in 2024/25. This is partially due to increased call volumes related to major service disruptions and staffing challenges. At the same time, the average amount of time taken to manage customer calls (handle times) improved by 18% in 2024/2025, helping to mitigate the potential for a higher abandonment rate.

Customer Connect Project Update

Customer Connect is the online portal Halifax Water customer's can use to access and manage their account. Through Customer Connect, customers can receive alerts for continuous water flow or high usage, manage their water use and costs by monitoring daily consumption, receive bills online, request to start or cancel Halifax Water services, receive bill and payment notifications online, sign up for local service or traffic interruption notices and much more!

In fiscal 2024/2025:

8,021

Number of customers registered during the fiscal year.

44,499

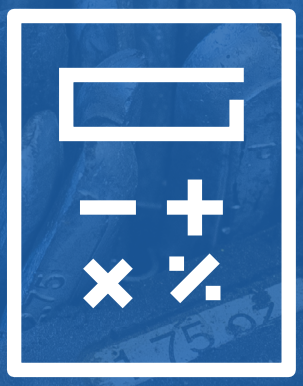
Number of customers registered to date (40%).

4,300 continuous consumption alerts we issued.

3,200 high consumption alerts were issued.

Further enhancements were approved for the Customer Connect portal in late 2024/2025. This multi-phase enhancement project aims to increase the adoption of paperless billing and promote earlier registration during account creation.

Financial & Regulatory Compliance



Capital Investment

As one of the oldest cities in Canada, Halifax has a celebrated history and has grown around its strategic harbour. As it has grown and changed over the past few hundred years, the city has been built on multiple generations of water and sewer infrastructure. As with any aging asset, these must be maintained and eventually renewed so our city can continue to flourish economically and as a sustainable community for those who live here.

According to Halifax Water's 2019 Integrated Resource Plan (IRP), approximately $4 billion is required to upgrade critical water, wastewater, and stormwater infrastructure in Halifax between 2019 and 2049. These investments help ensure the continued delivery of services that will benefit customers, residents, and the municipality. This IRP planning framework guides Halifax Water in planning and constructing municipal infrastructure projects.

Halifax Water manages some infrastructure projects while others are managed through an integrated project partnership with the municipality to ensure improved coordination, reduce disruption in the community, and gain efficiency in areas such as road construction, sidewalks, paving, and traffic control.

Halifax Water Projects

Halifax Water-Specific Projects – Managed independently of HRM

Newton Avenue
The 2019 Infrastructure Master Plan (IMP) recommended installing a 500 mm transmission main across the Halifax Peninsula in the Intermediate Zone from the intersection of Robie Street and Young Street to Quinpool Road.

The Newton Avenue phase of the project was completed in 2024. This included approximately 750 m of new 500 mm diameter ductile iron transmission main to replace the existing 150 mm diameter cast iron local distribution main between Chebucto Road and Quinpool Road.

The final phase of this project (Chebucto Road/Connaught Avenue (from Newton Avenue to Berlin Street) is currently in the design phase and is scheduled for construction in 2025.

Beaver Bank Reservoir
Built-in 2007, the Beaver Bank Reservoir is in the southern part of Beaver Bank, NS. It is a welded steel tank with a volume of 1.9 million Imperial Gallons. The reservoir is filled via the Beaver Bank Booster Station, which is supplied by the Sackville High Zone. The reservoir provides storage for the Beaver Bank Boosted, Monarch/Rivendale High and Beaver Bank Intermediate pressure zones.

In 2024, Halifax Water completed:

- Interior coating replacement
- Exterior maintenance, repairs, and overcoating.
- Installation of a new electric mixing system
- Replacement of the interior inlet pipe
- Cathodic protection system repair
- Miscellaneous safety upgrades

Bayers Road
The Bayers Road at Desmond Sewer Separation project consisted of installing a new 300-375 mm diameter stormwater system on Bayers Road between Joseph Howe Drive and Desmond Avenue. The system will collect stormwater in the area previously captured by the existing combined wastewater system, including local drainage on Bayers Road, Joseph Howe Drive and Rowe Avenue.

The new stormwater system will connect to the existing box culvert on Desmond Avenue, forming part of the existing dedicated storm system. This system eventually discharges to an open-ditch system between the Joseph Howe Drive Superstore and the CN Rail, discharging to the Fairview Cove Outfall.

Quinpool Road
The project primarily involved replacing 325 m of the existing 150 mm cast iron water main, which was originally installed in 1920, with a 300 mm diameter ductile iron pipe.

This project was part of a longer-term plan to upsize the old small main to 300 mm along Quinpool Road, connecting it with the existing 300 mm main on Chebucto Road and the existing 300 mm on Quinpool Road near MacDonald Street.

Silver Sands

Located in Cow Bay, Nova Scotia, Silver Sands is a small community serviced by a small central water system. The system includes a supply well, a pump, a water treatment system in a small building, water distribution pipes ranging from 50 mm to 150 mm, and water service laterals to the homes.

In 2024, Halifax Water completed a 1.7 km water extension on Cow Bay Road to bring water from the Halifax Water Lake Major water system to the Silver Sands system, eliminating the need for the water supply from the well.

The work included installing approximately 1,700 m of water main, 17 gate valves, 11 fire hydrants, one river crossing, and a new building with a PRV, meter, and treatment system. It also includes road reinstatement, demolition, and removal of the existing building, and decommissioning the existing well.

The project is expected to be completed by the end of 2025.

In 2024, Halifax Water completed:

- Interior coating replacement
- Exterior maintenance, repairs, and overcoating.
- Installation of a new electric mixing system
- Replacement of the interior inlet pipe
- Cathodic protection system repair
- Miscellaneous safety upgrades

Akerley Boulevard

Halifax Water identified the need to rehabilitate approximately 450 m of the existing 200 mm diameter ductile iron wastewater forcemain along Akerley Boulevard, Burnside. This forcemain was initially scheduled for replacement, as it is in poor condition and at the end of its service life. However, due to the new condition of Akerley Boulevard, the area's high traffic volumes, and the forcemain's proximity to other underground infrastructure, Halifax Water decided to explore trenchless options to rehabilitate the forcemain. Replacement of the existing forcemain by traditional open excavation would create significant disturbance on Akerley Boulevard and potentially require a realignment of the forcemain to reduce impacts to the surrounding underground infrastructure.

Halifax Water currently runs an active program that utilizes cure in place pipe (CIPP) trenchless technology to rehabilitate gravity sewers. The Trenchless Rehabilitation Program has successfully rehabilitated gravity sewers with CIPP, and Halifax Water is now exploring the option of applying this technology to rehabilitate pressurized wastewater sewer systems. The Akerley Blvd Forcemain Replacement project was completed as a pilot to test the viability of this rehabilitation technology.

Biosolids Processing Facility Expansion

The Aerotech Biosolids Processing Facility (BPF) is in the Aerotech Industrial Park in Goffs, NS. The facility receives and processes dewatered sludge, or biosolids, from Halifax Water's wastewater treatment facilities. Biosolids are currently processed using the N-Viro alkaline stabilization process to produce a Canadian Food Inspection Agency (CFIA) registered fertilizer that is subsequently used on non-food-bearing crops.

The Infrastructure Master Plan (IMP) completed in 2019, along with subsequent analyses by Halifax Water staff, identified a 204% increase in biosolids production by 2046 due to population growth within the HRM, as well as the implementation of new secondary treatment processes at the Halifax, Dartmouth, and Herring Cove wastewater treatment facilities. This forecast exceeds the current production capacity of the BPF.

Work completed to date includes the completion of a third-party study to validate and confirm the earlier work conducted by Halifax Water and the start of the procurement process to execute a "Design, Build, Operate and Maintain" (DBOM) agreement for the design construction and long-term operation of the new facility. The RFP process was completed in March 2025, and a new long-term DBOM contract is expected to be in place by early 2026.

The new facility is expected to include provisions for enhanced resource recovery, nutrient and energy recovery, water consumption and GHG emissions reduction. The facility will produce fertilizer that can be sold to the local agricultural sector and produce renewable natural gas (RNG) that will be exported and sold into the North American natural gas distribution system. The facility is anticipated to process more than 75,000 tonnes/year of biosolids and produce over 200,000 GJ/year of RNG at full capacity.

Cogswell District Energy System (DES)

Halifax Water continues to develop its District Energy Utility, which will provide heating and cooling services to buildings in the Cogswell District using thermal energy recovered from effluent at the Halifax Wastewater Treatment Facility. The project demonstrates Halifax Water's commitment to environmental stewardship and will be a significant contributor to Halifax's "HalifACT 2050" initiative.

Considerable progress has been made on the project over the last year. The remainder of the distribution piping system, which will transfer thermal energy between the Energy Centre and connected customers, has been installed. Pressure testing and flushing of the system are scheduled for spring 2025.

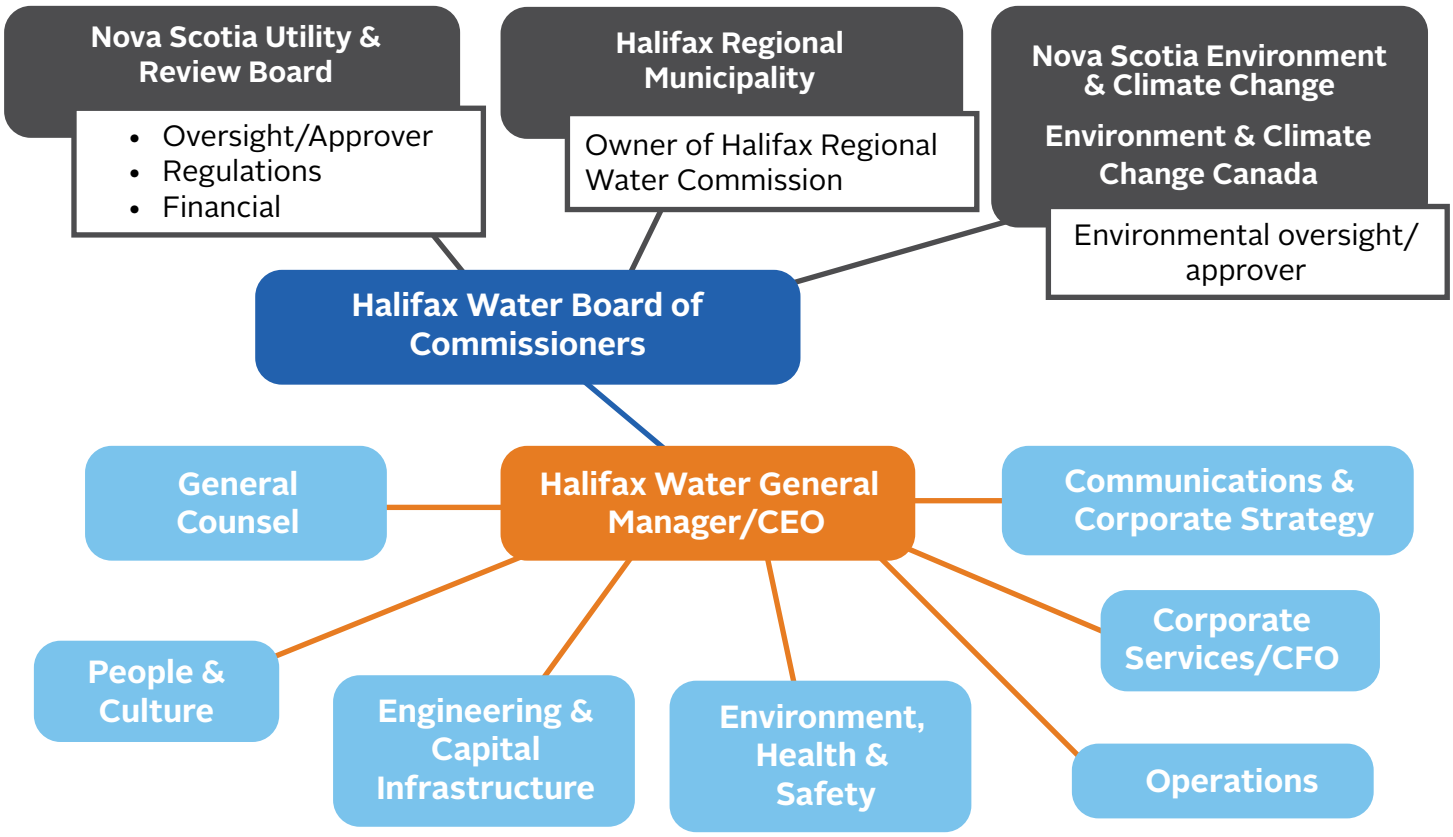
A preliminary (30%) design for the Energy Centre has been completed, and Halifax Water has issued and awarded an RFP for the detailed design of the Energy Centre, with design starting in mid-2025. Over the coming year, the detailed design is expected to be completed, and preparations will begin to seek regulatory approval for constructing the Energy Center and the Energy Transfer Stations, located in each connected building.

Halifax Water received approval for its interim Cost of Service Manual in June 2024 and is updating it to reflect progress in rate structure design. In the coming year, Halifax Water plans to apply to the NSUARB with an updated version of the cost-of-service manual, utility regulations, rate structures and an updated financial model.

Halifax Water is also developing system connection guidelines to provide developers with all the necessary information to integrate their buildings' HVAC systems with the DES.

Halifax Water is excited by the DES's progress and looks forward to delivering clean, renewable energy to developments in the Cogswell District.

Alignment with the Halifax Regional Municipality



Halifax Water Projects – Integrated Projects

Cathedral Lane Phase 1 and 2

The first project in the Spring Garden Road sewer separation pocket was completed in November 2022. As part of phase 1 of the Cathedral Lane sewer separation project, approximately 210 m of new stormwater sewer was installed along South Park Street, University Avenue, and then to the intersection of University Avenue and Cathedral Lane.

In phase 2, approximately 280 m of new stormwater sewer was installed, and approximately 140 m of existing old watermain was replaced. The stormwater sewer was connected to the storm sewer installed in 2022 near the intersection of University Avenue and Cathedral Lane. In addition, Halifax Water has identified an opportunity for further separation within the Halifax Public Gardens.

The overflow from an existing pond within the Public Gardens will be redirected to the new stormwater sewer at the intersection of Cathedral Lane and Spring Garden Road instead of connecting to the combined wastewater system, as it is currently.

Completing this work will allow for the separated storm capture along Cathedral Lane and includes roof connections from two large apartment complexes and a portion of College Street that drains to the intersection with Cathedral Lane.

This project addresses local and regional sewer capacity issues and is key to facilitating future growth. It is also the beginning of the program for the Spring Garden Road pocket, which is the downstream receiving storm sewer for future sewer separation along College Street. This is expected to be completed in 2025.

Raymond Street & Walker Street

The project involved replacing 800 m of the existing 150 mm cast iron water main with a 200 mm and 300 mm diameter ductile iron pipe. The existing cast iron main was installed in 1954 and reached the end of its useful life.

Bowser Avenue & Avery Avenue

The work involved replacing 345 m of the existing 150 mm cast iron main with 200 mm ductile iron pipe and 12 “no-corrode” laterals. The existing cast iron main was installed in 1959 and had reached the end of its useful life.

Financial Overview

Halifax Water received a clean audit opinion on the financial statements for the fiscal year ended March 31, 2025. The financial statements are presented in accordance with International Financial Reporting Standards (IFRS). Halifax Water also produces financial information in the format required by the Nova Scotia Regulatory Approvals Board (NSUARB) in accordance with the NSUARB Water Utility Accounting and Reporting Handbook (Handbook).

The financial statements prepared under IFRS are used primarily for consolidation with the Halifax Regional Municipality's financial statements. In contrast, the financial information prepared under the Handbook is used for setting water, wastewater and stormwater rates.

The financial statements contain the independent auditor's report issued by Doane Grant Thornton LLP, IFRS statements and schedules containing financial information prepared in accordance with the Handbook.

The key differences between the IFRS and Handbook financial statements are related to reporting requirements for the recognition of various expenditures as follows:

- The re-measurement of the defined benefit plans is not considered an expense for the Handbook and could result in either positive or negative impacts on income;
- Principal payments on long-term debt are an expense for the Handbook but not under IFRS;
- Depreciation expense on contributed assets is not an expense for the Handbook for water and wastewater assets. For stormwater assets, 25% of depreciation on contributed assets is included for the Handbook.

- Amortization of contributed capital is not considered revenue under the Handbook; and,
- Various depreciation adjustments, including the add-back of losses on the disposal of utility plant in service, componentization of assets and shorter useful lives, results in higher depreciation under IFRS than under the Handbook.

Reconciliation IFRS to Handbook Results

	2024/25 '000	2023/24 '000
IFRS comprehensive earnings	**$6,020**	$20,203
Add non-cash pension expense	**3,107**	3,012
Subtract debt principal payments	**(21,201)**	(22,604)
Add depreciation expense on contributed assets	**19,122**	18,997
Subtract amortization of contributed capital	**(19,122)**	(18,997)
Add various depreciation adjustments	**2,953**	755
Subtract other comprehensive income gain	**(6,527)**	(8,745)
NSUARB Loss	**$(15,648)**	$(7,379)

Under IFRS, the comprehensive earnings are $6.0M. After the adjustments described above, the loss for the year under the Handbook is $15.6M. From a budget perspective, the loss was less than budget due to financial expenditures being less than budget. Operating revenue were higher than budget and was offset by higher operating expenditures. Operating expenditures were higher in areas such as electricity, contract services and salaries and benefits.

Based on the Handbook, water services loss of $9.6M was $3.7M higher than the prior year loss and $0.4M more than budget. The primary differences from the prior year were an increase in electricity costs relating to price and usage increases, contract services, traffic control and an increase in salaries and benefits due to new positions and salary rate increases. The increases in expenditures were offset by an increase in revenues resulting from consumption increases and a decrease in depreciation and amortization.

Wastewater services loss of $3.3M is more than the prior year loss by $3.2M but $3.7M lower than the budgeted loss. The primary differences from the prior year were an increase in discharge revenue offset by a larger increase in operating costs for salaries, contract services and depreciation.

Stormwater services loss of $2.7M increased from the prior year loss by $1.4M and was $0.2M more than budget. Expenditures increased due to higher contract services and traffic control relating to an increase in ditching work.

Operating Results by Service (Handbook)

	Budget 2024/25 '000	Actual 2024/25 '000	Actual 2023/24 '000	2024/25 Budget/Actual $ Variance	2024/2025 Budget/Actual % Variance	Actual/Actual $ Change	Actual/Actual % Change
Water	**$(9,233)**	**$(9,622)**	$(5,960)	$(389)	4.2%	$(3,662)	61.4%
Wastewater	**(6,998)**	**(3,312)**	(88)	3,686	(52.7%)	(3,224)	3663.6%
Stormwater	**(2,476)**	**(2,714)**	(1,331)	(238)	9.6%	(1,383)	103.9%
Loss	**$(18,707)**	**$(15,648)**	$(7,379)	$3,059	(16.4%)	$(8,269)	112.1%

Revenue

Operating revenues increased from the prior year by $2.2M. Consumption revenue increased by 3.1%. Base charge revenue was consistent with the prior year. Stormwater site generated charge revenue and stormwater right of way revenue were consistent with the prior year. Regulated rates last increased April 1, 2023.

The wastewater rebate is available to certain large customers whose water does not enter the wastewater system. The rebate increased $1.2M from the prior year due to higher consumption by eligible customers.

Operating Revenues

	Budget 2024/25 '000	Actual 2024/25 '000	Actual 2023/24 '000	2024/25 Budget/Actual $ Variance	2024/2025 Budget/Actual % Variance	Actual/Actual $ Change	Actual/Actual % Change
Consumption revenue	**$111,442**	**$114,894**	$111,933	$3,452	3.1%	$2,961	2.6%
Base charge revenue	**34,356**	**34,496**	34,516	140	0.4%	(20)	(0.1%)
Wastewater rebate	**(1,636)**	**(3,164)**	(1,999)	(1,528)	93.4%	(1,165)	58.3%
Metered sales total	**144,162**	**146,226**	144,450	2,064	1.4%	1,776	1.2%
Stormwater site generated charge	**8,864**	**8,599**	8,676	(265)	(3.0%)	(77)	(0.9%)
Stormwater right of way	**6,515**	**6,627**	6,520	112	1.7%	107	1.6%
Public fire protection	**8,083**	**8,083**	8,083	-	0.0%	-	0.0%
Private fire protection	**1,721**	**1,785**	1,698	64	3.7%	87	5.1%
Other operating revenue	**2,714**	**2,903**	2,552	189	7.0%	351	13.8%
Operating revenue total	**$172,059**	**$174,223**	$171,979	2,164	1.3%	$2,244	1.3%

Expenditures

Operating Expenditures

Operating expenditures for 2024/25 are $152.9M, an increase of $9.6M or 6.7% compared to the prior year. The drivers of the increase include electricity costs due to usage and price increases, contract services and traffic control costs, and salaries and benefits related to new positions.

Financial and Other Expenditures

Financial and other expenditures totalled $37.9M in 2024/25, an increase of $1.0M or 2.7% compared to the prior year. The increase relates to higher interest expense for long-term debt.

Financial and Other Revenues

Financial and other revenues totalled $1.0M in 2024/25, a slight increase compared to the prior year.

Regulated Activities

Activities regulated by the NSUARB show a loss of $16.4M, representing an increased loss of $8.6M compared to the prior year.

Unregulated Activities

Earnings from unregulated activities increased by $0.3M from the prior year due to an increase in septage tipping revenue.

Assets

Cash and cash equivalents

Cash and cash equivalents balance of $73.1M is $29.1 higher than the prior year due to the issuance of new debt to fund the capital program. The liquidity on the balance sheet (ratio of current assets divided by current liabilities) is 1.31.

Utility Plant in Service

Utility plant in services assets, net of accumulated depreciation, are $1,436.8M and is $62.2M or 4.5% higher than last year. Total of new assets capitalized in the fiscal year were $123.2M. At the end of the fiscal year, there was $115.6M in capital work in progress, compared to $114.4M last year.

Additions to Utility Plant in Service and Intangibles

	Cumulative '000
Cogswell Redevelopment	$11,432
Gravity Sewer Albro Lake to Jamieson Street	8,823
Cowie Hill Reservoir Rehab	8,140
Williams Lake Pump Station Rehab	3,836
Trenchless Rehab Program	3,167
	35,397
All other projects:	
Water	38,290
Wastewater	36,004
Stormwater	13,529
	87,823
Total additions	$123,221

Capital Work in Progress

	Cumulative '000
Cogswell Redevelopment	$9,625
Burnside Operations Facility	6,138
Bayers Road Wastewater Pocket	5,037
Sullivan's Pond Phase 2	4,570
Silver Sands Water Main Extension	3,854
	29,224
All other projects:	
Water	$1,336
Wastewater	19,031
Stormwater	4,304
Corporate	61,732
Total	$115,627

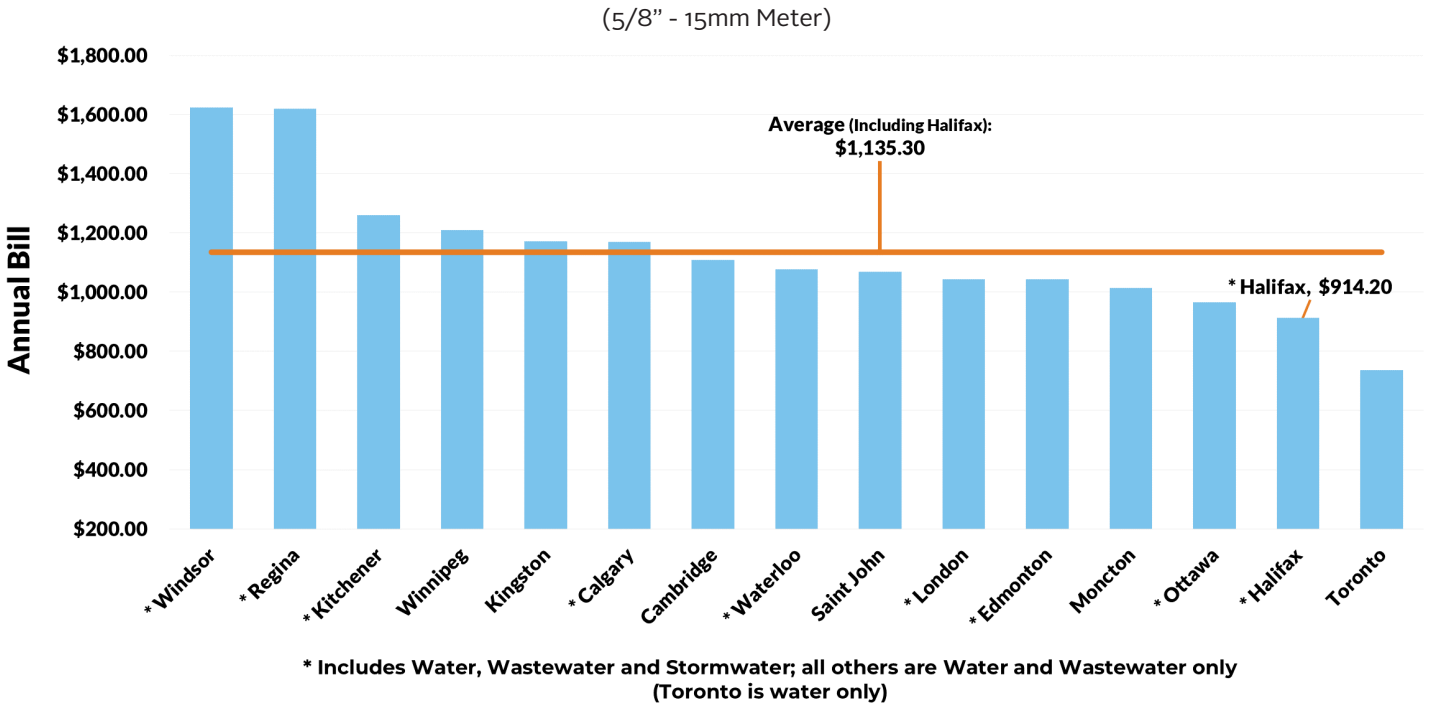
Liabilities

Debt

Debt is an important funding source for Halifax Water's capital program. Total long-term debt is $293.0M. New debt of $80.0M was issued in fiscal 2024/25, and repayments during the year were $23.0M.

The debt service ratio of 17.64% is well below the maximum 35.00% ratio allowed under the blanket guarantee agreement with HRM.

Benchmarking of Estimated Annual Residential Cost



Cost Containment

Halifax Water remains committed to cost containment, which is essential for maintaining affordable rates. The cost containment process involved implementing recommended actions to address the NSUARB's request for a more rigorous approach. Since 2013, a formal cost containment program has been in place. From April 1,2022 to March 31, 2025 Halifax Water has saved 24.2 million. In 2024/25, the savings from cost containment initiatives, totalled 6.1 million.

Cost containment initiatives are impacted mostly in the areas of Facilities/Process Strategies, and Human Resources. Under Human Resource Strategies, the effects of pension plan re-design initiated in 2015/16 are one of the main contributors to cost containment savings in the current year. In 2024/25, the savings related to pension plan re-design approximate $1.7 million.

New cost containment initiatives implemented during the 2024/25 fiscal year result was approximating $0.6 million and fall within the Technology and Business Process, Procurement and Information and Technology (IT) categories, ranging from procurement negotiations, in-house maintenance and IT efficiencies that result in gains in staff time.

Pension Plan Actuarial Valuation

All Halifax Water employees are members of one of two defined benefit pension plans. Employees that transferred from HRM, of which 38 remain, are members of the HRM Pension Plan. Halifax Water is obligated to make contributions for these employees' service to the HRM Pension Plan.

For all other employees, Halifax Water maintains the Halifax Regional Water Commission Employees' Pension Plan (the Plan). An actuarial valuation of the Plan is required every three (3) years to determine its financial health and future contribution rate and to meet statutory filing requirements. This valuation was conducted as at January 1, 2025.

Going Concern Financial Position	January 1,2025 '000	January 1,2022 '000
Value of assets	$216,990	$172,968
Liabilities	(159,084)	(135,207)
Provision for Adverse Deviation (PFAD)	(10,896)	(9,405)
Surplus	$47,010	$28,356
Surplus%	127.7%	119.6%

The Plan's funded ratio has increased from 119.6% to 127.7% since the last valuation. The increase is primarily related to favourable market conditions throughout 2023 and 2024 and a change in the discount rate. As a result, effective January 1, 2025, employee and employer contribution rates will reduce from 9.6% to 8.72%. The next valuation is due to be conducted no later than January 1, 2028.

The audited financial statements of the Plan provide the following information:

Financial Position	December 31, 2024 '000	December 31, 2023 '000
Net assets available for benefits	$218,262	$191,209
Pension obligation	(169,979)	(164,295)
Surplus	$48,283	$26,914
Surplus %	128.4%	116.4%

In 2024, the net assets available for benefits increased to $218.3M from $191.2M in 2023. The increase was primarily due to an increase in the fair value of investment assets of $22.8M. Over the same period the pension obligation increased to $170.0M. Abbreviated statement of changes in net assets available for benefits is shown below:

Changes in Net Assets Available for Benefits		
For the Year Ended	December 31, 2024 '000	December 31, 2023 '000
Revenue	$27,007	$15,239
Contributions	8,367	7,973
Expenses	(8,321)	(7,243)
Increase in net assets available for benefits	$27,053	$15,969

Regional Development Charges

Halifax Water oversees the development and collection of water and wastewater Regional Development Charges (RDCs). These fund upgrades to regional water and wastewater systems to facilitate projected population growth in the servicing boundary. The RDC program is designed to be cost-neutral . The table below shows the cumulative accounting of all RDC received and invested in infrastructure at the end of the fiscal year on March 31, 2025.

Regional Development Charge	Regional Development Charges Collected	Interest	Merchant Fees	RDC Funds Invested in Infrastructure	Remaining RDC Funds available for Future Investment in Infrastructure
Water	$27,002	$429	($367)	($19,115)	$7,949
Wastewater	$143,026	$6,411	($428)	($31,177)	$117,832
Grand Total	$170,028	$6,840	($795)	($50,292)	$125,781

The 2019 application to update the RDC's was approved in April 2021. The approval allows annual Consumer Price Index (CPI) adjustments, with five-year updates submitted to the NSUARB. A two-year rate freeze was mandated by the Province (Section 236A HRM Charter) and expires on November 9, 2025. Shortfalls in the RDCs resulting from this rate freeze will be recovered from future RDC charges and will not be subsidized by the general rate base.

Financial Implications

Halifax Water is a regulated utility that operates on a cost-recovery basis and is in compliance with the Public Utilities Act.

Consistent with this principle, in 2022/23, Halifax Water and HRM staff negotiated a five-year renewal of the Dividend Agreement (grant in lieu of taxes), which the NSUARB approved in May 2023. The total amount payable will be calculated based on Property Valuation Services Corporation's assessed value of Halifax Water properties and the property tax rates set by HRM each fiscal year. To phase in this new approach to calculating the payment, the assessed value of Halifax Water properties will be increased gradually over the next five years. The amount paid by Halifax Water to HRM in the fiscal year ending March 31, 2025 was $6.8 million.

Halifax Water

Financial Statements

Halifax Regional Water Commission

March 31, 2025

Halifax Water

Contents

	Page
Independent auditor's report	1-2
Statement of financial position	3
Statement of earnings and comprehensive earnings	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7-20
Schedules	
A Schedule of utility plant in service	
Water	21
Wastewater	22
Stormwater	23
B Schedule of long term debt	24
C Schedule of earnings	
Water	25
Wastewater	26
Stormwater	27
D Schedule of earnings	
Regulated activities	28
Unregulated activities	29
E Nova Scotia Utility and Review Board information	30

Doane Grant Thornton

Independent auditor's report

Doane Grant Thornton LLP
Suite 1000, Nova Centre, North Tower
1675 Grafton Street
Halifax, NS
B3J 0E9

T +1 902 421 1734
F +1 902 420 1068

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

Opinion

We have audited the financial statements of the Halifax Regional Water Commission ("Halifax Water"), which comprise the statement of financial position as at March 31, 2025, and the statement of earnings and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Halifax Water as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 17 to the financial statements, which explains that certain comparative information for the year ended March 31, 2024 has been restated. Our opinion is not modified in respect to this matter.

Other matter – Supplemental Schedules

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole as prepared in accordance with IFRS Accounting Standards. Schedules A through E are prepared by management in accordance with the Nova Scotia Utility and Review Board Water Utility Accounting and Reporting Handbook. Such information has been subjected to the auditing procedures applied for the purpose of the audit of the financial statements as a whole as at and for the period ended March 31, 2025.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Chartered Professional Accountants

Halifax, Canada
September 25, 2025

Halifax Regional Water Commission
Statement of financial position

March 31 (in thousands)	2025	(As restated - Note 17) 2024
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
Prepaids	**2,178**	1,735
	121,704	90,625
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)	**1,345,901**	1,287,511
Total assets	**1,627,140**	1,528,499
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
	104,865	97,425
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	**1,316,877**	1,224,448
Equity		
Accumulated other comprehensive income	**66,923**	60,396
Accumulated surplus	**245,192**	245,699
Total equity	**312,115**	306,095
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

John C. McPherson Chair

Cathy Deagle Gammon 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
	174,223	171,979
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
	177,897	165,904
Income (loss) from operations before financial and other revenues and expenditures	(3,674)	6,075
Financial and other revenues		
Interest	367	412
Amortization of deferred contributed capital	19,122	18,997
Other	611	488
	20,100	19,897
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
	16,741	14,322
(Loss) earnings for the year before regulatory deferral account depreciation	(315)	11,650
Regulatory deferral account depreciation	192	192
(Loss) earnings for the year	(507)	11,458
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	$ 6,020	$ 20,203

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	51,651	$ 234,241	285,892
Earnings for the year	-	11,458	11,458
Other comprehensive earnings	8,745	-	8,745
Comprehensive earnings for the year	8,745	11,458	20,203
Balance, March 31, 2024	$ 60,396	$ 245,699	$ 306,095
Loss for the year	-	(507)	(507)
Other comprehensive earnings	6,527	-	6,527
Comprehensive earnings for the year	6,527	(507)	6,020
Balance, March 31, 2025	$ 66,923	$ 245,192	$ 312,115

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
	51,658	62,331
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
Prepaids	**(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
	12,428	1,239
	64,086	63,570
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)
	89,389	21,515
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)
	(124,370)	(85,660)
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.

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 September 25, 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.

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

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.

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:

Asset/Liability	Classification
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.

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

(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.

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).

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)

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 Defined benefit Pension plan	2024 Defined benefit Pension plan	**2025 Post-retirement benefits**	2024 Post-retirement benefits	**2025 Pre-retirement benefit**	2024 Pre-retirement benefit
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	**(192)**	(192)
Balance, March 31	**$ 1,852**	$ 2,044

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.

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:

	2025	2024
Long term debt	**$ 293,010**	$ 236,454
Equity	**319,733**	316,526
Capital under management	**$ 612,743**	$ 552,980

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.

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:

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

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:

	2025	2024
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	(2,996)	(2,428)
Net revenue and expenditures	$ 6,105	$ 6,629

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%).

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:

	2025	2024
Compensation and benefits	$ 1,463	$ 1,769
Post-employment benefits	118	118
Total compensation	$ 1,581	$ 1,887

10. Intangible assets

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

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	25,806	314,941	315,310	1,129,488	55,672	**1,841,217**
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	-	111,144	156,729	192,801	34,642	**495,316**
Net book value, March 31, 2025	$ 25,806	$ 203,797	$ 158,581	$ 936,687	$ 21,030	**$ 1,345,901**

	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	25,771	291,756	299,014	1,066,536	46,430	1,729,507
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	-	101,717	140,249	172,173	27,857	441,996
Net book value, March 31, 2024	$ 25,771	$ 190,039	$ 158,765	$ 894,363	$ 18,573	$ 1,287,511

12. Deferred contributed capital

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

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

	Interest rates	2025	2024
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%	**37,656**	29,427
		294,661	231,127
Payable to Halifax Regional Municipality			
Wastewater/Stormwater	3.041% to 5.940%	**-**	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)
		$ 260,129	$ 196,622

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

14. Operating expenditures by nature

	2025	2024
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	59,008	53,654
	$ 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:

	Previously reported	Adjustments	Restated
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
Year ended March 31, 2025 (in thousands)

Schedule A

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
Year ended March 31, 2025 (in thousands)

Schedule A

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
Year ended March 31, 2025 (in thousands)

Schedule A

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

Collective utility plant in service	Water	Wastewater	Stormwater	Total
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 of long term debt

Year ended March 31, 2025 (in thousands)

Schedule B

	Interest rate	Maturity	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

Halifax Regional Water Commission
Schedule of earnings

Schedule C

Year ended March 31, 2025 (in thousands)

Water

	2025	2024
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
	66,738	65,354
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
	60,024	56,968
Earnings from operations before financial and other revenues and expenditures	6,714	8,386
Financial and other revenues		
Interest	232	300
Other	514	392
	746	692
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
	17,082	15,038
Loss for the year	$ (9,622)	$ (5,960)

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 C

Wastewater

	2025	2024
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
	92,062	91,234
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
	78,768	73,244
Earnings from operations before financial and other revenues and expenditures	13,294	17,990
Financial and other revenues		
Interest	135	112
Other	97	96
	232	208
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
	16,838	18,286
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

	2025	2024
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
	15,423	15,391
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
	14,115	13,112
Earnings from operations before financial and other expenditures	1,308	2,279
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
	4,022	3,610
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

Schedule D

Year ended March 31, 2025 (in thousands)

Regulated activities

	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 services	**1,785**	1,698
Other operating revenue	**1,479**	1,330
	172,799	170,757
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	**34,273**	34,066
	151,774	142,196
Earnings from operations before financial and other revenues and expenditures	**21,025**	28,561
Financial and other revenues		
Interest	**367**	412
Other	**18**	11
	385	423
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	**6,816**	6,589
	37,808	36,794
Loss for the year	$ **(16,398)**	$ (7,810)

Schedule D is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission
Schedule of earnings

Year ended March 31, 2025 (in thousands)

Schedule D

Unregulated activities

	2025	2024
Operating revenues		
Septage tipping fees	$ 795	$ 577
Leachate treatment and contract revenue	562	551
Airplane effluent	67	94
	1,424	1,222
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
	1,133	1,128
Earnings from operations before financial and other revenues and expenditures	291	94
Financial and other revenues		
Other	593	477
Financial and other expenditures		
Other	134	140
Earnings for the year	$ 750	$ 431

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

Schedule E is presented in accordance with the NSRAB Handbook.

Halifax Water

Financial Statements

Halifax Regional Water Commission

Employees' Pension Plan

December 31, 2024

Contents

	Page
Independent auditor's report	1-2
Statement of financial position	3
Statement of changes in net assets available for benefits	4
Statement of changes in pension obligations	5
Notes to the financial statements	6-19

Doane Grant Thornton LLP
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9

T +1 902 421 1734
F +1 902 420 1068

Independent Auditor's report

To the Board of Trustees of the
Halifax Regional Water Commission
Employees' Pension Plan

Opinion

We have audited the financial statements of Halifax Regional Water Commission Employees' Pension Plan, which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Halifax Regional Water Commission Employees' Pension Plan as at December 31, 2024, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Halifax Regional Water Commission Employees' Pension Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Halifax Regional Water Commission Employees' Pension Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Halifax Regional Water Commission Employees' Pension Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Halifax Regional Water Commission Employees' Pension Plan's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Halifax Regional Water Commission Employees' Pension Plan's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Halifax Regional Water Commission Employees' Pension Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Halifax Regional Water Commission Employees' Pension Plan to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Halifax, Canada
June 19, 2025

Chartered Professional Accountants

Halifax Regional Water Commission
Employees' Pension Plan
Statement of financial position

December 31	2024	2023
Assets		
Investment assets (Note 3)	**$ 218,017,632**	$ 190,941,027
Contributions receivable (participants)	**166,444**	150,512
Contributions receivable (sponsor)	**166,443**	150,512
	218,350,519	191,242,051
Liabilities		
Payables and accruals		
Trade	**88,635**	33,154
Net assets available for benefits (Note 4)	**218,261,884**	191,208,897
Pension obligations	**169,979,400**	164,295,100
Surplus	**$ 48,282,484**	$ 26,913,797

On behalf of the Board of Trustees

Trustee

Trustee

See accompanying notes to the financial statements.

Halifax Regional Water Commission
Employees' Pension Plan
Statement of changes in net assets available for benefits

Year Ended December 31	2024	2023
Revenue		
Net investment income (Note 6)	**$ 4,199,583**	$ 3,257,098
Changes in the fair value of investment assets	**22,807,009**	11,981,675
	27,006,592	15,238,773
Contributions (Note 7)		
Participants	**4,270,702**	4,384,560
Sponsor	**4,096,790**	3,588,545
	8,367,492	7,973,105
Expenses		
Benefit payments (Note 8)	**$ 8,075,380**	$ 7,048,104
Administrative (Note 9)	**245,717**	194,880
	$ 8,321,097	$ 7,242,984
Increase in net assets available for benefits	**$ 27,052,987**	$ 15,968,894
Net assets available for benefits, beginning of year	**$ 191,208,897**	$ 175,240,003
Increase in net assets available for benefits	**27,052,987**	15,968,894
Net assets available for benefits, end of year	**$ 218,261,884**	$ 191,208,897

See accompanying notes to the financial statements.

Halifax Regional Water Commission
Employees' Pension Plan
Statement of changes in pension obligations

Year Ended December 31	2024	2023
Pension obligations, beginning of year	**$ 164,295,100**	$ 154,048,139
Change in pension obligations		
Changes in actuarial assumptions (Note 5)	**(4,874,960)**	666,365
Miscellaneous sources of increase	**1,088,040**	-
Interest accrued on benefits	**9,745,500**	9,159,000
Benefits accrued	**7,801,100**	7,469,700
Benefits paid (Note 8)	**(8,075,380)**	(7,048,104)
	$ 5,684,300	$ 10,246,961
Pension obligations, end of year	**$ 169,979,400**	$ 164,295,100

See accompanying notes to the financial statements.

1. Description of the Plan

The Halifax Regional Water Commission Employees' Pension Plan (the "Plan") is registered under the Pension Benefits Act of Nova Scotia (Registration Number 0344614). The following description of the Plan is a summary only. For more complete information, reference should be made to the Plan agreement restated as at January 1, 2021 as amended and consolidated.

(a) General

The Halifax Regional Water Commission maintains a contributory defined benefit pension plan for all employees, and participation in the Plan is compulsory for full-time and part-time employees. The pension plan provides pensions based upon length of service and best seven consecutive years' earnings.

The employees who transferred to the Halifax Regional Water Commission on August 1, 2007 with the transfer of the wastewater/stormwater operations have remained members of the Halifax Regional Municipality Pension Plan. The Halifax Regional Water Commission is responsible for funding the employer share of the contributions for these employees. All new employees hired after August 1, 2007 join the Halifax Regional Water Commission Employees' Pension Plan.

(b) Funding policy

Employees' required contributions in 2024 were 9.60% (2023 – 9.60%) of pensionable earnings with the Halifax Regional Water Commission matching employee contributions. Basic contributions from employers and members due to the Plan at the end of the year are recorded on an accrual basis. Pensionable earnings were capped temporarily to a maximum of $140,945 to December 31, 2023 and will be indexed at a rate of 1% per annum thereafter. Capped pensionable earnings for 2024 were $142,354.

In addition, the Plan and the Pension Benefits Act of Nova Scotia require that the Halifax Regional Water Commission, from time to time, make contributions to the Plan of such amounts which are required as special payments in accordance with the provisions of the Plan as determined by the actuary (see Note 5).

Nova Scotia funding regulations require a "Provision for Adverse Deviation" (PfAD), which is an explicit level of conservatism added to the going concern liabilities of the Plan. The PfAD is based on the riskiness of the asset mix of the Plan, and for the actuarial valuation of January 1, 2025, the PfAD is reported at 6.9%. As a result, total liabilities are required to be increased 6.9% in the determination of the Plan's surplus (funded liability/deficit) position (Note 5).

1. Description of the Plan (continued)

(c) Retirement benefits

Employees are entitled to annual pension benefits of an amount equal to 2.0% of their best earnings averaged over the highest seven consecutive years of earnings for each year of credited service up to the maximum permitted by the Canada Revenue Agency. For credited service prior to January 1, 2016, the best average earnings cannot be less than the best average five consecutive years of earnings paid to an employee prior to 2016.

Benefits are adjusted each year. Adjustments are based on the increase in the Consumer Price Index over the previous calendar year to a maximum of 2% for benefits earned prior to January 1, 2016, and to a maximum of 1% for benefits earned after December 31, 2015.

(d) Disability pensions

Disabled employees continue to accrue credited service without having to continue their contributions. The employer and employees fund the actuarial cost of the pensions for disabled employees annually. Disabled employees are eligible for a pension if they meet the following criteria:

i. they have completed 10 years of continuous participation in the Plan;

ii. they are not in receipt of a salary continuance benefit under an insured plan to which the Halifax Regional Water Commission contributes; and

iii. they are totally and permanently disabled as certified by a medical practitioner.

(e) Death benefits

In the event a pensioner dies after the commencement of their pension payments, the death benefit will be in accordance with the normal or optional form of pension elected at the time of retirement.

In the event a member dies before their retirement date, a survivor pension is payable to the member's surviving spouse at the rate of 60% of the member's pension credits accrued prior to June 1, 1998. The beneficiary of a single employee who dies before retirement will be entitled to the member's contributions and interest up to the month preceding death during that same period. In respect of pension credits accrued after June 1, 1998, the commuted value of the normal retirement benefits shall be paid to the member's surviving spouse, beneficiary or estate. For pension credits accrued between January 1, 1988 and May 31, 1998 whereby a survivor pension payable to the member's surviving spouse is calculated as the greater of: 1) 60% of the survivor pension, or 2) the commuted value of the normal retirement benefits. The beneficiary or estate of a single employee who dies during this same period, January 1, 1988 and May 31, 1998, would be entitled to the commuted value of the normal retirement benefits.

1. Description of the Plan (continued)

(f) Termination of employment

Subject to any statutory limitations, Plan members become vested immediately upon joining the Plan. Members may elect to receive one of the following options upon termination:

i. a paid-up deferred pension commencing on the member's normal retirement date in an amount equal to the pension accrued to date of termination; or

ii. transfer the value of benefit to the member's new employer's pension plan, a Retirement Savings Plan, or purchase a deferred annuity.

(g) Voluntary contributions

Members of the Plan may make additional voluntary contributions up to the deductible limit provided under the Income Tax Act. The non locked-in additional voluntary contributions may be withdrawn from the Plan by a member prior to termination or retirement, either in the form of a lump sum cash payment or transferred directly to the member's Retirement Savings Plan.

Members of the Plan may transfer non locked-in or locked-in benefits from a previous employer. Non locked-in benefits are administered as outlined in the previous paragraph. Locked-in benefits can be withdrawn within ten years of the normal retirement date. Upon retirement, the locked-in and non-locked-in contributions may be used to purchase an annuity.

(h) Income taxes

The Plan is not subject to income taxes since it is a Registered Pension Trust as defined by the Income Tax Act.

(i) Surplus

Where the Plan is continuing and there is a surplus resulting from an actuarial review, the Halifax Regional Water Commission may decide how the surplus is to be treated. However, no amounts can be paid out of the fund to the employer without prior approval of the Superintendent of Pensions. This was reinforced with Memorandums of Understanding between the Halifax Regional Water Commission and each of the union groups, November 14, 2007, whereby the Halifax Regional Water Commission had to assume responsibility to fund any unfunded liability and/or solvency deficiency arising under the Plan, as required by the Pension Benefits Act of Nova Scotia. Subsequently, special payments required to fund any unfunded liability resulting from an actuarial review, were deposited into a separate fund, to track the unique nature of these contributions into the Plan. As at December 31, 2024, the balance of this fund totals $38,600,000 consisting of contributions in the amount of $15,289,000 and investment income/gains (net of expenses) totalling $23,311,000.

1. Description of the Plan (continued)

(i) Surplus (continued)

Pursuant to the Memorandums of Understanding (Pensions) between the Halifax Regional Water Commission and each of the two union groups dated June 7, 2019, indexing of pensions to a maximum of 2% would be reinstated once the going concern special payments made by the Halifax Regional Water Commission have been recouped, subject to the Plan:

- Having a going concern funded ratio of 108% (or above);
- No solvency deficit; and
- So long as the implementation can be affected while maintaining a going concern funded ratio of 108%.

A Memorandum of Agreement (Pension Plan #2) between the Halifax Regional Water Commission and each of the two union groups dated November 19, 2024, stated that following receipt of the results of the Actuarial Valuation scheduled for January 1, 2025, the employer will schedule a meeting with each of the locals to review the current state of the pension plan and to discuss changes to pension benefits as outlined in the Memorandum of Understanding (Pensions #1) as noted above.

A Memorandum of Agreement – Defined Contribution Pension – Overtime between the Halifax Regional Water Commission and each of the two union groups dated November 19, 2024, stated that the employer will establish a Defined Contribution Pension Plan (DCPP) effective July 1, 2025. As a result, the Halifax Regional Water Commission Employees' Pension Plan may be amended to include a Defined Contribution Provision to meet the requirements of this Memorandum of Agreement.

A surplus resulting from the wind-up of the Plan will be used to increase the benefits to the living Members of the Plan (including pensioners) and their beneficiaries to the extent permitted by the Income Tax Act and Regulations. Any balance remaining will be returned to the Halifax Regional Water Commission, however no amounts can be paid out of the fund to the employer without prior approval of the Superintendent of Pensions.

2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies

The financial statements are presented in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants of Canada (CPA) Handbook, Section 4600 – Pension Plans. Section 4600 provides specific accounting guidance on pension obligations and investments, with investments complying with international financial reporting standards ("IFRS") in Part I of the CPA Canada Handbook. For accounting policies that do not relate to either investments or pension obligations, the Plan must consistently comply with either IFRS or Canadian accounting standards for private enterprises ("ASPE") in Part II of the CPA Canada Handbook. The Plan has elected to comply on a consistent basis with ASPE. To the extent that ASPE is inconsistent with Section 4600, Section 4600 takes precedence.

2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies (continued)

(a) Financial Instruments

Financial assets and financial liabilities are recognized when the Plan 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 assets expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

All financial assets and financial liabilities are initially measured at fair value. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Financial assets and liabilities are subsequently measured as described below:

Investment assets
All investment assets are measured at fair value at the date of the statement of financial position in accordance with IFRS 13: Fair Value Measurement Part I of the CPA Canada Handbook. Fair values of investment assets are determined as follows:

- Pooled funds are valued at the unit value supplied by the Master Trust administrator and which represent the Plan's proportionate share of underlying net assets at fair value determined using closing bid prices.

Transaction costs are not included in the fair value of investment assets either on initial recognition or on subsequent re-measurement. Transaction costs are included in the statement of changes in net assets available for benefits as part of expenses incurred in the period.

Investment income, excluding changes in the fair value of investment assets, is presented in the statement of changes in net assets available for benefits.

Financial liabilities
Financial liabilities are measured subsequently at amortized cost using the effective interest method.

(b) Pension obligations

The Plan is a defined benefit plan established for members. The pension obligations recognized in the statements of financial position are the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services.

2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies (continued)

(c) Net investment income

Income from investments is recognized on an accrual basis and includes dividend income (recognized on ex-dividend date), interest income, and is net of investment manager fees.

(d) Changes in the fair value of investment assets and liabilities

This includes both realized gains or losses on sale of investments and unrealized gains or losses on investments.

Realized gains or losses on sale of investments are the difference between the proceeds received and the average cost of investments sold.

Unrealized gains or losses on investments represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(e) Contributions

Required employee and employer contributions are recorded the month following when the payroll deductions are made. Employee and employer contributions and special payments due to the Plan at the end of the year are recorded on an accrual basis. Cash received from pension plan transfers or members for service purchases are recorded when received.

(f) Benefits

Benefit payments to retired members, commuted value payments and refunds to former members are recorded in the period paid. Accrued benefits are recorded as part of the accrued pension benefit obligation.

(g) Estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, revenue, and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, revenue, and expenses are discussed below:

2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies (continued)

(g) Estimation uncertainty (continued)

Fair value of financial instruments
Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Pension obligations
Management estimates the pension obligations annually with the assistance of an independent actuary; however, the actual outcome may vary due to estimation uncertainties. The estimate of the pension obligation of $169,979,400 (2023 - $164,295,100) is based on assumed rates of retirement, mortality, breaks in service and contributory hours. Discount factors are determined at or near year-end to reflect the long-term expectation of investment returns that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

3. Investment in the Master Trust:

The investment in the Halifax Regional Municipality Master Trust (the "HRM Master Trust") is recorded at its fair value. The Plan's interest in the HRM Master Trust represents 6.66% (December 31, 2023 – 6.62%) of the HRM Master Trust units. The remaining units are held by the Halifax Regional Municipality Pension Plan. The co-mingling of investments does not affect the actuarial liabilities or the net assets available for benefits of the Plan.

The fair value of the investment in the HRM Master Trust is determined as at the date of the statements of financial position as described in note 2(a). The fair value of the investment in the HRM Master Trust is categorized as a Level 2 investment under fair value hierarchy measurement (Note 11).

There were no significant transfers between Level 1, Level 2 and Level 3 investments during the year ended December 31, 2024.

The schedule below presents the Master Trust's investments recognized at fair value within the fair value hierarchy.

2024	Level 1	Level 2	Level 3	Total
Cash	44,742,664			44,742,664
Accrued investment income		5,687,206		5,687,206
Short-term investments	152,008,999			152,008,999
Canadian bonds	58,304,439	142,631,267		200,935,707
Foreign bonds		251,433,182		251,433,182
Canadian equities	67,851,679	44,188,825		112,040,503
Foreign equities	161,083,059	760,496,741		921,579,800
Partnerships			1,483,617,429	1,483,617,429
Public Market Alternatives		106,222,015		106,222,015
Net investment transactions oustanding	(5,740,642)			(5,740,642)
Total	478,250,198	1,310,659,236	1,483,617,429	3,272,526,862
HRWC Plan Interest in the Master Trust (6.66%)				218,017,632

2023	Level 1	Level 2	Level 3	Total
Cash	36,663,657			36,663,657
Accrued investment income		3,345,284		3,345,284
Short-term investments	118,165,106			118,165,106
Canadian bonds	39,634,628	146,904,369		186,538,997
Foreign bonds		213,898,956		213,898,956
Canadian equities	5,222,033	107,954,257		113,176,290
Foreign equities	146,066,858	639,322,430		785,389,287
Partnerships			1,289,966,526	1,289,966,526
Public Market Alternatives		125,554,815		125,554,815
Net investment transactions oustanding	13,069,990			13,069,990
Total	358,822,272	1,236,980,111	1,289,966,526	2,885,768,908
HRWC Plan Interest in the Master Trust (6.62%)				190,941,027

Section 67 (3) of the *Pension Benefits Act Regulations* requires disclosure of each investment asset that has a fair value greater than two percent (2%) of the fair value of all the investment assets of the Plan. The following schedule reports all investments having a fair value greater than 2% of the fair value of all investment assets of the Plan.

Investment	Asset Class	Market Value
BlackRock Canadian World Index Fund	Global Equities	$ 12,519,239
BlackRock Alpha Advantage Global Fund	Global Equities	11,702,050
Wellington Management Global Total Return Fund	Foreign Bonds	10,704,946
Mawer International Equity Pooled Fund	International Equities	5,941,458
Marathon International Equity Fund	International Equities	5,438,314
UBS (UK) Real Estate Funds Selection Global Ex Canada, L.P.	Real Estate - Limited Partnership	4,499,222
		$ 50,805,229

4. Net assets available for benefits

	2024	2023
Allocation of net assets available for benefits		
To pension plan	**$ 217,004,238**	$ 190,125,479
To extra voluntary contribution benefits	**927,304**	792,134
To individual locked in amounts	**330,342**	291,284
	$ 218,261,884	$ 191,208,897

5. Pension obligations

An actuarial valuation of the Plan was performed as at January 1, 2025 by Eckler Ltd.

The actuarial value of accrued benefits, determined periodically by the Plan's actuary, is the amount that results from applying actuarial assumptions to adjust the Plan benefits to reflect the time value of money between the valuation date and the expected date of payment. The significant actuarial assumptions used include:

i. 40% of members will retire at the age of 65, and 60% will retire at the earliest date of eligibility for an unreduced pension;

ii. interest rate assumption of 6.55% per annum (2022 - 6.35%);

iii. salary scale assumption of 3.90% per annum (2022 - 3.90%); and

iv. life expectancy of participants based upon the CPM-2014 Combined mortality table, with Scale CPM-B (post retirement), no mortality in pre-retirement.

The 2025 interest rate assumption of 6.55% referenced above reflects Eckler's latest Capital Market Assumptions at January 1, 2025.

As a result of the January 1, 2025 actuarial valuation, special payments in respect of going concern liabilities are not required. The next actuarial valuation for the Plan is required to be performed no later than January 1, 2028.

6. Net investment income

	2024	2023
Income from investment funds	**$ 4,736,825**	$ 3,640,508
Investment manager fees	**(537,242)**	(383,410)
	$ 4,199,583	$ 3,257,098

7. Contributions

	2024	2023
Participants' contributions		
Required	**$ 4,146,401**	$ 4,272,010
Voluntary	**124,301**	112,550
	$ 4,270,702	$ 4,384,560
Sponsor's contributions		
Required	**$ 4,096,790**	$ 3,588,545

8. Benefit payments

	2024	2023
Retirement benefit payments	**$ 5,595,413**	$ 5,280,758
Termination benefit payments	**2,479,967**	1,470,618
Death benefit payment	**-**	296,728
	$ 8,075,380	$ 7,048,104

During 2024, there were 27 termination benefit payments (2023 - 24) and 0 death benefit payments (2023 - 1). Termination benefits are paid out as described in Note 1(f).

9. Administrative expenses

	2024	2023
Actuarial and consulting fees	**$ 131,549**	$ 77,630
Audit and accounting fees	**9,243**	9,022
Bank custodian fees	**31,331**	24,509
Insurance	**9,000**	11,130
Miscellaneous	**22,510**	25,170
Professional fees	**38,906**	44,484
Registration fees	**3,178**	2,935
	$ 245,717	$ 194,880

10. Related party transactions

The Halifax Regional Water Commission, the Plan's sponsor, collects the Plan's contributions and pays certain expenses on behalf of the Plan. These items are then credited or charged back to the Plan.

11. Financial instruments

Financial instruments risk exposure and management

The Plan is exposed to various risks in relation to its investment in the HRM Master Trust, consisting of investment assets. The Plan's financial assets are categorized in Level 2. The main types of risks are market risk, credit risk and liquidity risk.

The Plan's risk management policy is derived from the HRM Master Trust in which the Plan holds units. The HRM Master Trust has set formal policies and operating procedures that establish an asset mix among equity, fixed income investments, public market alternatives, private debt, private equity, real estate and infrastructure that require diversification of investments within categories, a set limit on the size of exposure to individual investments, and a requirement to use A-rated counterparties.

The Plan does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Plan is exposed are described below:

(a) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Plan segregates market risk into three categories: interest rate risk, currency risk and other price risk.

i. Interest rate risk
Interest rate risk refers to the fact that the value of the Plan's assets is affected by changes in nominal interest rates and equity markets.

ii. Currency risk
The Plan's functional currency is Canadian dollars and all the Plan's transactions are carried out in Canadian dollars.

iii. Other price risk
Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market.

All investments have a risk of loss of capital. The maximum risk resulting from the investments is determined by the fair value of the instruments, which total $218,017,632 at December 31, 2024 (2023 - $190,941,027). A one percent change (1%) in market risk (holding all variables constant) will impact the fair value of these instruments by approximately $2,180,200 (2023 - $1,909,500).

11. Financial instruments (continued)

(b) Credit risk

Credit risk on financial instruments is the risk of financial loss occurring as a result of default or insolvency of a counterparty on its obligations to the Plan. The Plan's credit risk is primarily attributable to the underlying assets of the HRM Master Trust. Credit risk is mitigated through the management of the HRM Master Trust assets with generally accepted parameters of safety and prudence, using a diversified investment program. Investments in the HRM Master Trust must adhere to specific limitations as outlined in the Halifax Regional Municipality's Statement of Investment Policies and Procedures for the Defined Benefit Pension Plan ("the Statement of Investment Policies and Procedures").

(c) Liquidity risk

Liquidity risk is the risk of not being able to meet the Plan's cash requirements in a timely and cost-effective manner. Liquidity requirements are managed through income generated from investments and monthly contributions made by members and participating employers. The sources of funds are used to pay pension benefits, make additional investments, and fund operating expenses. The Plan's primary future liabilities include the accrued benefit obligation of the Plan. The Plan's main asset, the investment in the HRM Master Trust, is liquid as cash is available to make required payments.

The following are the contractual maturities of financial liabilities:

Payments due year ending December 31, 2024:

	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Payables and accruals	$ 88,635	$ 88,635	$ -	$ -	$ -

Payments due year ending December 31, 2023:

	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Payables and accruals	$ 33,154	$ 33,154	$ -	$ -	$ -

11. Financial instruments (continued)

Fair value disclosure

The financial instruments recognized at fair value on the statement of financial position must be classified as one of three fair value hierarchy levels. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1:	quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

Financial assets at fair value as at December 31, 2024

	Level 1	Level 2	Level 3	Total
Assets				
Pooled fund	**$ -**	**$ 218,017,632**	**$ -**	**$ 218,017,632**

Financial assets at fair value as at December 31, 2023

	Level 1	Level 2	Level 3	Total
Assets				
Pooled fund	$ -	$ 190,941,027	$ -	$ 190,941,027

There were no transfers between the three levels between December 31, 2023 and December 31, 2024.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

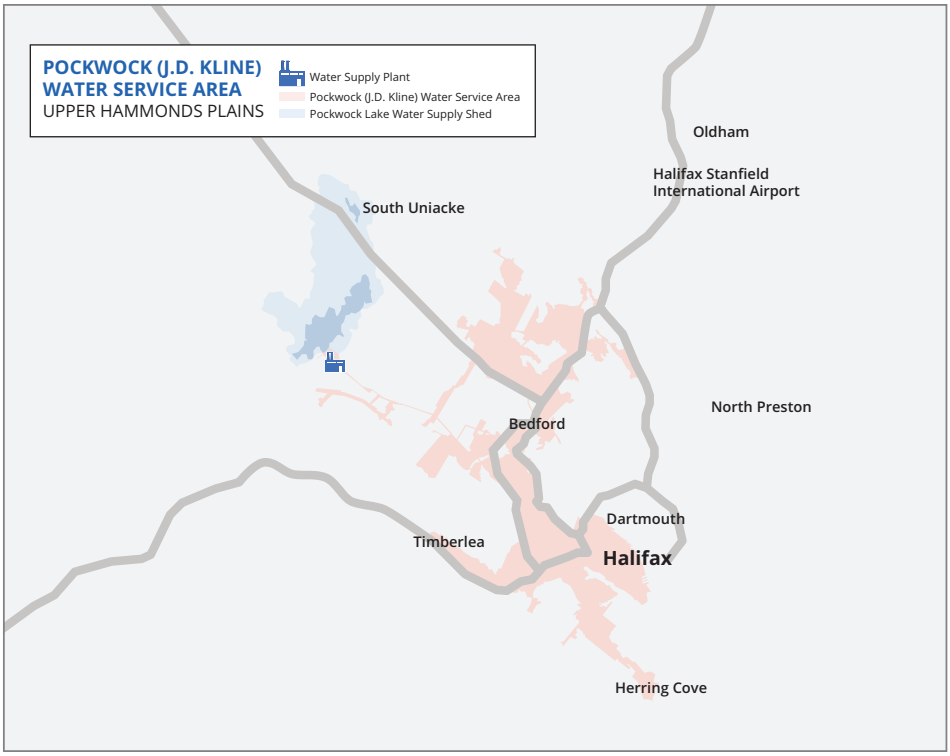
12. Capital management

The Plan defines its capital as the deficiency of the Plan, as determined annually based on the fair value of net assets and actuarial liabilities, provided by the actuarial valuation prepared by the Plan's independent actuary (Note 5).

The overall objectives in investing the assets of the Plan are to ensure sufficient liquidity to support its financial obligations, to continue to provide benefits in the best interest of its members, to remain financially self-sufficient and to preserve and enhance the value of capital through adequate diversification in high quality investments and achieve the highest investment return that can be obtained with the assumption of an acceptable degree of risk. The Plan holds units in the HRM Master Trust which has formal policies and procedures that establish asset mix, require diversification within different categories, set a limit on the exposure to individual investments and provides a requirement to use A-rated counterparties.

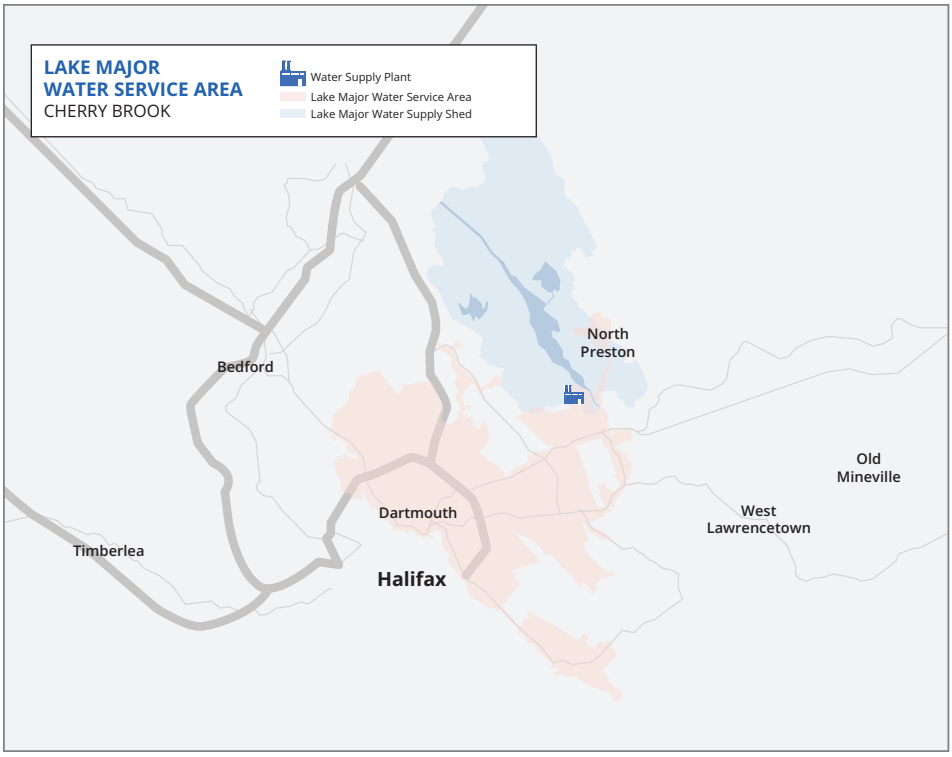
Halifax Water by the Numbers

Halifax Water - Water Supply Plant Service Areas



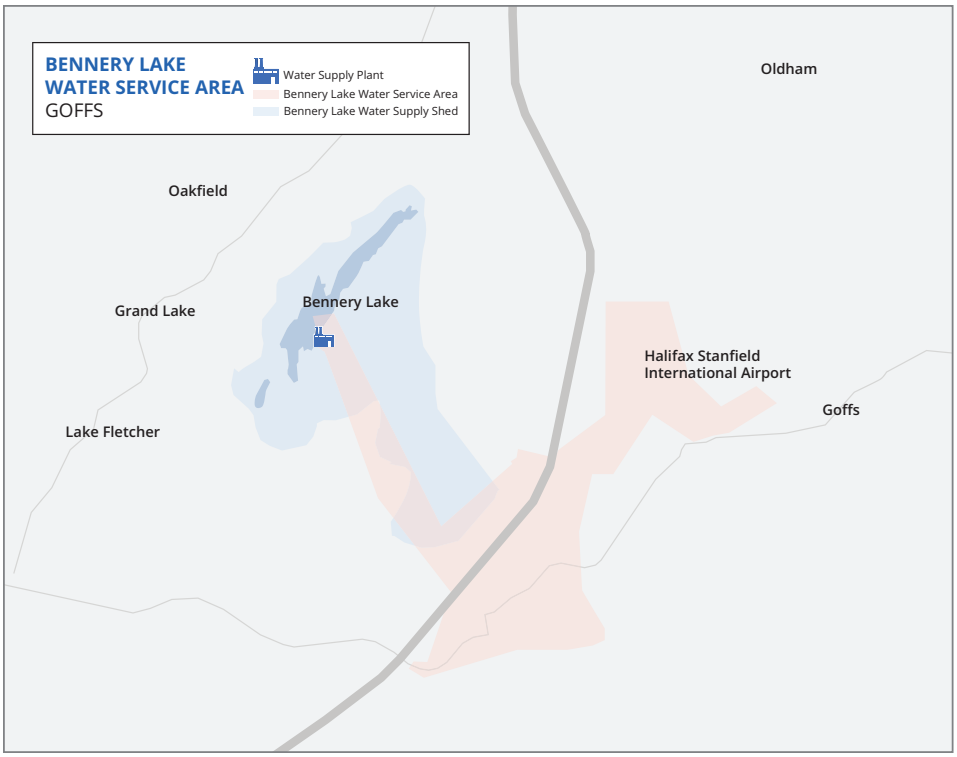
J.D. Kline Water Supply Plant

Water Source	Pockwock Lake
Treatment Process	Dual Media Direct Filtration & Manganese Removal
Average Flows/ Day	98342
Filter Quantity & Capacity/Day	8 Filters 143 m^2/filter
Maximum Flow Rate	0.137 m^3/m^2 per minute
Design Capacity/ Day	227 000 m^3



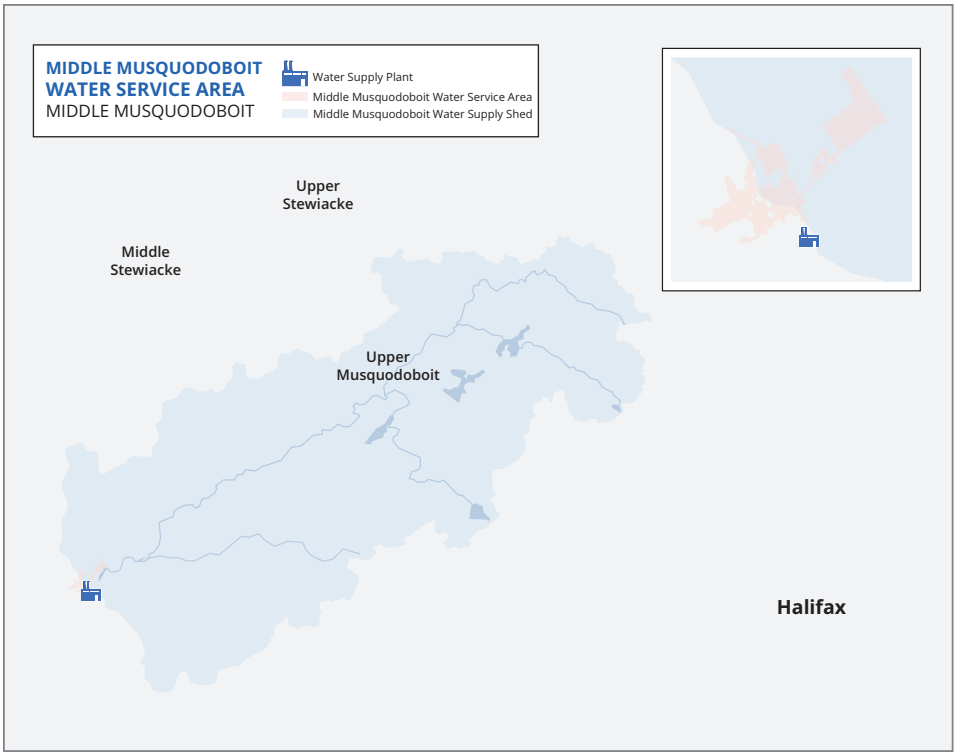
Lake Major Water Supply Plant

Water Source	Lake Major
Treatment Process	Upflow Clarification,Iron & Manganese Removal
Average Flows/ Day	36310
Filter Quantity & Capacity/Day	4 Filters 85 m^2/filter
Maximum Flow Rate	0.192 m^3/m^2 per minute
Design Capacity/ Day	94 000 m^3



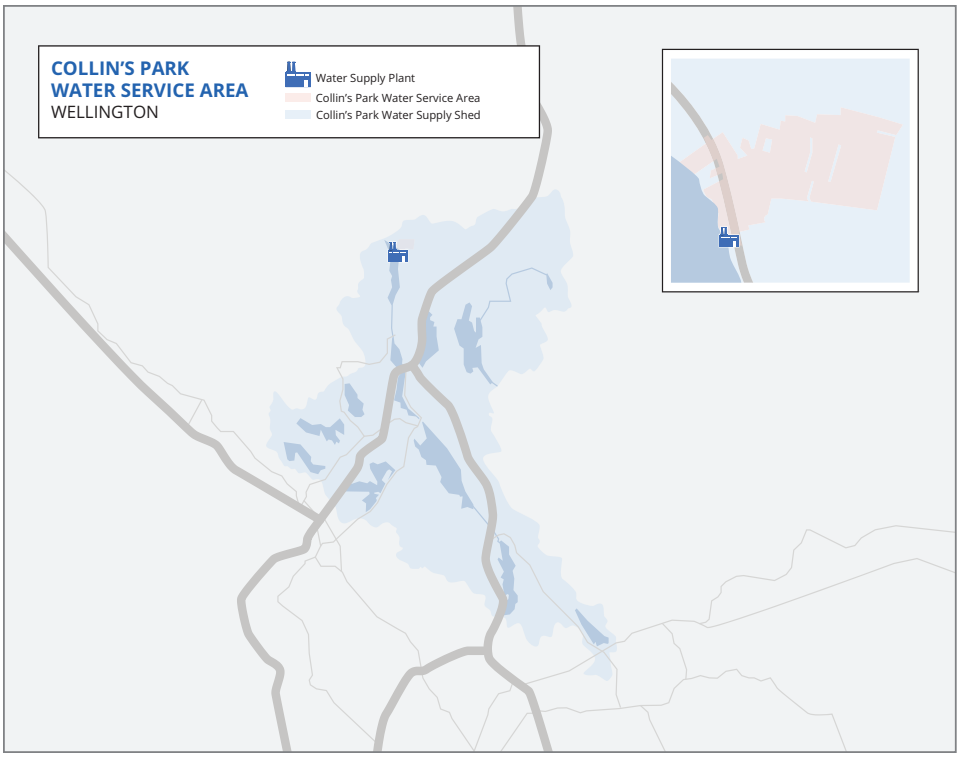
Bennery Lake Water Supply Plant

Water Source	Bennery Lake
Treatment Process	Sedimentation, Dual Media Filtration & Manganese Removal
Average Flows/ Day	696
Filter Quantity & Capacity/Day	2 Filters 26.65 m^2/filter
Maximum Flow Rate	0.10 m^3/m^2 per minute
Design Capacity/ Day	7 950 m^3



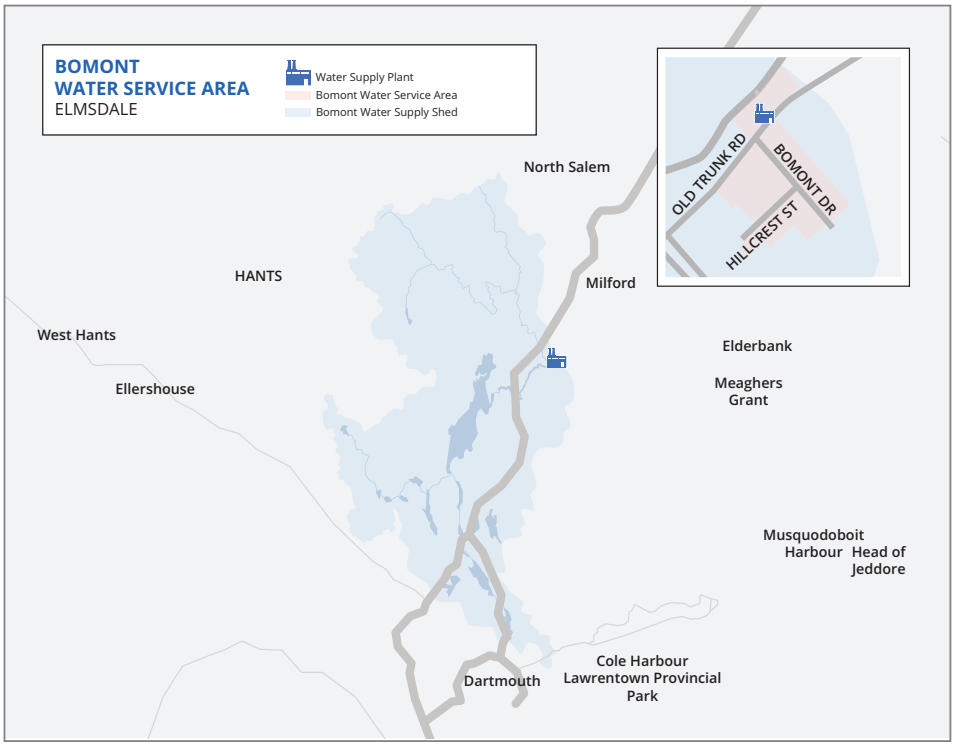
Middle Musquodoboit Water Supply Plant

Water Source	Musquodoboit River
Treatment Process	Raw Water Infiltration Gallery, Ultra/Nano Filtration
Average Flows/ Day	55
Filter Quantity & Capacity/Day	2 Ultra Filters 1 Nano Filter
Maximum Flow Rate	0.139 m^3/min 0.264 m^3/min
Design Capacity/ Day	260 m^3



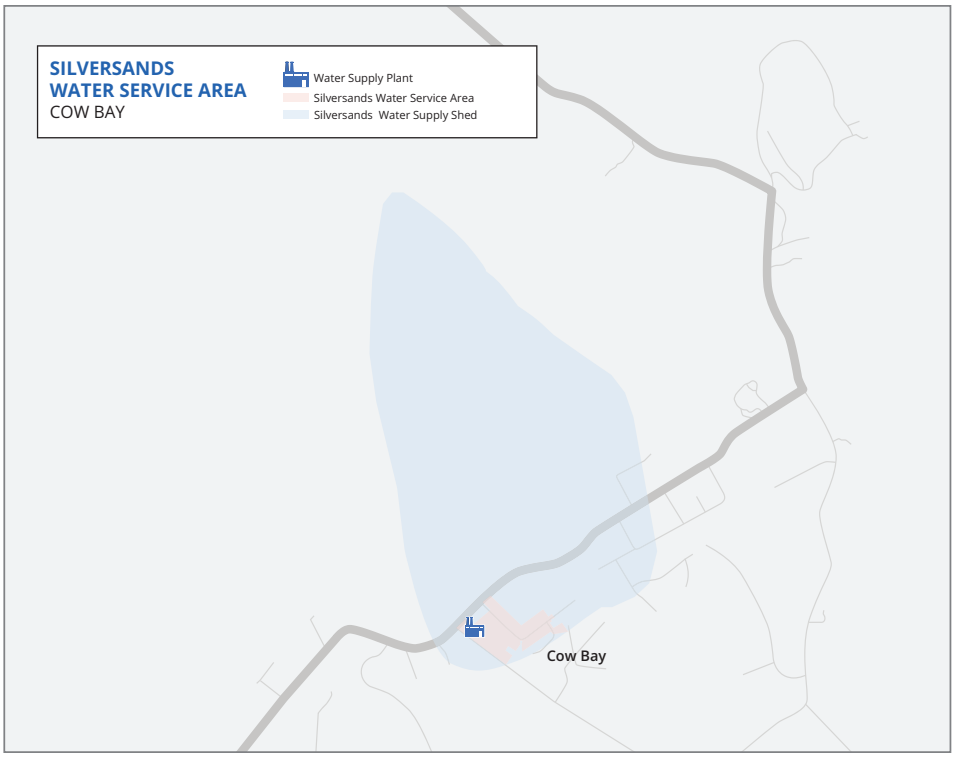
Collin's Park Water Supply Plant

Water Source	Lake Fletcher
Treatment Process	Ultra/Nano Filtration
Average Flows/ Day	58
Filter Quantity & Capacity/Day	2 Ultra Filters 1 Nano Filter
Maximum Flow Rate	0.111 m^3/min 0.145 m^3/min
Design Capacity/ Day	160 m^3



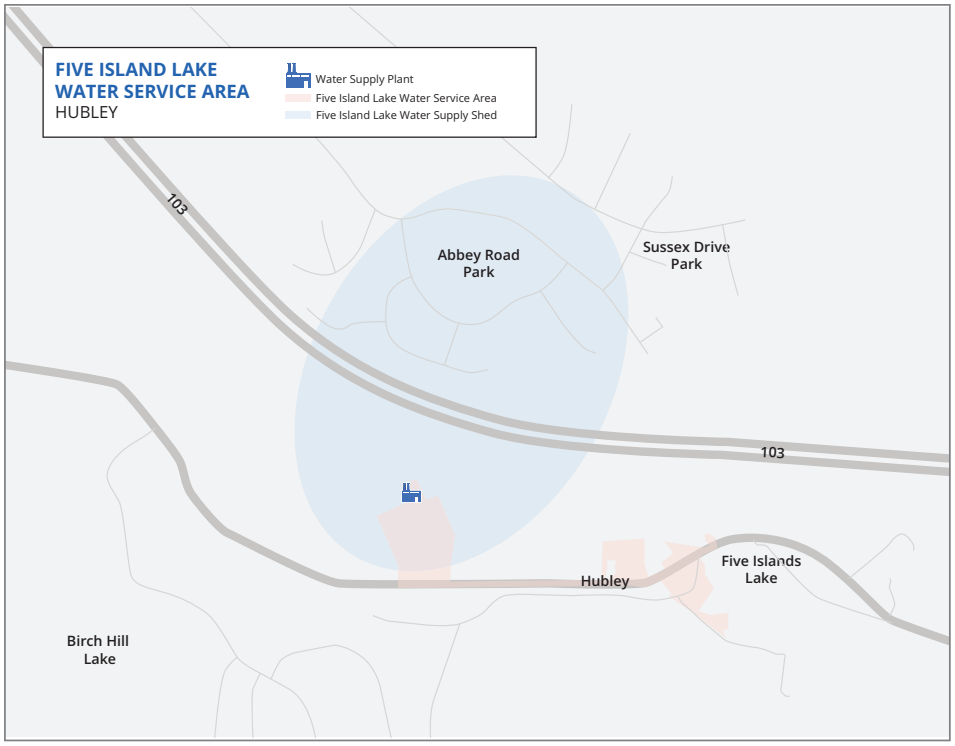
Bomont Water Supply Plant

Water Source	Shubenacadie River
Treatment Process	Nano Filtration/ Ionic Exchange Resin
Average Flows/ Day	3
Filter Quantity & Capacity/Day	N/A
Maximum Flow Rate	0.0132 m^3/min
Design Capacity/ Day	38 m^3



Silversands Water Supply Plant

Water Source	2 Wells
Treatment Process	Green Sand Pressure Filters, Iron & Manganese Removal
Average Flows/ Day	20
Filter Quantity & Capacity/Day	2 Filters
Maximum Flow Rate	0.378 m^3/min
Design Capacity/ Day	30 m^3



Five Island Water Supply Plant

Water Source	1 Well
Treatment Process	UV Disinfection
Average Flows/ Day	8
Filter Quantity & Capacity/Day	N/A
Maximum Flow Rate	0.016 m^3/min
Design Capacity/ Day	N/A

Source Water	Watershed Area	Safe Yield/Day
Pockwock Lake	5,661 ha	145,500 m³
Chain Lake	206 ha	4,500 m³
Lake Major	6,994 ha	65,900 m³
Lake Lemont/Topsail	346 ha	4,500 m³
Bennery Lake	644 ha	2,300 m³

Water Supply	Water Production in 2024-2025(m³)
Pockwock Lake	35,894,735
Lake Major	13,253,166
Bennery Lake	253,931
Small Systems	52,671
Total	49,454,503

Reservoir	Elevation Above Sea Level	Capacity (m³)
Lake Major	60 m	9092
Pockwock	170 m	13600
Geizer 158	158 m	36400
Geizer 123	123 m	31800
Cowie	113 m	11200
Robie	82 m	15900
Lakeside	119 m	5455
Mount Edward 1	119 m	22728
Mount Edward 2	119 m	22728
Akerley Blvd.	119 m	37727
North Preston	125 m	1659
Meadowbrook	95 m	9091
Sampson	123 m	12273
Stokil	123 m	23636
Waverley	86 m	1364
Middle Musq.	81 m	275
Aerotech	174 m	4085
Beaver Bank	156 m	6937
Hemlock	123 m	21500
Total	N/A	287450

Source Water	Rainfall in 2024/2025	Snowfall in 2024/2025
Pockwock Lake	861.77 mm	145.3 cm
Lake Major	831.5 mm	107.4 cm

Transmission & Distribution System	
Size of Water Mains	13 mm - 1500 mm
Total Water Mains	1599 km
Main Valves	16,137
Fire Hydrants	8,684
Distribution Pumping (Booster) Stations	20
Pressure Control & Flow Meter Chambers	144

Water Services & Meters	
Water Sprinkler Systems (25 mm - 300 mm)	2,250
Supply Services (10 mm - 400 mm)	69,041
Water Meters (15 mm - 250 mm)	71,349

Population Served	
Halifax Municipality Est. Population Served*	446,000
Consumption per Capita**	243L/person/Day

* Reflects a customer receiving one or more service(s).

**Water only customers (residential and non residential).

Wastewater & Stormwater Infrastructure

Wastewater Treatment Facility	Treatment Process	Design Average Flows/Day	Area(s) Served	Receiving Water	Volume Treated in 2024-2025
Halifax	Enhanced Primary UV	139 900 m^3	Halifax	Halifax Harbour	30,363,437
Dartmouth	Enhanced Primary UV	83 800 m^3	Dartmouth	Halifax Harbour	16,120,445
Herring Cove	Enhanced Primary UV	28 500 m^3	Halifax & Herring Cove	Halifax Harbour	3,779,471
Mill Cove	Secondary UV/ Pure Oxygen Activated Sludge	28 400 m^3	Bedford & Sackville	Bedford Basin	8,390,574
Eastern Passage	Secondary UV/ Conventional Activated Sludge	25 000 m^3	Cole Harbour & Eastern Passage	Halifax Harbour	4,922,386
Timberlea	Secondary Sodium Hypochlorite/RBC	4 540 m^3	Lakeside & Timberlea	Nine Mile River	861,536
Aerotech	Tertiary UV/ Membrane Bioreactors	3 000 m^3	Aerotech Park & Airport	Johnson River	314,234
Springfield Lake	Secondary UV/ Activated Sludge	543 m^3	Springfield Lake	Lisle Lake	131,829
Fall River	Tertiary UV/ Activated Sludge & Post Filtration	454.5 m^3	Lockview Road & McPherson Road	Lake Fletcher	48,516
North Preston	Tertiary UV/SBR & Engineered Wetland	680 m^3	North Preston	Winder Lake	211,741
Middle Musquodoboit	UV/RBC	114 m^3	Middle Musquodoboit	Musquodoboit River	49,784
Uplands Park	Secondary UV/ Trickling Filter & Wetland	91 m^3	Uplands Park	Sandy Lake	29,438
Wellington	Tertiary UV/Activated Sludge/Reed Bleed	68 m^3	Wellington	Grand Lake	6,594
Frame Subdivision	Tertiary UV/Membrane Reactor	80 m^3	Frame Subdivision	Lake William	5,502

Wastewater & Stormwater Collection System	
Size of Pipes	38mm - 3000mm
Total Collection System Length	2356 km
Total Manholes	15,607
Total Pumping Stations	166
Total Ditch Length (km)	503.97km
Holding Tanks & Retention Ponds	43
Cross Culverts	2,818
Driveway Culverts	15,945
Catchbasins	26,110

Customers by Service Type

Halifax Water provides one or more of the following to our customers: water, wastewater and/or stormwater services. Those services support an estimated population of 436,000 people, and numerous visitors to the region.

	Number of Accounts	Percentage of Total
Water, Wastewater & Stormwater	76,850	68.88%
Stormwater Only	22,819	20.45%
Water & Wastewater	6,684	5.99%
Water & Stormwater	4,009	3.60%
Wastewater & Stormwater	529	0.47%
Water Only	529	0.47%
Wastewater Only	154	0.14%
Total of All Types	111,569	100%

Corporate Balance Scorecard Results

Since 2001. Halifax Water has measured organizational performance using a corporate balanced scorecard (CBS). The CBS ensures all employees are focused on strategic outcomes. The Organizational Indicators below are developed to support the Halifax Water purpose statement:to supply and safeguard sustainable, high-quality water services.

Organizational Indicators	Organization Award	2023/24 Results	2024/25 Target	2045/25 Results	2025/26 Target
Financial and Regulatory Accountability					
Operating expense/revenue ratio percentage (excluding depreciation)	Gateway	62.6%	67%	66.8 %	73%
Annual cost per customer connection – Water (excluding depreciation)		$500	$500	$543	$587
Annual cost per customer connection – Wastewater (excluding depreciation)		$662	$697	$693	$740
Total capital spend in the fiscal year (in millions)		$98.2	$135	$118.4	$135
Capital Budget Expenditures – Percentage of budget spend by end of fiscal year**		34.7	70-80%	48.2%	45%

Organizational Indicators	Organization Award	2023/24 Results	2024/25 Target	2045/25 Results	2025/26 Target
Environment, Health, Safety & Social Responsibility					
Average Score on internal safety audits		96.1%	90%	97.2 %	-
NS Labour and Advanced Education compliance – Number of Incidents with written compliance orders		0	<2	5	2
Lost time accidents – Number of accidents resulting in lost time per 100 employees	Gateway	2.38	2.5	1.69	2
Safe driving – Number of traffic accidents per 1,000,000 km driven (maximum of 5)	Org. Award	5.34	4	11.29	4
Training – Number of employees trained or re-certified before due date		86%	85%	90%	85%
Percentage of completed safety talks		88%	85%	94%	90%
Percentage of public health and environmental regulatory infractions resulting in a summary offense tickets		0%	2%	0%	2%
Percentage of WWTFs complying with NSECC approval permits	Org. Award	95%	95%	93.7%	95%
Number of ICI properties engagements by pollution prevention each year		272	250	317	250

Organizational Indicators	Organization Award	2023/24 Results	2024/25 Target	2045/25 Results	2025/26 Target
Operational Excellence					
Adherence with 5 objectives of Water Safety Plan for all water systems – Percentage of sites achieving targets	Org. Award	86	80	100	80
Bacteriological tests – Percentage free from total coliform		99.88%	99.9%	99.97%	0%
Water service outages – Number of connection hours/1000 customers		183.05	200	127.96	200
Wastewater service outages – Number of connection hours/1000 customers		0.61	4	0.74	4
Average speed of answer – Percentage of calls answered within 20 seconds		35.3%	70%	13.3%	90%
Response time for service connection permits – Percentage of formal responses provided from Halifax Water within 3 days or less		91%	80%	80.1%	80%
Response time for subdivisions involving system extensions – Percentage of formal responses from Halifax Water provided within 4 weeks or less		92.7%	80%	27.0%	80%
Water leakage control – Target leakage allowance of 160 litres/service connection/day	Org. Award	238	165	263	0.05
I&I reduction - Number of inspections to identify private property discharge of stormwater into the wastewater system		515	1200	5320	1200
Peak flow reduction from wet weather management capital projects	Org. Award	1.7 l/sec*	5-10 l/sec	N/A	-
Percentage of time GIS and Cityworks are available	Org. Award	99.87%	97%	99.99%	97%
Energy management kwh/m^3 reduction associated with capital projects	Org. Award	14.06%	10%	15.3%	14%
Bio-solids residual handling - percentage of sludge meeting bio-solids concentration targets	Org. Award	99.6%	95%	99.9%	95%

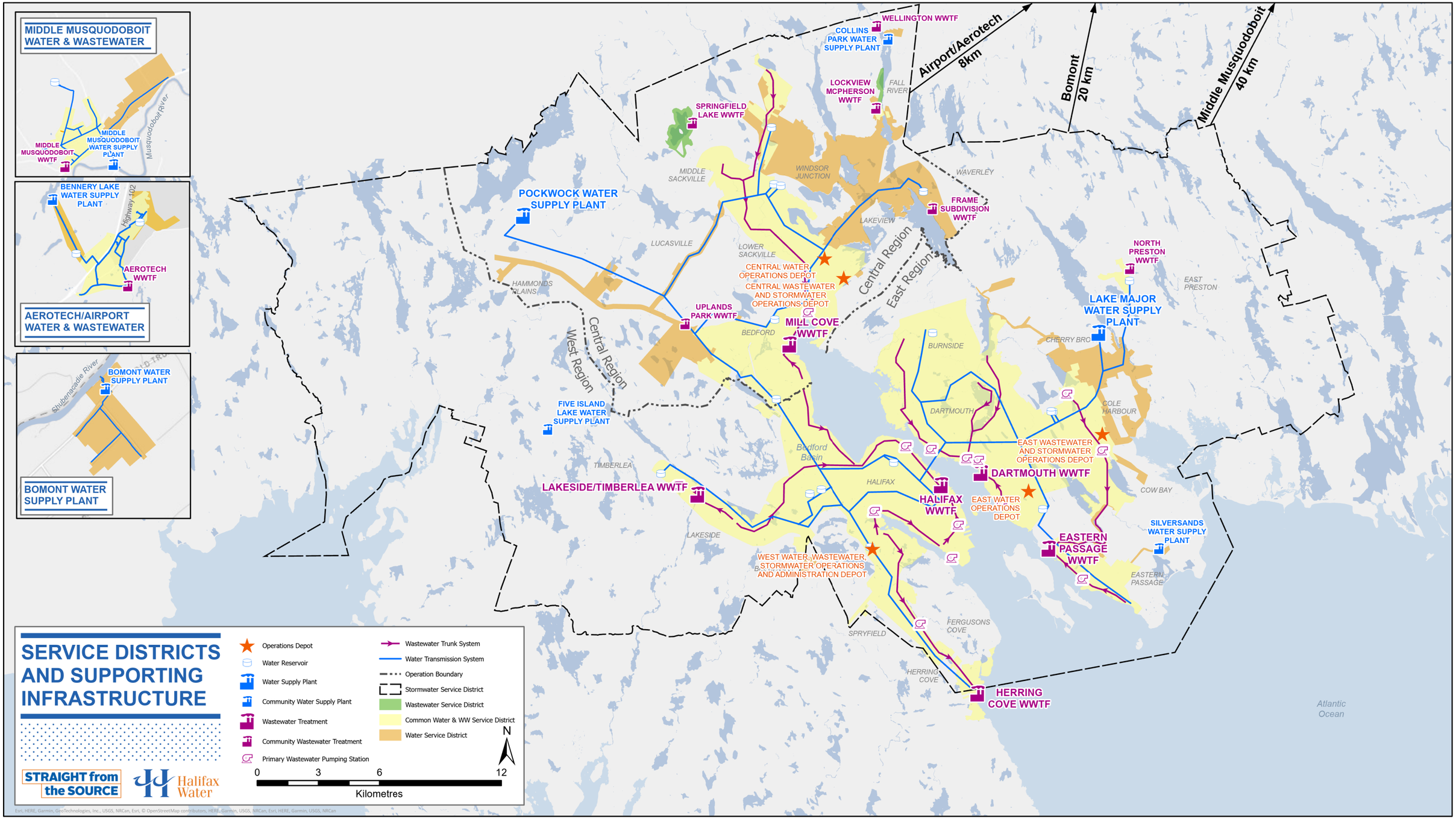
Organizational Indicators	Organization Award	2023/24 Results	2024/25 Target	2045/25 Results	2025/26 Target
People					
Customer satisfaction about water quality - percentage from Customer Survey	Org. Award	89%	85%	89 %	85%
Customer satisfaction with service - percentage from Customer Survey	Org. Award	95%	95%	87%	95%
Number of arbitrations divided by total number of grievances		0.0	0	1	0.85
Percentage of jobs filled with internal candidates		60%	80%	63%	75%
Employee satisfaction survey result		B	A	B+	A
Average number of days absenteeism		9.5	<7	9.62	0.9

Corporate Balanced Scorecard Notes:

* **Peak flow reduction** - The reduction was 1.7 l/sec for the Crescent Avenue Lining Program. This result was possibly underestimated due to the difference in pre-rehab and post-rehab flow monitoring. This represents a 7% reduction in peak flow which has reduced the high level alarms at the pump station and associated energy consumption.

** **Capital Budget Expenditures** - As described in the Board report on the Corporate Balance Scorecard in March 2025, Halifax Water proposed to adjust the calculation of this measure. Halifax Water has utilized the revised methodology to calculate the measure for the 2024/25 CBS.

Service Area Map



Typical Water Analysis

2024 - 2025 TYPICAL ANALYSIS OF POCKWOCK LAKE & LAKE MAJOR WATER
(average in milligrams per litre unless shown otherwise)
Note: All Regulatory Compliance Analysis are Processed by Third Party Laboratories

PARAMETERS	(Halifax) POCKWOCK		(Dartmouth) LAKE MAJOR		GUIDELINES FOR CANADIAN DRINKING WATER QUALITY	
	Raw Water	Treated Water	Raw Water	Treated Water	Maximum Acceptable Concentration	Aesthetic Objective Concentration
Alkalinity (as $CaCO_3$)	<2.0	21.0	<2.0	22.3	-	
Aluminum	0.101	0.019	0.170	0.012	2.9	
Ammonia (N)	<0.05	<0.05	<0.05	<0.05	-	
Arsenic	<0.001	<0.001	<0.001	<0.001	0.010	
Calcium	0.9	7.3	1.0	17.5	-	
Chloride	5.9	7.5	5.850	7.6	-	≤250
Chlorate	<0.1	<0.1	<0.1	<0.1	1.0	
Chlorite	<0.1	<0.1	<0.1	<0.1	1.0	
Colour (True Colour Units)	21.3	6.0	44.0	<5.0	-	≤15.0
Conductivity (µS/cm)	35	100	36	156	-	
Copper	0.033	<0.001	0.084	0.0011	2.0	1
Fluoride	<0.1	[A]0.246	<0.1	[A]<0.1	1.5	
Hardness (as $CaCO_3$)	3.8	20.0	4.0	55.0	-	
HAA5	-	0.012	-	0.032	0.080	
Iron	0.07	<0.5	0.105	<0.5	-	≤0.1
Lead (µg/l)	<0.5	<0.5	<0.5	<0.5	5.0	
Magnesium	0.388	0.428	0.375	0.470	-	
Manganese	0.026	0.010	0.031	0.002	0.12	≤0.02
Mercury (µg/l)	<0.013	<0.013	<0.013	<0.013	1.0	
Nitrate (as N)	<0.05	<0.05	<0.05	0.078	10.0	
Nitrite (as N)	<0.01	<0.01	<0.01	0.005	1	
pH (pH Units)	5.9	7.4	5.9	7.4		7.0-10.5
Potassium	0.27	0.28	0.27	0.27		
Sodium	4.1	11.3	3.90	12.0		≤200
Solids	23	57	37	120		≤500
Sulphate	2.90	11.93	2.40	37.66		≤500
Turbidity (NTU)	0.53	0.03	0.28	0.03	0.3	
Total Organic Carbon (TOC)	4.3	2.48	6.30	2.3		
THM	-	0.016	-	0.036	0.100	
Uranium (µg/l)	<0.1	<0.1	0.120	<0.1	20.0	
Zinc	<0.005	0.148	0.011	0.141		≤5.0
PCB (µg/l)	-	-	-	-		
Gross Alpha/ Gross Beta (Bq/L)	<0.1	<0.1	<0.1	<0.1	0.5/1.0	
PFOS & PFOA (ng/L)	<2.0	<2.0	<2.0	<2.0	[B]30	

[A]Fluoride was not being added to the finished water at Lake Major WSP due to system maintenance. Fluoridation was offline until December 2024 at the Pockwock WSP.

[B]In 2024 Health Canada implemented an objective for PFAS (sum of 25 parameters) of 30 ng/l.

2024 - 2025 TYPICAL ANALYSIS OF BENNERY LAKE & BOMONT WATER

(average in milligrams per litre unless shown otherwise)

Note: All Regulatory Compliance Analysis are Processed by Third Party Laboratories

PARAMETERS	BENNERY LAKE		BOMONT		GUIDELINES FOR CANADIAN DRINKING WATER QUALITY	
	Raw Water	Treated Water	[A]Raw Water	Treated Water	Maximum Acceptable Concentration	Aesthetic Objective Concentration
Alkalinity (as $CaCO_3$)	2.8	37.8	-	23.0	-	
Aluminum	0.144	0.010	-	0.019	2.9	0.1
Ammonia (N)	<0.05	<0.05	-	0.24	-	
Arsenic	<0.001	<0.001	-	<0.001	0.010	
Calcium	2.8	24.3	-	9.6	-	
Chloride	6.4	8.7	-	8.8	-	≤250
Chlorate	<0.1	<0.4	-	0.1	1.0	
Chlorite	<0.1	<0.1	-	<0.1	1.0	
Colour (True Colour Units)	42.0	<5.0	-	<5.0	-	≤15.0
Conductivity (µS/cm)	38	190	-	110	-	
Copper	0.124	0.0483	-	<0.001	2.0	1
Fluoride	<0.1	<0.1	-	<0.1	1.5	
Hardness (as $CaCO_3$)	8.1	60.0	-	22.0	-	
HAA5	-	0.023	-	0.055	0.080	
Iron	0.91	<0.5	-	<0.5	-	≤0.1
Lead (µg/l)	<0.5	<0.5	-	<0.5	5.0	
Magnesium	0.5	0.5	-	0.4	-	
Manganese	0.285	0.051	-	0.008	0.12	≤0.02
Mercury (µg/l)	<0.013	<0.013	-	<0.013	1.0	
Nitrate (as N)	0.056	0.056	-	<0.05	10.0	
Nitrite (as N)	<0.01	<0.01	-	<0.01	1.0	
pH (pH Units)	6.6	7.4	-	7.6		7.0-10.5
Potassium	0.3	0.3	-	0.3		
Sodium	3.9	14.3	-	12.0		≤200
Solids	25	115	-	52		≤500
Sulphate	3.3	38.8	-	18.6		≤500
Turbidity (NTU)	0.67	0.05	-	0.15	0.3	
Total Organic Carbon (TOC)	5.5	2.3	-	2.3		
THM	-	0.028	-	0.036	0.100	
Uranium (µg/l)	<0.1	<0.1	-	<0.1	20.0	
Zinc	<0.005	0.094	-	0.137		≤5.0
PCB (µg/l)	-	-	-	-		
Gross Alpha/ Gross Beta (Bq/L)	<0.1	<0.1	-	<0.1	0.5/1.0	
PFOS & PFOA (ng/L)	<2.0	<2.0	<2.0	<2.0	[B]30	

[A]Raw Water samples were not collected from the Bomont raw water source this past year. Treated water was supplied from either the Lake Major or Pockwock water systems.

[B]In 2024 Health Canada implemented an objective for PFAS (sum of 25 parameters) of 30 ng/l.

2024 - 2025 TYPICAL ANALYSIS - SMALL SYSTEMS

(average in milligrams per litre unless shown otherwise)

Note: All Regulatory Compliance Analysis are Processed by Third Party Laboratories

PARAMETERS	FIVE ISLAND LAKE		SILVER SANDS		GUIDELINES FOR CANADIAN DRINKING WATER QUALITY	
	Raw Water	Treated Water	Raw Water	Treated Water	Maximum Acceptable Concentration	Aesthetic Objective Concentration
Alkalinity (as $CaCO_3$)	3.0	32.3	57.0	61.4	-	
Aluminum	<0.005	<0.005	<0.005	<0.005	2.9	0.1
Ammonia (N)	<0.05	2	0.077	<0.05	-	
Arsenic	0.004	0.004	0.003	<0.001	0.010	
Calcium	10.0	10.0	40.0	40.0	-	
Chloride	7.1	9.4	65.5	70.7	-	≤250
Chlorate	<0.1	0.10	<0.1	0.4	1.0	
Chlorite	<0.1	<0.1	<0.1	<0.1	1.0	
Colour (True Colour Units)	<0.5	<0.5	<0.5	<0.5	-	≤15.0
Conductivity (µS/cm)	100	104	440	398	-	
Copper	0.006	0.021	<0.001	0.017	2.0	1
Fluoride	0.4	0.4	0.2	0.2	1.5	
Hardness (as $CaCO_3$)	31.0	31.0	130.0	130.0	-	
HAA5	-	<0.005	-	<0.005	0.080	
Iron	<0.05	<0.05	0.99	<0.05	-	≤0.1
Lead (µ g/l)	<0.5	<0.5	<0.5	<0.5	5.0	
Magnesium	1.3	1.2	5.6	5.6	-	
Manganese	<0.002	<0.002	1.20	0.009	0.12	≤0.02
Mercury (µ g/l)	<0.013	<0.013	<0.013	<0.013	1.0	
Nitrate (as N)	<0.05	<0.05	<0.05	<0.05	10.0	
Nitrite (as N)	<0.01	<0.01	<0.01	0.015	1.0	
pH (pH Units)	7.4	7.8	7.8	7.3		7.0-10.5
Potassium	0.5	0.5	1.0	1.1		
Sodium	6.4	7.3	25.0	28.5		≤200
Solids	71	69	210	230		≤500
Sulphate	3.7	3.4	20.5	21.4		≤500
Turbidity (NTU)	<0.1	0.10	13.00	0.10	1	
Total Organic Carbon (TOC)	<0.5	0.57	<0.5	<0.5		
THM	-	0.001	-	0.001	0.100	
Uranium (µ g/l)	12.0	11.0	<0.1	<0.1	20.0	
Zinc	<0.005	0.013	<0.005	<0.005		≤5.0
PCB (µ g/l)	<0.05	<0.05	-	-		
Gross Alpha/ Gross Beta (Bq/L)	0.39/0.53	0.29/0.14	<0.1	<0.1	0.5/1.0	
PFOS & PFOA (ng/L)	<2.0	<2.0	<2.0	<2.0	[A]30	

[A]In 2024 Health Canada implemented an objective for PFAS (sum of 25 parameters) of 30 ng/l.

2024 - 2025 TYPICAL ANALYSIS - SMALL SYSTEMS

(average in milligrams per litre unless shown otherwise)

Note: All Regulatory Compliance Analysis are Processed by Third Party Laboratories

PARAMETERS	COLLINS PARK		MIDDLE MUSQUODOBOIT		GUIDELINES FOR CANADIAN DRINKING WATER QUALITY	
	Raw Water	Treated Water	Raw Water	Treated Water	Maximum Acceptable Concentration	Aesthetic Objective Concentration
Alkalinity (as $CaCO_3$)	8.5	7.5	36.0	107.4	-	
Aluminum	0.044	<0.005	<0.005	<0.005	2.9	0.1
Ammonia (N)	<0.5	<0.05	<0.05	<0.05	-	
Arsenic	0.003	<0.001	<0.001	<0.001	0.010	
Calcium	7.0	0.5	17.0	7.8	-	
Chloride	31.5	9.5	11.5	8.5	-	≤250
Chlorate	<0.1	0.2	<0.1	0.2	1.0	
Chlorite	<0.1	<0.1	<0.1	<0.1	1.0	
Colour (True Colour Units)	19.8	<5.0	<5.0	<5.0	-	≤15.0
Conductivity (µS/cm)	170	62	180	243	-	
Copper	0.001	0.001	0.001	0.001	2.0	1
Fluoride	<0.1	<0.1	<0.1	<0.1	1.5	
Hardness (as $CaCO_3$)	22.0	<1.0	62.0	26.0	-	
HAA5	-	<0.005	-	<0.005	0.080	
Iron	0.08	<0.5	<0.5	<0.5	-	≤0.1
Lead (µg/l)	<0.5	<0.5	<0.5	<0.5	5.0	
Magnesium	0.9	<0.1	6.050	2.8	-	
Manganese	0.063	0.001	<0.002	<0.002	0.12	≤0.02
Mercury (µg/l)	<0.013	<0.013	<0.013	<0.013	1.0	
Nitrate (as N)	0.0725	0.056	3.800	2.9	10.0	
Nitrite (as N)	<0.1	<0.01	<0.01	0.011	1	
pH (pH Units)	7.2	7.5	7.0	7.4		7.0-10.5
Potassium	1.1	0.3	0.9	0.7		
Sodium	20.0	9.8	6.4	46.5		≤200
Solids	80	5	150	170		≤500
Sulphate	8.2	<2.0	15.0	<2.0		≤500
Turbidity (NTU)	1.70	0.10	0.11	0.10	0.1	
Total Organic Carbon (TOC)	4.8	<0.5	0.6	<0.5		
THM	-	0.002	-	0.001	0.100	
Uranium (µg/l)	<0.1	<0.1	<0.1	<0.1	20.0	
Zinc	<0.005	0.110	<0.005	0.124		≤5.0
PCB (µg/l)						
Gross Alpha/ Gross Beta (Bq/L)	<0.1	<0.1	<0.1	<0.1	0.5/1.0	
PFOS & PFOA (ng/L)	<2.0	<2.0	<2.0	<2.0	[A]30	

[A]In 2024 Health Canada implemented an objective for PFAS (sum of 25 parameters) of 30 ng/l.

2026/26 Business Plan

People

Objective

Create a thriving and inclusive workplace culture by fostering strong leadership, collaborative talent management, and enhancing every step of our employees' career journey together over the next five years.

5-year Strategic Initiatives

- Build a psychologically safe and engaged workplace culture that attracts, develops and retains talent.
- Implement an effective leadership framework that defines and guides all employees at Halifax Water.
- Execute the talent management strategy through collaborative partnerships with organizational leaders.
- Enhance the employee experience by improving engagement throughout an employee's career.

Annual Business Goals for 2025/26

- Launch the 3-year Psychological Health and Safety strategic plan.
- Renew the Diversity, Equity & Inclusion plan.
- Develop a strategic recruitment and attraction plan.
- Conceptualize an enhanced training and development plan.
- Develop and launch the Leadership Accountability framework.
- Create a communication and change plan for leadership behaviours.
- Define leadership objectives and expectations.
- Launch the succession planning framework for critical skills/roles.
- Integrate succession planning discussions.
- Consider high-potential talent pathways
- Launch the talent assessment process.
- Incorporate the annual talent review process.
- Increase Employee Survey participation rate. Establish Employee Engagement Council and incorporate feedback into an action plan.

Environment, Health, Safety & Social Responsibility

Objective

To establish disciplined processes and effectively manage risks to create a safer, more resilient future for our water resources and communities.

5-year Strategic Initiatives

- Strengthen our safety policies and procedures to ensure a safe working environment for all employees.
- Implement an emergency management program that ensures business continuity to safeguard water supply, public health and the environment.
- Launch sustainability programs that recognize climate impacts and address the long-term viability of water resources, infrastructure, and environmental impacts.
- Increase customer compliance through education and enforcement of the appropriate use of water.

Annual Business Goals for 2025/26

- Review and develop a gap closure plan for the Occupational Health and Safety Manual.
- Complete Fire Safety Plans for all facilities.
- Develop the Halifax Water Security Plan framework.
- Operationalize the first iteration of the comprehensive electrical safety program.
- Improve incident reporting and corrective action processes.
- Develop an action plan to reduce at-fault motor vehicle accidents.
- Complete a three-phase emergency management project, including current state, strategic plan, and action plan.
- Establish a training and emergency response exercise plan.
- Develop an action plan for determining the safe yield of surface water supplies.
- Develop a multi-year strategy to reduce water loss. Increase customer education and awareness.
- Conduct engagement with interested parties on the New Service Account Program.
- Define software tools for pollution prevention compliance.
- Scan customer programs to reduce private side inflow and infiltration.

Financial & Regulatory Compliance

Objective

To enhance our internal processes for regulatory oversight, financial management and corporate Governance.

5-year Strategic Initiatives

- Deliver the next Integrated Resource Plan (IRP) that will inform the organization's next five-year strategy, future annual plans, and the long-term financial framework for operating and capital requirements.
- Implement an enhanced project management framework to effectively plan and deliver projects.
- Adopt more effective internal processes and tools to support regulatory oversight.
- Adapt organizational processes to enhance financial management, accountability and corporate governance.

Annual Business Goals for 2025/26

- Obtain regulatory approval and launch the Integrated Resource Plan update project.
- Develop engagement and communications plans for IRP.
- Confirm population projections with HRM for IRP.
- Complete the first phase of the Engineering Processes Project.
- Establish organizational oversight for capital projects.
- Identify and create a framework to address regulatory process gaps (NSUARB).
- Regularly update infrastructure projects in the financial model.
- Seek regulatory approval for rates to fund requirements.
- Support the Regional Development Charges application.
- Review rate impact and options for affordability.
- Complete energy center concept design and rate plan, supporting District Energy.
- Confirm key financial controls are effective.
- Review corporate governance with Halifax Water Board.

Operational Effectiveness

Objective

Improve customer experience and build trust and confidence by focusing on service reliability.

5-year Strategic Initiatives

- Make prudent investments to improve system resiliency and reliability.
- Create a disciplined culture of accountability, continuous improvement, and risk mitigation.
- Improve and support our relationships with customers.
- Enhance our organizational decision-making processes to deliver more financially prudent and effective services.

Annual Business Goals for 2025/26

- Formalize water supply resilience plan.
- Develop a plan to address water quality, quantity, and system redundancy.
- Develop a project delivery strategy for the Water Supply Enhancement Program.
- Seek approval for Biosolids Processing Facility investment.
- Establish an Integrated Management System (IMS)
- Committee and develop an IMS roadmap.
- Develop a structure to align all risks into a single register.
- Implement new bill design and communicate benefits to customers.
- Promote and estimate savings from increasing online services.
- Map and improve the stormwater inquiries and appeals process.
- Implement a process to address stormwater inquiries backlog.
- Finalize Integrated Stormwater Management Policy with HRM.
- Review and update document management strategy.
- Review data analytics program to focus on key priorities.
- Establish a strategy and plan for data analytics.
- Review operational structure for Operations and prepare implementation plan.
- Begin implementing the plan before the Burnside Operations Centre launch.
- Develop and align a strategy with municipal development impacts.

Halifax Water

One Team, One Water

Halifax Water 2030 - Empowering People, Transforming Services

5-year Strategy

5-year Objectives

2025/26

2026/27

2027/28

2028/29

2029/30

Defining Goals and Success

- 5-year Strategic Initiatives
- Annual Goals
- Rationale
- Impact
- Timing


Halifax
Water