

### HALIFAX WATER BOARD AGENDA

Friday, December 5, 2025, 9:00 a.m. Virtually via Microsoft® Teams

Please visit <a href="www.halifaxwater.ca">www.halifaxwater.ca</a> to register to attend the public portion of the meeting.

PLEASE NOTE: All Board meetings will be audio and/or video recorded for the purpose of creating a record of the proceedings.

### **IN CAMERA (IN PRIVATE)**

1. Approval of minutes of the in-camera meeting held on Thursday, September 25, 2025 and special in-camera meeting of October 9, 2025.

**Motion:** That the Halifax Water Board approve the in-camera minutes of September 25, 2025 and the special in-camera meeting of October 9, 2025.

- 2. Business arising from minutes
  - a. N/A
- 3. Contract negotiations (Verbal)
- 4. Personnel matter (Verbal)
- 5. Committee matter
- 6. Security matter

### **REGULAR MEETING**

1. a) Ratification of in-camera motions

**Motion:** That the Halifax Water Board ratify the in-camera motions.

b) Approval of the order of business and approval of additions and deletions

**Motion:** That the Halifax Water Board approve the order of business and approve additions and deletions.

2. Approval of minutes of the Regular meeting held on Thursday, September 25, 2025

Motion: That the Halifax Water Board approve the minutes of the September 25, 2025, regular meeting.

- 3. Business arising from minutes:
  - a) N/A

### FINANCIAL REPORTS

- 4.1 Operating results as of September 30, 2025
- 4.2 Capital expenditures as of September 30, 2025



4.3 Proposed 2026 HRWC Employees' Pension Plan Budget

**Motion:** That the Halifax Water Board, as Trustees of the Plan, approve the proposed 2026 budget for the Halifax Water Employees' Pension Plan covering the period January 1, 2026 to December 31, 2026.

4.4 Employer Contribution Holiday and Costing of Benefit Enhancements

Motion: That the Halifax Water Board, as Trustees of the Plan, approve:

- (i) the start of consultation with employees (unionized and non-unionized) to explore the reinstatement of plan benefits and the impact on the Plan and contribution rates.
- (ii) an employer contribution holiday for the Halifax Regional Water Commission Employees' Pension Plan to commence on January 1, 2026 to recoup \$1.9 M from the plan.
- (iii) the Plan be amended to change the formula from Best Average 7 to Best Average 5 years of pensionable earnings effective January 1, 2025.
- (iv) the cost to change the Plan formula from Best Average 7 years to Best Average 5 years be absorbed by the plan in 2025 and increase the contribution rates January 1, 2026 from 8.72% to approximately 9% to pay for this benefit enhancement.

### **OTHER BUSINESS**

- 5. Board subcommittee appointments (Verbal)
- 6. NSRAB: Operations and maintenance audit 2025 (Presentation)
- 7. Boil Water Advisory (BWA) Corrective action update (Presentation)
- 8. General Rate Application (GRA) update (Verbal)
- 9. ADJOURNMENT

### INFORMATION REPORTS

- 1-I Operational performance information report
- 2-I HRM Master Trust investment performance Q2 2025
- 3-I Halifax Water Employees' Pension Plan Quarterly update Q3 2025
- 4-I Halifax Water Compliance Statement Quarterly certification



### ITEM # 4.1

Halifax Water Board
December 5, 2025

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

**Commission Board** 

SUBMITTED BY:

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

-Signed by:

APPROVED: Kenda MacKenzie

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

DATE: November 24, 2025

SUBJECT: Operational Financial Report for the Six (6) Months ended September 30, 2025

### **ORIGIN**

Financial information reporting.

### **BACKGROUND**

At the November 6, 2025, meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #3, Operational Financial Results for the six (6) Months ended September 30, 2025, was presented, reviewed, and discussed.

### **DISCUSSION**

No additional information was requested to be brought forward to the Halifax Water Board meeting following the discussion of the attached at the Committee meeting. The Committee passed the motion to forward the Financial Results for the six months ended September 30, 2025, to the Halifax Water Board for their information.

At the Audit and Finance Committee meeting, there was additional discussion on Halifax Water's use of debt to finance assets.

### **Financing Capital Assets**

Halifax Water has two primary sources of funding to finance assets, debt and depreciation. Both of these funding sources provide cash that we can use to pay for the assets. Without these funding sources, Halifax Water would not be able to maintain and support its assets for customers.

### Debt

Like the Municipality, Halifax Water is required to issue debt through the Nova Scotia Department of Finance and Treasury Board. Debt can only be issued in the Spring and Fall.

To issue debt requires the approval of the Halifax Water Board and the Nova Scotia Regulatory and Appeals Board, and it must be signed by HRM.

As reported in our audited financial statements, Halifax Water had approximately \$294.7 million in debt as of March 31, 2025. Since March 31, 2025, Halifax Water has issued \$68 million of new debt in the current fiscal year. In addition, as outlined in our rate application, Halifax Water is proposing to issue an additional \$150 million of new debt in fiscal 2026/27.

Outstanding Debt – per audited financial statements

Fiscal Year	Outstanding Debt
March 31, 2025	\$294,661,000
March 31, 2024	\$237,627,000
March 31, 2023	\$219,373,000
March 31, 2022	\$225,033,000
March 31, 2021	\$225,591,000
March 31, 2020	\$220,075,000
March 31, 2019	\$208,283,000

For reference, as of March 31, 2025, HRM had budgeted expenditures of over \$1.2 billion and outstanding debt of \$226,922,000.

### Depreciation

The other source of funding to finance our assets is depreciation. The NSARB requires Halifax Water to include depreciation expenses in its revenue requirements and in its rates.

Including depreciation in our rates provides cash that we must use to finance our capital assets. This cash reduces the amount of debt that we issue and will decrease the amount of principal and interest expense that will also be added to our rates.

Recently, there has been confusion regarding Halifax Water's ability to issue debt or borrow funds. Specifically, these comments have made assumptions regarding the use of debt and depreciation, as well as their impact on rates.

As part of the recent General Rate Application (GRA), Halifax Water referenced the requirement to include both debt and depreciation in rates. During the hearing, Halifax Water staff confirmed that if the NSRAB directed the utility to reduce the amount of depreciation in the rates, it would decrease the proposed rates. In doing so, Halifax Water would also be required to increase longer-term debt requirements to offset the reduction in depreciation.

If the NSRAB allowed Halifax Water to reduce the depreciation requirement and to offset the reduction with new debt, the approximate impact would be as follows:

Per recent GRA		Average Residential Bill \$1,062.21	Average Residential Bill \$1,248.77
		1 /2 2	, , -
Amount proposed for Depreciation (if allowed by NSRAB)	Amount Transferred to Debt (if ,allowed by NSRAB)	Reduction in Average Residential Bill 2025/26	Reduction in Average Residential Bill 2026/27
\$0	\$43,000,000	\$192	\$306
\$13,000,000	\$30,000,000	\$131	\$200
\$23,000,000	\$20,000,000	\$88	\$133
\$33,000,000	\$10,000,000	\$43	\$67

### **ATTACHMENT**

1. Report to the Halifax Water Audit and Finance Committee Item 3 - Operating Financial Results Sept 30, 2025.



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

SUBMITTED BY:

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

-Signed by:

APPROVED: Kenda MacKenzie

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

DATE: October 31, 2025

SUBJECT: Operating Results for the six (6) months ended September 30, 2025

### **ORIGIN**

Financial information reporting.

### **RECOMMENDATION**

It is recommended the Audit and Finance Committee forward the Financial Results for the six months ended September 30, 2025, to the Halifax Water Board for their information.

### **DISCUSSION**

Attached are the operating results for Halifax Water for the six (6) months year ended September 30, 2025 with comparative figures for September 30, 2024.

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

### Statement of Financial Position (NSRAB) - Page 3 of Attachment 1

Key indicators and balances from the Statement of Financial Position are provided in the following tables.

Table 1: Assets

				March 31	From Pri	or Year
SEPTEMBER 30 (in thousands)	Notes	2025	2024	2025	\$ Change	% Change
Assets						
Current						
Cash and cash equivalents	Α	\$ 97,527	\$ 41,106	\$ 73,126	\$ 56,421	137.3%
Receivables						
Customer charges and contractual	В	21,040	18,086	21,851	2,954	16.3%
Unbilled service revenues	С	22,022	21,426	22,019	596	2.8%
Inventory		2,483	2,646	2,530	(163)	(6.2%)
Prepaids	D	2,264	1,453	2,178	811	55.8%
		145,336	84,717	121,704	60,619	71.6%
Utility plant in service	E	1,405,913	1,277,268	1,436,849	128,645	10.1%
Capital work in progress	F	160,524	158,811	115,627	1,713	1.1%
Total assets		1,711,773	1,520,796	1,674,180	190,977	12.6%
Regulatory deferral account		1,757	1,949	1,852	(192)	(9.8%)
Total assets and regulatory deferral account		\$ 1,713,530	\$ 1,522,745	\$ 1,676,032	\$ 190,785	12.5%

#### Notes related to Table 1:

- A) Cash and cash equivalents increased by \$56.4 million from the prior year. The increase is due to the proceeds from the Spring debenture and continuing growth of the Regional Development Charge (RDC) reserves.
- B) Customer charges and contractual increased by \$3.0 million due to an increase in revenue related to consumption and base charges.
- C) Unbilled service revenues increased by \$0.6 million due to the timing of billing cycles.
- D) Prepaids has increased \$0.8 million due to the timing of invoices received on prepaid services.

- E) Utility plant in service increased by \$128.6 million due to new assets recorded at the end of fiscal 2024-25, less depreciation.
- F) The \$1.7 million increase in capital work in progress relates to the expenditures on active capital projects as of September 30, 2025.

**Table 2: Liabilities** 

				March 31	From Pri	or Year
SEPTEMBER 30 (in thousands)	Notes	2025	2024	2025	\$ Change	% Change
Current						
Payables and accruals						
Trade	Α	28,918	23,282	35,900	5,636	24.2%
Non-trade		6,477	4,796	6,430	1,682	35.1%
Interest on long term debt		4,461	3,183	4,061	1,279	40.2%
Halifax Regional Municipality	В	1,116	(2,046)	4,459	3,162	(154.5%)
Contractor and customer deposits		1,261	1,141	1,447	120	10.5%
Current portion of long term debt	C	32,881	39,832	32,881	(6,951)	(17.5%)
Unearned revenue		7,945	2,209	442	5,737	259.8%
		83,059	72,396	85,619	10,663	14.7%
Long term debt	D	286,998	199,485	260,129	87,513	43.9%
Deferred contributions		152,408	113,368	130,596	39,041	34.4%
Total liabilities		522,465	385,248	476,344	137,217	35.6%
Equity						
Accumulated capital surplus		1,193,423	1,119,109	1,191,266	74,314	6.6%
Accumulated operating surplus		(3,958)	11,690	11,690	(15,648)	(133.9%)
Operating surplus used to fund capital		12,380	12,380	12,380	0	0.0%
Deficiency of revenues over expenditures		(10,780)	(5,682)	(15,648)	(5,097)	89.7%
Total equity		1,191,065	1,137,497	1,199,688	53,568	4.7%
Total liabilities and equity		\$ 1,713,530 \$	1,522,745 \$	1,676,032	\$ 190,785	12.5%

### Notes related to Table 2:

A) Trade payables and accruals have increased by \$5.6 million from the prior year due to a higher level of purchasing activity, and more timely reporting of contractor holdbacks for future payments.

Payables and Accruals												
<b>2025/26</b> 2024/25												
		'000		'000		\$ Change	% Change					
Trade payables	\$	16,521	\$	13,044	\$	3,476	26.6%					
Trade accrued payables		9,768		9,030		738	8.2%					
Accrued wastewater rebate		2,631		1,208		1,423	117.8%					
	\$	28,918	\$	23,282	\$	5,636	24.2%					

B) Halifax Regional Municipality payable has increased by \$3.2 million from prior year as a result of a decrease in receivables from HRM due to the timing of payment of the annual fire protection invoice, an increase in the RDC receivable, and an increase in cost sharing amounts payable to HRM.

	HRM Receivables and Payables												
	2	025/26		2024/25									
		'000		'000		\$ Change	% Change						
Receivables	\$	2,148	\$	5,187	\$	(3,039)	(58.6%)						
RDC		8,375		4,876		3,499	71.8%						
Payables		(11,639)		(8,018)		(3,621)	45.2%						
Net receivables (payables)	\$	(1,116)	\$	2,046	\$	(3,162)	(154.5%)						

- C) Current portion of long-term debt has decreased \$7.0 million due to the repayment of HRM debt in September 2024 and balloon payments in November 2024 and May 2025.
- D) Increase in long term debt by \$87.5 million due to the addition of new debt in November 2024 and May 2025.



Debt servicing ratio is a function of total interest and principal payments (including accrued amounts) plus the amortization of debt issue costs divided by total operating revenue per service. Debt servicing ratio by service as of September 30, 2025, is as follows:

Debt Ser	Debt Servicing Ratio by Service										
	2025/26	2024/25									
Water	19.36%	15.52%									
Wastewater	14.46%	18.88%									
Stormwater	24.72%	23.17%									
Combined	17.20%	17.98%									

The combined debt servicing ratio has decreased from the prior year. Debt servicing ratios have increased for water and stormwater because of the addition of new debt and decreased for wastewater because of the repayment of HRM debt in September 2024. The combined debt servicing ratio of 17.2% is below the maximum 35.0% ratio allowed under the blanket guarantee agreement with Halifax.

### Statement of Earnings (NSRAB) - Page 4 of Attachment 1

Table 3: Summarized Statement of Earnings (NSRAB)

		Summarize	d St	atement of	Earr	nings			
	Budget :025/26	Actual 2025/26		Actual 2024/25		From Pric	or Year	Actual to	Budget
Notes	'000	'000		'000		\$ Change	% Change	\$ Change	% Change
Operating revenues Operating expenditures	\$ 174,617 169,004	\$ 89,923 81,744	\$	87,673 74,363	\$	2,249 7,381	2.57% 9.93%	\$ (84,694) (87,260)	(48.50%) (51.63%)
Earnings from operations before financial and other	•	·		·		,			
revenues and expenditures	5,613	8,179		13,311		(5,131)	(38.55%)	2,566	45.71%
Financial and other revenues	1,085	332		434		(101)	(23.32%)	(753)	(69.36%)
Financial and other expenditures	40,773	19,291		19,427		(135)	(0.70%)	(21,482)	(52.69%)
Loss for the year A	\$ (34,075)	\$ (10,780)	\$	(5,682)	\$	(5,097)	89.71%	\$ 23,295	(68.36%)

### Notes related to Table 3:

A) The loss for the year of \$10.8 million is an increase of \$5.1 million from the prior year earnings. The following is a discussion of factors influencing the change.

**Table 4: Operating Revenues:** 

			Оре	erat	ing Revenue	s					
	Notes	Budget 2025/26 '000	<b>Actual</b> 2025/26 <b>'000</b>		Actual 2024/25 '000		From Prio \$ Change	or Year % Change	Ç	Actual to Change	Budget % Change
Consumption revenue Base charge revenue	В\$	114,253 34,356	\$ 59,726 17,325	\$	57,963 16,720	\$	1,763 605	3.04% 3.62%	\$	(54,527) (17,031)	(47.73%) (49.57%)
Wastewater rebate	_	(1,629)	(1,215)		(1,043)		(171)	16.42%		414	(25.43%)
Metered sales total		146,980	75,836		73,640		2,197	2.98%		(71,144)	(48.40%)
Stormwater site generated	charge	8,865	4,320		4,245		75	1.77%		(4,545)	(51.27%)
Stormwater right of way		6,515	3,258		3,258		-	0.00%		(3,257)	(49.99%)
Public fire protection		8,083	4,042		4,042		-	0.00%		(4,041)	(49.99%)
Private fire protection		1,711	910		862		48	5.57%		(801)	(46.81%)
Other operating revenue		2,463	1,557		1,627		(70)	(4.31%)		(906)	(36.79%)
Operating revenue total	A \$	174,617	\$ 89,923	\$	87,674	\$	2,249	2.57%	\$	(84,694)	(48.50%)

### Notes related to Table 4:

Operating revenues are presented above, broken down by type:

A) Operating revenues have increased by \$2.2 million as compared to the previous year.



B) Metered consumption revenue has increased 3.0% as compared to the previous year. Consumption billed within the period was up 4.8%, however meter readings indicate growth in consumption is easing. Metered consumption revenue includes billed and unbilled consumption and as such reflects the more modest consumption growth. Metered consumption in the residential class declined in September reflecting customers adhering to the mandatory and voluntary water restrictions. Consumption growth year-to-date is highest in institutional, multi-residential and commercial classes. Consumption growth in the institutional class is attributable in part to increased consumption at health and military facilities.

Consumption by customer class based on billed consumption is as follows:

	Consumption by Customer Class (m3)												
	2025/26	2024/25	\$ Change	% Change									
Commercial	3,764,275	3,541,021	223,254	6.3%									
Industrial	880,854	886,975	(6,121)	(0.7%)									
Institutional	2,287,125	2,044,887	242,238	11.8%									
Multi-residential	4,534,849	4,212,090	322,759	7.7%									
Residential	6,974,253	6,908,621	65,632	1.0%									
	18,441,356	17,593,594	847,762	4.8%									

Based on billed consumption

C) Base charge revenue has increased by \$0.6 million due to increased customers. Since the same time last year, the number of customers has grown by 597.

**Table 5: Operating Expenditures:** 

				Opera	ting	g Expenditu	res					
		Budget 2025/26	<b>Actual</b> 2025/26			Actual 2024/25		From Pric	or Year	Actual to Budget		
	Notes	'000		'000		'000		\$ Change	% Change	\$ Change	% Change	
Water supply and treatment Water transmission and	t <b>B</b>	\$ 16,146	\$	7,651	\$	6,812	\$	839	12.31%	\$ (8,495)	(52.61%)	
distribution	С	16,910		8,945		6,847		2,099	30.65%	\$ (7,965)	(47.10%)	
Wastewater collection		15,530		6,799		7,008		(209)	(2.98%)	\$ (8,731)	(56.22%)	
Stormwater collection		6,969		2,936		2,985		(50)	(1.66%)	\$ (4,033)	(57.87%)	
Wastewater treatment	D	28,640		13,150		11,752		1,398	11.90%	\$ (15,490)	(54.09%)	
Information and												
technology services	E	16,625		8,543		8,039		504	6.26%	(8,082)	(48.61%)	
Engineering services	F	5,813		1,937		2,384		(447)	(18.76%)	(3,876)	(66.68%)	
Regulatory services	G	5,359		2,994		2,609		385	14.72%	(2,365)	(44.13%)	
Customer services		5,186		2,433		2,268		165	7.28%	(2,753)	(53.09%)	
Corporate services		4,255		1,856		1,842		13	0.73%	(2,399)	(56.38%)	
Administration services	Н	7,647		3,267		2,620		647	24.69%	(4,380)	(57.28%)	
Depreciation and												
amortization	ı	39,924		21,233		19,197		2,037	10.61%	(18,691)	(46.82%)	
Total operating expenditure	s <b>A</b>	\$ 169,004	\$	81,744	\$	74,363	\$	7,381	9.93%	\$ (87,260)	(51.63%)	

#### Notes related to Table 5:

- A) Operating expenditures of \$81.7 million are \$7.4 million higher than the prior year.
- B) Water supply and treatment expenditures increased \$0.8 million from to the previous year due to an increase in contract services, salaries and benefits, and electricity.
- C) Water transmission and distribution expenditures increased \$2.1 million from prior year due to an increase in contract services and salaries/wages. Increased costs are primarily in core maintenance activities for distribution mains, hydrants, and services.
- D) Wastewater treatment expenditures increased \$1.4 million as compared to the previous year due to increases in salaries, contract services and supplies. Electricity costs for the large treatment facilities have been estimated for the period to date due to the billing disruption by the provider.
- E) Information and technology services expenditures increased \$0.5 million as compared to the prior year. Increases in salaries and software licensing are partially offset by a decrease in consulting.



- F) Engineering services expenditures decreased \$0.4 million from the prior year as an increase in salaries was offset by amounts allocated to capital projects.
- G) Regulatory services expenditures increased \$0.4 million from the prior year due to an increase in salaries.
- H) Administration services expenditures increased \$0.6 million from the prior year. A decrease in contract services is offset by an increase in salaries.
- I) Depreciation and amortization increased \$2.0 million over the prior year because of depreciation on additions to assets in the prior year.

Table 6: Financial and other revenues:

	Financial and other revenues													
			Budget 025/26	Actual 2025/26			Actual 2024/25		From Prio	<sup>-</sup> Year		Actual to	o Budget	
	Notes		'000		'000		'000		\$ Change	% Change	\$	Remaining	% Remaining	
Interest Other		\$	468 617	\$	70 263	\$	167 266	\$	(98) (3)	(58.34%) (1.30%)	•	(398) (354)	(85.09%) (57.43%)	
Total financial and other revenues	A	\$	1,085	\$	332	\$	434	\$	(101)	(23.32%)	\$	(753)	(69.36%)	

### Notes related to Table 6:

A) Financial and other revenues decreased \$0.1 from the prior year due to lower interest rates resulting in less revenue earned on cash balances for regulated services. Interest income is also allocated to regional development charge reserve funds.

Table 7: Financial and other expenditures:

Financial and other expenditures														
		Budget 2025/26	2	Actual 2025/26		ctual 24/25		From Pric	or Year	Actual to	Budget			
Note	es	'000		'000		'000	\$	Change	% Change	\$ Remaining	% Remaining			
Interest		323		114		115		(1)	(1.05%)	(208)	(64.59%)			
Interest on long term debt		12,291		5,188		4,216		972	23.06%	(7,103)	(57.79%)			
Repayment on long term debt		20,514		10,129		11,429		(1,301)	(11.38%)	(10,385)	(50.63%)			
Amortization of debt discount		279		146		119		28	23.43%	(133)	(47.57%)			
Dividend/grant in lieu of taxes		7,236		3,618		3,479		139	4.00%	(3,618)	(50.00%)			
Other		130		96		68		28	41.06%	(34)	(25.95%)			
Total financial and other														
expenditures	Α\$	40,773	\$	19,291	\$	19,427	\$	(135)	(0.70%)	\$ (21,482)	(52.69%)			

### Notes related to Table 7:

A) Financial and other expenditures decreased \$0.1 million when compared to prior year due to a decrease in debt repayment amounts. These will increase during the year as the repayments associated with new debt are recorded.

Table 8: Operating Results by Service:

Operating Results by Service													
		Budget 2025/26		Actual 2025/26		Actual 2024/25		From Pric	or Year		Actual to	Budget	
		'000		'000		'000		\$ Change	% Change		\$ Change	% Change	
Water	\$	(21,183)	\$	(10,913)	\$	(5,350)	\$	(5,563)	103.99%	\$	10,270	(48.48%)	
Wastewater		(8,853)		1,488		902		586	65.02%		10,341	(116.81%)	
Stormwater		(4,038)		(1,355)		(1,234)		(121)	9.81%		2,683	(66.44%)	
Earnings (loss) for the year	\$	(34,075)	\$	(10,780)	\$	(5,682)	\$	(5,098)	89.72%	\$	23,294	(68.36%)	

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



Table 9: Operating Results by Service - Water:

Operating Results by Service - Water													
			Budget 025/26	2	Actual 2025/26		Actual 2024/25		From Pric	or Year		Actual to	Budget
	Notes '000				'000	'000		\$ Change		% Change		\$ Change	% Change
Operating revenues	Α	\$	66,780	\$	34,177	\$	33,313	\$	864	2.59%	\$	(32,603)	(48.82%)
Operating expenditures	В		68,557		35,569		30,777		4,792	15.57%		(32,987)	(48.12%)
Earnings from operations	_		(1,776)		(1,393)		2,536		(3,928)	(154.91%)		384	(21.61%)
Financial and other revenues	S		772		235		323		(88)	(27.16%)		(538)	(69.59%)
Financial and other expenditures	С		20,179		9,756		8,208		1,547	18.85%		(10,424)	(51.65%)
Loss for the year		\$	(21,183)	\$	(10,913)	\$	(5,350)	\$	(5,563)	103.99%	\$	10,270	(48.48%)

Water services loss of \$10.9 million increased from the prior year loss by \$5.6 million due to the following factors:

- A) Increase in operating revenues of \$0.9 million due to an increase in consumption and base charge revenue as previously discussed under Notes to Table 4.
- B) Increase in operating expenditures of \$4.8 million due to higher costs in water transmission and distribution, and depreciation and amortization.
- C) Increase in financial and other expenditures of \$1.5 million due to higher interest rates on new long-term debt as compared to existing debt, and a higher dividend/grant in lieu of taxes.

Table 10: Operating Results by Service - Wastewater:

Operating Results by Service - Wastewater													
			Budget .025/26		Actual 2025/26		Actual 2024/25		From Pric	or Year		Actual to	Budget
N	Notes '000				'000		'000		Change	% Change	\$ Change		% Change
Operating revenues	Α	\$	92,210	\$	48,090	\$	46,696	\$	1,394	2.99%	\$	(44,120)	(47.85%)
Operating expenditures	В		85,109		39,261		36,666		2,595	7.08%		(45,848)	(53.87%)
Earnings from operations	-		7,101		8,829		10,030		(1,200)	(11.97%)		1,728	24.33%
Financial and other revenues			313		98		111		(13)	(12.16%)		(215)	(68.80%)
Financial and other													
expenditures	С		16,267		7,439		9,239		(1,800)	(19.49%)		(8,829)	(54.27%)
Earnings (loss) for the year	-	\$	(8,853)	\$	1,488	\$	902	\$	586	65.02%	\$	10,341	(116.81%)

Wastewater services earnings of \$1.5 million increased from the prior year earnings by \$0.6 million due to the following factors:

- A) Increase in operating revenues of \$1.4 million is attributable to an increase in consumption and base charge revenue as previously discussed under Notes to Table 4.
- B) Increase in operating expenditures of \$2.6 million due to higher costs associated with wastewater treatment, administration services, and depreciation and amortization.
- C) Decrease in financial and other expenditures of \$1.8 million due to lower repayment of long-term debt following the final payment on a large debt issue payable to HRM to finance wastewater assets. Repayments will be higher in future months with the new debt issued with the Fall debentures.



Table 11: Operating Results by Service - Stormwater:

Halifax Water	Audit	and	Finance	Com	mittee
			Novem	ber (	5, 2025

			Ope	rating Resu	lts	by Service -	Sto	rmwater			
		udget )25/26		Actual 025/26		Actual 2024/25		From Prio	r Year	Actual to	Budget
	Notes	'000		'000		'000		\$ Change	% Change	\$ Change	% Change
Operating revenues	Α	\$ 15,627	\$	7,655	\$	7,665	\$	(10)	(0.13%)	\$ (7,972)	(51.01%)
Operating expenditures	В	15,339		6,913		6,920		(6)	(0.09%)	(8,425)	(54.93%)
Earnings from operations Financial and other	-	288		742		745		(3)	(0.44%)	453	157.19%
expenditures	С	4,327		2,097		1,979		118	5.95%	(2,230)	(51.53%)
Earnings (loss) for the year	_	\$ (4,038)	\$	(1,355)	\$	(1,234)	\$	(121)	9.81%	\$ 2,683	(66.44%)

Stormwater services loss of \$1.4 million is \$0.1 million greater than the prior year loss. The following factors influenced the results:

- A) Operating revenues of \$7.7 million are on par with the prior year. Billable impervious area is expected to continue to gradually increase in conjunction with continuing growth in development.
- B) Operating expenditures are consistent overall with the prior year. An increase in the allocation of regulatory services and administration services to Stormwater is offset by a decrease in engineering services.
- C) Increase of \$0.1 million in financial and other expenditures due to increasing interest on long-term debt.

**Table 12: Operating Results by Activity** 

Operating Results by Activity													
		Budget 2025/26	Actual 2025/26	Actual 2024/25	From Pr	ior Year	Actual to	) Budget					
	Notes_	'000	'000	'000	\$ Change	% Change	\$ Change	% Change					
Regulated activities	Α	\$ (34,340)	\$ (11,212)	\$ (6,099)	\$ (5,113)	83.83%	\$ 23,128	(67.35%)					
Unregulated activities	В	266	432	417	15	3.58%	166	62.54%					
Loss for the year	_	(34,075)	(10,780)	(5,682)	(5,098)	89.72%	23,294	(68.36%)					

#### Notes related to Table 12:

- A) Regulated activities loss has increased \$5.1 million when compared to prior year due to the factors as previously explained.
- B Unregulated activities earnings has increased less than \$0.1 million when compared to prior year due to higher airline effluent revenues.

### Results under NSRAB Handbook as compared to International Financial Reporting Standards

As a rate regulated utility, the Accounting Standards Board (AcSB) requires Halifax Water to report financial results using IFRS. The NSRAB requires Halifax Water to report in accordance with the NSRAB Handbook. The differences between IFRS and the NSRAB Handbook include non-cash pension expense, principal payments of long term debt, depreciation expense on contributed assets, various depreciation adjustments and other comprehensive income gain.

### **ATTACHMENT**

1. Financial results for the six (6) months ended September 30, 2025

Report prepared by:

Warren Brake, CPA, CGA

Manager of Accounting (902) 719-4814

## HALIFAX WATER UNAUDITED STATEMENT OF FINANCIAL POSITION - IFRS SEPTEMBER 30, 2025 (in thousands)

						March 31	From Prior	· Year
SEPTEMBER 30 (in thousands)		2025		2024		2025	\$ Change	% Change
Assets								
Current								
Cash and cash equivalents	\$	97,527	\$	41,106	\$	73,126	\$ 56,421	137.3%
Receivables	*	01,021	Ψ	11,100	Ψ	70,120	Ψ 00, 121	1011070
Customer charges and contractual		21,040		18,086		21,851	2,954	16.3%
Unbilled service revenues		22,022		21,426		22,019	596	2.8%
Inventory		2,483		2,646		2,530	(163)	(6.2%)
Prepaids		2,264		1,453		2,178	811	55.8%
		145,336		84,717		121,704	60,619	71.6%
Employee benefit surplus (obligations)		996		(3,173)		1,053	4,169	(131.4%)
Intangible assets		40,170		34,622		42,855	5,549	` 16.0% <sup>´</sup>
Capital work in progress		160,524		158,811		115,627	1,713	1.1%
Utility plant in service		1,314,546		1,294,133		1,345,901	20,412	1.6%
Total assets		1,661,572		1,569,110		1,627,140	92,462	5.9%
Regulatory deferral account		1,757		1,949		1,852	(192)	(9.8%)
Total assets and regulatory deferral account	\$	1,663,329	\$	1,571,059	\$	1,628,992		5.9%
1 - 1 - 11-4-								
Liabilities Current								
Payables and accruals								
Trade		28,918		23,282		35,898	5,636	24.2%
Non-trade		6,477		4,796		6,430	1,682	35.1%
Interest on long term debt		4,461		3,183		4,061	1,279	40.2%
Halifax Regional Municipality		1,116		(2,046)		4,459	3,162	154.5%
Contractor and customer deposits		1,261		1,141		1,447	120	10.5%
Current portion of deferred contributed capital		19,249		19,260		19,249	(11)	(0.1%)
Current portion of deterred contributed capital		32,881		39,832		32,881	(6,951)	(17.5%)
Unearned revenue		7,945		2,209		442	5,737	259.8%
encamed totoliae		102,308		91,656		104,865	10,652	11.6%
Deferred contributed capital		967,218		932,497		951,883	34,721	3.7%
Long term debt		286,998		199,485		260,129	87,513	43.9%
Total liabilities		1,356,524		1,223,638		1,316,877	132,886	10.9%
Equity				· ·				<u> </u>
Accumulated other comprehensive loss		66,923		60,395		66,923	6,528	10.8%
Accumulated surplus		239,882		287,026		245,192	(47,144)	(16.4%)
Total equity		306,805		347,421		312,115	(40,616)	(11.7%)
Total liabilities and equity	\$	1,663,329	\$	1,571,059	\$		\$ 92,270	5.9%

### **HALIFAX WATER**

## UNAUDITED STATEMENT OF EARNINGS AND COMPREHENSIVE EARNINGS - ALL SERVICES - IFRS APRIL 1, 2025 - SEPTEMBER 30, 2025 (6 MONTHS) ACTUAL YEAR TO DATE COMPLETE: 50.00%

		ACT YEAR T	O DA		MA	PR 1/25 R 31/26	YEAR TO							
	Т	HIS YEAR	LA	ST YEAR	В	UDGET		as % of			rior Year	<b>.</b> -	Actual to	_
		'000		'000		'000	В	UDGET	\$ C	nange	% Change	<u>\$ F</u>	Remaining	% Remaining
Operating revenues														
Water	\$	28,837	\$	27,996	\$	56,210	į	51.30%	\$	841	3.00%	\$	(27,373)	(48.70%)
Wastewater		46,999		45,644		90,770		51.78%		1,355	2.97%		(43,771)	(48.22%)
Stormwater		7,578		7,503		15,380	4	49.27%		75	1.00%		(7,802)	(50.73%)
Public fire protection		4,042		4,042		8,083		50.00%		0	0.00%		(4,042)	(50.00%)
Private fire protection		910		862		1,711		53.17%		48	5.52%		(801)	(46.83%)
Other operating revenue		1,557		1,627		2,463		63.23%		(70)	(4.28%)		(906)	(36.77%)
		89,923		87,673	1	74,617		51.50%		2,249	2.57%		(84,694)	(48.50%)
Operating expenditures										,				,
Water supply and treatment		7,651		6,812		16,146	4	47.39%		839	12.32%		(8,495)	(52.61%)
Water transmission and distribution		8,945		6,847		16,910		52.90%		2,098	30.64%		(7,965)	(47.10%)
Wastewater collection		6,799		7,008		15,530	4	43.78%		(210)	(2.99%)		(8,731)	(56.22%)
Stormwater collection		2,936		2,985		6,969		42.12%		(49)	(1.65%)		(4,033)	(57.88%)
Wastewater treatment		13,150		11,752		28,640		45.91%		1,398	11.90%		(15,490)	(54.09%)
Information and technology services		8,543		8,039		16,625		51.39%		504	6.27%		(8,082)	(48.61%)
Engineering services		1,937		2,384		5,813		33.32%		(448)	(18.77%)		(3,876)	(66.68%)
Regulatory compliance services		2,994		2,609		5,359		55.86%		385	14.75%		(2,365)	(44.14%)
Customer services		2,433		2,268		5,186		46.92%		165	7.28%		(2,753)	(53.08%)
Corporate services		1.856		1,842		4,255		43.63%		15	0.80%		(2,399)	(56.37%)
Administration services		3,267		2,620		7,647		42.72%		648	24.72%		(4,380)	(57.28%)
Pension services		0,207		956		3,154		0.00%		(956)	(100.00%)		(3,154)	(100.00%)
Depreciation and amortization		30,487		18,758		59,184	ı	51.51%	1	1,729	62.53%		(28,696)	(48.49%)
Depresiation and amortization	_	90,998		74,879		91,418		47.54%		6,119	21.53%		(100,420)	(52.46%)
Formings (loss) from analysticus hefore financial														
Earnings (loss) from operations before financial		(1,075)		12,794	,	16 901)		6.40%	/1	3,870)	(109 409/)		15,725	(02 60%)
and other revenues and expenditures		(1,075)		12,794	(	(16,801)		0.40%		3,070)	(108.40%)		15,725	(93.60%)
Financial and other revenues														
Interest		70		167		468	•	14.91%		(98)	(58.34%)		(398)	(85.09%)
Amortization of contributed capital		4,596		16,310		19,260	2	23.86%	(1	1,714)	(71.82%)		(14,664)	(76.14%)
Other		263		266		617		42.57%		(3)	(1.30%)		(354)	(57.43%)
		4,928		16,744		20,345	:	24.22%	(1	1,815)	(70.56%)		(15,417)	(75.78%)
. Financial and other expenditures														
Interest		114		115		323	,	35.41%		(1)	(1.05%)		(208)	(64.59%)
Interest on long term debt		5,188		4,216		12,291		42.21%		972	23.06%		(7,103)	(57.79%)
Amortization of debt discount		146		119		279		52.43%		28	23.43%		(133)	(47.57%)
Dividend/grant in lieu of taxes		3,618		3,479		7,236		50.00%		139	4.00%		(3,618)	(50.00%)
Other		96		68		130		74.05%		28	41.06%		(34)	(25.95%)
		9,163		7,997		20,259		45.23%		1,166	14.58%		(11,096)	(54.77%)
Total comprehensive earnings for the year	\$	(5,310)	\$	21,541	\$ <i>(</i>	(16,715)	:	31.77%	\$ (2	6,851)	(124.65%)	\$	11,405	(68.23%)
		(5,510)		,	<del>-</del> \				<del>- , -</del>	-,,	,		,	(55.2970)

## HALIFAX WATER UNAUDITED STATEMENT OF FINANCIAL POSITION - NSRAB SEPTEMBER 30, 2025 (in thousands)

SEPTEMBER 30 (in thousands)	2025	2024	March 31 2025	¢ (	From Pr Change	ior Year % Change	
SEPTEMBER 30 (III tilousalius)	2025	2024	2025	- 3 (	Juange	% Change	
Assets							
Current							
Cash and cash equivalents	\$ 97,527	\$ 41,106	\$ 73,126	\$	56,421	137.3%	
Receivables							
Customer charges and contractual	21,040	18,086	21,851		2,954	16.3%	
Unbilled service revenues	22,022	21,426	22,019		596	2.8%	
Inventory	2,483	2,646	2,530		(163)	(6.2%)	
Prepaids	 2,264	1,453	2,178		811	55.8%	
	145,336	84,717	121,704		60,619	71.6%	
Utility plant in service	1,405,913	1,277,268	1,436,849		128,645	10.1%	
Capital work in progress	 160,524	158,811	115,627		1,713	1.1%	
Total assets	 1,711,773	1,520,796	1,674,180		190,977	12.6%	
Regulatory deferral account	1,757	1,949	1,852		(192)	(9.8%)	
Total assets and regulatory deferral account	\$ 1,713,530	\$ 1,522,745	\$ 1,676,032	\$	190,785	12.5%	
Liabilities							
Current							
Payables and accruals							
Trade	28,918	23,282	35,900		5,636	24.2%	
Non-trade	6,477	4,796	6,430		1,682	35.1%	
Interest on long term debt	4,461	3,183	4,061		1,279	40.2%	
Halifax Regional Municipality	1,116	(2,046)	4,459		3,162	(154.5%)	
Contractor and customer deposits	1,261	1,141	1,447		120	10.5%	
Current portion of long term debt	32,881	39,832	32,881		(6,951)	(17.5%)	
Unearned revenue	7,945	2,209	442		5,737	259.8%	
	83,059	72,396	85,619		10,663	14.7%	
Long term debt	286,998	199,485	260,129		87,513	43.9%	
Deferred contributions	152,408	113,368	130,596		39,041	34.4%	
Total liabilities	522,465	385,248	476,344		137,217	35.6%	
Equity							
Accumulated capital surplus	1,193,423	1,119,109	1,191,266		74,314	6.6%	
Accumulated operating surplus	(3,958)	11,690	11,690		(15,648)	(133.9%)	
Operating surplus used to fund capital	12,380	12,380	12,380		0	0.0%	
Deficiency of revenues over expenditures	(10,780)	(5,682)	(15,648)		(5,097)	89.7%	
Total equity	1,191,065	1,137,497	1,199,688		53,568	4.7%	
Total liabilities and equity	\$ 1,713,530	\$ 1,522,745	\$ 1,676,032	\$ .	190,785	12.5%	

# HALIFAX WATER UNAUDITED STATEMENT OF EARNINGS - ALL SERVICES - NSRAB APRIL 1, 2025 - SEPTEMBER 30, 2025 (6 MONTHS) ACTUAL YEAR TO DATE COMPLETE: 50.00%

		ACTUA		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE						
	Т	HIS YEAR	LAST YEAR	BUDGET	as % of		From Pr	ior Year		Actual to	Budget
		'000	'000	'000	BUDGET	\$	Change	% Change	\$ Re	maining	% Remaining
Operating revenues											
Water	\$	28,837 \$	27,996 \$	56,210	51.30%	\$	841	3.00%	\$	(27,373)	(48.70%)
Wastewater	·	46,999	45,644	90,770	51.78%	·	1,355	2.97%	·	(43,771)	(48.22%)
Stormwater site generated service		4,320	4,245	8,865	48.73%		75	1.76%		(4,545)	(51.27%)
Stormwater right of way service		3,258	3,258	6,515	50.00%		0	0.00%		(3,257)	(50.00%)
Fire protection (public and private)		4,952	4,904	9,794	50.56%		48	0.98%		(4,842)	(49.44%)
Other services and fees		996	947	1,340	74.32%		49	5.15%		(344)	(25.68%)
Late payment and other connection fees		292	288	589	49.54%		4	1.38%		(297)	(50.46%)
Miscellaneous		269	392	534	50.42%		(123)	(31.35%)		(265)	(49.58%)
		89,923	87,673	174,617	51.50%		2,249	2.57%		(84,694)	(48.50%)
Operating expenditures		·	•	•		-	•	_	-		,
Water supply and treatment		7,651	6,812	16,146	47.39%		839	12.32%		(8,495)	(52.61%)
Water transmission and distribution		8,945	6,847	16,910	52.90%		2,098	30.64%		(7,965)	(47.10%)
Wastewater collection		6,799	7,008	15,530	43.78%		(210)	(2.99%)		(8,731)	(56.22%)
Stormwater collection		2,936	2,985	6,969	42.12%		(49)	(1.65%)		(4,033)	(57.88%)
Wastewater treatment		13,150	11,752	28,640	45.91%		1,398	11.90%		(15,490)	(54.09%)
Information and technology services		8,543	8,039	16,625	51.39%		504	6.27%		(8,082)	(48.61%)
Engineering services		1,937	2,384	5,813	33.32%		(448)	(18.77%)		(3,876)	(66.68%)
Regulatory compliance services		2,994	2,609	5,359	55.86%		385	14.75%		(2,365)	(44.14%)
Customer services		2,433	2,268	5,186	46.92%		165	7.28%		(2,753)	(53.08%)
Corporate services		1,856	1,842	4,255	43.63%		15	0.80%		(2,399)	(56.37%)
Administration services		3,267	2,620	7,647	42.72%		648	24.72%		(4,380)	(57.28%)
Depreciation and amortization		21,233	19,197	39,924	53.18%		2,036	10.60%		(18,691)	(46.82%)
·		81,744	74,363	169,004	48.37%		7,381	9.93%		(87,260)	(51.63%)
Earnings from operations before financial											
and other revenues and expenditures		8,179	13,311	5,613	145.71%		(5,131)	(38.55%)		2,566	45.71%
Financial and other revenues											
Interest		70	167	468	14.91%		(98)	(58.34%)		(398)	(85.09%)
Other		263	266	617	42.57%		(3)	(1.30%)		(354)	(57.43%)
		332	434	1,085	30.64%		(101)	(23.32%)		(753)	(69.36%)
Financial and other expenditures											
Interest		114	115	323	35.41%		(1)	(1.05%)		(208)	(64.59%)
Interest on long term debt		5,188	4,216	12,291	42.21%		972	23.06%		(7,103)	(57.79%)
Repayment on long term debt		10,129	11,429	20,514	49.37%		(1,301)	(11.38%)		(10,385)	(50.63%)
Amortization of debt discount		146	119	279	52.43%		28	23.43%		(133)	(47.57%)
Dividend/grant in lieu of taxes		3,618	3,479	7,236	50.00%		139	4.00%		(3,618)	(50.00%)
Other		96	68	130	74.05%		28	41.06%		(34)	(25.95%)
		19,291	19,427	40,773	47.31%		(135)	(0.70%)		(21,482)	(52.69%)
Earnings (loss) for the year	\$	(10,780) \$	(5,682) \$	(34,075)	31.64%	\$	(5,097)	89.71%	\$	23,295	(68.36%)

## HALIFAX WATER UNAUDITED STATEMENT OF EARNINGS - WATER - NSRAB APRIL 1, 2025 - SEPTEMBER 30, 2025 (6 MONTHS) ACTUAL YEAR TO DATE COMPLETE: 50.00%

		ACTUA YEAR TO I		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE					
		THIS YEAR	LAST YEAR	BUDGET	as % of	From Pri			Actual to	Budget
		'000	'000	'000	BUDGET	 \$ Change	% Change	\$ F	Remaining	% Remaining
Operating revenues - Water										
Water	\$	28,837 \$	27,996 \$	56,210	51.30%	\$ 841	3.00%	\$	(27,373)	(48.70%)
Public fire protection		4,042	4,042	8,083	50.00%	0	0.00%		(4,042)	(50.00%)
Private fire protection		910	862	1,711	53.17%	48	5.52%		(801)	(46.83%)
Bu <b>l</b> k water stations		136	129	340	40.06%	7	5.70%		(204)	(59.94%)
Late payment and other connection fees		89	92	202	43.96%	(3)	(3.42%)		(113)	(56.04%)
Miscellaneous		163	192	234	69.81%	(29)	(15.05%)		(71)	(30.19%)
	-	34,177	33,313	66,780	51.18%	 864	2.59%	-	(32,603)	(48.82%)
Operating expenditures - Water									( , , , , , , , , , , , , , , , , , , ,	
Water supply and treatment		7,651	6,812	16,146	47.39%	839	12.32%		(8,495)	(52.61%)
Water transmission and distribution		8,945	6,847	16,910	52.90%	2,098	30.64%		(7,965)	(47.10%)
Information and technology services		4,227	3,806	8,150	51.87%	422	11.08%		(3,923)	(48.13%)
Engineering services		813	493	2,017	40.32%	320	64.96%		(1,204)	(59.68%)
Regulatory compliance services		897	893	1,576	56.91%	4	0.40%		(679)	(43.09%)
Customer services		1,241	1,157	2,645	46.91%	84	7.28%		(1,404)	(53.09%)
Corporate services		947	939	2,086	45.39%	7	0.80%		(1,139)	(54.61%)
Administration services		1,644	1,378	3,900	42.16%	267	19.35%		(2,256)	(57.84%)
Depreciation and amortization		9,204	8,452	15,127	60.84%	752	8.89%		(5,923)	(39.16%)
Depression and amortization		35,569	30,777	68,557	51.88%	 4,792	15.57%		(32,987)	(48.12%)
Earnings from operations before financial	-	,		,		 -,			(==,==,	(1011=10)
and other revenues and expenditures		(1,393)	2,536	(1,776)	78.39%	 (3,928)	(154.91%)		384	(21.61%)
Financial and other revenues										
Interest		27	106	295	9.18%	(79)	(74.35%)		(268)	(90.82%)
Other		208	217	477	43.57%	(9)	(4.15%)		(269)	(56.43%)
Other		235	323	772	30.41%	 (88)	(27.16%)		(538)	(69.59%)
						(00)	(2:1:070)		(000)	(0010070)
Financial and other expenditures										
Interest on long term debt		2,556	1,789	5,484	46.60%	767	42.86%		(2,929)	(53.40%)
Repayment on long term debt		3,999	3,334	8,303	48.16%	664	19.93%		(4,304)	(51.84%)
Amortization of debt discount		63	48	119	52.86%	15	31.42%		(56)	(47.14%)
Dividend/grant in lieu of taxes		3,079	2,974	6,158	50.00%	105	3.53%		(3,079)	(50.00%)
Other		59	63	115	51.62%	(4)	(6.06%)		(56)	(48.38%)
		9,756	8,208	20,179	48.35%	1,547	18.85%		(10,424)	(51.65%)
Loss for the year	\$	(10,913) \$	(5,350) \$	(21,183)	51.52%	\$ (5,563)	103.99%	\$	10,270	(48.48%)

# HALIFAX WATER UNAUDITED STATEMENT OF EARNINGS - WASTEWATER - NSRAB APRIL 1, 2025 - SEPTEMBER 30, 2025 (6 MONTHS) ACTUAL YEAR TO DATE COMPLETE: 50.00%

		ACTUAL YEAR TO DATE THIS YEAR LAST YEAR		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE					
				BUDGET	as % of	From Pri	or Year	Actual to Budget		
		'000	'000	'000	BUDGET	 \$ Change	% Change	\$ F	Remaining	% Remaining
Operating revenues - Wastewater										
Wastewater	\$	46,999 \$	45,644 \$	90,770	51.78%	\$ 1,355	2.97%	\$	(43,771)	(48.22%)
Leachate and other contract revenue		239	278	323	73.97%	(39)	(14.05%)		(84)	(26.03%)
Septage tipping fees		422	444	572	73.86%	(21)	(4.83%)		(150)	(26.14%)
Overstrength surcharge		80	85	0	0.00%	(4)	(5.23%)		80	0.00%
Airplane effluent		118	12	105	112.28%	106	922.05%		13	12.28%
Late payment and other connection fees		147	150	207	70.94%	(3)	(2.13%)		(60)	(29.06%)
Miscellaneous		84	84	233	36.18%	ĺ	0.91%		(149)	(63.82%)
		48,090	46,696	92,210	52.15%	 1,394	2.99%		(44,120)	(47.85%)
Operating expenditures - Wastewater		·	•	•		•			, , ,	· · · · · · · · · · · · · · · · · · ·
Wastewater collection		6,799	7,008	15,530	43.78%	(210)	(2.99%)		(8,731)	(56.22%)
Wastewater treatment		13,150	11,752	28,640	45.91%	1,398	11.90%		(15,490)	(54.09%)
Information and technology services		3,897	3,810	7,797	49.98%	87	2.30%		(3,900)	(50.02%)
Engineering services		849	1,182	2,823	30.08%	(332)	(28.12%)		(1,974)	(69.92%)
Regulatory compliance services		972	912	1,763	55.14%	` 60 <sup>′</sup>	6.54%		(791)	(44.86%)
Customer services		1.094	1,018	2,338	46.78%	75	7.41%		(1,244)	(53.22%)
Corporate services		819	812	1,996	41.02%	6	0.80%		(1,177)	(58.98%)
Administration services		1,456	1,127	3,372	43.18%	329	29,24%		(1,916)	(56.82%)
Depreciation and amortization		10,225	9,045	20,850	49.04%	1,180	13.05%		(10,624)	(50.96%)
		39,261	36,666	85,109	46.13%	2,595	7.08%		(45,848)	(53.87%)
Earnings from operations before financial		,	,			 			(,,	(22227,4)
and other revenues and expenditures		8,829	10,030	7,101	124.33%	 (1,200)	(11.97%)		1,728	24.33%
Financial and other revenues										
Interest		43	62	172	24.72%	(19)	(30.89%)		(130)	(75.28%)
Other		55	49	140	39.16%	6	11.24%		(85)	(60.84%)
		98	111	313	31.20%	(13)	(12.16%)		(215)	(68.80%)
Financial and other expenditures										
Interest on long term debt		1,947	1,878	5,287	36.83%	69	3.67%		(3,340)	(63.17%)
Repayment on long term debt		4,939	6,881	9,942	49.68%	(1,942)	(28.22%)		(5,002)	(50.32%)
Amortization of debt discount		66	57	126	52.84%	9	15.72%		(59)	(47.16%)
Dividend/grant in lieu of taxes		449	417	898	50.00%	32	7.62%		(449)	(50.00%)
Other		37	5	15	246.35%	32	632.28%		22	146.35%
		7,439	9,239	16,267	45.73%	(1,800)	(19.49%)		(8,829)	(54.27%)
Earnings (loss) for the year	\$	1,488 \$	902 \$	(8,853)	(16.81%)	\$ 586	65.02%	\$	10,341	(116.81%)

## HALIFAX WATER UNAUDITED STATEMENT OF EARNINGS - STORMWATER - NSRAB APRIL 1, 2025 - SEPTEMBER 30, 2025 (6 MONTHS) ACTUAL YEAR TO DATE COMPLETE: 50.00%

	ACTU.	AL	APR 1/25	ACTUAL						
	YEAR TO	DATE	MAR 31/26	YEAR TO DATE						
	THIS YEAR	LAST YEAR	BUDGET	as % of		From Price	From Prior Year		Actual to	Budget
	'000	'000	'000	BUDGET	_	\$ Change	% Change	\$ R	emaining	% Remaining
Operating revenues - Stormwater										
Stormwater site generated service	\$ 4,320	\$ 4,245 \$	8,865	48.73%	\$	75	1.76%	\$	(4,545)	(51.27%)
Stormwater right of way service	3,258	3,258	6,515	50.00%		0	0.00%		(3,257)	(50.00%)
Late payment and other connection fees	56	46	180	31.20%		10	22.47%		(124)	(68.80%)
Miscellaneous	22	116	67	32.19%		(95)	(81.46%)		(45)	(67.81%)
	 7,655	7,665	15,627	48.99%		(10)	(0.13%)		(7,972)	(51.01%)
Operating expenditures - Stormwater										
Stormwater collection	2,936	2,985	6,969	42.12%		(49)	(1.65%)		(4,033)	(57.88%)
Information and technology services	419	423	678	61.74%		(5)	(1.11%)		(259)	(38.26%)
Engineering services	274	710	973	28.20%		(436)	(61.36%)		(699)	(71.80%)
Regulatory compliance services	1,125	803	2,020	55.68%		322	40.04%		(895)	(44.32%)
Customer services	99	93	203	48.54%		5	5.78%		(104)	(51.46%)
Corporate services	91	90	173	52.58%		1	0.80%		(82)	(47.42%)
Administration services	167	115	375	44.52%		52	44.73%		(208)	(55.48%)
Depreciation and amortization	1,804	1,700	3,948	45.70%		104	6.12%		(2,144)	(54.30%)
·	 6,913	6,920	15,339	45.07%		(6)	(0.09%)		(8,425)	(54.93%)
Earnings from operations before financial										
and other revenues and expenditures	 742	745	288	257.19%	_	(3)	(0.44%)		453	157.19%
Financial and other expenditures										
Interest	114	115	323	35.41%		(1)	(1.05%)		(208)	(64.59%)
Interest on long term debt	685	549	1,520	45.07%		136	24.84%		(835)	(54.93%)
Repayment on long term debt	1,191	1,214	2,269	52,47%		(24)	(1.94%)		(1,079)	(47.53%)
Amortization of debt discount	17	13	34	49.46%		` 4	27.89%		(17)	(50.54%)
Dividend/grant in lieu of taxes	90	88	180	50.00%		2	2.81%		(90)	(50.00%)
-	2,097	1,979	4,327	48.47%		118	5.95%		(2,230)	(51.53%)
Earnings (loss) for the year	\$ (1,355)	\$ (1,234) \$	(4,038)	33.56%	\$	(121)	9.81%	\$	2,683	(66.44%)

### **HALIFAX WATER**

### UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB APRIL 1, 2025 - SEPTEMBER 30, 2025 (6 MONTHS) ACTUAL YEAR TO DATE COMPLETE: 50.00%

	ACTUA YEAR TO I		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE						
	THIS YEAR LAST YEAR		BUDGET	as % of	From Prior Year			Actual to Budget		
	'000	'000	'000	BUDGET	\$ Chan	ige	% Change	\$ Remainin	g % Remaining	
REGULATED ACTIVITIES										
Operating revenues										
Water	\$ 28,837 \$	, ,	56,210	51.30%	\$	841	3.00%	\$ (27,3		
Wastewater	46,999	45,644	90,770	51.78%		1,355	2.97%	(43,7	71) (48.22%)	
Stormwater	7,578	7,503	15,380	49.27%		75	1.00%	(7,8		
Public fire protection	4,042	4,042	8,083	50.00%		0	0.00%	(4,0	42) (50.00%)	
Private fire protection	910	862	1,711	53.17%		48	5.52%	8)	01) (46.83%)	
Miscellaneous	778	894	1,463	53.15%		(116)	(12.98%)	(6	85) (46.85%)	
	89,143	86,940	173,617	51.34%		2,203	2.53%	(84,4	74) (48.66%)	
Operating expenditures										
Water supply and treatment	7,651	6,810	16,146	47.39%		841	12.35%	(8,4	95) (52.61%)	
Water transmission and distribution	8,945	6,847	16,910	52.90%		2,098	30.64%	(7,9	65) (47.10%)	
Wastewater collection	6,768	6,985	15,468	43.76%		(216)	(3.10%)	(8,6	99) (56.24%)	
Stormwater collection	2,936	2,985	6,969	42.12%		(49)	(1.65%)	(4,0	33) (57.88%)	
Wastewater treatment	12,789	11,371	27,725	46.13%		1,418	12.47%	(14,9	36) (53.87%)	
Information and technology services	8,543	8,039	16,625	51.39%		504	6.27%	(8,0	82) (48.61%)	
Engineering services	1,937	2,384	5,813	33.32%		(448)	(18.77%)	(3,8	76) (66.68%)	
Regulatory compliance services	2,994	2,609	5,359	55.86%		385	14.75%	(2,3	65) (44.14%)	
Customer services	2,410	2,246	5,146	46.83%		16 <b>4</b>	7.31%	(2,7	36) (53.17%)	
Corporate services	1,848	1,833	4,242	43.55%		15	0.80%	(2,3	94) (56.45%)	
Administration services	3,210	2,564	7,510	42.75%		647	25.22%	(4,3	00) (57.25%)	
Depreciation and amortization	21,204	19,187	39,887	53.16%		2,017	10.51%	(18,6	83) (46.84%)	
	81,235	73,860	167,800	48.41%		7,375	9.99%	(86,5	65) (51.59%)	
Earnings from operations before financial				_						
and other revenues and expenditures	 7,908	13,080	5,817	135.93%		(5,172)	(39.54%)	2,0	90 35.93%	
Financial and other revenues										
Interest	70	167	468	14.91%		(98)	(58.34%)	(3	98) (85.09%)	
Other	 5	11	17	30.48%		(6)	(54.09%)	(	12) (69.52%)	
	 75	179	485	15.46%		(104)	(58.07%)	(4	10) (84.54%)	
Financial and other expenditures										
Interest	114	115	323	35.41%		(1)	(1.05%)	(2	08) (64.59%)	
Interest on long term debt	5,188	4,216	12,291	42.21%		972	23.06%	(7,1	03) (57.79%)	
Repayment on long term debt	10,129	11,429	20,514	49.37%	(	(1,301)	(11.38%)	(10,3	85) (50.63%)	
Amortization of debt discount	146	119	279	52.43%		28	23.43%	(1	33) (47.57%)	
Dividend/grant in lieu of taxes	 3,618	3,479	7,236	50.00%		139	4.00%	(3,6	18) (50.00%)	
	19,195	19,358	40,643	47.23%		(163)	(0.84%)	(21,4	48) (52.77%)	
Earnings (loss) for the year - Regulated	\$ (11,212) \$	(6,099) \$	(34,340)	32,65%	\$	(5,113)	83.83%	\$ 23,1	28 (67.35%)	

## HALIFAX WATER UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB APRIL 1, 2025 - SEPTEMBER 30, 2025 (6 MONTHS)

ACTUAL YEAR TO DATE COMPLETE: 50.00%

		ACTUAL YEAR TO DATE			APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE						
		THIS YEAR	LAST YEAR	2	BUDGET	as % of	From Prior Year			Actual to Budget		
		'000	'000		'000	BUDGET	\$	Change	% Change		33	% Remaining
UNREGULATED ACTIVITIES												
Operating revenues												
Septage tipping fees	\$	422	\$ 444	\$	572	73.86%	\$	(21)	(4.83%)	\$	(150)	(26.14%)
Leachate and other contract revenue		239	278	}	323	73.97%		(39)	(14.05%)		(84)	(26.03%)
Airplane effluent		118	12	2	105	112.28%		106	922.05%		13	12.28%
·		779	733	3	1,000	77.93%		46	6.25%		(221)	(22.07%)
Operating expenditures												
Water supply and treatment		(0)	2	2	0	0.00%		(2)	(124.68%)		(0)	0.00%
Wastewater treatment		361	381		915	39.41%		(20)	(5.28%)		(554)	(60.59%)
Wastewater collection		30	24	ļ	62	48.88%		7	28.42%		(32)	(51.12%)
Sponsorships and donations		24	23	3	80	30.51%		2	8.38%		(56)	(69.49%)
Corporate services		9	9	)	13	68.20%		0	0.00%		(4)	(31.80%)
Administration services		56	56	ò	97	57.39%		0	0.00%		(41)	(42.61%)
Depreciation and amortization		29	10	)	37	78.29%		19	190.75%		(8)	(21.71%)
		508	503	3	1,204	42.23%		6	1.12%		(696)	(57.77%)
Earnings from operations before financial	-											
and other revenues and expenditures		271	231		(204)	(132.78%)		40	17.45%		475	(232.78%)
Financial and other revenues												
Other - leases and rentals		148	147	,	365	40.58%		1	0.93%		(217)	(59.42%)
Other - energy projects		109	108	3	235	46.55%		1	1.29%		(125)	(53.45%)
3,1 ,	-	257	255	;	600	42.91%		3	1.08%		(342)	(57.09%)
Financial and other expenditures											, ,	, ,
Other		96	68	}	130	74.05%		28	41.06%		(34)	(25.95%)
		96	68	3	130	74.05%		28	41.06%		(34)	(25.95%)
Earnings for the year - Unregulated	\$	432	\$ 417	\$	266	162.54%	\$	15	3.58%	\$	166	62.54%
Total earnings (loss) for the year (Regulated and Unregulated)	¢	(10,780)	\$ (5,682	n ¢	(34,075)	31.64%	¢	(5,098)	89.72%	\$	23.294	(68.36%)
(Negulated and Officegulated)	<u> </u>	(10,700)	ψ (5,662	, φ	(34,073)	31.04 /0	Ψ	(3,036)	03.72/0	<del>-</del>	23,234	(00.30 /0)



### **ITEM # 4.2**

### Halifax Water Board

December 5, 2025

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

**Commission Board** 

SUBMITTED BY:

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

Signed by:

APPROVED: Kenda MacKengie

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

DATE: November 24, 2025

**SUBJECT:** Capital Expenditures as of September 30, 2025

### **ORIGIN**

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

### **BACKGROUND**

At the November 6, meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #4, Capital Expenditures as of September 30, 2025, was presented, reviewed, and discussed.

### **DISCUSSION**

No additional information was requested to be brought forward to the Halifax Water Board meeting following the discussion of the attached at the Committee meeting. The Committee passed the motion to forward the report to the Board as an information report.

### **ATTACHMENT**

1. Report to the Halifax Water Audit and Finance Committee Item #4, Capital Expenditures as of September 30, 2025.





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

**Finance Committee** 

SUBMITTED BY:

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

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

Signed by:

APPROVED: Kenda MacKenzie

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

**DATE:** November 6, 2025

SUBJECT: Capital Expenditures for the fiscal year to September 30, 2025

### ORIGIN

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

### **RECOMMENDATION**

It is recommended that the Audit and Finance Committee forward the Capital Expenditures for the fiscal year to September 30, 2025, to the Halifax Water Board for their information.

### **BACKGROUND**

The Halifax Regional Water Commission (Halifax Water) Board reviews financial information throughout the year. Halifax Water's 2019 *Integrated Resource Plan* (IRP) identifies a 30-year capital investment plan valued at \$2.7 Billion (net present value - 2019). In relation to the IRP, the capital budget program focuses on providing required infrastructure for asset renewal, regulatory compliance, and growth. The IRP calls for delivery of an average of \$135 million in capital projects per year. Halifax Water's annual capital budget, and capability to deliver capital projects, has not yet reached this level.

### **DISCUSSION**

Below is the breakdown by asset class and project status of the expenditures for the fiscal year to September 30, 2025. The total budget available of \$368.2 million represents total approved budgets as at September 30, 2025. Halifax Water has spent \$160.5 million on active projects.

The total capital budget remaining to be spent at September 30, 2025 is \$207.7 million.

Total expenditures as a percentage of the total budget available is 43.6%. Expenditures in the current fiscal year as a percentage of the opening cumulative unspent capital budget is 17.8%. To meet the CBS target of 45.0% will require additional expenditures of \$68.8 million. To meet the CBS target of \$135.0 million will require additional expenditures of \$90.1 million.

The average capital spend per month compared to the same timeframe in the prior year has increased from \$7.4 million to \$7.5 million.

### **Capital Expenditure Report**

Category	т	otal Budget Available	penditures to arch 31, 2025	Α	Expenditures pril 1, 2025 to eptember 30, 2025	Total expenditures to ptember 30, 2025	Bud	Remaining dget Available of September 30, 2025	Total Expenditures to September 30, 2025 as a Percentage of Total Budget Available
Water	\$	84,774,564	\$ 19,606,236	\$	9,937,615	\$ 29,543,851	\$	55,230,714	34.8%
Wastewater		112,365,052	33,154,623		15,302,444	48,457,066		63,907,985	43.1%
Stormwater		34,170,988	6,856,357		3,342,644	10,199,001		23,971,987	29.8%
Corporate		135,869,177	56,009,997		16,314,340	72,324,337		63,544,840	53.2%
District Energy		1,030,000	-		=	-		1,030,000	0.0%
	\$	368,209,782	\$ 115,627,212	\$	44,897,043	\$ 160,524,255	\$	207,685,526	43.6%

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

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



### **ITEM # 4.3**

Halifax Water Board
December 5, 2025

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

**Commission Board** 

SUBMITTED BY:

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

Signed by:

APPROVED: Kenda MacKenzie

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

DATE: November 24, 2025

**SUBJECT:** Proposed 2026 HRWC Employees' Pension Plan Budget

### **ORIGIN**

Financial information reporting.

### **RECOMMENDATION**

It is recommended that the Halifax Water Board, as Trustees of the Plan, approve the proposed 2026 budget for the Halifax Water Employees' Pension Plan covering the period January 1, 2026 to December 31, 2026. This report was presented, as attached, to the Audit and Finance Committee in Report Item #7 dated October 24, 2025.

### **BACKGROUND**

At the November 6 meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #7, Proposed 2026 Halifax Regional Water Commission Employees' Pension Plan Budget, was presented, reviewed, and discussed.

### **DISCUSSION**

The Committee passed the motion to forward the Pension Plan budget for January 1, 2026 to December 31, 2026, to the Halifax Water Board for their approval.

### **ATTACHMENT**

1. Report to the Halifax Water Audit and Finance Committee Item 7 - Pension Plan Budget 2026.



# ITEM #7 Halifax Water Audit & Finance Committee November 6, 2025

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

Finance Committee

SUBMITTED BY:

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

-Signed by:

Sianed by:

APPROVED: Kenda MacKenzie

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

**DATE:** October 24, 2025

SUBJECT: Proposed 2026 Halifax Regional Water Commission Employees' Pension

**Plan Budget** 

### **ORIGIN**

The Halifax Regional Water Commission Board (the "Board") are the Trustees of the Halifax Water Employees' Pension Plan (the "Plan") and approve the annual budget of the Plan.

### **RECOMMENDATION**

It is recommended that the Audit and Finance Committee accept the Proposed 2026 budget for the Halifax Regional Water Commission Employees' Pension Plan and forward the report to the Halifax Water Board as the Trustees of the Plan for approval.

### **BACKGROUND**

The purpose of the 2026 budget, as reported in the attached statement of changes in net assets available for benefits, outlines the various revenues, contributions and expenses of the defined benefit pension plan established for the employees of the Halifax Regional Water Commission ("Halifax Water"). Supplemental plans, namely the defined contribution plan and notional retirement compensation agreements are not reported, since budget implications related to these plans are included in the annual operating budget of Halifax Water.

### **DISCUSSION**

The attached statement of changes in net assets available for benefits provides a comparison between the proposed 2026 budget, the approved 2025 budget, forecasted 2025 results and the year-end audited results for 2024.

As reported in the attachment, for 2026, the net assets available for benefits are projected to increase by \$16.8 million compared to a budgeted increase of \$13.9 million in 2025, and an actual increase of \$27.1 million in 2024. Actual results for 2025 are projected to be higher than budget due to an increase in the fair value of investment assets throughout the year. The budgeted increase proposed in 2026 is driven by favourable results anticipated related to revenues and contributions, net of expenses.

### Revenue:

Total revenue for 2026 is budgeted at \$16.3 million, representing a \$2.3 million or 16.0% increase compared to the budget for 2025, and a \$10.7 million decrease compared to actual results for 2024. Revenue is derived from two (2) primary sources:

- Investment income, and
- Increase / decrease in the fair value of investment assets.

The greatest impact in the 2026 budget affecting revenue compared with the 2025 budget relates to the projected increase in the fair value of investment assets of \$12.9 million. In 2025, the increase was budgeted at \$10.6 million and results for the nine (9) month period ending September 30, 2025, show an increase of \$14.9 million. (See agenda Item # 6 – HRWC EPP 2025 Q3 Financial Report). In 2024, there was an increase of \$22.8 million. Changes in the fair value of investment assets tend to be more volatile compared to investment income. Increases over the past 5 years have varied dramatically, ranging from an increase of \$22.8 million in 2024 to a decrease of \$2.8 million in 2022. The 2026 budgeted increase in the fair value of investment assets is based on a 5-year average using a conservative forecast for 2025 of \$17.3 million.

Investment income has been relatively consistent historically, averaging \$3.8 million during the 4-year period 2021-2024. Results for 2025 show investment income of \$3.7 million for the nine (9) month period ending September 30, 2025. (See agenda Item #6- HRWC EPP 2025 Q3 Financial Report). Investment income budgeted in 2026 of \$3.9 million represents no change from the 2025 budget. Investment income budgeted for 2026 is a conservative estimated based on the 5-year average for the 2021 through 2025 period, using a forecast for 2025 of \$4.3 million.

### **Contributions:**

Contributions are budgeted at \$9.5 million in 2026, representing an increase of \$1.3 million or 15.3% compared to the budget for 2025, and an increase of \$1.1 million or 13.1% compared to actual results for 2024. The increase in contributions is attributed to projected new hires during the year, salary/wage increases due to contract settlements, and movement of personnel within salary bands and includes additional contributions related to the new Defined Contribution (DC) provision on overtime earnings.

### Key assumptions:

Projected 30 new hires.

- Salary/ wage escalations
  - ❖ Non-union based on estimated 2.5% increase.
  - ❖ Union based on collective agreements showing increases for 227 and 1431 at November 1<sup>st</sup> each year of 3.0% and 2.5% respectively.
- Pensionable earnings capped at \$145,215 (2025 cap was \$143,778)

### **Expenses:**

Expenses of \$9.0 million are budgeted for 2026, an increase of \$0.3 million or 3.5% compared to the 2025 forecast and an increase of \$0.7 million or 8.0% compared to actual results for 2024. Benefit and Termination payments are the main driver of total expenses, and consist of:

- 1. Benefits payments to pensioners and survivors,
- 2. Termination payments, and
- 3. Pre-retirement death benefit payments.

Benefits paid to pensioners and survivors increase annually, as a result of employees retiring from Halifax Water, and as a result of indexation provided in the Plan. For 2026, budgeted payments to pensioners increased from \$6.1 million in 2025 to \$6.5 million based on projected retirements and indexation.

Termination payments are difficult to predict. In 2024, termination payments were \$2.5 million. Unaudited results for the nine (9) month period ending September 30, 2025, total \$2.0 million compared to an annual budget of \$2.0 million. For 2026, the budget has been increased \$0.3 million to \$2.3 million, which is within the range of the average paid out over the past three (3) years.

Administrative expenses account for approximately 2.5% of the overall budgeted expenses. For 2026, total administrative expenses are \$0.2 million, which are in line with the budget for 2025. Actuarial and consulting fees represent the largest expense within the administrative grouping.

### **Key Assumptions:**

- Indexing based on an estimate of 2.0% for pension benefits earned up to 2015 and 1.0% for pension benefits earned after 2015.
- Projected 14 new retirements
- Termination payments
  - Based on 3-year historical average, plus 10% to reflect pending termination payouts.
- Assume no pre-retirement death benefit payments for 2026

### <u>ATTACHMENT</u>

Proposed 2026 HRWC Employees' Pension Plan Budget

Attachment

Halifax Water Audit & Finance Committee November 6, 2025

### Halifax Regional Water Commission Employees' Pension Plan Statement of changes in net assets available for benefits January 1 to December 31, 2026

	Actual (Audited) 2024	Approved Budget 2025	Forecast 2025	Proposed Budget 2026
Revenue				
Net investment income:				
Total investment income	\$4,736,825	\$3,900,000	4,300,000	\$3,900,000
Investment manager fees	(\$537,242)	(\$470,000)	(520,000)	(\$520,000)
Increase in the fair value of investment assets	\$22,807,009	\$10,600,000	17,300,000	\$12,900,000
	\$27,006,592	\$14,030,000	\$21,080,000	\$16,280,000
Contributions				
Participants:				
Current service (includes additional voluntary contributions)	\$4,221,091	\$4,168,000	4,384,315	\$4,713,600
DC contributions on overtime earnings			42,531	\$94,900
Reciprocal Transfers	\$49,611	\$0	159,357	\$0
Sponsors:				
Current service	\$4,096,790	\$4,038,000	4,227,260	\$4,562,100
DC contributions on overtime earnings			42,531	\$94,900
	\$8,367,492	\$8,206,000	\$8,855,994	\$9,465,500
Expenses				
Benefit payments:				
Benefit payments	\$5,595,413	\$6,139,000	6,078,166	\$6,456,000
Termination payments	\$2,479,967	\$2,000,000	2,185,973	\$2,300,000
Death Benefits (pre-retirement)	\$0	\$0	176,069	\$0
	\$8,075,380	\$8,139,000	\$8,440,208	\$8,756,000
Administrative:				
Actuarial and consulting fees	\$131,549	\$90,000	125,000	\$100,000
Audit and accounting fees	\$9,243	\$9,200	9,200	\$9,400
Bank custodian fees	\$31,331	\$34,000	28,000	\$30,800
Insurance	\$9,000	\$11,130	9,000	\$9,000
Miscellaneous	\$22,510	\$23,000	23,000	\$25,300
Professional fees	\$38,906	\$44,000	42,000	\$46,200
Registration fees	\$3,178	\$3,300	3,312	\$3,500
Training (Trustees/ Administration/ Pension Committee)	\$0	\$2,000	0	\$5,000
	\$8,321,097	\$8,355,630	\$8,679,719	\$8,985,200
Increase in net assets available for benefits	\$27,052,987	\$13,880,370	\$21,256,275	\$16,760,300



# ITEM #7 Halifax Water Audit & Finance Committee November 6, 2025

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

Finance Committee

SUBMITTED BY:

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

-Signed by:

Sianed by:

APPROVED: Kenda MacKenzie

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

**DATE:** October 24, 2025

SUBJECT: Proposed 2026 Halifax Regional Water Commission Employees' Pension

**Plan Budget** 

### **ORIGIN**

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### **RECOMMENDATION**

It is recommended that the Audit and Finance Committee accept the Proposed 2026 budget for the Halifax Regional Water Commission Employees' Pension Plan and forward the report to the Halifax Water Board as the Trustees of the Plan for approval.

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Increase in net assets available for benefits	\$27,052,987	\$13,880,370	\$21,256,275	\$16,760,300





Halifax Water Board

December 5, 2025

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

**Commission Board** 

SUBMITTED BY:

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

ashley kendell

Ashley Kendell, Director, People and Culture

Signed by

APPROVED: Kenda MacKenzie

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

**DATE:** October 21, 2025

SUBJECT: Halifax Regional Water Commission Employees' Pension Plan – Employer

**Contribution Holiday and Costing of Benefit Enhancements** 

### ORIGIN

The Halifax Regional Water Commission Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan (the Plan), approve any changes to the plan structure and design. At the June 19, 2025, meeting of the Halifax Water Board, Eckler presented the results of the Actuarial Valuation as Item 4.5 and the Halifax Water Board approved these results.

### **RECOMMENDATION**

- 1. It is recommended that the Trustees approve the start of consultation with employees (unionized and non-unionized) to explore the reinstatement of plan benefits and the impact on the Plan and contribution rates.
- 2. It is recommended that the Trustees approve an employer contribution holiday for the Halifax Regional Water Commission Employees' Pension Plan to commence on January 1, 2026 to recoup \$1.9 M from the plan.
- 3. It is recommended that the Trustees approve the Plan be amended to change the formula from Best Average 7 to Best Average 5 years of pensionable earnings effective January 1, 2025.
- 4. It is recommended that the cost to change the plan formula from Best Average 7 years to Best Average 5 years be absorbed by the Plan in 2025 and increase the contribution rates January 1, 2026 from 8.72% to approximately 9% to pay for this benefit enhancement.

### **BACKGROUND**

The Halifax Regional Water Commission Employees' Pension Plan was in a deficit position as at the January 1, 2006, Actuarial Valuation. Halifax Water assumed responsibility for the special payments required to fund this deficit. These special payments started in 2007 and continued through 2018. The funds deposited into the plan, over and above regular employer matching contributions, totaled \$15.3 Million.

The Plan was re-designed in 2016 to ensure its sustainability, with conditions to make future adjustments for reinstatement of the components captured in a Memorandum of Understanding/Agreement in the Collective Agreements for both CUPE 227 and 1431 (the MOU and MOA were signed in subsequent updates in negotiations in 2019 and 2024 – see Attachments 1 and 2) As part of the redesign of the Plan, it was agreed that employees would make special payments and between 2016 to 2018, which totaled \$ 591,877 over the three years.

In addition, components of the Plan that were adjusted in 2016:

**Indexing:** Changed from CPI to a maximum of 2% to CPI to a maximum of 1% for post-2015 benefits earned. According to the Memorandum of Understanding – Pensions in the Collective Agreements, indexing could be returned to 2% once going concern special payments have been recouped and the Plan has a going concern funded ratio of 108% or above.

**Plan formula:** Changed from 2% of Best Average 5 Years of earnings times years of pensionable service to 2% of Best Average 7 Years of earnings times years of pensionable service.

**Pension Earnings Cap:** Pensionable earnings capped at the level that produces the 2015 CRA maximum pension starting in 2016 for 8 years, then increasing by 1% per year thereafter.

The actuarial valuation conducted at January 1, 2025, showed a Going Concern Funded Ratio of 127.7% and a hypothetical wind-up ratio of 108.3%.

In June 2025 the matched contribution rate was reduced to 8.72% effective January 1, 2025.

### DISCUSSION

Eckler conducted an Actuarial Valuation as of January 1, 2025 to provide information on the health of the Plan and the required contribution rates to fund the obligations of the Plan. The Actuarial Valuation is prepared independently of the MOUs and MOAs. Below is a summary of considerations provided by Eckler with the January 1, 2025 Actuarial Valuation results:

- Employee/Employer Current Service Contributions revised:
  - o From 9.60% of payroll to 8.72% of payroll
  - Suggest amending the Plan for new contribution rates
- No special payments required (i.e. fully funded)
- Next Valuation is due effective no later than January 1, 2028
- Over 125% funded on a going concern basis and over 100% funded on a hypothetical wind-up hasis
  - Must either improve benefits or take an employer contribution holiday
  - Alternative is to conservatize going concern assumptions
- The Post-2015 cap is projected to impact about 220 active employees (over the next 40 years) currently contributing to the Plan
  - o The number of Members that it will impact will continue to grow
  - The cost of removing it will continue to grow.

### A. Changing the Assumptions used in the Actuarial Valuation:

Changing the assumptions used in the January 1, 2025 Actuarial Valuation would reduce the surplus by using a lower discount rate. The discount rate used in the valuation was 6.55% and could be made more conservative with a reduction to approximately 6.35% - 6.40%. This would result in a slightly higher contribution rate for both employees and the employer to just above 9.0%, retroactive to January 1, 2025, date of valuation. Changing the assumptions would also require the January 1, 2025 Actuarial Valuation to be restated and refiled with CRA and the Nova Scotia Regulator and may raise questions as to why assumptions are being changed one year post-valuation.

### **B.** Benefit Improvements:

Halifax Water has engaged Eckler to review the impact on the surplus and contribution rates to adding back specific benefits, individually or in combination. Adding back benefits to the Plan will increase its liabilities. Monitoring the liabilities, funded ratio and contribution rate both employees and the employer are willing to pay will be ongoing. The scenarios below are estimates only and are as at January 1, 2025. A change in the date will change some of the figures on these tables. The estimates are intended to provide insight into the potential impact of adding back benefits.

A summarized view of these impacts is included in the tables below.

1) Changing the Plan formula from best average 7 to best average 5 years.

Changing the Plan formula from a best average 7 years to a best average 5 years would impact employees who retired from January 1, 2025 onward and would require a recalculation of pensions for them. A Plan amendment, a valuation report addendum and a contribution rate increase effective January 1, 2026 would be required but overall this change is straight forward to administer.

Table 1 – Scenario 2: Change pension formula from Best Average 7 to Best Average 5 Years of service

Total Liabilities			
Total Assets         216,989,800         216,989,800           Total Liabilities         169,979,400         172,773,600           Excess         47,010,400         44,216,200           Funded Ratio         127.7%         125.6%           Impact on Surplus         n/a         (2,794,200)           Contribution Rate         8.72%         8.96%	Balance Sheet	January 1. 2025 (Base)	<u> </u>
Excess         47,010,400         44,216,200           Funded Ratio         127.7%         125.6%           Impact on Surplus         n/a         (2,794,200)           Contribution Rate         8.72%         8.96%	Total Assets	, , , ,	216,989,800
Funded Ratio       127.7%       125.6%         Impact on Surplus       n/a       (2,794,200)         Contribution Rate       8.72%       8.96%	Total Liabilities	<u>169,979,400</u>	172,773,600
Impact on Surplus n/a (2,794,200)  Contribution Rate 8.72% 8.96%	Excess	47,010,400	44,216,200
Contribution Rate 8.72% 8.96%	Funded Ratio	127.7%	125.6%
	Impact on Surplus	n/a	(2,794,200)
Employer Contributions 4,029,000 4,140,100	Contribution Rate	8.72%	8.96%
	Employer Contributions	4,029,000	4,140,100

- Reduces surplus by \$2.8 M
- Contribution rate increase to 8.96%
- Employer contributions \$4.1 M
- 2) Increase indexing from 1% to 2% for all past service and/or for all future service.

Table 2 -- Scenario 1A: Adding back lost 1% indexing on past service (between 2015 to 2025)

		Scenario 1A: Reinstate
Balance Sheet	January 1, 2025 (Base)	Indexing for Past Service
Total Assets	216,989,800	216,989,800
Total Liabilities	169,979,400	<u>176,884,100</u>
Excess	47,010,400	40,105,700
Funded Ratio	127.7%	122.7%
Impact on Surplus	n/a	(6,904,700)
Contribution Rate	8.72%	8.72%
Employer Contributions	4,029,000	4,029,000

- Reduces surplus by \$6.9 M
- No change to contribution rate

• Employer contributions \$4.0 M

Table 3 - Scenario 1B: Reinstate indexing for future service

		Scenario 1B: Reinstate
Balance Sheet	January 1, 2025 (Base)	Indexing for Future Service
Total Assets	216,989,800	216,989,800
Total Liabilities	<u>169,979,400</u>	169,979,400
Excess	47,010,400	47,010,400
Funded Ratio	127.7%	127.7%
Impact on Surplus	n/a	n/a
Contribution Rate	8.72%	9.75%
Employer Contributions	4,029,000	4,505,500

- No change to surplus at January 1, 2025
- Contribution rate increase to 9.75%
- Employer contributions \$4.5 M

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Table 4 - Scenario 1C: Reinstate indexing for past and future service

		Scenario 1C: Reinstate Indexing for Past and	
Balance Sheet	January 1, 2025 (Base)	Future Service	
Total Assets	216,989,800	216,989,800	
Total Liabilities	169,979,400	176,884,100	
Excess	47,010,400	40,105,700	
Funded Ratio	127.7%	122.7%	
Impact on Surplus	n/a	(6,904,700)	
Contribution Rate	8.72%	9.75%	
Employer Contributions	4,029,000	4,505,500	

- Reduces surplus by \$6.9 M
- Contribution rate increase to 9.75%
- Employer contributions \$4.5 M

# 3) Changing the pensionable earning cap.

Changes to the pensionable earnings that were capped at the level that produces the 2015 CRA Maximum Pension is another benefit enhancement consideration. According to the analysis conducted by Eckler, this cap could impact 220 members over the next 40 years. This is due to the 3.90% annual salary scale assumption being higher than the 1% increase of the pensionable earnings cap. Options available are to remove the cap all together and increase the maximum pension to the 2025 CRA Maximum Pension or to increase the cap limit faster than the current 1% annual increase. These options will increase contribution rates and the liabilities of the plan.

Table 5 - Scenario 3: Remove pension CAP on future service

		Scenario 3: Remove
		Pension Cap on future
Balance Sheet	January 1, 2025 (Base)	service
Total Assets	216,989,800	216,989,800
Total Liabilities	169,979,400	169,979,400
Excess	47,010,400	47,010,400
Funded Ratio	127.7%	127.7%
Impact on Surplus	n/a	n/a
Contribution Rate	8.72%	9.15%
Employer Contributions	4,029,000	4,251,850

- No change to surplus at January 1, 2025
- Contribution rate increases to 9.15%
- Employer contributions \$4.3 M

## C. Employer pension holiday:

The employer contribution holiday would begin to draw down the surplus to a level that is allowable by the Income Tax Act and commence recouping the special payments.

## **Recouping of Going Concern Special Payments**

Table 6, below, provides a detailed breakdown of special payments made into the pension plan by Halifax Water from 2007 through 2018. The lines highlighted in blue represent the 3 years where employees contributed more than the employer and according to paragraph 7 of the Memorandum of Understanding – Pensions #1, is to be characterized as a contribution to special payments. The table shows that the employer has contributed \$14.7 million more than employees in Special Payments.

Table 6 – Going Concern Special Payment Summary

Going Concern Spe	cial Payments						
	Contribution Rates		Current Service	Current Service Contributions		Special Payments Contributions	
	Employer	Employee	Employer	Employee	Employer	Employee	
2007	9.50%	9.50%			579,500.00	0.00	
2008	9.44%	9.44%			579,500.00	0.00	
2009	9.50%	9.50%			579,500.00	0.00	
2010	9.50%	9.50%			579,500.00	0.00	
2011	10.47%	10.47%			1,534,249.00	0.00	
2012	10.47%	10.47%			1,528,500.00	0.00	
2013	10.47%	10.47%			1,528,500.00	0.00	
2014	12.95%	12.95%			2,952,200.00	0.00	
2015	12.95%	12.95%			2,952,200.00	0.00	
2016	9.85%	10.65%	2,248,866.52	2,435,304.26	825,200.00	186,437.74	
2017	9.85%	10.65%	2,421,071.63	2,618,013.02	825,200.00	196,941.39	
2018	9.85%	10.65%	2,567,278.22	2,775,776.66	825,200.00	208,498.44	
2019	10.34%	10.34%				0.00	
2020	10.34%	10.34%				0.00	
2021	10.34%	10.34%				0.00	
2022	9.60%	9.60%				0.00	
2023	9.60%	9.60%				0.00	
2024	9.60%	9.60%_				0.00	
			7,237,216.37	7,829,093.94	15,289,249.00	591,877.57	

Table 6 highlights special payments made by the employer between 2016 and 2018 of \$2,475,600 offset by additional contributions made by employees of \$591,877.57 for a net amount of \$1,884,122. In addition, the employer made special payments between 2007 and 2015 of \$12,813,649.

In the context of the MOUs and MOA's, future discussions pertaining to the reinstatement of benefits relating to the indexing increasing back to 2%, recouping of the special payments needs to be addressed.

## **Next Steps**

Further discussions will be necessary to discuss the possible changes to benefits, the non-union and retiree groups will have representatives assigned to these discussions to ensure all active employees and retirees, who may be impacted by any changes, are engaged.

## **BUDGET IMPLICATIONS**

Should a full employer contribution holiday commence on January 1, 2026, Halifax Water would save approximately \$4.0 M (\$1.0M in 2025/26 and \$3.0 M in 2026/27). This reduction has not been included in the current rate application and with the permission of the NSRAB, it could be used to offset a portion of the rate increases proposed.

If the employer contribution holiday was extended into 2027 and 2028, this saving would further reduce costs in the 2026/27 and could be used to offset potential rate increases into the next rate application for 2027/28 and 2028/29.

## RISK

The Plan's financial health remains the priority of Halifax Water. Halifax Water will engage our actuary Eckler throughout the discussions. The next Actuarial Valuation will be conducted at January 1, 2028.

## **ALTERNATIVES**

The Trustees could direct Halifax Water staff to:

- 1. Improve specific benefits, as outlined above in Tables 1 to 5. Extensive changes are not recommended as there has been limited conversation with all employees.
- 2. Add additional conservatism into assumptions which will increase the liabilities of the Plan and reduce the surplus to below 125%. This is not recommended as contribution rates would have to be retroactively increased and a refile of the Actuarial Valuation with CRA and the NS Pension Regulator would be required. This may also have a negative impact on employee relations.
- 3. Make no changes to benefits until special payments have been recovered through more than three years of employer contribution holiday. This would benefit customers as costs will decrease. With the health of the pension plan, employees would expect to see some benefits reinstated. This is not recommended due to impact on employee relations.
- 4. Not negotiate any benefit improvements. Benefit improvements will increase contribution rates and will increase costs to HW and our customers. However, the rate application has been built with contribution rates of 9.6% so maintaining a contribution rate below 9.6% would not increase rates. There will be reputational concerns if HW increases benefits at the same time as applying for significant rate increases. With the health of the pension plan, employees would expect to see some benefits reinstated. No improvements in benefits is not recommended due to impact on employee relations.

# **ATTACHMENT**

- 1. Attachment 1 Memorandum of Understanding Pensions #1 (Both 227 & 1431)
- 2. Attachment 2 Memorandum of Agreement Pension Plan #2 (Both 227 & 1431)

Report Prepared by:	Signed by:  Keather Britten  7550B0451c80405  Heather Britten, Quality Assurance Officer
Financial Reviewed by:	Signed by:  A65D6874EBC1467  Louis de Montbrun, CPA, CA
	Director, Corporate Services/CFO

# **MEMORANDUM OF UNDERSTANDING - PENSIONS #1**

Amend existing plan design as follows:

- 1. Final Year Average adjusted from 5 Years to 7 Years
- 2. Accrual rate at 2%.
- 3. Reduce Guaranteed Indexation at CPI to a max of 1% on Post Retirement Income (currently 2%).
- 4. Conditional Indexation to permit the return of the lost 1% indexation. Additional indexation would be provided at CPI to a max of 2% after Going Concern Special Payments have been recouped and subject to the plan having a Going Concern Funded Ratio of 108% or above, and no Solvency Deficit, and so long as implementation can be affected while maintaining a Going Concern Funded Ratio of 108%. Implementation of this mechanism for Conditional Indexation could be accelerated by mutual agreement of the Parties.
- 5. Maximum Earnings Base Frozen for 8 years at 2015 level (Defined Benefit Limit of \$2,818.89), then indexing at the rate of 1% (actuarial valuation currently assumes 3%).
- 6. The Parties share a commitment to the primary goal of providing ongoing indexation to the pension benefits as referenced in paragraph 4, as well as the secondary goal of future indexation of the Maximum Earnings Base. The provision of accelerated or enhanced benefits reflecting either of these two goals can be decided by mutual agreement of the Parties.
- 7. Until the Pension Plan's going concern deficit (as measured in a newly filed actuarial valuation report projected for Jan. 1, 2016) is eliminated, contribution rates shall be as follows:
  - Employer = (CSC / 2) 0.4%
  - Employee = (CSC / 2) + 0.4%

For clarity CSC includes contribution for disabled Employees. The additional 0.4% Employee contribution will be characterized as a contribution to special payments. After going concern deficit and special payments have been eliminated, Employee and Employer contribution rates shall be shared 50/50, inclusive of contributions for disabled Employees.

- 8. The Employer agrees to review the feasibility of revisiting the final year average at the point that special payments stop and the plan is fully funded. The review shall be conducted in consultation with the pension benefit advisory committee.
- 9. New terms of reference for the Pension and Benefits Committee will be drafted, and will include provision of meaningful resources for regular and ongoing training for members to a level similar to comparable public sector plans in Nova Scotia. Training expenses will be provided out of the pension fund. Committee members will be expected to provide regular updates on the work of the Committee and the status of the plan and fund to the Union.
- 10. All pre-amendment service shall continue to be treated on a best average five (5) years, drawn from the pre-amendment period, until such time as it is exceeded by the best average seven (7) years.

Dated this 19 day of November, 2024.	
Signed on behalf of:	
Halifax Regional Water Commission	Canadian Union of Public Employees, Local 1431
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dento	July Hall
	Arma Dhabanes
	tous /

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- 10. All pre-amendment service shall continue to be treated on a best average five (5) years, drawn from the pre-amendment period, until such time as it is exceeded by the best average seven (7) years.

Dated at the Halifax Regional Municipali	ty, in the Province of Nova Scotia this 19 day
of November, 2024.	
Signed on behalf of:	
Halifax Regional Water Commission	Canadian Union of Public Employees, Local 227
Hudat)	John Bittal
Lacinton	
	All
	Newflanning

# **MEMORANDUM OF AGREEMENT - PENSION PLAN #2**

Following receipt and approval of the pension valuation scheduled for January 2025, the Employer will schedule a meeting with the Local to review the current state of the pension plan and to discuss potential changes to pension benefits as outlined in the current Pension Memorandum # 1.

Dated this 19 day of November, 2024.	
Signed on behalf of:	
Halifax Regional Water Commission	Canadian Union of Public Employees, Local 1431
Ledas Sento	Jaley Jaley
	Anne Monet
	Bridge A
	Loyan

# **MEMORANDUM OF AGREEMENT - PENSION PLAN #2**

Following receipt and approval of the pension valuation scheduled for January 2025, the Employer will schedule a meeting with the Local to review the current state of the pension plan and to discuss potential changes to pension benefits as outlined in the current Pension Memorandum#1.

Dated at the Halifax Regional Municipality of	v, in the Province of Nova Scotia this 19 day
Halifax Regional Water Commission  Audold  According to the second secon	Canadian Union of Public Employees, Local 227  Alm Ben Stead  Manual



# **ITEM #1-I**

Halifax Water Board December 5, 2025

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

**Commission Board** 

**SUBMITTED BY:** 

John Eisnor

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

Signed by: Wendy terkosek

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

Ashley kendell

Ashley Kendell, CPHR., Director, People & Culture

APPROVED: Kenda MacKenzie

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

DATE: November 18, 2025

SUBJECT: Operational Performance Information Report

# **ORIGIN**

Regular update.

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

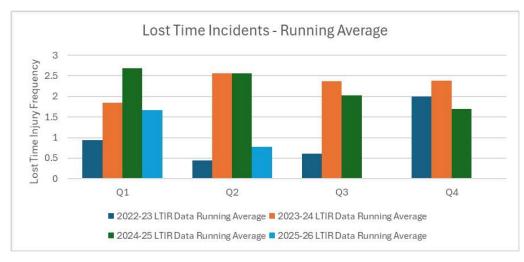
# SAFETY STATISTICS – Q2– July 1, 2025, to September 30, 2025

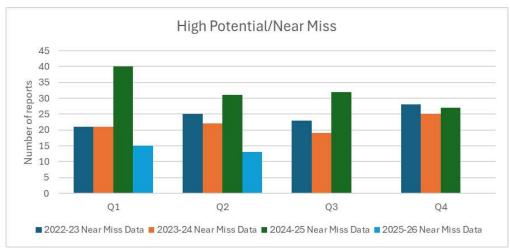
Organizational Metrics	Q2 Jul 1 – Sept 30	CBS Target 2025-26
Lost Time Incident Reporting (LTIR) – running average (Lost Time Cases x 200,000 / Total Employee Hours Worked) YTD	0.78	2
Total Recordable Injury Frequency (TRIF) - running average (Lost Time + Medical Aid + Modified Work Cases) x 200,000/Hours Worked	3.13	3.5
Safe Driving – MVI at fault by quarter (Total number at fault traffic accidents per 1,000,000 km driven)	10.03	4
Workplace inspections conducted	139	Score
Safety Talks conducted (reported at the end of each quarter)	48%	90%
High Potential/Near Miss	13	N/A
Employees on accommodation (new/still open)	2/11	N/A
Employees on gradual return to work	0	N/A
WCB claims (new/still open)	4/11	N/A
Work refusals	0	N/A
Incidents with written compliance orders	0	2
Employees trained or recertified before due date *	85	85%
Courses Taken	201	N/A

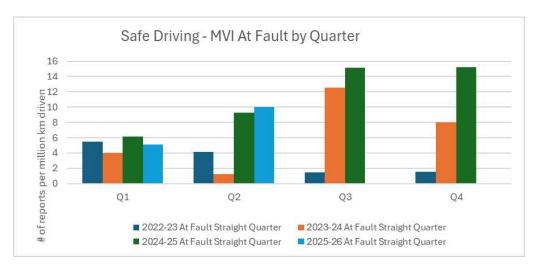
<sup>\*</sup> Percentage Data generated at year end due to variants in system data (i.e. multiple certifications required for one employee)

December 5, 2025

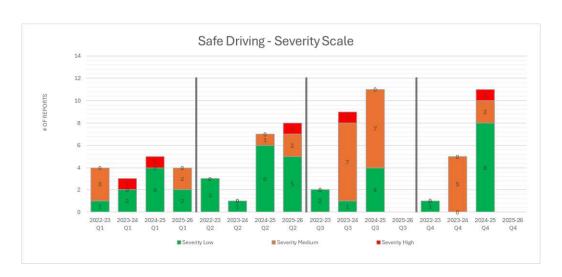
# TRENDS FOR SAFETY STATISTICS







**December 5, 2025** 



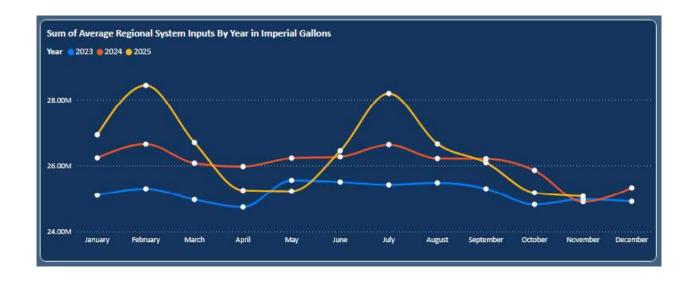
# Severity Scale

L = Unlikely to cause serious property damage and personal injury

M = May cause serious property damage and personal injury

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

## **AVERAGE DAILY WATER PRODUCTION**



# **Water Accountability**

Losses per Service Connection/Day (International Water Association Standard)

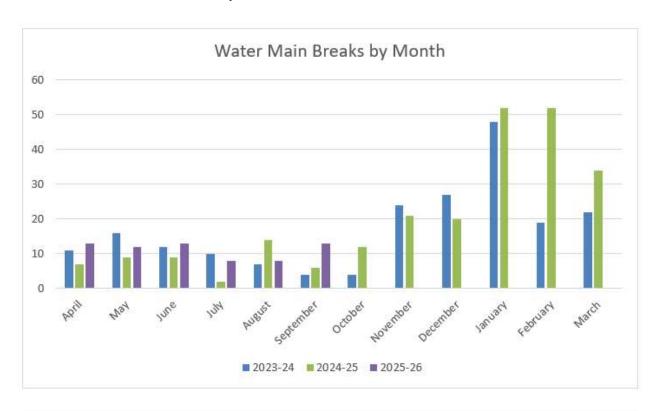
Period Ending: September 2025

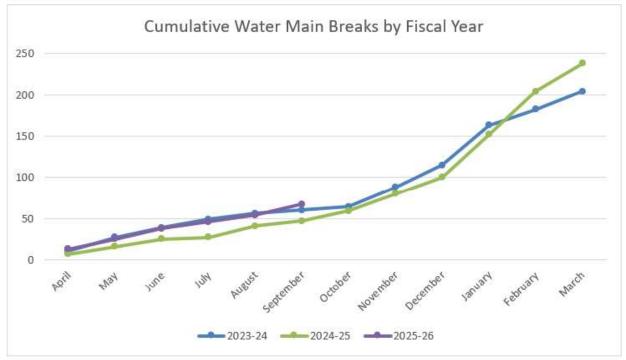
Q2 Running Annual Real Losses:

254 L/service connection/day

**December 5, 2025** 

# **REGIONAL WATER MAIN BREAK/LEAK DATA**





# **COMPLIANCE SUMMARY**

Water Safety Plan Objectives 2025-2026 Q2								
Objective	Total Sites	% Sites Achieving Target	All Sites: 90th Percentile < 10 µg/L	CBSC Awarded Points				
Disinfection	64	100%		20				
Total Trihalomethanes	25	100%		20				
Haloacetic Acids	25	100%	5	20				
Particle Removal	5	100%		20				
Bacteriological	63	97%		17				
Corrosion Control	107		3.57	20				
Summary Total			,	117				

Score: 117/120

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

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

In this report each facility is assessed using monthly or quarterly averages, depending on the averaging period specified in its Approval to Operate.

		Wastewater Treatment Facility Monthly Compliance Summary																						
		July-25							August-25							September-25								
	CBODs (mg/L)		TSS (mg/L)		(con	coli ints/ mL)	pН		CBOD (mg/L)		TSS (mg/L)		E. coli (counts/ 100mL)		pН		CBODi (mg/L)		TSS (mg/L)		E. coli (counts/ 100mL)		pН	
	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg.	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg	NSECC Limit	Avg	NSECC Limit	Avg.	NSE CC Limit	Avg	NSECC Limit	Avg.
Halifax	67	52	50	28	5000	6,412	6-9	6.7	67	52	50	24	5000	20,095	6-9	6.7	67	52	50	20	5000	31,295	6-9	6.8
Dartmouth	50	54	40	23	5000	416	6-9	6.6	50	54	40	19	5000	961	6-9	6.6	50	71	40	25	5000	1611	6-9	6.8
Herring Cove	50	37	40	27	5000	334	6-9	6.8	50	48	40	39	5000	88	6-9	6.8	50	45	40	33	5000	1,991	6-9	6.8
Eastern Passage	25	6	25	10	200	16	6-9	7.1	25	5	25	6	200	34	6-9	7.1	25	5	25	6	200	54	6-9	7.2
Mill Cove	25	11	25	14	200	32	6-9	6.5	25	11	25	12	200	16	6-9	6.6	25	13	25	18	200	54	6-9	6.6

3	Wastewater Treatment Facility Quarterly Compliance Summary July, August, and September 2025																
Wastewater Treatment Facility	CBOD5 (mg/L)		TSS (mg/L)		E. coli (counts/ 100mL)		pН		Ammonia (mg/L)		Phosphorous (mg/L)		TRC (mg/L)		Dissolved Oxygen (mg/L)		Toxicity
	NSE CC Limit	Avg.	NSE CC Limit	Avg.	NSE CC Limit	Avg.	NSE CC Limit	Avg	NSECC Limit	Avg.	NSECC Limit	Avg.	NSECC Limit	Avg.	NSE CC Limit	Avg.	
Springfield	20	5	20	9	200	100	6-9	7.4	-			=	2		121		(34)
Frame	20	3	20	1	200	10	6-9	7.1		-		-			-		(He
Middle Musq.	20	15	20	72	200	93	6-9	7.7		-		8	120		157		355
Uplands	20	7	20	10	200	397	6-9	6.8	-	-	Ĭ.	2			12		(2)
Aerotech	5	3	5	2	200	10	6-9	72	5.7 W 1.2 S	0.1	0.13	0.07		-	6.5	7.5	No tacutely lethal
North Preston	10	2	10	1	200	10	6-9	6.8	3	0.1	1.5	0.8		-	15.		15
Lockview	20	3	20	6	200	134	6.5-9	6.9	8.0 S	0.5	1.2 S	1.0		-	1821		(84)
Steeves (Wellington)	20	2	20	9	200	10	6.5-9	7.2	14.4 S	0.1	1.0 S	0.3	8		85		(#C
BLT	15	4	20	15	200	33	6-9	6.9	5 W	2	3 W 1 S	1	0.02 *	0.10	1.	29	95

NOTES & ACRONYMS:

CBOD5 - Carbonaceous 5-Day Biochemical Oxygen Demand

TSS - Total Suspended Solids

NSECC Non-Compliant \* TRC - Total Residual Chlorine - an accredited lab can only measure 0.10 mg/L residual; results of <0.1 mg/L are compliant

BDL - Below Detection Limit

W/S-Winter/Summer compliance limits

NSECC requires monthly averages be less than the NSECC Compliance Limit for each parameter at Dartmouth, En Passage, Halifax, Herring Cove, Mill Cove NSECC requires quarterly averages be less than the NSECC Compliance Limit for each parameter at Aerotech, Lockview, Middle Mus quodoboit, Frame, BLT, Uplands and Springfield Lake

LEŒND

NSECC Compliant

NSECC requires annual averages be less than the NSECC Compliance Limit for each parameter at North Preston and Steeves

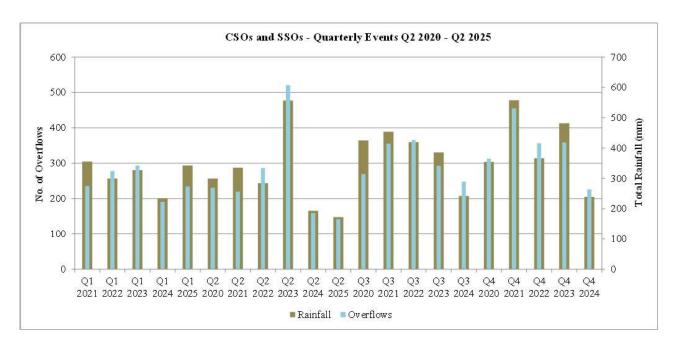
### NON-COMPLIANCE EXPLANATIONS:

Halifax WWTF: concentrated, high conductivity influent from low flow conditions caused chemical dosing challenges. Poor floc formation and carry forward solids that reduced UV disinfection.

Dartmouth WWTF: extensive dry (low flow) conditions. Unable to remove enough cBOD material from highly concentrated influent to achieve effluent cBOD compliance.

Middle Musq. WWTF: Algal growth in aeration pond and nitrification of sludge in RBC tank continued from Q1. Corrective Action Plan submitted by October 31, 2025.

Uplands WWTF: drought conditions and low influent flow resulted in longer detention time in clarifiers, allowing for increased algae and bacterial growth within the treatment process. Low water levels in UV channel resulted in increased fouling of UV bulbs, resulting in higher E.coli effluent concentrations.



NOTES & ACRONYMS: CSO - Combined Sewer Overflow SSO - Sanitary Sewer Overflow

Rainfall data is from Halifax Water's rain gauge at the Halifax WWTF.

There were four overflows in Q2 beginning on days when there was no recorded rainfall, as follows:

- 1. July 4: The SSO at Herring Cove PS was due to communication equipment failure at Herring Cove WWTF.
- 2. July 9: The CSO at Lyle St CSO was due to a blockage caused by debris.
- 3. July 27: The CSO at North St CSO was due to a blockage caused by debris.
- 4. July 30: The CSO at Pier A PS & CSO was due to a temporary control system issue at the Halifax WWTF resulting in a shutdown of the station.



# ITEM #2-I

**Halifax Water Board** 

December 5, 2025

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

**Commission Board** 

SUBMITTED BY:

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

Signed by:

APPROVED: Kenda MacKenzie

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

DATE: November 24, 2025

**SUBJECT:** HRM Master Trust Investment Performance Q2 2025

### **INFORMATION REPORT**

### **ORIGIN**

Financial reporting for the Halifax Regional Municipality Master Trust (the "Master Trust") investment performance.

## **BACKGROUND**

At the November 6, meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #5 - HRM Master Trust Investment Performance Q2 2025 + Attachments, was presented, reviewed, and discussed.

No additional information was requested.

# **DISCUSSION**

It was recommended that the financial report be accepted and brought forward to the Halifax Water Board meeting as an information report.

### **ATTACHMENT**

1. Item 5 - HRM Master Trust Investment Performance Q2 2025.



# ITEM #5

# Halifax Water Audit and Finance Committee November 6, 2025

**TO:** Chair and Members of Halifax Regional Water Commission Audit and

**Finance Committee** 

Signed by:

SUBMITTED BY:

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

Signed by:

APPROVED: Kenda MacKenzie

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

**DATE:** October 16, 2025

SUBJECT: Halifax Regional Municipality Master Trust

**Investment Performance Second Quarter 2025** 

### **ORIGIN**

The Halifax Regional Municipality Master Trust (the "Master Trust") investment performance is reported to the Halifax Regional Water Commission Board as Trustees of the Halifax Regional Water Commission Employees' Pension Plan periodically throughout the year.

### RECOMMENDATION

It is recommended that the Audit and Finance Committee accept the report and forward it to the Halifax Water Board as an information report.

## **BACKGROUND**

None

### **DISCUSSION**

The table below and the attached Investment Report provide a performance update for the Second Quarter of 2025 (January to June) for the Master Trust, of which Halifax Regional Water Commission Employees' Pension Plan (the "Plan") is a part. The fair value of the investment in the Master Trust is determined and updated at year-end, and the Plan's share in the Master Trust at December 31, 2024, was 6.66%, totaling \$217.0 million.

The Master Trust earned 1.51% in the Second Quarter, which underperformed the Second Quarter policy benchmark of 3.79% by 2.28%. The return for the 1-year period ended June 30, 2025, was 10.14%, underperforming the 1-year policy benchmark of 12.26% by 2.12%. Other historical returns are provided in Table 1 below.

Table 1 - Returns

	Current				
	Quarter		3 - Year	4 - Year	Inception
	(Apr - Jun)	1-Year	Annualized	Annualized	To Date
Fund Return	1.51%	10.14%	11.08%	7.99%	7.39%
Policy Benchmark	3.79%	12.26%	12.55%	7.71%	6.13%
Excess Return	-2.28%	-2.12%	-1.47%	0.28%	1.27%

The total fund returns are subject to investment management fees and plan expenses.

As at June 30, 2025, the Master Trust was in compliance with the Statement of Investment Policies and Procedures (SIP&P).

# <u>ATTACHMENT</u>

Attachment 1 – HRM Master Trust Investment Performance Q2 2025

Attachment 2 – HRM Master Trust Investment Risk & Analytical Services Q2 2025

# **Plan Performance**



# **Total Plan Performance**

	Q2	YTD	1 Year	5 Year	10 Year
Total Plan	1.5%	3.0%	10.1%	9.1%	8.0%
Benchmark	3.8%	4.6%	12.3%	8.3%	6.9%
Value Add	-2.3%	-1.6%	-2.2%	0.8%	1.1%



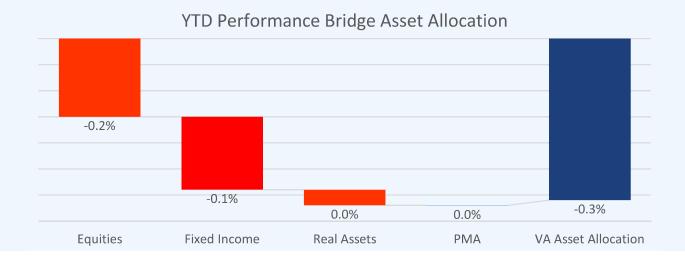


Note: Bridge returns for each asset class are the relative asset allocation and relative security selection returns. HRM Operating account, and residual effects are included within fixed income for total performance purposes. Note: Total Plan Benchmark and breakdown is provided in the Appendix



# **Total Plan Performance – Full Attribution**









# **HRM Master Trust**

Investment Risk & Analytical Services

# **Table of Contents**

Section 1. HRM Master Trust	3
1.1. Market Overview	4
1.2. <u>Investment Hierarchy</u>	10
1.3. Executive Summary	14
1.4. Growth Over Time-Inception to Date	15
1.5. Risk Statistics	16
Section 2. Appendix	17
2.1. <u>Disclaimer(s)</u>	18

# SECTION 1

# **HRM Master Trust**

Investment Risk & Analytical Services

NORTHERN TRUST June 30, 2025

# **Market Overview**

NORTHERN TRUST HRM Master Trust | June 30, 2025

### MARKET OVERVIEW - SECOND QUARTER 2025

PROVIDED BY NORTHERN TRUST ASSET MANAGEMENT.

### TENSIONS AND TURNAROUNDS

Navigating a shifting global landscape. Global markets contended with a turbulent macroeconomic landscape, largely shaped by evolving U.S. policy initiatives. The tariffs announced on April 2 ("Liberation Day") were broader and more substantial than anticipated, delivering a sharp initial shock to sentiment. However, incremental de-escalation efforts, including 90-day pauses and an emphasis on trade negotiations, helped stabilize the situation. Despite these efforts, the persistence of elevated tariffs and policy uncertainty continued to reshape the global economic environment. Consensus forecasts, led by U.S. revisions, shaved global growth expectations and pushed inflation projections higher. Although one-year U.S. recession probabilities moderated after the initial spike, they remain elevated at roughly 35-40%. Global economic activity, while distorted by trade data and front-loading ahead of tariffs, proved relatively resilient. Inflation pressures were subdued across several major economies, but core inflation rates stayed above central bank targets and U.S. inflation is expected to rise in the second half of the year due to tariff effects. The Federal Reserve adopted a cautious stance, holding rates steady during the quarter, though markets are pricing in several rate cuts over the coming year. Non-U.S. central banks are also anticipated to continue easing policy. Still, if the past quarter is any indication, the macro backdrop can deliver surprises. Beyond the potential for unexpected developments, several known unknowns could alter the outlook again, such as Middle East conflict, fiscal policy shifts, and tariffs.

Second quarter strength for equities. Financial markets performed well in the second quarter with gains across most major asset classes. Equity markets proved quite resilient in the face of considerable uncertainty throughout the quarter across a number of avenues including U.S. tariff policy, geopolitics and fiscal policy. Despite a 10%-plus self-off in early April, U.S. equities rebounded firmly to post an 11% quarterly gain with a major boost from strong performance in technology and Al-related parts of the market. Sector returns spanned 15%-plus gains in information technology and communication services to 8-10% losses in energy and health care. Following a weaker 1Q, megacap tech re-emerged as a market leader with the Magnificent 7 group posting roughly double the return of the S&P 500 (21%). Meanwhile, the U.S. dollar initially weakened in April and then continued to slide lower throughout the rest of the quarter as some investors looked to diversify away from the U.S. Broader dollar indexes were down over 6%. Non-U.S. equities outpaced the U.S. in dollar terms and retain a notable (i.e., double-digit) advantage in 2025 so far. Fixed income returns were positive but much lower than equities. Credit spreads tightened in the quarter while longer-term interest rates were modestly higher, resulting in a more favorable setup for high yield fixed income versus investment grade. Real assets returns were positive but below global equities for the quarter. Global listed infrastructure was closer to keeping pace with global equities while natural resources and global real estate saw midsingle-digit gains.

### SECOND QUARTER 2025 TOTAL RETURNS (%)

Global equities ended the quarter at an all-time high, rebounding sharply from the weakness experienced in early April.



Source: Northern Trust Asset Management, Bloomberg, NR: Natural Resources; GRE. Global Real Estate; GLI: Global Listed Infrastructure, Indexes are gross of fees. Past performance is not indicative or a quarantee of future results. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index.

#### Interest Rates

Amid shifting fiscal and inflation dynamics, long-term sovereign bond yields pushed higher across several major countries. The Liberation Day trade shock led longer-dated Treasury yields 45-50 basis points (bps) higher in just five days. During this period there was an unsettling break from historical patterns, including equity losses and dollar weakening, but de-escalatory tariff policies eventually helped provide stability. Frontend yields ended the guarter lower as the market priced in a delayed but more aggressive Fed rate cutting cycle.

### Credit Markets

Investment grade (IG) spreads tightened 10 bps to 0.79%, while high yield (HY) spreads narrowed 57 bps to 2.90%. Credit markets recovered nicely from the early April trade shock that sent spreads as high as 4.53% for HY. While the spread widening was notable, credit market losses were on the smaller side relative to the degree of the sell-off in the equity markets. The ensuing recovery had a defensive tilt as higher-quality credits outperformed. Across the full quarter, IG fixed income returned 1.2% versus a 3.5% gain for HY.

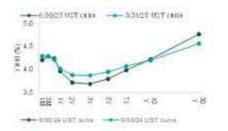
### Equities

All three major equity regions reached new all-time highs despite steep losses early on. Global equities finished up 11.7%, including more balanced returns from a regional perspective relative to the first quarter in which the U.S. notably underperformed. Equity markets moved higher as policy uncertainty eased, but there was also notable support from strong tech earnings and renewed enthusiasm in the artificial intelligence trade. Within the U.S. market, sector and style leadership had a less defensive posture overall than in the first quarter.

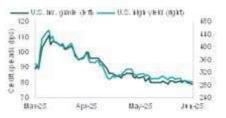
### Real Assets

Real assets were positive in the second quarter, but they underperformed global equities. Global Listed Infrastructure led with a 10.4% gain. It provided the most downside protection during the market sell-off in April, and more broadly it continues to see support from structural growth drivers such as global power demand. Global Real Estate and Natural Resources saw solid but lower returns at 5.2% and 3.4%, respectively. Gold rose another 6% during the quarter, extending its strong run and recent appeal as a diversifying portfolio asset.

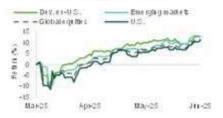
### U.S. TREASURY YIELD CURVE



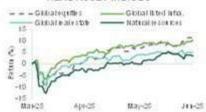
### CREDIT SPREADS



### REGIONAL EQUITY INDICES



#### REAL ASSET INDICES

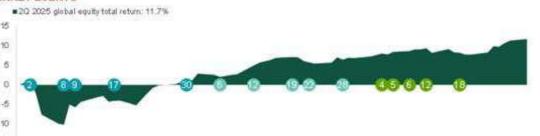


HRM Master Trust June 30, 2025 NORTHERN TRUST

### MARKET EVENTS

15 10

0



APRIL U.S. announces sweeping After a historic failure in the first The U.S. doubles tariffs on steel "Liberation Day" tariffs, sparking volatility round of voting. Friedrich Merz is and aluminum from 25% to 50%. across global markets. confirmed as Germany's new chancellor.

S&P 500 closes 1% away from entering bear market territory (20% decline from its recent peak) amid escalating trade tensions.

U.S. and China agree to a 90-day tariff reduction that lowers the U.S. reciprocal tariff on China from 125% to 10%, helping reduce left-tail risk.

U.S. President Trump and Chinese leader Xi Jinping hold a call that is followed by a truce the next week that is aimed at resolving rare earth curbs.

Global equities surge 5% after U.S. President Trump announces 90-day pause on reciprocal tariffs but hikes China tariffs.

Markets smoothly digest news that Moody's downgraded its U.S. government credit rating, but long-term government bond yields continue to push higher overall.

U.S. May employment report shows modest cooling in the labor market.

The European Central Bank cuts its policy rate and underscores downside economic growth risks from U.S. tariffs.

The U.S. House passes a bill (which nears passage in the Senate as of guarter end) that is projected to add to the long-term government debt load.

Israel attacks Iran, followed by direct U.S. involvement about a week later. Oil surges toward \$80 per barrel. but a swift ceasefire then sends oil prices back to pre-conflict levels.

U.S. growth contracts in the first quarter, reflecting softer demand to some extent but mostly just distortions from outsized imports impacts.

Nvidia reports record revenues and guides above estimates, supporting the Al trade and closing out a strong first quarter for large cap U.S. earnings.

The Fed leaves the target range for the federal funds rate unchanged, emphasizing patience as it learns more about trade policy impacts.

indexes used. Bloomberg (BBG) 1-3 Month UST (Cash); BBG Municipal (Muni); BBG Aggregate (Inv. Grade); BBG TIPS (TIPS); BBG High Yield 2% Capped (High Yield); JP Morgan GBI-EM Globel Diversified (Em. Markets Fixed Income); MSCI U.S. Equities IMI (U.S. Equities); MSCI World ex-U.S. IMI (Dev. ex-U.S. Equities); MSCI Emerging Market Equities IMI (Em. Markets Equities); S&P Global Natural Resources (Natural Resources); MSCI ACWI IMI Core Real Estate (Global Real Estate); S&P Global Infrastructure (Global Listed Infrastructure)

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HRM Master Trust | June 30, 2025

### MPORTANT INFORMATION

Indexes used: Bloomberg Barclays (BBC) 1-3 Month UST (Cash); BBC Municipal (Muni); BBC Aggregate (Inv. Grade); BBC TIPS (TIPS); BBC High Yield 2% Capped (High Yield); JP Morgan GBI-EM Global Diversified (Em. Markets Fixed Income); MSCI U.S. Equities IMI (U.S. Equities); MSCI World ex-U.S. IMI (Dev. ex-U.S. Equities); MSCI Emerging Market Equities IMI (Em. Markets Equities); S&P Global Natural Resources (Natural Resources); MSCI ACWI IMI Core Real Estate (Global Real Estate); S&P Global Infrastructure (Global Listed Infrastructure).

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### **Policy Uncertainty**

Policy uncertainty remained a key focus in 2Q. Tariff policy was a primary vector with uncertainty around the level of fariffs and their ultimate economic impact. After market consternation following early-April news of reciprocal tariffs, investor sentiment on the issue improved following eventual de-escalations around reciprocal and U.S.-China tariffs, plus legal rulings against some of the tariffs. Still, key tariff deadlines from in early 3Q and questions remain on how tariffs will impact economic activity in the rest of the year.

### Geopolitics

Geopolitical risk also pushed its way towards center stage in 2Q. In addition to the ongoing Ukraine war, tensions escalated in the Middle East and India-Pakistan. Even as the U.S. launched airstrikes against nuclear sites in Iran, a ceasefire was agreed to within two weeks of the initial Israel strikes. Oil prices gained (and subsequently fell following the ceasefire) about 15%. The episode was largely without sustained major financial market impacts as energy infrastructure and global oil shipments were not meaningfully targeted.

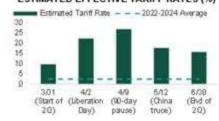
### **Debt & Deficits**

Government debt for many developed market countries has increased following pandemic-era fiscal support. Plus, some governments continue to delay fiscal consolidation. Inflation has remained high and in some cases above central bank targets for the most part of the last four years. This has all helped contribute to shifting supply/demand dynamics for longer term fixed income. A number of major developed countries (U.S., U.K., Japan, etc.) saw new post-2020 highs in their 30-year government bond yields in the quarter.

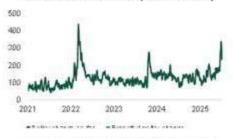
### Technology

Following concerns around the durability of the AI investment story earlier this year, investor interest gained traction as companies look to adopt AI and the associated digital ecosystem is built out. Megacap tech-related companies returned to their familiar spot as a market leader. With increased emphasis on AI adoption, these companies have re-established their more favorable earnings outlook versus the rest of the U.S. market. Overall, the Magnificent 7 contributed just over 55% of the 11% quarterty gain for the S&P 500.

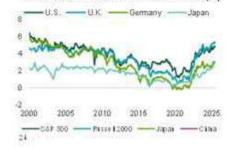
### **ESTIMATED EFFECTIVE TARIFF RATES (%)**



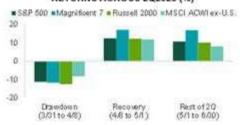
### GEOPOLITICAL RISK INDEX (7-DAY AVERAGE)



### 30-YEAR GOVERNMENT BOND YIELDS (%)



### RETURNS ACROSS 2Q2025 (%)



NORTHERN TRUST June 30, 2025

## **Investment Hierarchy**

,						% Rate of F	Return				
	Ending					7011010 011					
	Market Value	Ending	One	Three	Year	One	Three	Four	Ten	Inception	Inception
Account/Group	CAD	Weight	Month	Months	to Date	Year	Years	Years	Years	to Date	Date 09/30/1999
HRM Master Trust	3,346,268,630	100.00	1.37	1.51	2.99	10.14	11.08	7.99	8.01	7.39	09/30/1999
HRM Policy Benchmark			2.08	3.79	4.55	12.26	12.55	7.71	6.90	6.13	09/30/1999
Excess Return	4 000 004 400	====	-0.71	-2.28	-1.57	-2.12	-1.47	0.28	1.11	1.27	12/31/2015
HRM Total Equity	1,673,501,128	50.01	2.13	2.59	3.71	13.97	15.90	7.84	-	8.96	12/31/2015
HRM Total Equity Benchmark			3.55	6.09	5.96	17.14	18.82	9.89	-	10.48	12/31/2015
Excess Return			-1.41	-3.51	-2.25	-3.17	-2.92	-2.06	-	-1.52	03/31/2006
HRM Cdn Equity	125,019,664	3.74	2.90	8.53	9.97	25.13	16.01	10.45	6.79	6.15	03/31/2006
S&P/TSX Composite			2.91	8.53	10.17	26.37	16.09	10.74	9.61	7.35	03/31/2006
Excess Return			-0.01	0.00	-0.20	-1.24	-0.09	-0.29	-2.82	-1.20	
Blackrock	48,706,899	1.46	2.91	8.59	10.22	26.43	16.64	10.82	9.71	9.36	12/31/2003
S&P/TSX Composite			2.91	8.53	10.17	26.37	16.09	10.74	9.61	8.70	12/31/2003
Excess Return			-0.00	0.06	0.06	0.06	0.54	0.08	0.10	0.66	12/31/2003
EdgePoint	76,312,696	2.28	2.95	8.76	8.69	23.48	-	-	-	18.68	03/14/2024
S&P/TSX Composite			2.91	8.53	10.17	26.37	-	-	-	20.86	03/14/2024
Excess Return			0.04	0.23	-1.47	-2.89	-	-	-	-2.18	03/14/2024
P2P Holdings	69	0.00	-	-	-	-	-	-	-	-	02/03/2017
S&P/TSX Composite			-	-	-	-	-	-	-	-	02/03/2017
Excess Return			-	-	-	-	-	-	-	-	02/03/2017
HRM Global Equity	1,013,471,238	30.29	3.09	5.25	5.73	17.07	-	-	-	20.17	12/31/2022
HRM Custom Global Equity Index			3.24	5.71	5.16	15.98	-	-	-	19.57	12/31/2022
Excess Return			-0.14	-0.45	0.58	1.08	-	-	-	0.60	12/31/2022
AB EDHEC	166,906,934	4.99	3.00	4.29	5.70	16.11	18.24	10.39	-	9.91	12/31/2015
MSCI World ND			3.52	5.68	3.86	15.93	20.55	11.81	-	11.45	12/31/2015
Excess Return			-0.52	-1.39	1.83	0.18	-2.30	-1.43	-	-1.53	12/31/2015
Blackrock Global Alpha Advanta	187,845,413	5.61	3.56	6.93	6.92	18.79	25.37	15.11	-	15.84	05/25/2021
MSCI ACWI ND			3.70	5.73	4.41	15.84	19.57	10.67	-	11.61	05/25/2021
Excess Return			-0.14	1.20	2.51	2.95	5.81	4.44	-	4.24	05/25/2021
Blackrock MSCI Small Cap	0	0.00	-	-	-	-	-	-	-	-	05/19/2021
MS Wld Small Cap Net Index			-	-	-	-	-	-	-	-	05/19/2021
Excess Return			_	-	-	-	-	-	-	-	05/19/2021
Blackrock MSCI World Passive	195,736,520	5.85	3.54	5.80	4.14	16,31	21.00	12,23	-	13.81	05/12/2021
MSCI World ND			3.52	5.68	3.86	15.93	20.55	11.81	-	13.39	05/12/2021
Excess Return			0.02	0.12	0.27	0.38	0.45	0.42	-	0.42	05/12/2021

10 of 18 | Investment Risk & Analytical Services

% Rate of Return

Ending Market Value Ending One Three Year One Three Four Ten Inception Inception to Date Account/Group CAD Weight Month Months Year Years Years Years to Date Date 03/20/2025 CC&L - GLOBAL SMALL CAP 3.95 52,501,378 1.57 3.96 7.20 03/20/2025 MSCI ACWI Sm Cap Net 4.07 6.53 4.11 03/20/2025 Excess Return -0.11 0.67 03/09/2022 62,124,093 1.86 6.47 Global Alpha 4.43 3.07 -0.40 10.25 11.58 03/09/2022 8.24 MS Wld Small Cap Net Index 3.93 5.79 1.92 14.15 14.28 03/09/2022 Excess Return 0.49 -2.72-2.32-3.90 -2.7005/28/2021 Marathon International Equity 92,675,812 2.77 1.94 6.85 13,50 19,12 18,63 8.84 8.73 9.09 05/28/2021 MSCI EAFE ND 1.43 5.97 13.33 17.40 18.16 9.03 05/28/2021 -0.36 Excess Return 0.52 0.88 0.18 1.73 0.47 -0.1902/28/2021 **Mawer International Equity** 104,865,802 3.13 0.68 6.83 17.56 24.84 8.44 20.28 02/28/2021 MSCI ACWI ex USA ND 2.61 6.21 11.85 17.39 16.14 7.09 7.61 02/28/2021 Excess Return 5.70 4.14 1.30 -1.920.61 7.45 1.35 04/30/2011 Wellington US Equity 150,815,288 4.51 3.60 2.17 -0.63 13.97 21.53 13.46 14.49 14.65 04/30/2011 HRM US Equity 0.76 13.19 13.70 13.52 4.29 5.18 14.84 21.97 1.13 04/30/2011 Excess Return -0.68 -3.01 -1.39-0.87 -0.440.27 0.79 09/30/2010 **HRM Emerging Markets** 136.839.509 4.09 3.26 5.72 11.29 17.19 13.48 1.79 5.39 5.86 09/30/2010 MSCI Emerging Markets ND 5.21 6.17 9.36 14.96 11.78 2.11 5.75 5.36 09/30/2010 Excess Return -1.94 -0 45 1.93 2.22 1.70 -0.32-0.36 0.50 06/30/2025 Acadian - Emerging Markets 13,645,000 0.41 06/30/2025 MSCI Emerging Markets ND 06/30/2025 Excess Return 12/31/2022 **CC&L Emerging Markets** 66,723,024 1.99 5.54 7.64 11.24 18.99 12/31/2022 MSCI Emerging Markets ND 5.21 6.17 9.36 14.96 13.44 12/31/2022 Excess Return 0.33 1.88 4.03 1.47 08/31/2017 Trinetra Emerg Mrkts Grwth Fnd 56,471,485 1.69 1.03 3.88 11.73 15.84 9.65 -0.86 3.54 08/31/2017 MSCI Emerging Markets ND 6.17 9.36 11.78 5.21 14.96 2.11 08/31/2017 Excess Return -4.18 -2.29 2.37 0.88 -2.13-2.97-1.57

-0.83

3.69

-4.52

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-0.17

-4.88

4.89

-9.78

-4.88

1,63

1.98

-0.35

2,25

18.22

-15.97

2,25

5,56

6.32

-0.75

5.04

20.61

-15.57

5.04

4,96

5.38

-0.42

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-3.65

13,26

2,26

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0.06

15.79

10.44

5.34

15,79

398.170.717

398,170,717

665,157,565

11.90

11,90

19,88

**HRM Private Equity** 

HRM PE Benchmark

**HRM Total Fixed Income** 

Excess Return

**Private Equity** 

HRM FI Benchmark

Excess Return

18.07

9.36

8.71

18,07

3.29

2.23

09/30/2011

09/30/2011

09/30/2011

09/30/2011

12/31/2015

12/31/2015

12/31/2015

NORTHERN TRUST June 30, 2025

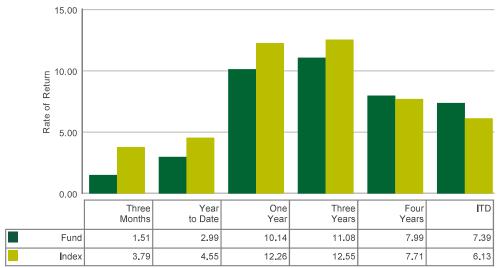
			% Rate of Return								
Account/Group	Ending Market Value CAD	Ending Weight	One Month	Three Months	Year to Date	One Year	Three Years	Four Years	Ten Years	Inception to Date	Inception Date
Cash and Cash Equivalents	10,213,463	0.31	0.20	-1.42	0.40	3.41	4.17	2.82	2.56	4.31	03/31/2009
HRM Canadian 91 Day T-Bill			0.22	0.64	1.48	3.82	-	-	-	-	03/31/2009
Excess Return			-0.01	-2.06	-1.08	-0.41	-	-	-	-	03/31/2009
Lincluden CDOR	10,213,463	0.31	0.20	-1.42	0.40	3.41	4.17	3.45	2.16	2.05	12/31/2013
Canadian 91 Day T-Bill (CAD)			0.22	0.64	1.48	3.82	4.22	3.25	1.82	1.69	12/31/2013
Excess Return			-0.01	-2.06	-1.08	-0.41	-0.05	0.21	0.34	0.35	12/31/2013
Global Credit	77,726,349	2.32	0.71	1.52	2.85	6.42	5.26	-	-	3.96	03/31/2022
Global Credit Custom Benchmark			0.64	1.41	2.73	5.99	4.56	-	-	3.41	03/31/2022
Excess Return			0.07	0.11	0.12	0.43	0.71	-	-	0.55	03/31/2022
AB Global Credit	77,726,349	2.32	0.71	1.52	2.85	6.42	5.26	2.54	3.03	4.97	03/31/2009
Global Credit Custom Benchmark			0.64	1.41	2.73	5.99	4.56	-	-	-	03/31/2009
Excess Return			0.07	0.11	0.12	0.43	0.71	-	-	-	03/31/2009
North American Credit	233,846,203	6.99	0.02	1.83	2.43	7.37	7.45	4.71	-	6.30	12/31/2015
HRM Custom Corporate Benchmark			0.39	0.82	2.57	7.99	6.14	1.82	-	3.11	12/31/2015
Excess Return			-0.36	1.01	-0.14	-0.62	1.31	2.90	-	3.18	12/31/2015
Canso	102,394,947	3.06	0.85	3.28	3.12	8.68	8.85	4.78	7.18	8.12	02/28/2010
FTSE TMX Corporate Bond IDX			0.29	0.45	2.28	8.15	6.27	1.91	3.04	3.91	02/28/2010
Excess Return			0.55	2.82	0.84	0.52	2.57	2.86	4.14	4.20	02/28/2010
HRM Corporate Debt	131,451,257	3.93	-0.61	0.73	1.89	6.34	6.33	4.79	5.18	6.28	01/31/2014
FTSE TMX Short Corp BD IDX			0.38	0.89	2.51	7.47	5.75	2.85	2.73	2.82	01/31/2014
Excess Return			-0.98	-0.17	-0.61	-1.14	0.58	1.94	2.45	3.46	01/31/2014
Government Bonds	220,481,280	6.59	-0.21	-1.07	1.23	5.65	3.79	-0.09	-	1.73	12/31/2015
FTSE TMX Government Univers			-0.01	-0.90	1.17	5.47	3.65	-0.46	-	1.41	12/31/2015
Excess Return			-0.19	-0.18	0.05	0.18	0.13	0.37	-	0.32	12/31/2015
Lincluden Gov't	121,944,791	3.64	0.01	-0.98	1.15	4.88	3.71	-0.19	1.72	2.41	08/31/2013
FTSE TMX Government Univers			-0.01	-0.90	1.17	5.47	3.65	-0.46	1.48	2.28	08/31/2013
Excess Return			0.02	-0.08	-0.02	-0.59	0.05	0.27	0.25	0.13	08/31/2013
Wellington Bond Overlay	98,536,489	2.94	-0.47	-1.19	1.32	6.61	3.78	-0.04	1.97	2.40	08/31/2012
FTSE TMX Government Univers			-0.01	-0.90	1.17	5.47	3.65	-0.46	1.48	1.94	08/31/2012
Excess Return			-0.45	-0.30	0.15	1.14	0.13	0.42	0.49	0.46	08/31/2012
Private Debt	122,890,269	3.67	1.02	-0.13	0.54	1.88	3.07	6.52	7.66	0.82	12/31/2011
HRM PD Benchmark			0.54	1.73	2.13	6.65	9.56	8.78	7.31	7.10	12/31/2011
Excess Return			0.48	-1.86	-1.59	-4.77	-6.48	-2.26	0.35	-6.27	12/31/2011
Private Debt	122,890,269	3.67	1.02	-0.13	0.54	1.88	3.07	6.52	7.66	0.82	12/31/2011

% Rate of Return Ending Market Value Ending One Three Year One Three Four Ten Inception Inception Account/Group CAD Weight Month Months to Date Year Years Years Years to Date Date 08/31/2020 **HRM Real Assets** 10.22 10.70 880,159,033 26.30 0.89 0.57 2.95 8.26 11.16 08/31/2020 HRM Real Asset BM 0.64 1.93 3.83 8.21 08/31/2020 Excess Return 0.25 -1.36-0.88 0.05 06/30/2011 Infrastructure 396,403,901 11.85 1.27 0.25 4.06 11.44 13.79 17.70 15.18 9.71 06/30/2011 HRM Infrastructure Index 0.64 1.93 3.83 8.21 7.91 9.28 7.82 7.46 06/30/2011 10.24 Excess Return 0.63 -1.680.23 3.23 7.28 4.52 1.89 06/30/2011 Infrastructure 396,403,901 11.85 1.27 0.25 4.06 11.44 15.18 13.79 9.71 17.70 09/30/2011 Real Estate 483,755,132 14.46 0.58 0.85 1,96 5,50 6.35 9,32 10,87 10,54 09/30/2011 7.46 HRM Real Estate Index 0.64 1.93 3.83 8.21 7.91 9.28 7.82 09/30/2011 Excess Return -0.06 -1.08 -1.87 -2.72 0.04 3.05 3.08 -1.56 09/30/2011 Real Estate 483,755,132 14.46 0.58 0.85 1.96 5.50 6.35 9.32 10.87 10.54 02/28/2022 **Public Market Alternatives** 112,006,912 3.35 1.48 2.53 4.62 10.35 8.06 7.25 02/28/2022 Canadian 91 Day T-Bill +3% 0.46 1.39 2.99 6.92 7.80 7.52 02/28/2022 Excess Return 1.01 1.14 1.63 3.43 0.26 -0.28 7.25 02/28/2022 **Public Market Alternatives** 112,006,912 3.35 1.48 2.53 4.62 10.35 8.06 02/28/2022 2.99 7.52 Canadian 91 Day T-Bill +3% 0.46 1.39 6.92 7.80 02/28/2022 Excess Return 1.01 1.14 1.63 3.43 0.26 -0.28 \_ 12/31/2015 **HRM** Operating 15,443,993 0.46 \_ 03/31/2004 **Operating Account** 15,443,993 0.46

HRM Master Trust | June 30, 2025 NORTHERN TRUST

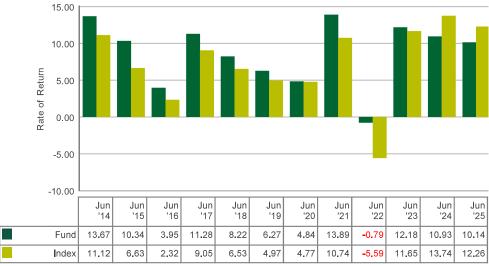
### **Executive Summary**

#### HRM MASTER TRUST TOTAL FUND NET OF FEES



Index: HRM Policy Benchmark

#### HRM MASTER TRUST ROLLING YEARS TOTAL FUND NET OF FEES



Index: HRM Policy Benchmark

RISK STATISTICS	3 Mos	1 Yr	4 Yrs
Return	1.51	10.14	7.99
Index Return	3.79	12.26	7.71
Excess Return	-2.28	<b>-2.12</b>	0.28
Standard Deviation	-	3.84	4.65
Index Standard Deviation	-	5.13	6.02
Tracking Error	-	2.17	2.59
Information Ratio	-	<b>-</b> 0.98	0.11
Sharpe Ratio	-	1.38	1.08
Index Sharpe Ratio	-	1.44	0.79
Jensen's Alpha	-	0.23	1.59
Relative Volatility (Beta)	-	0.68	0.70
R Squared	-	0.86	0.82
Beginning MV (in 000s)	3,298,011	3,051,195	2,517,143
Net Contributions (in 000s)	-1,413	<b>-</b> 12,959	<b>-</b> 60,065
Income (in 000s)	29,549	86,903	249,136
Appreciation (in 000s)	20,121	221,130	640,054
Ending MV (in 000s)	3,346,269	3,346,269	3,346,269

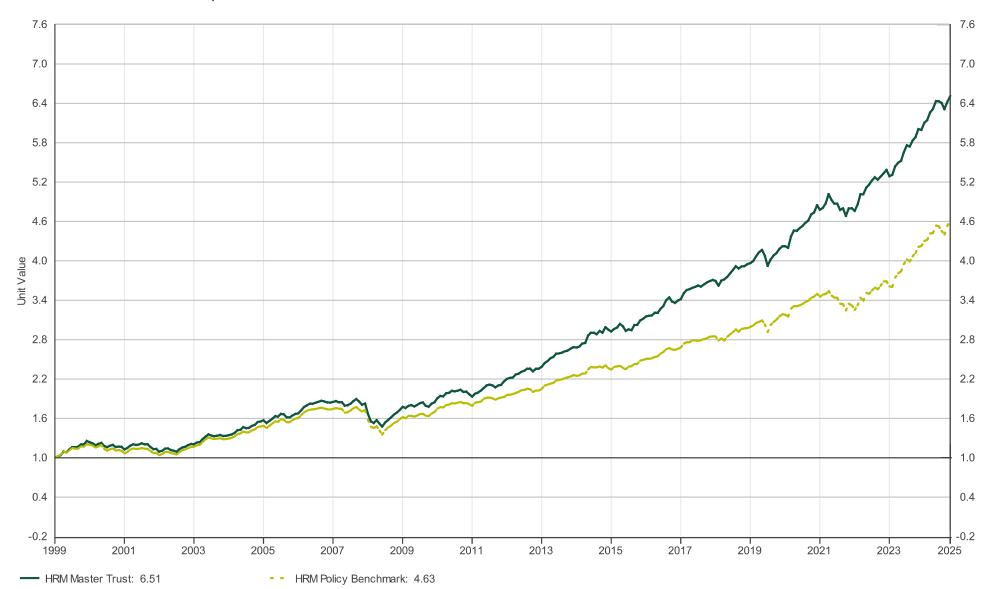
Index: HRM Policy Benchmark. Risk Free Index: JP Morgan 3 month Cash (CAD) Category: Total Fund Net of Fees. Calculation Frequency: Monthly

#### HRM MASTER TRUST ROLLING QUARTERS TOTAL FUND NET OF FEES



Index: HRM Policy Benchmark

## Growth Over Time - Inception to Date



NORTHERN TRUST June 30, 2025

#### **Risk Statistics**

	One Year	Three Years	Four Years	Seven Years	Ten Years	ITD
Return	10.14	11.08	7.99	8.10	8.01	7.39
Index Return	12.26	12.55	7.71	7.31	6.90	6.13
Excess Return	-2.12	-1.47	0.28	0.79	1.11	1.27
Relative Excess Return	-1.89	<b>-1.30</b>	0.26	0.74	1.04	1.19
Internal Rate of Return	10.15	11.08	7.97	8.09	-	-
Index Internal Rate of Return	12.30	12.59	7.71	7.31	-	-
Risk-free Return	4.85	3.96	2.95	2.37	1.99	2.53
Standard Deviation	3.84	3.94	4.65	4.65	4.54	5.90
Index Standard Deviation	5.13	5.80	6.02	5.61	5.01	6.04
Tracking Error	2.17	2.62	2.59	2,32	2.30	1.87
Relative Tracking Error	2.15	2.59	2.57	2,30	2,28	1.86
Information Ratio	-0.98	-0.56	0.11	0.34	0.48	0.68
Relative Information Ratio	-0.88	-0.50	0.10	0.32	0.46	0.64
Sharpe Ratio	1.38	1.81	1.08	1.23	1.32	0.82
Index Sharpe Ratio	1.44	1.48	0.79	0.88	0.98	0.60
M Squared	11.91	14.44	9.46	9.28	8.63	7.51
Sortino Ratio	2.42	3.57	1.91	2.03	2.26	1.19
Index Sortino Ratio	2.87	3.04	1.41	1.47	1.66	0.84
Treynor Ratio	7.74	11.20	7.14	7.50	7.42	5.21
Jensen's Alpha	0.23	1.57	1.59	1.86	1.95	1.44
Relative Volatility (Beta)	0.68	0.64	0.70	0.76	0.81	0.93
R Squared	0.86	0.85	0.82	0.83	0.78	0.91
Up Market Capture Ratio	78.79	72.04	81.18	88.69	99.19	119.29
Down Market Capture Ratio	66.89	40.61	61.91	69.25	77.05	95.08

## SECTION 2

## Appendix

Investment Risk & Analytical Services

June 30, 2025

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#### **ITEM #3-I**

**Halifax Water Board** 

December 5, 2025

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

**Commission Board** 

SUBMITTED BY:

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

Signed by:

APPROVED: Kenda MacKenzie

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

DATE: November 24, 2025

SUBJECT: Halifax Regional Water Commission Employees' Pension Plan Financial Report –

September 30, 2025

#### **INFORMATION REPORT**

#### **ORIGIN**

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

#### **BACKGROUND**

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

#### **DISCUSSION**

The Committee passed a motion that the Audit and Finance Committee accept the financial report for the nine-month period ended September 30, 2025, and forward the report to the Halifax Water Board as the Trustee of the Plan as an information report.

#### **ATTACHMENT**

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





#### **Halifax Water Audit and Finance Committee**

November 6, 2025

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

**Finance Committee** 

SUBMITTED BY:

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

Signed by:

APPROVED: Kenda MacKenzie

-0C084AC815794F6...

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

**DATE:** October 22, 2025

SUBJECT: Halifax Regional Water Commission Employees' Pension Plan Financial

**Report Third Quarter 2025** 

#### **ORIGIN**

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

#### RECOMMENDATION

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

#### **BACKGROUND**

The Audit and Finance Committee is required to review the financial results of the Plan throughout the year.

#### **DISCUSSION**

The attached statement of changes in net assets available for benefits (Appendix A) outlines the annual budget for the Plan and actual financial performance for the nine-month period ending September 30, 2025. Audited financial results for 2023 and 2024 are shown for comparative purposes.

As shown on the statement of changes in net assets available for benefits, net assets available for benefits have increased by \$18.2 million for the nine (9) month period ending September 30,

#### **Halifax Water Audit and Finance Committee**

November 6, 2025

2025. The pro-rated budget for the period forecasted an increase of \$10.4 million. Actual results for the period compared to the pro-rated budget result in a favourable variance of \$7.8 million.

The annual budget forecasted revenue of \$14.0 million. Revenue for the period is \$18.1 million which when compared to the pro-rated revenue budget of \$10.5 million results in a favourable variance of \$7.6 million. Revenue figures are directly impacted by the performance of the HRM Master Trust. This favourable variance is a result of the increase in the fair value of investment assets tracking higher than the pro-rated budget for the period. Investment income for the period is \$3.7 million compared to a pro-rated budget of \$2.9 million resulting in a favourable variance of \$0.8 million or 26%.

Contributions of \$6.8 million are above the pro-rated budget of \$6.2 million by \$0.6 million. This results in a favourable variance of 11% and is partly due to negotiated union increases paid in January 2025 but budgeted in 2024, increased salaries resulting from a market review conducted in early 2025 and transfers in from other pension plans.

Expenses of \$6.7 million for the period are higher than the pro-rated budget of \$6.3 million by \$0.5 million or 7%. The main contributor to this variance is termination payouts which are higher than the pro-rated budget in the period. Termination payments do vary from quarter to quarter and are difficult to predict.

#### **SERVICE STANDARDS**

Tracking of Regulatory Filing Requirements, Administrative Reporting Requirements and Service Standards for actuarial calculation requests is ongoing. The reports for Regulatory Filing Requirements and Administrative Reporting Requirements are attached as Appendix B and Appendix C respectively, and document administrative compliance within the various levels of reporting for the period.

Service Standard results for the Third Quarter (July 1 – September 30, 2025) have been attached as Appendix D. The primary purpose of the service standard report is to report on the administrative compliance with the Pension Benefits Act of Nova Scotia (the "Act") respecting the timing of statements or notifications required under the Act, such as:

- Retirement statement to member;
- Notification of options to retiring member;
- Death benefits statement; and
- Statement on termination.

A secondary purpose of the report is to provide performance reporting respecting the Plan's actuaries, for required deliverables based on pre-determined standards. These standards are internal in nature and mutually agreed upon by the actuary and Halifax Water.

#### **Halifax Water Audit and Finance Committee**

November 6, 2025

Third Quarter results reported in Appendix D show, out of 5 requests submitted for retirement estimates (with options), the retirement package was provided to the member within the prescribed timelines under the Act, 60 days prior to the Member's intended retirement date. There were 7 termination calculations completed during the period, with the terminated employee provided a termination package (with options) within the prescribed timelines under the Act, within 60 days after their termination date.

Performance of the actuary, also reported in Appendix D, shows out of 12 requests in total, the actuary met the pre-determined standard in 11 instances, with average response times for retirement and termination calculation estimates of 9 days for both. The response time of the actuaries is continuously monitored to ensure required service standards are maintained. Halifax Water will be informed in advance of potential upcoming delays in response times.

#### **ATTACHMENTS**

APPENDIX A - Financial Report:

Statement of changes in net assets available for benefits, for the six (6) month period ended September 30, 2025

APPENDIX B – Regulatory Filing Requirements Q3 2025

APPENDIX C – Administrative Reporting Requirements Q3 2025

APPENDIX D - Service Standards Report Q3 2025

Report Prepared by:

—signed by: Heather Britten

Heather Britten, Quality Assurance Officer

(782) 641-1431

#### Halifax Regional Water Commission Employees' Pension Plan Statement of changes in net assets available for benefits For the nine (9) month period ended September 30, 2025

Benchmark 75%

Бенсинатк	15%			September				
				Prorated	Actual versus	s Budget	Actual	Actua <b>l</b>
		2025		Budget	Chang	ge	(Audited)	(Audited)
		Budget	Actual	75%	\$	%	2024	2023
Revenue								
Net investm	ent income:							
	Total investment income	\$3,900,000	\$3,677,114	\$2,925,000	\$752,114	26%	\$4,736,825	\$3,640,508
	Investment manager fees	(\$470,000)	(\$449,547)	(\$352,500)	(\$97,047)	28%	(\$537,242)	(\$383,410)
Increase (de	ecrease) in the fair value of investment assets	\$10,600,000	\$14,863,876	\$7,950,000	\$6,913,876	87%	\$22,807,009	\$11,981,675
		\$14,030,000	\$18,091,443	\$10,522,500	\$7,568,943	72%	\$27,006,592	\$15,238,773
Contributions								
Participants								
rantioipanto	Current service (including Additional Voluntary Contributions)	\$4,168,000	\$3,389,273	\$3,126,000	\$263,273	8%	\$4,221,091	\$4,384,560
	Reciprocal Transfers	\$0	\$159,357	\$0	\$159,357	0%	\$49,611	\$0
Sponsors:	Transference Transference	**	¥ 1.55,551	**	4.00,001	2,0	<b>\$ 10,011</b>	**
-	Current service	\$4,038,000	\$3,265,758	\$3,028,500	\$237,258	8%	\$4,096,790	\$3,588,545
		\$8,206,000	\$6,814,388	\$6,154,500	\$659,888	11%	\$8,367,492	\$7,973,105
Expenses								
Benefit payr	ments:							
	Benefit payments	\$6,139,000	\$4,558,408	\$4,604,250	(\$45,842)	(1%)	\$5,595,413	\$5,280,758
	Termination payments	\$2,000,000	\$1,860,973	\$1,500,000	\$360,973	24%	\$2,479,967	\$1,470,618
	Death benefit payments (pre-retirement)	\$0	\$176,069	\$0	\$176,069	n/a	\$0	\$296,728
Administrati	ve:							
	Actuarial & consulting fees	\$90,000	\$39,654	\$67,500	(\$27,846)	(41%)	\$131,549	\$77,631
	Audit & accounting fees	\$9,200	\$3,473	\$6,900	(\$3,427)	(50%)	\$9,243	\$9,022
	Bank custodian fees	\$34,000	\$26,514	\$25,500	\$1,014	4%	\$31,331	\$24,509
	Insurance	\$11,130	\$0	\$8,348	(\$8,348)	(100%)	\$9,000	\$11,130
	Miscellaneous	\$23,000	\$17,344	\$17,250	\$94	1%	\$22,510	\$25,170
	Professional fees	\$44,000	\$40,408	\$33,000	\$7,408	22%	\$38,906	\$44,484
	Registration fees	\$3,300	\$0	\$2,475	(\$2,475)	(100%)	\$3,178	\$2,935
	Training (Trustees/ Administration/ Pension Committee)	\$2,000	\$0	\$1,500	(\$1,500)	(100%)	\$0	\$0
		\$8,355,630	\$6,722,844	\$6,266,723	\$456,121	7%	\$8,321,097	\$7,242,985
Increase in ne	t assets available for benefits	\$13,880,370	\$18,182,987	\$10,410,278	\$7,772,709	75%	\$27,052,987	\$15,968,893
Net assets ava	ailable for benefits, beginning of period	\$218,261,884	\$218,261,884				\$191,208,897	\$175,240,003
Increase (decr	rease) in net assets available for benefits	\$13,880,370	\$18,182,987				\$27,052,987	\$15,968,893
Net assets ava	ailable for benefits, end of period	\$232,142,254	\$236,444,871				\$218,261,884	\$191,208,897

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

Report	Regulatory Body	Filing Deadline	Date last filed		Comments
1 Annual Form 3 - Summary of Contributions	Superintendent of Pensions	60 days after the beginning of each fiscal year	February 18, 2025	DB Plan	Filed directly with the Trustee, Northern Trust, for the DB Plan.
			February 18, 2025	DC Plan	Filed directly with the Trustee, Industrial Alliance, for the DC Plan.
2 Pension Plan Income Tax Return (T3)	Canada Revenue Agency	March 31st	March 27, 2025	DB Plan	CRA requires Northern Trust as the custodian to prepare and file T3 Income Tax Returns each year. Information obtained from HRM Pension Plan office.
3 Pension Plan Audited Financial Statements	Superintendent of Pensions	6 months after the Plan's fiscal year end	October 1, 2025	DB Plan	2024 audited financial statements were approved by the Halifax Water Board on June 19, 2025. Financial statements were signed in conjunction with the corporate financial statements in late September. (Superintendent is notified by letter each year that the financial statements may be later than June 30th due to timing of the Board meeting and subsequent signing of the statements.)
			June 25, 2025	DC Plan	Audited financial statements are not prepared for this pension plan. However, Industrial Alliance provides a Financial Report detailing all pertinent details of the plan. This report is submitted to the regulatory body prior to June 30th each year.
4 Annual Information Returns (AIR)	Superintendent of Pensions	June 30th	June 25, 2025	DB Plan	Annual Information Return is filed each year prior to June 30.
			June 25, 2025	DC Plan	Annual Information Return is filed each year prior to June 30.
5 Actuarial Valuation*	Superintendent of Pensions Canada Revenue Agency	September 30th	August 28, 2025 September 17, 2025		Actuarial Valuation was conducted as of January 1, 2025 and was filed with the Nova Scotia Regulator on august 28, 2025 and Canada Revenue Agency on September 17, 2025.
6 Plan Amendments	Superintendent of Pensions	60 days after the amendment approved by the Board	August 28, 2025	DB Plan	Amendment #1 was to amend the plan to address the contribution rate change as determined by the Actuarial Valuation of January 1st, 2025. Amendment # 2 was in respect of the DC provision on overtime earnings. Both amendments were approved by the Halifax Water Board at the June 19, 2025 meeting and filed by Eckler with the Nova Scotia Regulator on August 28, 2025 and the Canada
	Canada Revenue Agency Superintendent of Pensions Canada Revenue Agency	60 days after the amendment approved by the Board	September 17, 2025 n/a	DC Plan	Revenue Agency on September 17, 2025.  All documents relating to the registration of the DC Plan were received by the Superintendent October 6, 2017.

<sup>\*</sup> Actuarial Valuations are required at a minimum every three (3) years.

\*\* Notional Agreements were implemented during 2017 with an effective date for January 1, 2017. Notional Agreements are not registered therefore not subject to reporting requirements to a regulatory body.

Halifax Regional Water Commission Employees' Pension Plan Administrative Reporting Requirements - 2025 as at September 30, 2025

Report	Filing Deadline/ Recurrence	Date last filed/ Performed		Comments
Pensioners' Payroll	Monthly	October 1, 2025		Pensioners are paid the 1st of each month; no exceptions to report for the Third Quarter of 2025.
2 Contributions to the Trustee	Monthly	October 14, 2025	DB Plan	Remittances due to Northern Trust within 30 days of month end; no exceptions to report for the Third Quarter 2025.
		October 7, 2025	DC Plan	Remittances due to Industrial Alliance within 30 days of month end; no exceptions to report for the Third Quarter 2025.
		n/a	Notional Agreement*	Contributions are not made to an external trustee or custodian. Liability plus interest is recorded by Halifax Water annually on the corporate financial statements.
3 Pension Plan Financial Statements	Quarterly	September 25, 2025	DB Plan	Second quarter 2025 (January - June)
		March 27, 2025	DC Plan	Quarterly statements are not prepared for the Defined Contribution (DC) Plan. A financial report is prepared by Industrial Alliance which is filed with the Annual Information Return (AIR) to the regulator. The 2024 report was provided to the Halifax Water Board on March 27, 2025.
		n/a	Notional Agreement*	Financial statements not required.
4 Investment Performance Review & Compliance with SIP&P	Quarterly	June 19, 2025	DB Plan	First Quarter 2025 (January - March) Report prepared quarterly by administration staff for the Halifax Water Board of Directors, in conjunction with the quarterly HRM Pension Plan Committee meeting documentation. Statement of Investment Policies & Procedures (SIP&P) is reviewed annually and was last reviewed and approved on December 12, 2024.
5 Annual Pension Statements to Members	June 30th	June 26, 2025	DB Plan	Statements issued annually by June 30
		June 26, 2025	DC Plan	Statements issued annually in conjunction with the Defined Benefit (DB) Plan statements. Members also have access to online, real-time reporting.
		June 26, 2025	Notional Agreement*	Statements issued annually in conjunction with the DB Plan statements.
6 Fiduciary Liability Insurance	Annually	October 31, 2024	DB Plan	Reviewed and renewed annually until November 2024 when a three year term was negotiated and agreed to. The Policy period will now expire In November 2027.

<sup>\*</sup> Notional Agreements were implemented during 2017 with an effective date for January 1, 2017. Notional Agreements are not registered therefore not subject to reporting requirements to a regulatory body.

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

(	Quarter 3	(as at Se	ptember	30.	2025)
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Quarter 3 (as at Deptember 30, 20	20)								
			Actuary			HW	Staff		
		Total #		% within	Average Service	Total #	Average Service	Total Average	Compliance
Transaction	Standard	Completed	# Past Standard	Standard	Days	Completed	Days	Service Days	with PBA
Retirement Estimates	11 Business Days	5	0	100%	9	5	29	38	Yes
Marriage Breakdown Calculations	15 Business Days								
Post-Retirement Death Letter	15 Business Days								
Pre-Retirement Death Benefit	15 Business Days	1	0	100%	13	1	7	20	Yes
Termination Estimate Calculations									
- Standard	11 Business Days	6	1	83%	6	6	17	23	Yes
<ul> <li>Non Standard (Incl RTAs)</li> </ul>	15 Business Days								
	Total for Actuary	12	1	92%	9	12	18	27	

## Halifax Water Board December 5, 2025

#### Halifax Water Compliance Statement Quarterly Certification

#### For the period of July 1, 2025 to September 30, 2025

We hereby certify that the Halifax Regional Water Commission is current in making all statutory remittances for payroll taxes, Harmonized Sales Tax and other remittances as required under the laws of the Government of Canada and its Provinces (the significant remittances are noted in the appendix) and that all significant legal claims have been disclosed.

Signed by: Kenda MacKenzie	Signed by:
Kenda MacKenzie, P.Eng.	Louis de Montbrun, CPA, CA
General Manager & CEO	Director, Corporate Services/CFO
Dated:	
Nov-26-2025   4:34 PM AST	

# Halifax Water Compliance Statement Quarterly Certification Appendix I

Significant statutory remittances for payroll taxes, Harmonized Sales Tax and other remittances as required under the laws of the Government of Canada and its Provinces for the Halifax Regional Water Commission.

#### **Statutory Payroll Remittances**

- Canada Revenue Agency (CRA) Statutory employee payroll deductions and employer related contributions for:
  - o Income Tax
  - Canada Pension Plan (CPP)
  - Employment Insurance (EI)
- ➤ Workers' Compensation Board of Nova Scotia (WCB) Employer remittance based on employee payroll

#### **Other Payroll Remittances**

- Northern Trust Employee payroll deductions and employer contributions to Halifax Water and HRM defined benefit pension plans
- > Industrial Alliance employer and employee contributions to defined contribution pension plan
- Medavie Blue Cross & SSQ employee payroll deductions and employer related contributions for Health & dental, LTD, and Life benefit coverage, and payroll deductions for AD&D
- **Canadian Union of Public Employees** Employee payroll deductions of union dues
  - O CUPE Local 227
  - o CUPE Local 1431

#### **HST and Other Remittances**

- Canada Revenue Agency (CRA) Harmonized Sales Tax (HST) is filed online and a refund issued as HST paid is greater than HST collected
- Workers' Compensation Board of Nova Scotia (WCB) Remittance for subcontractors

## **Quarterly Remittance Certification**

Appendix II

	Period:	Jul-Sep	2025/2026	
<u>Vendor</u>	Vendor #	<u>Items Remitted</u>	<u>Total remitted</u>	Exceptions
Statutory Payroll Remittan	ices			
CRA	174	Tax, CPP, EI, WCB	\$6,194,582.31	
Other Payroll				
Northern Trust Northern Trust Manulife Financial	1215 1216 1171	HW Pension Plan HRM Pension Plan Bedford Pension Plan	\$ 2,182,373.55 \$ 248,701.53 \$ 2,389.94	
Industrial Alliance	2971	DCPP	\$ 10,347.04	
Medavie Blue Cross SSQ Insurance	340, 3101 429	Health, Dental, Life, LTD AD&D	\$ 1,045,093.04 \$ 7,139.73	
CUPE CUPE	160 3517	Union Dues 1431 Union Dues 227	\$ 46,280.07 \$ 81,041.18	
United Way, Credit U	Inion, Garnis	lance with stated requirements (WCB, CRA, Family by, Racially Visible Caucus		
HST and Other				
CRA	N/A	HST (refunds)	\$ 3,273,543.06	
Receiver General	210	WCB subcontractors	\$ 156.08	
Exceptions, errors and/or	ate remitta	nces		