

HALIFAX WATER BOARD AGENDA

Friday, February 27, 2026, 9:00 a.m.

Virtually via Microsoft® Teams

Please visit www.halifaxwater.ca 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)

1C Approval of minutes of the in-camera meeting held on Friday, December 5, 2025.

Motion: That the Halifax Water Board approve the in-camera minutes of December 5, 2025.

2C Business arising from minutes:

a) N/A

3C **Acquiring or disposing of property matter**

4C **Personnel matter** (Verbal)

5C **Security matter** (Presentation)

6C **Contract negotiation matter** (Presentation)

7C **Contract negotiation matter** (Verbal)

8C **Other** (Verbal)

9C **Legal advice** (Memo)

10C **Contract negotiations** (Verbal)

11C **Contract negotiation matter** (Presentation)

REGULAR MEETING

1. Ratification of in-camera motions

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

2. Approval of the order of business and approval of additions and deletions

Motion: That the Halifax Water Board approve the order of business and that the agenda be approved as presented.

3. Approval of minutes of the regular meeting held on Friday, December 5, 2025

Motion: That the Halifax Water Board approve the minutes of the December 5, 2025, regular meeting, as circulated.

4. Business arising out of the minutes:

a) N/A

FINANCIAL REPORTS

- 4.1 Operating results as of December 31, 2025
- 4.2 Capital expenditures as of December 31, 2025

OTHER BUSINESS

- 5. Proposed 2026/27 Annual Business Plan
Motion: That the Halifax Water Board:
 - 1) Approve the proposed 2026/27 Annual Business Plan as set out in the accompanying documentation subject to non-substantive corrections and amendments, and
 - 2) Direct the General Manager to submit the final 2026/27 Annual Business Plan to Halifax Regional Council for their approval.
- 6. Proposed 2026/27 Operating Budget
Motion: That the Halifax Water Board approve the proposed 2026/27 Operating Budget, as set out and discussed in the accompanying report and supporting documentation including the proposed 2026/27 budget for unregulated activities.
- 7. Proposed 2026/27 Capital Budget
Motion: That the Halifax Water Board:
 - 1) Approve the proposed 2026/27 Capital Budget in the amount of \$117.7 million.
 - 2) Direct staff to file the 2026/27 Capital Budget to the Nova Scotia Regulatory and Appeals Board.
- 8. ADJOURNMENT

INFORMATION REPORTS

- 1-I Operational performance information report
- 2-I HRM Master Trust investment performance Q3 2025
- 3-I Halifax Water Employees' Pension Plan - Quarterly update Q4 2025
- 4-I Halifax Water Compliance Statement - Quarterly certification
- 5-I November 30, 2025 Operating Results report
- 6-I November 30, 2025 Capital Results

Friday, December 5, 2025

Hybrid/ 450 Cowie Hill Road, Rm 226 + Virtual, Microsoft® Teams

Present: Commissioner John MacPherson, Chair
Commissioner Cathy Deagle Gammon, Vice Chair
Commissioner Janet Steele
Commissioner Trish Purdy
Commissioner Jeff Langley
Commissioner Lucas Pitts
Commissioner Patty Cuttell

Regrets: N/A

Staff: Kenda MacKenzie, General Manager & CEO
Liana Rintoul, General Counsel/Board Secretary
Louis de Montbrun, Director, Corporate Services/CFO
Ashley Kendell, Director - People & Culture
John Eisnor, Director, Operations
Jarvis Singer, Acting Senior Manager, Water & Wastewater Treatment
Jeff Knapp, Senior Manager, Energy and Business Development
Jeff Myrick, Senior Manager, Communications and Corporate Strategy
Stephanie Leblanc, Senior Manager Information & Technology Services
Warren Brake, Manager Accounting
Heather Britten, Quality Assurance Officer
Nicole Jollymore, Administrative Coordinator

Guests: Jeff Turnbull, Principal, Eckler

These minutes are considered draft and will require approval by this committee at a future meeting.

The following does not represent a verbatim record of the proceedings of this meeting.
The agenda, reports, supporting documents, information items circulated and recording, are considered privileged and are for internal reference only.

CALL TO ORDER

Commissioner MacPherson called the public meeting to order at 10:41 AM.

REGULAR MEETING

1 a) **Ratification of the in-camera motion.**

MOVED by Commissioner Steele, seconded by Commissioner Deagle Gammon.

THAT the Halifax Water Board ratify the in-camera motions.

MOTION PUT AND PASSED.



1. **Approval of the order of business and approval of additions and deletions.**

MOVED by Commissioner Steele, seconded by Commissioner Deagle Gammon.

THAT the Halifax Water Board approve the order of business and approve additions and deletions.

MOTION PUT AND PASSED.

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

MOVED by Commissioner Deagle Gammon, seconded by Commissioner Steele. All in favor.

THAT the Halifax Water Board approve the minutes of the September 25, 2025, regular meeting.

MOTION PUT AND PASSED.

3. **Business arising from minutes**

a) N/A

FINANCIAL REPORTS

4.1 **Operating results as of September 30, 2025**

Louis de Montbrun presented the Operating Results for the four (4) months ended September 30, 2025 to update the year-end financials.

4.2 **Capital expenditures as of September 30, 2025**

Louis de Montbrun presented the Capital Expenditures as of September 30, 2025.

4.3 **Proposed 2026 HRWC Employees' Pension Plan Budget**

Heather Britten provided an update on the summarized statement of changes in net assets available for benefits proposed for the 2026 budget.

MOVED by Commissioner Deagle Gammon, seconded by Commissioner Steele.

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.

MOTION PUT AND PASSED.

4.4 **Employer Contribution Holiday and Costing of Benefit Enhancements**

Louis de Montbrun provided an overview on the surplus and how it was accumulated.

MOVED by Commissioner Steele, seconded by Commissioner Deagle Gammon. All in favor.

THAT the Halifax Water Board, as Trustees of the Plan, approve the motion as amended to include the word "initial" before employer contribution holiday:

(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 initial 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.

MOTION PUT AND PASSED.

OTHER BUSINESS

5. Board subcommittee appointments (Verbal)

Commissioner MacPherson announced the update to subcommittee appointments following the departure of Commissioner MacLellan December 1.

6. NSRAB: Operations and maintenance audit 2025 (Presentation)

John Eisnor presented an update on the audits.

7. Boil Water Advisory (BWA) – Corrective action update (Presentation)

Jarvis Singer presented an update on the status on the corrective actions.

8. General Rate Application (GRA) update (Verbal)

Kenda MacKenzie presented an update on the status of the general rate application.

9. ADJOURNMENT

The public meeting adjourned at 12:11 PM.

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

Next Meeting Date: Friday, February 27, 2026

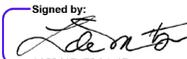
Minutes Recorded by:

Nicole Jollymore,
Administrative Coordinator

Reviewed by:

Liana Rintoul
Corporate Secretary

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

SUBMITTED BY: 
Signed by:
A06B0874EBG1467
Louis de Montbrun, CPA, CA, Director, Corporate Services/CFO

APPROVED: 
Signed by:
0C08440816704F8
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: February 6, 2026

SUBJECT: **Operating Results for the nine (9) months ended December 31, 2025 (in thousands)**

ORIGIN

Financial information reporting.

BACKGROUND

At the January 21, 2026 meeting of the Halifax Water Audit and Finance Committee (the Committee) the Operational Financial Results for the eight (8) months ended November 30, 2025 were presented, reviewed, and discussed. Since that time the Operational Results for the nine months ended December 31, 2025, have been completed and are presented to the Halifax Water Board for their information.

DISCUSSION

Attached are the operating results for Halifax Water for the nine (9) months year ended December 31, 2025 (in thousands) with comparative figures for December 31, 2024.

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

Statement of Financial Position (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

December 31 (in thousands)	Notes	2025	2024	March 31 2025	From Prior Year \$ Change	% Change
Assets						
Current						
Cash and cash equivalents	A	\$ 99,927	\$ 82,461	\$ 73,126	\$ 17,466	21.2%
Receivables						
Customer charges and contractual	B	18,213	17,442	21,851	771	4.4%
Unbilled service revenues	C	23,621	22,467	22,019	1,154	5.1%
Inventory		2,472	2,617	2,530	(145)	(5.6%)
Prepays		1,297	1,286	2,178	11	0.8%
		<u>145,529</u>	<u>126,273</u>	<u>121,704</u>	<u>19,257</u>	<u>15.2%</u>
Utility plant in service	D	1,391,735	1,357,616	1,436,849	34,119	2.5%
Capital work in progress	E	196,451	189,940	115,627	6,511	3.4%
Total assets		<u>1,733,716</u>	<u>1,673,829</u>	<u>1,674,180</u>	<u>59,887</u>	<u>3.6%</u>
Regulatory deferral account		1,709	1,901	1,852	(192)	(10.1%)
Total assets and regulatory deferral account		\$ 1,735,425	\$ 1,675,730	\$ 1,676,032	\$ 59,695	3.6%

Notes related to Table 1:

- A) Cash and cash equivalents increased by \$17.5 million from the prior year. The increase is due to the continuing growth of the Regional Development Charge (RDC) reserves.
- B) Customer charges and contractual receivables increased by \$0.8 million due to an increase in revenue related to consumption and base charges.
- C) Unbilled service revenues receivable increased by \$1.2 million due to an increase in revenue and the timing of billing cycles.
- D) Utility plant in service increased by \$34.1 million due to new assets recorded at the end of fiscal 2024-25, less depreciation.
- E) The \$6.5 million increase in capital work in progress is a result of expenditures on active capital projects being higher through the first nine months as compared to the prior year, including \$15.1 million in expenditures this year on the Burnside Operations Facility.

Table 2: Liabilities

December 31 (in thousands)	Notes	2025	2024	March 31 2025	From Prior Year \$ Change	% Change
Current						
Payables and accruals						
Trade	A	\$ 35,660	\$ 21,174	\$ 35,900	\$ 14,485	68.4%
Non-trade		5,860	4,205	6,430	1,656	39.4%
Interest on long term debt		1,718	1,555	4,061	164	10.5%
Halifax Regional Municipality	B	2,055	1,288	4,459	766	59.5%
Contractor and customer deposits		1,528	1,296	1,447	232	17.9%
Current portion of long term debt	C	25,940	32,881	32,881	(6,941)	(21.1%)
Unearned revenue		4,336	3,958	442	378	9.5%
		<u>\$ 77,096</u>	<u>\$ 66,357</u>	<u>\$ 85,619</u>	<u>\$ 10,739</u>	<u>16.2%</u>
Long term debt	D	315,642	260,067	260,129	55,574	21.4%
Deferred contributions		158,879	120,120	130,596	38,759	32.3%
Total liabilities		<u>\$ 551,617</u>	<u>\$ 446,544</u>	<u>\$ 476,344</u>	<u>\$ 105,073</u>	<u>23.5%</u>
Equity						
Accumulated capital surplus		\$ 1,195,135	\$ 1,214,091	\$ 1,191,266	\$ (18,956)	(1.6%)
Accumulated operating surplus		(3,958)	11,690	11,690	(15,649)	(133.9%)
Operating surplus used to fund capital		12,380	12,380	12,380	0	0.0%
Deficiency of revenues over expenditures		(19,749)	(8,976)	(15,648)	(10,773)	120.0%
Total equity		<u>\$ 1,183,808</u>	<u>\$ 1,229,185</u>	<u>\$ 1,199,688</u>	<u>\$ (45,377)</u>	<u>(3.7%)</u>
Total liabilities and equity		<u>\$ 1,735,425</u>	<u>\$ 1,675,730</u>	<u>\$ 1,676,032</u>	<u>\$ 59,695</u>	<u>3.6%</u>

Notes related to Table 2:

A) Trade payables and accruals have increased by \$14.5 million from the prior year due to a higher level of purchasing activity.

Payables and Accruals				
	2025/26	2024/25		
	'000	'000	\$ Change	% Change
Trade payables	\$ 14,409	\$ 11,083	\$ 3,326	30.0%
Trade accrued payables	18,451	8,817	9,634	109.3%
Accrued wastewater rebate	2,801	1,275	1,526	119.7%
	<u>\$ 35,660</u>	<u>\$ 21,174</u>	<u>\$ 14,485</u>	<u>68.4%</u>

B) Halifax Regional Municipality payable has increased by \$0.8 million from prior year as a result of a decrease in receivables from HRM due to the timing of payments towards cost shared projects, an increase in the RDC receivable, and an increase in cost sharing amounts payable to HRM.

HRM Receivables and Payables				
	2025/26	2024/25		
	'000	'000	\$ Change	% Change
Receivables	\$ 1,943	\$ 3,449	\$ (1,506)	(43.7%)
RDC	8,518	6,093	2,425	39.8%
Payables	(12,515)	(10,830)	(1,685)	15.6%
Net receivables (payables)	<u>\$ (2,055)</u>	<u>\$ (1,288)</u>	<u>\$ (766)</u>	<u>59.5%</u>

C) Current portion of long-term debt has decreased \$6.9 million due to smaller balloon payments due in 2026-27 than in 2025-26.

D) Increase in long term debt by \$55.6 million due to the addition of new debt in May and November 2025, less repayments.

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 December 31, 2025 (in thousands), is as follows:

Debt Servicing Ratio by Service		
	2025/26	2024/25
Water	19.81%	16.14%
Wastewater	15.29%	18.08%
Stormwater	25.33%	23.06%
Combined	17.87%	17.78%

The combined debt servicing ratio is consistent with 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 17.87% 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)

Summarized Statement of Earnings							
Notes	Budget	Actual	Actual	From Prior Year		Actual to Budget	
	2025/26	2025/26	2024/25	\$ Change	% Change	\$ Remaining	% Remaining
	'000	'000	'000				
Operating revenues	\$ 174,617	\$ 133,339	\$ 130,439	\$ 2,900	2.22%	\$ (41,278)	(23.64%)
Operating expenditures	169,004	124,056	111,443	12,612	11.32%	(44,948)	(26.60%)
Earnings from operations before financial and other revenues and expenditures	5,613	9,283	18,995	(9,712)	(51.13%)	3,670	65.38%
Financial and other revenues	1,085	489	728	(238)	(32.76%)	(596)	(54.89%)
Financial and other expenditures	40,773	29,522	28,699	823	2.87%	(11,252)	(27.60%)
Loss for the year	A \$ (34,075)	\$ (19,749)	\$ (8,976)	\$ (10,773)	120.03%	\$ 14,326	(42.04%)

Notes related to Table 3:

A) The loss for the year of \$19.7 million is an increase of \$10.8 million from the prior year loss. The following is a discussion of factors influencing the change.

Table 4: Operating Revenues:

Operating Revenues									
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
					\$ Change	% Change	\$ Remaining	% Remaining	
Consumption revenue	B	\$ 114,253	\$ 88,105	\$ 85,550	\$ 2,555	2.99%	\$ (26,148)	(22.89%)	
Base charge revenue	C	34,356	26,080	25,438	642	2.52%	(8,276)	(24.09%)	
Wastewater rebate		(1,629)	(1,822)	(1,579)	(243)	15.38%	(193)	11.85%	
Metered sales total		146,980	112,363	109,409	2,954	2.70%	(34,617)	(23.55%)	
Stormwater site generated charge		8,865	6,429	6,416	13	0.20%	(2,436)	(27.48%)	
Stormwater right of way		6,515	4,887	4,887	-	0.00%	(1,628)	(24.99%)	
Public fire protection		8,083	6,062	6,062	-	0.00%	(2,021)	(25.00%)	
Private fire protection		1,711	1,338	1,292	46	3.56%	(373)	(21.80%)	
Other operating revenue		2,463	2,260	2,373	(112)	(4.74%)	(203)	(8.22%)	
Operating revenue total	A	\$ 174,617	\$ 133,339	\$ 130,439	\$ 2,900	2.22%	\$ (41,278)	(23.64%)	

Notes related to Table 4:

Operating revenues are presented above, broken down by type:

- A) Operating revenues have increased by \$2.9 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 3.4%, 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 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. The decline in the industrial class is associated in part with a process change at a large power generating facility.

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

Consumption by Customer Class (m3)				
	2025/26	2024/25	m3 Remaining	% Remaining
Commercial	5,507,961	5,304,307	203,654	3.8%
Industrial	1,322,642	1,369,809	(47,167)	(3.4%)
Institutional	3,359,213	3,068,465	290,748	9.5%
Multi-residential	6,835,319	6,385,361	449,958	7.0%
Residential	9,967,140	9,965,889	1,251	0.0%
	26,992,275	26,093,831	898,444	3.4%

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 532.
- D) Other operating revenue has decreased by \$0.1 million as compared to the previous year due to lower drawing review fees in Stormwater.

Table 5: Operating Expenditures:

Operating Expenditures									
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
					\$ Change	% Change	\$ Remaining	% Remaining	
Water supply and treatment	B	\$ 16,146	\$ 11,314	\$ 10,962	\$ 352	3.20%	\$ (4,832)	(29.93%)	
Water transmission and distribution	C	16,910	13,005	10,189	2,817	27.64%	(3,905)	(23.09%)	
Wastewater collection		15,530	11,326	11,139	187	1.68%	(4,204)	(27.07%)	
Stormwater collection		6,969	4,501	4,578	(78)	(1.68%)	(2,468)	(35.41%)	
Wastewater treatment	D	28,640	20,951	18,644	2,307	12.37%	(7,689)	(26.85%)	
Information and technology services	E	16,625	12,662	10,778	1,884	17.47%	(3,963)	(23.84%)	
Engineering services	F	5,813	2,908	2,665	243	9.11%	(2,905)	(49.97%)	
Environment health and safety services	G	5,359	4,432	3,805	627	16.44%	(927)	(17.30%)	
Customer services		5,186	3,627	3,346	281	8.40%	(1,559)	(30.06%)	
Corporate services		4,255	2,688	2,907	(220)	(7.55%)	(1,567)	(36.83%)	
Administration services	H	7,647	5,182	3,866	1,316	34.04%	(2,465)	(32.23%)	
Depreciation and amortization	I	39,924	31,459	28,565	2,895	10.13%	(8,465)	(21.20%)	
Total operating expenditures	A	\$ 169,004	\$ 124,055	\$ 111,444	\$ 12,611	11.32%	\$ (44,949)	(26.60%)	

Notes related to Table 5:

- A) Operating expenditures of \$124.1 million are \$12.6 million higher than the prior year.
- B) Water supply and treatment expenditures increased \$0.4 million from the previous year due to an increase in contract services and salaries and benefits.
- C) Water transmission and distribution expenditures increased \$2.8 million from the prior year due to an increase in contract services and salaries and benefits. Increased costs are primarily in core maintenance activities for distribution mains, hydrants, and services.
- D) Wastewater treatment expenditures increased \$2.3 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 \$1.9 million as compared to the prior year due to increases in salaries, software licensing and consulting.
- F) Engineering services expenditures increased \$0.2 million from the prior year as an increase in salaries was offset by amounts allocated to capital projects.
- G) Environment health and safety services expenditures increased \$0.6 million from the prior year due to an increase in salaries and contract services including water quality testing and traffic control.
- H) Administration services expenditures increased \$1.3 million from the prior year due to an increase in salaries and professional services, including legal and regulatory costs associated with the rate application and hearing.
- I) Depreciation and amortization increased \$2.9 million over the prior year as a result of depreciation on additions to assets in the prior year.

Table 6: Operating Expenditures By Nature:

Operating Expenditures By Nature								
Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
				\$ Change	% Change	\$ Remaining	% Remaining	
Salaries and benefits	\$ 57,875	\$ 41,275	\$ 36,034	\$ 5,241	14.53%	\$ (16,600)	(28.68%)	
Training and conferences	1,130	521	495	27	5.44%	(609)	(53.89%)	
Contract Services	21,125	14,988	14,031	957	6.82%	(6,137)	(29.05%)	
Electricity	8,748	6,620	6,236	383	6.16%	(2,128)	(24.33%)	
Operating supplies	23,433	17,705	15,615	2,090	13.38%	(5,728)	(24.44%)	
Professional services	6,100	4,324	3,640	684	18.78%	(1,776)	(29.11%)	
Chemicals	10,669	7,163	6,828	335	4.90%	(3,506)	(32.86%)	
Depreciation and amortization	39,924	31,459	28,565	2,895	10.13%	(8,465)	(21.20%)	
Total operating expenditures	\$ 169,004	\$ 124,055	\$ 111,444	\$ 12,611	11.32%	\$ (44,949)	(26.60%)	

Table 6 provides the operating expenditures by the nature of the expense.

Table 7: Financial and other revenues:

Financial and other revenues								
Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
				\$ Change	% Change	\$ Remaining	% Remaining	
Interest	\$ 468	\$ 93	\$ 253	\$ (160)	(63.18%)	\$ (375)	(80.11%)	
Other	617	396	475	(79)	(16.59%)	(221)	(35.77%)	
Total financial and other revenues	A \$ 1,085	\$ 489	\$ 728	\$ (238)	(32.76%)	\$ (596)	(54.89%)	

Notes related to Table 7:

- A) Financial and other revenues decreased \$0.2 from the prior year due to lower interest rates resulting in less revenue earned on cash balances. Most of the interest income that is earned is allocated to regional development charge reserve funds.

Table 8: Financial and other expenditures:

Financial and other expenditures								
Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
				\$ Change	% Change	\$ Remaining	% Remaining	
Interest	323	169	174	(5)	(2.86%)	(153)	(47.53%)	
Interest on long term debt	12,291	8,198	6,600	1,599	24.22%	(4,093)	(33.30%)	
Repayment on long term debt	20,514	15,406	16,404	(998)	(6.08%)	(5,108)	(24.90%)	
Amortization of debt discount	279	224	182	42	23.08%	(55)	(19.80%)	
Dividend/grant in lieu of taxes	7,236	5,427	5,237	190	3.63%	(1,809)	(25.00%)	
Other	130	97	102	(5)	(5.11%)	(33)	(25.68%)	
Total financial and other expenditures	A \$ 40,773	\$ 29,522	\$ 28,699	\$ 823	2.87%	\$ (11,252)	(27.60%)	

Notes related to Table 8:

- A) Financial and other expenditures increased \$0.8 million when compared to prior year due to an increase in interest on long term debt. This was offset in part by a decrease in repayments of long term debt.

Table 9: Operating Results by Service:

Operating Results by Service								
	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
				\$ Change	% Change	\$ Remaining	% Remaining	
Water	\$ (21,183)	\$ (16,089)	\$ (8,578)	\$ (7,511)	87.56%	\$ 5,094	(24.05%)	
Wastewater	(8,853)	(1,608)	795	(2,404)	(302.29%)	7,245	(81.83%)	
Stormwater	(4,038)	(2,051)	(1,192)	(859)	72.01%	1,987	(49.21%)	
Earnings (loss) for the year	\$ (34,075)	\$ (19,749)	\$ (8,976)	\$ (10,773)	120.03%	\$ 14,326	(42.04%)	

The results in Table 9 are explained in more detail in Tables 10 to 12.

Table 10: Operating Results by Service - Water:

Operating Results by Service - Water								
	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
Notes				\$ Change	% Change	\$ Remaining	% Remaining	
Operating revenues	A \$ 66,780	\$ 50,736	\$ 49,909	\$ 827	1.66%	\$ (16,044)	(24.02%)	
Operating expenditures	B 68,557	52,411	46,423	5,988	12.90%	(16,145)	(23.55%)	
Earnings from operations	(1,776)	(1,675)	3,486	(5,161)	(148.05%)	101	(5.71%)	
Financial and other revenues	772	343	561	(218)	(38.81%)	(429)	(55.58%)	
Financial and other expenditures	C 20,179	14,757	12,625	2,133	16.89%	(5,422)	(26.87%)	
Loss for the year	\$ (21,183)	\$ (16,089)	\$ (8,578)	\$ (7,511)	87.56%	\$ 5,094	(24.05%)	

Water services loss of \$16.1 million increased from the prior year loss by \$7.5 million due to the following factors:

- A) Increase in operating revenues of \$0.8 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 \$6.0 million due to higher costs in water transmission and distribution, and depreciation and amortization.
- C) Increase in financial and other expenditures of \$2.1 million due to an increase in long-term debt incurring higher interest, and a higher dividend/grant in lieu of taxes.

Table 11: Operating Results by Service - Wastewater:

Operating Results by Service - Wastewater									
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
					\$ Change	% Change	\$ Remaining	% Remaining	
Operating revenues	A	\$ 92,210	\$ 71,188	\$ 69,039	\$ 2,149	3.11%	\$ (21,022)	(22.80%)	
Operating expenditures	B	85,109	61,374	55,295	6,080	10.99%	(23,734)	(27.89%)	
Earnings from operations		7,101	9,814	13,744	(3,931)	(28.60%)	2,713	38.20%	
Financial and other revenues		313	146	167	(21)	(12.45%)	(166)	(53.20%)	
Financial and other expenditures	C	16,267	11,569	13,116	(1,548)	(11.80%)	(4,699)	(28.88%)	
Earnings (loss) for the year		\$ (8,853)	\$ (1,608)	\$ 795	\$ (2,404)	(302.29%)	\$ 7,245	(81.83%)	

Wastewater services loss of \$1.6 million is a change of \$2.4 million from the prior year earnings due to the following factors:

- A) Increase in operating revenues of \$2.1 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 \$6.1 million due to higher costs associated with wastewater treatment, administration services, and depreciation and amortization.
- C) Decrease in financial and other expenditures of \$1.5 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.

Table 12: Operating Results by Service - Stormwater:

Operating Results by Service - Stormwater									
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
					\$ Change	% Change	\$ Remaining	% Remaining	
Operating revenues	A	\$ 15,627	\$ 11,414	\$ 11,491	\$ (76)	(0.66%)	\$ (4,213)	(26.96%)	
Operating expenditures	B	15,339	10,270	9,726	544	5.60%	(5,069)	(33.04%)	
Earnings from operations		288	1,144	1,765	(621)	(35.17%)	856	296.68%	
Financial and other expenditures	C	4,327	3,195	2,958	238	8.05%	(1,131)	(26.14%)	
Earnings (loss) for the year		\$ (4,038)	\$ (2,051)	\$ (1,192)	\$ (859)	72.01%	\$ 1,987	(49.21%)	

Stormwater services loss of \$2.1 million is \$0.9 million greater than the prior year loss. The following factors influenced the results:

- A) Operating revenues of \$11.4 million are \$0.1 million lower than the prior year. Site generated revenue is slightly higher the previous year but is offset by a decrease in miscellaneous revenue. Billable impervious area is expected to continue to gradually increase in conjunction with continuing growth in development.
- B) Operating expenditures increased \$0.5 million from the prior year due to increases in the allocation of Environment health and safety services to stormwater and in depreciation and amortization.
- C) Increase of \$0.2 million in financial and other expenditures due to increasing interest on long-term debt.

Table 13: Operating Results by Activity

Operating Results by Activity									
	Notes	Budget 2025/26 '000	Actual 2025/26 '000	Actual 2024/25 '000	From Prior Year		Actual to Budget		
					\$ Change	% Change	\$ Remaining	% Remaining	
Regulated activities	A	\$ (34,340)	\$ (20,347)	\$ (9,665)	\$ (10,682)	110.52%	\$ 13,994	(40.75%)	
Unregulated activities	B	266	598	689	(91)	(13.25%)	332	125.02%	
Loss for the year		(34,075)	(19,749)	(8,976)	(10,773)	120.03%	14,326	(42.04%)	

Notes related to Table 13:

- A) Regulated activities loss has increased \$10.7 million when compared to prior year due to the factors as previously explained.
- B) Unregulated activities earnings has decreased by \$0.1 million when compared to prior year due to lower septage and leachate 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 nine (9) months ended December 31, 2025 (in thousands)

Report prepared by:	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Signed by: <i>Warren Brake</i></div> <hr style="border: 0; border-top: 1px solid black; margin-top: 5px;"/> Warren Brake, CPA, CGA Manager of Accounting (902) 719-4814
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HALIFAX WATER
UNAUDITED STATEMENT OF FINANCIAL POSITION - IFRS
DECEMBER 31, 2025 (in thousands)

December 31 (in thousands)	2025	2024	March 31 2025	From Prior Year \$ Change	% Change
Assets					
Current					
Cash and cash equivalents	\$ 99,927	\$ 82,461	\$ 73,126	\$ 17,466	21.2%
Receivables					
Customer charges and contractual	18,213	17,442	21,851	771	4.4%
Unbilled service revenues	23,621	22,467	22,019	1,154	5.1%
Inventory	2,472	2,617	2,530	(145)	(5.6%)
Prepays	1,297	1,286	2,178	11	0.8%
	145,529	126,273	121,704	19,257	15.2%
Employee benefit surplus (obligations)	977	(3,181)	1,053	4,158	(130.7%)
Intangible assets	39,318	34,622	42,855	4,697	13.6%
Capital work in progress	196,451	189,940	115,627	6,511	3.4%
Utility plant in service	1,301,044	1,279,902	1,345,901	21,142	1.7%
Total assets	1,683,321	1,627,556	1,627,140	55,765	3.4%
Regulatory deferral account	1,709	1,901	1,852	(192)	(10.1%)
Total assets and regulatory deferral account	\$ 1,685,030	\$ 1,629,457	\$ 1,628,992	\$ 55,573	3.4%
Liabilities					
Current					
Payables and accruals					
Trade	35,660	21,174	35,898	14,485	68.4%
Non-trade	5,860	4,205	6,430	1,656	39.4%
Interest on long term debt	1,718	1,555	4,061	164	10.5%
Halifax Regional Municipality	2,055	1,288	4,459	766	(59.5%)
Contractor and customer deposits	1,528	1,296	1,447	232	17.9%
Current portion of deferred contributed capital	19,249	19,260	19,249	(11)	(0.1%)
Current portion of long term debt	25,940	32,881	32,881	(6,941)	(21.1%)
Unearned revenue	4,336	3,958	442	378	9.5%
	96,345	85,617	104,865	10,728	12.5%
Deferred contributed capital	964,806	937,009	951,883	27,797	3.0%
Long term debt	315,642	260,067	260,129	55,574	21.4%
Total liabilities	1,376,792	1,282,693	1,316,877	94,099	7.3%
Equity					
Accumulated other comprehensive loss	66,923	60,395	66,923	6,528	10.8%
Accumulated surplus	241,314	286,368	245,192	(45,054)	(15.7%)
Total equity	308,237	346,763	312,115	(38,526)	(11.1%)
Total liabilities and equity	\$ 1,685,030	\$ 1,629,457	\$ 1,628,992	\$ 55,573	3.4%

HALIFAX WATER
UNAUDITED STATEMENT OF FINANCIAL POSITION - NSRAB
DECEMBER 31, 2025 (in thousands)

December 31 (in thousands)	2025	2024	March 31 2025	From Prior Year \$ Change	% Change
Assets					
Current					
Cash and cash equivalents	\$ 99,927	\$ 82,461	\$ 73,126	\$ 17,466	21.2%
Receivables					
Customer charges and contractual	18,213	17,442	21,851	771	4.4%
Unbilled service revenues	23,621	22,467	22,019	1,154	5.1%
Inventory	2,472	2,617	2,530	(145)	(5.6%)
Prepays	1,297	1,286	2,178	11	0.8%
	<u>145,529</u>	<u>126,273</u>	<u>121,704</u>	<u>19,257</u>	<u>15.2%</u>
Utility plant in service	1,391,735	1,357,616	1,436,849	34,119	2.5%
Capital work in progress	196,451	189,940	115,627	6,511	3.4%
Total assets	<u>1,733,716</u>	<u>1,673,829</u>	<u>1,674,180</u>	<u>59,887</u>	<u>3.6%</u>
Regulatory deferral account	1,709	1,901	1,852	(192)	(10.1%)
Total assets and regulatory deferral account	\$ 1,735,425	\$ 1,675,730	\$ 1,676,032	\$ 59,695	3.6%
Liabilities					
Current					
Payables and accruals					
Trade	35,660	21,174	35,900	14,485	68.4%
Non-trade	5,860	4,205	6,430	1,656	39.4%
Interest on long term debt	1,718	1,555	4,061	164	10.5%
Halifax Regional Municipality	2,055	1,288	4,459	766	59.5%
Contractor and customer deposits	1,528	1,296	1,447	232	17.9%
Current portion of long term debt	25,940	32,881	32,881	(6,941)	(21.1%)
Unearned revenue	4,336	3,958	442	378	9.5%
	<u>77,096</u>	<u>66,357</u>	<u>85,619</u>	<u>10,739</u>	<u>16.2%</u>
Long term debt	315,642	260,067	260,129	55,574	21.4%
Deferred contributions	158,879	120,120	130,596	38,759	32.3%
Total liabilities	<u>551,617</u>	<u>446,544</u>	<u>476,344</u>	<u>105,073</u>	<u>23.5%</u>
Equity					
Accumulated capital surplus	1,195,135	1,214,091	1,191,266	(18,956)	(1.6%)
Accumulated operating surplus	(3,958)	11,690	11,690	(15,649)	(133.9%)
Operating surplus used to fund capital	12,380	12,380	12,380	0	0.0%
Deficiency of revenues over expenditures	(19,749)	(8,976)	(15,648)	(10,773)	120.0%
Total equity	<u>1,183,808</u>	<u>1,229,185</u>	<u>1,199,688</u>	<u>(45,377)</u>	<u>(3.7%)</u>
Total liabilities and equity	\$ 1,735,425	\$ 1,675,730	\$ 1,676,032	\$ 59,695	3.6%

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - ALL SERVICES - NSRAB
APRIL 1, 2025 - DECEMBER 31, 2025 (9 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 75.00%

	ACTUAL YEAR TO DATE THIS YEAR '000	ACTUAL YEAR TO DATE LAST YEAR '000	APR 1/25 MAR 31/26 BUDGET '000	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year \$ Change	% Change	Actual to Budget \$ Remaining	% Remaining
Operating revenues								
Water	\$ 42,760	\$ 41,971	\$ 56,210	76.07%	\$ 788	1.88%	\$ (13,450)	(23.93%)
Wastewater	69,603	67,438	90,770	76.68%	2,165	3.21%	(21,167)	(23.32%)
Stormwater site generated service	6,429	6,416	8,865	72.52%	13	0.21%	(2,436)	(27.48%)
Stormwater right of way service	4,887	4,887	6,515	75.00%	0	0.00%	(1,628)	(25.00%)
Fire protection (public and private)	7,400	7,355	9,794	75.56%	45	0.62%	(2,394)	(24.44%)
Other services and fees	1,425	1,440	1,340	106.31%	(15)	(1.05%)	85	6.31%
Late payment and other connection fees	438	408	589	74.37%	30	7.36%	(151)	(25.63%)
Miscellaneous	398	525	534	74.50%	(127)	(24.24%)	(136)	(25.50%)
	133,339	130,439	174,617	76.36%	2,900	2.22%	(41,278)	(23.64%)
Operating expenditures								
Water supply and treatment	11,314	10,962	16,146	70.07%	352	3.21%	(4,832)	(29.93%)
Water transmission and distribution	13,005	10,189	16,910	76.91%	2,816	27.64%	(3,905)	(23.09%)
Wastewater collection	11,326	11,139	15,530	72.93%	187	1.68%	(4,204)	(27.07%)
Stormwater collection	4,501	4,578	6,969	64.59%	(77)	(1.69%)	(2,468)	(35.41%)
Wastewater treatment	20,951	18,644	28,640	73.15%	2,308	12.38%	(7,689)	(26.85%)
Information and technology services	12,662	10,778	16,625	76.16%	1,884	17.48%	(3,963)	(23.84%)
Engineering services	2,908	2,665	5,813	50.03%	243	9.13%	(2,905)	(49.97%)
Environment health and safety services	4,432	3,805	5,359	82.70%	627	16.49%	(927)	(17.30%)
Customer services	3,627	3,346	5,186	69.94%	281	8.41%	(1,559)	(30.06%)
Corporate services	2,688	2,907	4,255	63.17%	(219)	(7.54%)	(1,567)	(36.83%)
Administration services	5,182	3,866	7,647	67.77%	1,316	34.05%	(2,465)	(32.23%)
Depreciation and amortization	31,459	28,565	39,924	78.80%	2,894	10.13%	(8,464)	(21.20%)
	124,056	111,443	169,004	73.40%	12,612	11.32%	(44,948)	(26.60%)
Earnings from operations before financial and other revenues and expenditures	9,283	18,995	5,613	165.38%	(9,712)	(51.13%)	3,670	65.38%
Financial and other revenues								
Interest	93	253	468	19.89%	(160)	(63.18%)	(375)	(80.11%)
Other	396	475	617	64.23%	(79)	(16.59%)	(221)	(35.77%)
	489	728	1,085	45.11%	(238)	(32.76%)	(596)	(54.89%)
Financial and other expenditures								
Interest	169	174	323	52.47%	(5)	(2.86%)	(153)	(47.53%)
Interest on long term debt	8,198	6,600	12,291	66.70%	1,599	24.22%	(4,093)	(33.30%)
Repayment on long term debt	15,406	16,404	20,514	75.10%	(998)	(6.08%)	(5,108)	(24.90%)
Amortization of debt discount	224	182	279	80.20%	42	23.08%	(55)	(19.80%)
Dividend/grant in lieu of taxes	5,427	5,237	7,236	75.00%	190	3.63%	(1,809)	(25.00%)
Other	97	102	130	74.32%	(5)	(5.11%)	(33)	(25.68%)
	29,522	28,699	40,773	72.40%	823	2.87%	(11,252)	(27.60%)
Earnings (loss) for the year	\$ (19,749)	\$ (8,976)	\$ (34,075)	57.96%	\$ (10,773)	120.03%	\$ 14,326	(42.04%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WASTEWATER - NSRAB
APRIL 1, 2025 - DECEMBER 31, 2025 (9 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 75.00%

	ACTUAL		APR 1/25 MAR 31/26 BUDGET	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000			\$ Change	% Change	\$ Remaining	% Remaining
Operating revenues - Wastewater								
Wastewater	\$ 69,603	\$ 67,438	\$ 90,770	76.68%	\$ 2,165	3.21%	\$ (21,167)	(23.32%)
Leachate and other contract revenue	332	390	323	102.78%	(58)	(14.94%)	9	2.78%
Septage tipping fees	611	679	572	106.78%	(68)	(10.06%)	39	6.78%
Overstrength surcharge	154	118	0	0.00%	36	30.69%	154	0.00%
Airplane effluent	137	69	105	130.45%	68	98.84%	32	30.45%
Late payment and other connection fees	234	221	207	112.96%	13	5.93%	27	12.96%
Miscellaneous	118	124	233	50.45%	(7)	(5.50%)	(115)	(49.55%)
	71,188	69,039	92,210	77.20%	2,149	3.11%	(21,022)	(22.80%)
Operating expenditures - Wastewater								
Wastewater collection	11,326	11,139	15,530	72.93%	187	1.68%	(4,204)	(27.07%)
Wastewater treatment	20,951	18,644	28,640	73.15%	2,308	12.38%	(7,689)	(26.85%)
Information and technology services	5,943	4,753	7,797	76.22%	1,190	25.03%	(1,854)	(23.78%)
Engineering services	1,469	1,411	2,823	52.02%	58	4.11%	(1,354)	(47.98%)
Environment health and safety services	1,436	1,283	1,763	81.47%	153	11.95%	(327)	(18.53%)
Customer services	1,631	1,511	2,338	69.78%	120	7.95%	(707)	(30.22%)
Corporate services	1,185	1,282	1,996	59.39%	(97)	(7.54%)	(811)	(40.61%)
Administration services	2,277	1,729	3,372	67.51%	547	31.66%	(1,095)	(32.49%)
Depreciation and amortization	15,156	13,543	20,850	72.69%	1,613	11.91%	(5,694)	(27.31%)
	61,374	55,295	85,109	72.11%	6,080	10.99%	(23,734)	(27.89%)
Earnings from operations before financial and other revenues and expenditures	9,814	13,744	7,101	138.20%	(3,931)	(28.60%)	2,713	38.20%
Financial and other revenues								
Interest	61	93	172	35.49%	(32)	(34.28%)	(111)	(64.51%)
Other	85	74	140	60.72%	11	14.99%	(55)	(39.28%)
	146	167	313	46.80%	(21)	(12.45%)	(166)	(53.20%)
Financial and other expenditures								
Interest on long term debt	3,274	2,954	5,287	61.92%	320	10.82%	(2,013)	(38.08%)
Repayment on long term debt	7,512	9,440	9,942	75.56%	(1,928)	(20.43%)	(2,430)	(24.44%)
Amortization of debt discount	101	86	126	80.78%	16	18.25%	(24)	(19.22%)
Dividend/grant in lieu of taxes	674	628	898	75.00%	45	7.20%	(225)	(25.00%)
Other	8	8	15	50.46%	0	0.00%	(7)	(49.54%)
	11,569	13,116	16,267	71.12%	(1,548)	(11.80%)	(4,699)	(28.88%)
Earnings (loss) for the year	\$ (1,608)	\$ 795	\$ (8,853)	18.17%	(2,404)	(302.29%)	\$ 7,245	(81.83%)

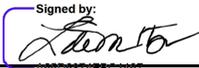
HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - STORMWATER - NSRAB
APRIL 1, 2025 - DECEMBER 31, 2025 (9 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 75.00%

	ACTUAL YEAR TO DATE THIS YEAR '000	ACTUAL YEAR TO DATE LAST YEAR '000	APR 1/25 MAR 31/26 BUDGET '000	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year \$ Change	% Change	Actual to Budget \$ Remaining	% Remaining
Operating revenues - Stormwater								
Stormwater site generated service	\$ 6,429	\$ 6,416	\$ 8,865	72.52%	\$ 13	0.21%	\$ (2,436)	(27.48%)
Stormwater right of way service	4,887	4,887	6,515	75.00%	0	0.00%	(1,628)	(25.00%)
Late payment and other connection fees	61	51	180	34.04%	11	21.15%	(119)	(65.96%)
Miscellaneous	37	138	67	55.87%	(100)	(72.85%)	(30)	(44.13%)
	11,414	11,491	15,627	73.04%	(76)	(0.66%)	(4,213)	(26.96%)
Operating expenditures - Stormwater								
Stormwater collection	4,501	4,578	6,969	64.59%	(77)	(1.69%)	(2,468)	(35.41%)
Information and technology services	514	528	678	75.76%	(14)	(2.73%)	(164)	(24.24%)
Engineering services	419	420	973	43.05%	(1)	(0.21%)	(554)	(56.95%)
Environment health and safety services	1,632	1,262	2,020	80.78%	370	29.34%	(388)	(19.22%)
Customer services	146	128	203	71.85%	18	13.81%	(57)	(28.15%)
Corporate services	132	142	173	76.13%	(11)	(7.54%)	(41)	(23.87%)
Administration services	250	200	375	66.66%	50	24.71%	(125)	(33.34%)
Depreciation and amortization	2,677	2,467	3,948	67.81%	210	8.52%	(1,271)	(32.19%)
	10,270	9,726	15,339	66.96%	544	5.60%	(5,069)	(33.04%)
Earnings from operations before financial and other revenues and expenditures	1,144	1,765	288	396.68%	(621)	(35.17%)	856	296.68%
Financial and other expenditures								
Interest	169	174	323	52.47%	(5)	(2.86%)	(153)	(47.53%)
Interest on long term debt	1,064	844	1,520	70.02%	220	26.09%	(456)	(29.98%)
Repayment on long term debt	1,801	1,786	2,269	79.35%	15	0.85%	(469)	(20.65%)
Amortization of debt discount	26	20	34	75.72%	6	27.71%	(8)	(24.28%)
Dividend/grant in lieu of taxes	135	133	180	75.00%	2	1.42%	(45)	(25.00%)
	3,195	2,968	4,327	73.86%	238	8.05%	(1,131)	(26.14%)
Earnings (loss) for the year	\$ (2,051)	\$ (1,192)	\$ (4,038)	50.79%	\$ (859)	72.01%	\$ 1,987	(49.21%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB
APRIL 1, 2025 - DECEMBER 31, 2025 (9 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 75.00%

	ACTUAL YEAR TO DATE THIS YEAR '000	LAST YEAR '000	APR 1/25 MAR 31/26 BUDGET	ACTUAL YEAR TO DATE as % of BUDGET	From Prior Year \$ Change	% Change	Actual to Budget 33 % Remaining
UNREGULATED ACTIVITIES							
Operating revenues							
Septage tipping fees	\$ 611	\$ 679	\$ 572	106.78%	\$ (68)	(10.06%)	39
Leachate and other contract revenue	332	390	323	102.78%	(58)	(14.94%)	9
Airplane effluent	137	69	105	130.45%	68	98.84%	32
	1,080	1,138	1,000	107.97%	(59)	(5.14%)	80
Operating expenditures							
Water supply and treatment	(1)	3	0	0.00%	(3)	(119.86%)	(1)
Wastewater treatment	541	614	915	59.17%	(73)	(11.86%)	(374)
Wastewater collection	37	44	62	59.35%	(7)	(15.16%)	(25)
Sponsorships and donations	54	34	80	68.08%	20	58.69%	(26)
Corporate services	23	13	13	173.67%	9	69.76%	10
Administration services	74	84	97	76.52%	(9)	(11.11%)	(23)
Depreciation and amortization	43	15	37	117.43%	29	192.17%	6
	772	806	1,204	64.15%	(34)	(4.23%)	(432)
Earnings from operations before financial and other revenues and expenditures	307	332	(204)	(150.71%)	(24)	(7.37%)	511
Financial and other revenues							
Other - leases and rentals	224	302	365	61.38%	(78)	(25.70%)	(141)
Other - energy projects	163	158	235	69.48%	5	3.47%	(72)
	387	459	600	64.55%	(72)	(15.69%)	(213)
Financial and other expenditures							
Other	97	102	130	74.32%	(5)	(5.11%)	(33)
	97	102	130	74.32%	(5)	(5.11%)	(33)
Earnings for the year - Unregulated	\$ 598	\$ 689	\$ 266	225.02%	\$ (91)	(13.25%)	\$ 332
Total earnings (loss) for the year (Regulated and Unregulated)	\$ (19,749)	\$ (8,976)	\$ (34,075)	57.96%	\$ (10,773)	120.03%	\$ 14,326

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

SUBMITTED BY: 
Signed by:
A03D0074EBC1407...
Louis de Montbrun, CPA, CA, Director, Corporate Services/CFO


DocuSigned by:
0BC18707707F468...
Josh DeYoung, P.Eng., Director, Engineering & Capital Infrastructure

APPROVED: 
Signed by:
0C0B4AC816704F6...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: February 13, 2025

SUBJECT: **Capital results for the nine months ending December 31, 2025**

ORIGIN

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

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 December 31, 2025. The total budget available of \$368.2 million represents total approved budgets at December 31, 2025. Halifax Water has spent \$197.4 million on active projects.

The total capital budget remaining to be spent at December 31, 2025 is \$170.8 million. Total expenditures as a percentage of the total budget available is 53.6%. Expenditures in the

ITEM #4.2
Halifax Water Board
February 27, 2026

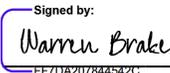
current fiscal year as a percentage of the opening cumulative unspent capital budget is 32.4%. To meet the CBS target of 45.0% will require additional expenditures of \$31.9 million. To meet the CBS target of \$135.0 million will require additional expenditures of \$53.2 million.

The average capital spend per month compared to the same timeframe in the prior year has increased from \$8.4 million to \$9.1 million.

Capital Expenditure Report

Budget Category	Total Budget Available	Expenditures to March 31, 2025	Expenditures April 1, 2025 to December 31, 2025	Total Expenditures to December 31, 2025	Remaining Budget Available as of December 31, 2025	Total Expenditures to December 31, 2025 as a Percentage of Total Budget Available
Active						
Water	\$ 83,886,480	\$ 19,606,236	\$ 20,353,434	\$ 39,959,670	\$ 43,926,810	47.6%
Wastewater	112,257,940	\$ 33,154,623	17,530,564	50,685,186	61,572,754	45.2%
Stormwater	34,170,864	\$ 6,856,357	8,701,891	15,558,248	18,612,616	45.5%
Corporate	135,869,177	\$ 56,009,997	30,621,643	86,631,641	49,237,536	63.8%
District Energy	1,075,000	-	3,616,160	3,616,160	(2,541,160)	336.4%
	\$ 367,259,461	\$ 115,627,212	\$ 80,823,693	\$ 196,450,905	\$ 170,808,556	53.5%
Closed						
Water	\$ 888,084		\$ 888,084	\$ 888,084	\$ -	
Wastewater	107,112		107,112	107,112	-	
Stormwater	124		124	124	-	
Corporate	-		-	-	-	
District Energy	-		-	-	-	
	\$ 995,320	\$ -	\$ 995,320	\$ 995,320	\$ -	
Total	\$ 368,254,782	\$ 115,627,212	\$ 81,819,013	\$ 197,446,226	\$ 170,808,556	53.6%

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, 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 and invoicing is received and processed, especially on HRM integrated works.

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

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

SUBMITTED BY: 
Signed by:
Kenda MacKenzie
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Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: February 19, 2026

SUBJECT: **Proposed Annual Business Plan for 2026/27**

ORIGIN

Annual operational requirement in accordance with *Halifax Regional Water Commission Act*, and Halifax Regional Municipality Administrative Order 2018-001-ADM

RECOMMENDATION

That the Halifax Water Board:

1. Approve the 2026/27 Annual Business Plan as attached to this report subject to non-substantive corrections and amendments, and
2. Direct the General Manager to submit the final 2026/27 Annual Business Plan to Halifax Regional Council for their approval.

BACKGROUND

Halifax Water develops both long-term and short-term business plans for the board's approval. In 2025/26 Halifax Water's Board approved the five-year business strategy. This established the objectives and strategic initiatives that the organization will achieve by 2030. At the same time, the Board approved the 2025/26 Annual Business Plan, which was the first year of the 5-year strategy. As Halifax Water moves into the second year of the strategy, the leadership team has developed the 2026/27 Annual Business Plan. As with year one, this annual plan outlines a number of goals that have been established that are designed to advance each of the 5-year strategic initiatives.

DISCUSSION

The 2026/27 Annual Business Plan translates the strategic direction into clear priorities and actions for the year ahead. It builds on the foundational work completed in 2025/26 and continues the focus on strengthening organizational capability while embedding a culture of accountability and continuous improvement across the utility.

Our approach continues to be informed by the directives and guidance received through our most recent General Rate Application to the Nova Scotia Regulatory Appeals Board (NSRAB), which align closely with our established five-year priorities and reinforce the importance of strong governance, leadership, and operational resilience.

In 2026/27, Halifax Water will focus on improving asset management practices, enhancing service delivery, and strengthening overall organizational resilience to respond effectively to current demands, growth pressures, and emerging risks. These efforts are structured around four strategic pillars that balance workforce capacity, public and environmental safety, financial stewardship, and operational performance.

We remain committed to creating an organization that is more engaged, resilient, and innovative. This approach will help Halifax Water maintain trust and deliver for our customers and the community.

Halifax Water remains committed to fulfilling its mandate as a public utility and to serving the people of Halifax in a safe, reliable, and financially responsible manner. Delivering on the commitments outlined in this plan will require disciplined execution, sound governance, and clear accountability across the organization's leadership and management.

ALTERNATIVES

- 1) The Halifax Water Board does not approve the 2026/27 Annual Business Plan and request staff undertake revisions to the plan.

The alternative is not recommended, as it informs and supports operational programming and capital delivery for the upcoming fiscal year, 2026/27.

ATTACHMENTS

1. 2026/27 Annual Business Plan
2. Halifax Water 5-year Business Strategy

Report Prepared by:

Signed by:
Kenda MacKenzie

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



VALUE, SERVICE AND SUSTAINABILITY

Meeting the Needs of our Customers & Community

2026/27 Annual Business Plan



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DRAFT PENDING APPROVAL BY
THE BOARD OF COMMISSIONERS
ON FEBRUARY 27, 2026

INTRODUCTION

Message from the General Manager

As we enter fiscal year 2026/27, Halifax Water is beginning the second year of its five-year strategic plan, Halifax Water 2030. This plan establishes a clear direction to strengthen long term resilience, financial sustainability, and service excellence for the customers and communities we serve.

The 2026/27 Annual Business Plan translates that strategic direction into clear priorities and actions for the year ahead. It builds on the foundational work completed in 2025/26 and continues the focus on strengthening organizational capability while embedding a culture of accountability and continuous improvement across the utility.

Decision-making remains guided by clear principles—accountability, transparency, and cost-effectiveness—to ensure reliable services are delivered while customer dollars are managed responsibly.

Our approach continues to be informed by the directives and guidance received through our most recent General Rate Application to the Nova Scotia Regulatory Appeals Board (NSRAB), which align closely with our established five-year priorities and reinforce the importance of strong governance, leadership, and operational resilience.

In 2026/27, Halifax Water will focus on improving asset management practices, enhancing service delivery, and strengthening overall organizational resilience to respond effectively to current demands, growth pressures, and emerging risks. These efforts are structured around four strategic pillars that balance workforce capacity, public and environmental safety, financial stewardship, and operational performance.

We are strengthening our workforce by attracting and developing skilled employees, supporting health and wellbeing, and preparing future leaders to ensure services can be delivered safely and reliably over the long term. We are protecting public health, community safety, and the environment through longterm water planning, enhanced emergency preparedness, improved system security, reduced water loss, and strengthened workplace and cyber safety. We are managing customer dollars

responsibly by carefully planning infrastructure investments, improving financial oversight, strengthening governance, and meeting regulatory requirements while considering affordability. At the same time, we are improving service reliability by strengthening operational resilience, standardizing key processes, planning for growth, and using data and technology to improve efficiency and performance.

These priorities are supported by a significant multiyear capital infrastructure program that is essential to maintaining reliable service and accommodating regional growth. Major initiatives including the Burnside Operations Centre, the Water Supply Enhancement Program, the Biosolids Facility Upgrade Project, and the Mill Cove Wastewater Facility—will continue to advance in the year ahead and remain critical to the longterm sustainability of the utility.

Looking ahead, maintaining Halifax Water's financial viability will require submitting another General Rate Application to the NSRAB by September 2026. This application will focus on fiscals 2027/28 and 2028/29, and will support the utility's ability to address aging infrastructure, growth related demands, and evolving regulatory expectations in a planned and transparent manner.

Our success also depends on our ability to attract and retain a skilled workforce within a diverse and inclusive environment that prioritizes both physical and psychological health and safety.

Halifax Water remains committed to fulfilling its mandate as a public utility and to serving the people of Halifax in a safe, reliable, and financially responsible manner. Delivering on the commitments outlined in this plan will require disciplined execution, sound governance, and clear accountability across the organization's leadership and management.

Kenda MacKenzie
General Manager and CEO
Halifax Water

BUSINESS PLAN FOR FISCAL 2026/2027

Halifax Water is an integrated water, wastewater, stormwater and district energy service utility that serves more than **111,000** customers in the Halifax Regional Municipality. This document outlines the utility's fiscal 2026/27 business plan, which officially begins on April 1, 2026.

For 2026/27, Halifax Water has developed a plan that addresses growth challenges, aging infrastructure, and customers' evolving requirements. This plan focuses on ensuring Halifax Water customers receive quality service and that the utility's employees are empowered and supported with the required resources.

OUR PURPOSE

To supply and safeguard sustainable, high-quality water services.

VISION

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

VALUES

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

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

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

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

OUR 4 PILLARS



People

Objective

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



Environment, Health, Safety & Social Responsibility

Objective

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



Financial & Regulatory Compliance

Objective

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



Operational Effectiveness

Objective

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

People

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Build a psychologically safe and engaged workplace culture that attracts, develops, and retains talent	Track the implementation progress of the Psychological Health and Safety strategy and incorporate it into the safety management system by Q4.	Building a psychologically strengthens the organization's ability to prevent psychological injury, reduce risks, and boost engagement by creating clearer expectations and consistent practices for leaders. Employees will feel more supported and empowered, leading to better retention, stronger collaboration, and a more resilient, high-performing culture.	Integrating this work into the Safety Management System will embed psychological health and safety as a core organizational value rather than an add-on, reinforcing compliance with national standards and supporting leaders in creating safe, respectful, and trust-based environments.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Implement an effective leadership framework that defines and guides all employees at Halifax Water	Continue to enhance career development through a leadership framework that offers opportunities for self-improvement and sets a clear understanding of roles and expectations that empower and embody leadership at Halifax Water, by Q2.	A well-defined framework provides consistent guidance for self-improvement, supports equitable development opportunities, and aligns individual growth with organizational values. This will help ensure all employees have a clear understanding of leadership expectations and the skills required to succeed at Halifax Water.	As employees gain greater confidence and understanding of expectations, the organization will benefit from stronger engagement, improved performance, and a culture that embodies leadership at all levels. It will empower employees, create more consistent leadership behaviours, and improve readiness for future roles.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
<p>Execute the talent management strategy through collaborative partnerships with organizational leaders.</p>	<p>Begin implementing the Strategic Recruitment and Attraction plan, with priority initiatives for 2026/27, by Q1.</p>	<p>Implementing a consistent, future-focused approach to attracting, developing, and retaining talent across the organization is essential. It will enable the organization to strengthen its employer brand, streamline hiring processes, and embed successful talent practices.</p>	<p>Strengthens alignment between talent needs and recruitment, enabling continued high quality hires, more proactive workforce planning, and a stronger employer brand that supports inclusive hiring, organizational agility, and long-term workforce sustainability.</p>
	<p>Identify and provide development opportunities for future leaders, including establishing a mentorship program for those potentially moving into leadership positions, by Q3.</p>	<p>This is essential to sustaining organizational capability and ensuring smooth transitions in key roles. Establishing a mentorship program and targeted development opportunities enables emerging leaders to build the skills, confidence, and relationships needed to succeed.</p>	<p>Developing career pathways and a structured mentorship program will improve leadership readiness, strengthen retention, and enhance internal mobility. As future leaders gain clarity on growth opportunities, the organization benefits from greater stability, increased engagement, and a more resilient leadership bench aligned with long-term strategic needs.</p>

DRAFT PENDING APPROVAL BY THE BOARD OF DIRECTORS ON FEBRUARY 21, 2025

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
<p>Enhance the employee experience by improving touch points throughout an employee's career</p>	<p>Develop and launch a framework to identify and mitigate potential resource gaps related to critical roles by Q3.</p>	<p>Identifying gaps in critical roles strengthens workforce planning and helps leaders proactively manage risks that could impact operations or employee experience. This work is a continuation of the succession planning work started in 2025/26.</p>	<p>The organization will improve continuity, reduce operational risk, and create a more predictable and supportive employee experience. Ultimately, this work enhances retention, strengthens capability across teams, and supports longer-term workforce planning initiatives.</p>
	<p>Define key metrics for succession planning and establish processes for monitoring and reporting, by Q4.</p>	<p>Establishing succession planning metrics and processes for monitoring and reporting will strengthen the organization's ability to identify talent risks and development needs proactively. This work will support leaders in making informed decisions and enhancing the employee experience by ensuring more transparent and consistent career development pathways.</p>	<p>The organization will gain better visibility into talent readiness, reduce vulnerability in key roles, and create more predictable growth opportunities for employees. This leads to stronger leadership continuity, improved retention, and a more engaged, future-ready workforce.</p>

DRAFT PENDING APPROVAL BY THE BOARD OF DIRECTORS ON FEBRUARY 21, 2025

Environment, Health, Safety & Social Responsibility

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Strengthen our safety policies and procedures to ensure a safe working environment for all employees	Improve the Occupational Health and Safety (OHS) program by updating the OHS manual, enhancing incident reporting, and implementing safety metric measurement and tracking by Q4.	Updating the OHS manual, strengthening incident reporting, and improving safety metrics are necessary to ensure the Occupational Health and Safety program reflects current regulatory requirements, operational risks, and best practices. Enhanced data quality and consistent documentation enable the utility to proactively identify hazards, measure performance, and target safety improvements.	This work will strengthen the safety culture, reduce the likelihood and severity of workplace incidents, and support informed decision-making through reliable safety performance tracking. It will also improve regulatory compliance, transparency, and accountability while supporting a safer, healthier workforce.
	Begin implementing enhanced Fire Safety audits across all facilities by Q4.	Enhanced fire safety audits are required to systematically verify that fire protection systems and procedures remain effective, compliant, and aligned with operational risks across all facilities.	Implementing fire safety audits will reduce fire-related risk, improve emergency preparedness, and strengthen protection of employees, infrastructure, and critical water services while reinforcing a strong safety culture.
	Develop the first draft of the centralized Halifax Water Security Plan by Q4.	Developing the Halifax Water Security Plan establishes a formal, risk-based framework to identify, assess, and manage security threats to critical water infrastructure, personnel, and public health.	The Security Plan will strengthen protection of critical assets, improve preparedness and coordination across the organization, and provide a foundation for consistent security practices that support service continuity and regulatory confidence.
	Implement elements of the Electrical Safety program, including training, inspections, updated safe work practices, and electrical safety studies by Q4	Electrical hazards, including arcfash and energized work risks, present a high-severity safety exposure in water utility operations that requires a structured, risk-based approach to prevention and control	This initiative will reduce the risk of serious electrical incidents, improve worker competency and compliance, and strengthen protection of employees and critical infrastructure while embedding electrical safety as a core operational practice.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
<p>Implement an emergency management program that ensures business continuity to safeguard water supply, public health and the environment</p>	<p>Execute activities identified in the Emergency Management Strategic Plan (for fiscal 2026/27) by Q4.</p>	<p>This ensures the utility is prepared to respond effectively to emergencies that threaten water supply, public health, and critical operations. Proactive implementation strengthens coordination, clarifies roles, and embeds emergency readiness into day-to-day operations, while enhancing response.</p>	<p>This work will strengthen the safety culture, reduce the likelihood and severity of workplace incidents, and support informed decision-making through reliable safety performance tracking. It will also improve regulatory compliance, transparency, and accountability while supporting a safer, healthier workforce.</p>
	<p>Continue to enhance Halifax Water's cyber security preparedness by establishing measurable performance indicators, addressing ongoing Municipal Auditor General (MAG) recommendations and completing year 2 of the Halifax Water compliance roadmap by Q4.</p>	<p>Reduces vulnerabilities, ensures operational continuity, and demonstrates compliance with National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) and Audit recommendations, building trust with customers.</p>	<p>Implementation will improve response effectiveness, reduce service disruptions, and support business continuity during emergencies through trained staff, tested plans, and clear decision pathways. It will also enhance regulatory confidence, inter agency coordination, and public trust in the utility's ability to manage and recover from emergency events.</p>

DRAFT PENDING
 THE BOARD OF
 ON FEBRUARY 27, 2025

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
<p>Launch sustainability programs that recognize climate impacts and address the long-term viability of water resources, infrastructure, and environmental impacts</p>	<p>Develop an adaptive planning framework for the municipal drinking water supply by Q4.</p>	<p>Climate change, population growth, and infrastructure pressures create uncertainty that traditional water supply planning cannot adequately address. An adaptive planning framework enables the utility to plan for multiple future conditions and make timely, flexible decisions to maintain safe and reliable drinking water.</p>	<p>Improves water supply resilience, supports faster and more consistent decision-making during droughts or disruptions, and better aligns capital and operational investments with risk. It will also strengthen regulatory confidence and provide a foundation for ongoing, data-driven planning updates.</p>
	<p>Assess the existing dam management program to develop and implement a formal Dam Safety Management System that integrates into the integrated management system by Q4</p>	<p>Enhanced public, employee and environmental safety. Improved regulatory compliance and due diligence. Higher asset reliability.</p>	<p>A dam safety management system is designed to ensure the safe operation, maintenance, and monitoring of dams by minimizing failure risks, ensuring compliance, and aligning with organizational objectives.</p>
	<p>Review the current approach to water loss control, develop a plan to reduce water loss in the system, and begin implementing short-term actions by Q4.</p>	<p>Reducing water loss will lower production costs by reducing chemical and electricity use. It will also provide additional capacity to manage water during drought conditions for both production and distribution.</p>	<p>With aging infrastructure, rising operational costs and increased customer expectations, it is important to minimize loss in the system. Managing water loss is even more important in the face of climate change and the long-term viability of water resources.</p>
	<p>Explore opportunities for Demand Side Management by Q4</p>	<p>To improve system resilience, analyze future growth capacity, and potentially reduce or delay the need for costly infrastructure expansion, the utility must better understand how customer water use (demand) can be influenced, given increasing climate variability, peak demand pressures, and long-term supply constraints.</p>	<p>Exploring demand-side management opportunities will inform future conservation and pricing strategies, reduce peak and seasonal demand, and support sustainable water supply planning while maintaining side management opportunities will inform future conservation and pricing strategies, reduce peak and seasonal demand, and support sustainable water supply planning while maintaining reliable service for customers and potential capacity for growth.</p>

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Increase customer compliance through education and enforcement of the appropriate use of water, wastewater and stormwater systems	Enhance education and awareness plans, as well as internal processes and procedures, for various customer-related programs to increase customer compliance by Q4.	Proactive education and awareness programs, along with enhanced internal processes and procedures, promote more efficient water use, proper disposal practices, and effective stormwater management.	It helps prevent overuse, strain on the systems, and contamination risks, ensures consistent and effective wastewater treatment, and provides proper stormwater control. Informing customers about compliance with regulations and mandates helps foster a community-wide commitment to sustainable water system management.
	Develop a framework for a water service Backflow Prevention Retrofit program by Q4.	Cross-connections and backflow events pose a significant public health risk to the drinking water system, requiring a structured, consistent approach to identifying, prioritizing, and addressing retrofit needs.	Establishing a retrofit program framework will reduce the risk of contamination, improve system protection and regulatory assurance, and provide a clear foundation for phased implementation and customer engagement.

DRAFT PENDING APPROVAL BY THE BOARD OF COMMISSIONERS ON FEBRUARY 27, 2026

Financial & Regulatory Accountability

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Deliver the next IRP that will inform the organization's next five-year strategy, future annual plans, and long-term financial framework for operating and capital requirements	Advance the IRP Update Project, including system analysis and the development of regional servicing strategies by Q4.	This enables informed capital investment decisions, improves regional servicing efficiency, and strengthens the utility's ability to deliver reliable, sustainable services across systems over the long term.	The IRP is necessary to develop a coordinated, data-driven understanding of system needs and to align long-term servicing strategies with asset renewal, growth and compliance drivers.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Implement an enhanced project management framework to plan and deliver projects effectively	Continue improvements to capital project planning and delivery through process and software development by Q4.	Enhancing schedule and cost performance, strengthening governance and reporting, and improving the utility's ability to deliver capital projects reliably and efficiently.	It is essential to increase consistency, transparency, and decision-making effectiveness across an expanding and increasingly complex capital program.
	Enhance financial management processes to better inform budget, capital investment, and debt strategies by Q4.	Improved capital budgeting and capital spend forecasting will inform future rates required to fund depreciation and debt servicing costs.	Process improvements will provide more accuracy to ensure that costs are built into the rates at the appropriate time.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Adopt more effective internal processes and tools to support regulatory oversight	Address gaps identified from a review of Halifax Water's regulatory processes to help enhance the corporate governance framework and align with Industry best practices by Q4.	This alignment enhances organizational accountability, improves operational performance, and increases public and regulatory confidence in Halifax Water's long-term sustainability and service delivery.	Ensures a more up-to-date framework to support corporate governance for a modern water utility. It strengthens regulatory processes and aligns Halifax Water's governance framework, ensuring decisions are transparent, consistent, and grounded in industry best practices.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Adapt organizational processes to enhance financial management, accountability and corporate governance	File a General Rate Application for test years 2027/28 and 2028/29, to comply with NSRAB Directives to recover operating expenses, and maintain, repair, and upgrade aging infrastructure to ensure safe and reliable service, and to address financial deficit by Q3.	Rate applications help establish approved rates for customers. The resulting review and decisions by the NSRAB will provide Halifax Water with an open and transparent process for all customers as the organization seeks financial clarity on rates and service.	The rate application must be filed with the NSRAB and aligns with the revenue requirements for April 2027.

Operational Effectiveness

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Make prudent investments to improve system resiliency and reliability	Enhance Operational Resiliency by developing a Quality Management System (QMS) for both water and wastewater service delivery by Q4.	Increasing regulatory complexity, operational risk, and climate-driven variability require a systematic, risk-based approach to managing water and wastewater processes to ensure consistent service delivery.	Implementing a Quality Management System will strengthen operational resiliency by improving consistency, accountability, and continuous improvement across water and wastewater services, thereby supporting regulatory compliance and protecting public health.
	Continue to address corrective actions identified from the Boil Water Advisories and the Operational Resilience Program, with completion of the medium-term corrective actions by Q4.	Operational resilience and reliability. Improved customer confidence.	With aging infrastructure, we must have controls and processes in place to proactively program system improvements to address potential issues before they occur and be prepared when they do.
	Develop a project delivery strategy for upcoming major capital projects (Water Supply Project Upgrades and Mill Cove Wastewater Treatment Facility) by Q2.	Improves cost and schedule certainty, enhances risk management and accountability, and positions the utility to deliver these critical assets efficiently and compliantly while minimizing service disruption.	Establishes transparent governance, risk allocation, procurement approach, and resourcing plans tailored to project complexity, market conditions, and regulatory constraints.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Create a disciplined culture of accountability, continuous improvement, and risk mitigation	Develop standardized approaches for key Integrated Management System (IMS) processes and define continual improvement pathways using a certification-readiness framework by Q4.	Standardizing essential processes within the Integrated Management System creates a strong foundation for consistency, shared understanding, and scalable best practices, enabling programs to mature through structured continual improvement pathways.	Standardizing processes and establishing certification-readiness pathways will improve consistency, efficiency, and accountability while enabling sustainable, measurable improvements across integrated management programs.

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
Improve and support our relationships with customers	File an update to the Regional Development Charge (RDC) with the NSRAB, including the following: capital requirements, benefits to existing customers, and approaches to improving demand-side management, by Q2.	Updating RDC helps ensure that it reflects current capital costs and projects that support regional infrastructure needs. This helps mitigate the risk that the RDC is underfunded, based on the recent rate freeze.	Aligns with the NSRAB's directive to file an RDC update in July 2026.

DRAFT PENDING APPROVAL BY THE BOARD OF WATER AND SEWERAGE UTILITIES ON FEBRUARY 27, 2025

5Year Strategic Initiatives	Annual Goals for 2026/27	Impact/Outcome	Rationale
<p>Enhance our organizational decision-making processes to deliver more financially prudent and effective services</p>	<p>Align with provincial & municipal development intensification planning to understand the mid to long-term impacts on water, wastewater and stormwater infrastructure by Q4.</p>	<p>Supports proactive infrastructure planning, reduces servicing risks, and ensures capital investments are well timed, resilient, and coordinated with future development.</p>	<p>It is necessary to anticipate mid-to long-term growth patterns and understand their implications for infrastructure capacity and performance.</p>
	<p>Establish a foundational framework for Halifax Water that defines core services, service users, and service attributes, enabling identification of gaps and the required data to measure customer-focused Levels of Service (LOS) by Q4.</p>	<p>Leads to more predictable and consistent utility performance, improved customer trust and justification for operational and capital spending. It strengthens long-term planning, supports proactive asset management and helps deliver services efficiently while balancing cost, risk and performance.</p>	<p>Establishing levels of service provides a foundation for decision-making, ensures alignment with customer expectations and regulatory requirements and helps prioritize investments based on risk and service outcomes.</p>
	<p>Establish a strategy and implementation plan for data analytics, automation, and AI that support organizational objectives and enhance operational efficiency by Q2.</p>	<p>Leveraging data analytics will enable Halifax Water to transform raw data into actionable insights, improving forecasting, optimizing asset management, and reducing operational costs through data-driven decisions.</p>	<p>Developing a formal analytics strategy ensures Halifax Water leverages new and existing data as a strategic asset, supporting the organization's objectives and aligning with modern utility standards for efficiency and resilience.</p>

DRAFT FOR REVIEW
 THE BOARD OF DIRECTORS
 ON FEBRUARY 17, 2026

BUDGET SUMMARY

Capital Budget

Halifax Water proposes a total capital spending plan of \$164.6 million for 2026/27, comprising \$46.9 million in previously approved projects in progress and \$117.7 million in new investment. Appendix A provides detailed information on the capital budget and spending plan. Presenting the plan on a total capital spending basis enhances transparency and oversight, and improves alignment between approved budgets, actual expenditures, and project delivery schedules.

The 2026/27 capital budget aligns with the 30-year, \$2.7 billion (2019 net present value) Integrated Resource Plan (IRP), which identified an average annual investment requirement of \$135 million to support asset renewal, regulatory compliance, and growth. This budget reflects the ongoing challenge of increasing annual capital spending from \$61.4 million a decade ago to meet, and in some years exceed, the IRP target.

The development of the 2026/27 capital spending plan builds on the realignment of the Engineering and Capital Infrastructure Department and on the strengthening of organizational capacity to deliver the IRP program. This realignment has improved project planning and delivery, while further work on delivery strategies for large, complex projects will enhance project governance and alignment with utility objectives throughout the project life cycle.

The plan is grounded in a realistic assessment of delivery capacity, with investment levels adjusted for construction cost escalation and priority asset renewal needs. Projects have been deliberately selected and phased to manage delivery and financial risk, avoid over extension of internal resources, and support effective regulatory oversight. This approach promotes reliable performance against capital targets while advancing long-term service sustainability and reducing the risk of service interruptions.

Funding for the capital program will be provided through depreciation and debt, regional development charges, capital cost contributions, and external sources, including federal and provincial infrastructure programs and HRM cost sharing.

2026/2027 Capital Budget Funding Sources (in 000's)					
Funding Source	District Energy	Stormwater	Wastewater	Water	Totals
Depreciation	\$0	\$4,038.0	\$24,412.0	\$18,249.0	\$46,699.0
Debt	\$151.4	\$15,293.9	\$17,001.1	\$29,953.5	\$62,399.9
Regional Development Charge	\$0	\$0	\$4,349.4	\$369.7	\$4,719.1
External Funding	\$416.5	\$1,653	\$849.3	\$961.4	\$3,880.7
Capital Cost Contributions	\$0	\$0	\$0	\$0	\$0
TOTAL	\$567.9	\$20,985.4	\$46,611.8	\$49,533.6	\$117,698.7

Operating Budget

The operating budget for 2026/27 shows a budgeted surplus of \$1.4 million. The budget reflects requirements to maintain current service levels, deliver projects already in progress or approved, and address any changing environmental or regulatory requirements.

Operating Budget Summary

	Budget 2025/26	Budget 2026/27	From 2025/26 Budget	
	'000	'000	\$ Change	% Change
Operating revenues	174,617	220,337	45,720	26.18%
Operating expenditures	169,004	176,921	7,918	4.68%
Earnings from operations before financial and other revenues and expenditures	5,613	43,416	37,803	673.43%
Financial and other revenues				
Interest	468	250	(218)	(46.56%)
Other	617	700	83	13.42%
	1,085	950	(135)	(12.45%)
Financial and other expenditures				
Interest	323	450	127	39.45%
Interest on long term debt	12,291	13,426	1,135	9.23%
Repayment on long term debt	20,514	21,100	586	2.86%
Amortization of debt discount	279	305	26	9.21%
Dividend/grant in lieu of taxes	7,236	7,683	447	6.18%
Other	130	15	(115)	(88.48%)
	40,773	42,979	2,206	5.41%
Earnings (loss) for the year	\$ (34,075)	\$ 1,387	\$ 35,462	(104.07%)

Water services is budgeting a deficit \$0.2 million with wastewater services budgeting a surplus of \$1.2 million, and stormwater services budgeting a surplus of \$0.4 million for 2026/27.

Operating Budget Key Assumptions

Halifax Water's main revenue sources are derived from base and consumption charges. Of these charges, 81.1% is from consumption/discharge rates and 18.9% is from base charges. The 2026/27 Operating Budget is based on regulated rates and charges approved by the NSRAB effective April 1, 2026. For 2026/27, a 1.82% increase in total consumption has been assumed. New customer connections are estimated at 570 for water and 531 for wastewater services based on historical trends.

The increase in Halifax Water's operating costs was outlined in the General Rate Application (GRA) filed in May 2025 and has been adjusted based on the directives in the GRA decision issued in December 2025. Halifax Water has added 17 new positions to support customer growth, regulatory requirements, capital delivery, and infrastructure. Increases in unionized salary rates were based on collective agreements signed in 2024 with our two union locals and the non-union compensation will be based on our current non-union compensation policy.

Significant operations have increased in 2026/27. Energy costs for electricity, furnace oil and natural gas are budgeted to increase from 5% to 15%. The GRA decision directed Halifax Water to reduce its budgeted amount for chemical costs in 2025/26 and to limit the estimated increase in 2026/27 to 2.5%.

The budgets for depreciation and non-operating expenses, such as debt servicing and the dividend/grant in lieu of taxes paid to HRM, are developed based on capital spending and additions to utility plants in service. The dividend/grant in lieu of taxes has increased to \$7.7 million and the debt servicing costs have increased to \$34.5 million. The budget includes the issuance of \$90.0 million in new debt at an interest rate of 4.0%. Depreciation reflects the estimated increase in assets in 2025/26 and 2026/27 and has increased to \$44.6 million in 2026/27.

PERFORMANCE MEASUREMENT

Halifax Water has been utilizing a CBS to measure utility performance since 2001. The Halifax Water Board sets organizational indicators each year and reviews performance results. For 2026/27, these indicators are being revisited and presented to the Board for approval in March 2026.

DRAFT PENDING APPROVAL BY
THE BOARD OF COMMISSIONERS
ON FEBRUARY 27, 2026

APPENDIX A: 2026/27 CAPITAL BUDGET



Capital Budget Summary by Program 2026/27

Attachment 1

Program Category	Program Sub Category	All \$ in 000s	All \$ in 000s	All \$ in 000s
		Program Costs	Previously Approved	New Budget 2026/27
Corporate	Corporate - Asset Management	10,458	2,632	7,825
Corporate	Corporate - Energy	20	0	20
Corporate	Corporate - Engineering	10,270	1,810	8,460
Corporate	Corporate - Equipment	150	16	134
Corporate	Corporate - Facility Projects	23,125	16,096	7,029
Corporate	Corporate - Fleet	4,805	1,301	3,504
Corporate	Corporate - Information & Technology	21,119	0	21,119
Corporate	Corporate - Integrated	15,100	0	15,100
Corporate	TOTAL	85,047	21,855	63,192
District Energy Services	District Energy - Distribution	568	0	568
District Energy Services	TOTAL	568	0	568
Stormwater	Stormwater - Culverts/Ditches	7,030	382	6,648
Stormwater	Stormwater - Pipes	9,157	3,195	5,962
Stormwater	Stormwater - Structures	40	40	0
Stormwater	TOTAL	16,227	3,617	12,610
Wastewater	Wastewater - Collection System	15,276	3,699	11,576
Wastewater	Wastewater - Energy	140	0	140
Wastewater	Wastewater - Equipment	945	30	915
Wastewater	Wastewater - Forcemains	0		
Wastewater	Wastewater - Structures	10,304	6,500	3,804
Wastewater	Wastewater - Treatment Facility	8,344	1,918	6,426
Wastewater	Wastewater - Trunk Sewers	200	200	0
Wastewater	TOTAL	35,209	12,347	22,861
Water	Water - Distribution	8,530	3,373	5,157
Water	Water - Energy	100	0	100
Water	Water - Equipment	53	0	53
Water	Water - Land	88	88	0
Water	Water - Structures	9,809	812	8,997
Water	Water - Transmission	3,660	2,808	852
Water	Water - Treatment Facilities	5,285	1,976	3,309
Water	TOTAL	27,524	9,056	18,467
GRAND TOTAL		164,574	46,875	117,699

Capital Budget by Project 2026/27

Attachment 1

Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
				Capital Spend 2026/27	Previously Approved	New Budget 2026/27
Corporate - Asset Management						
Corporate	Corporate - Asset Management	2.000043	Corporate Flow Monitoring Program	2,330	164	2,166
Corporate	Corporate - Asset Management	2.0001074	SSO and CSO Management Program	475	475	0
Corporate	Corporate - Asset Management	3.0000644	Water Efficiency Strategy	100	100	0
Corporate	Corporate - Asset Management	4.0000113	Climate Change Management Program	175	0	175
Corporate	Corporate - Asset Management	4.0000156	Asset Management Program Roadmap Update – Implementation	175	127	48
Corporate	Corporate - Asset Management	4.0000158	Condition Assessment Program: Enhancement and Implementation	550	0	550
Corporate	Corporate - Asset Management	4.0000163	Annual Asset Management Plan Update	25	0	25
Corporate	Corporate - Asset Management	4.0000168	Model Enhancements	35	0	35
Corporate	Corporate - Asset Management	4.0000170	Integrated Resource Plan Update	1,400	1,400	0
Corporate	Corporate - Asset Management	4.0000275	Digital Twin – Data Extraction	100	0	100
Corporate	Corporate - Asset Management	4.0000308	Growth Servicing Strategy	275	275	0
Corporate	Corporate - Asset Management	4.0000318	Water Survey of Canada Hydro Monitoring	160	4	156
Corporate	Corporate - Asset Management	4.0000358	Sewer Inspection Program Review - Target State	650	86	564
Corporate	Corporate - Asset Management	4.0000359	AMP Continuous Improvement	53	0	53
Corporate	Corporate - Asset Management	4.0000440	AM Service Delivery Management	35	0	35
Corporate	Corporate - Asset Management	4.0000441	CCTV Sewer Condition Assessment	1,135	0	1,135
Corporate	Corporate - Asset Management	4.0000442	Trunk Sewer & Outfall Condition Program Development and Pilot	200	0	200
Corporate	Corporate - Asset Management	4.0000443	Transmission Main Condition Assessment Program 26/27	1,500	0	1,500
Corporate	Corporate - Asset Management	4.0000444	2026/27 AM Data & Technology Strategic Support – Implementation	500	0	500
Corporate	Corporate - Asset Management	4.0000445	Cross Culvert Condition Assessment Program	35	0	35
Corporate	Corporate - Asset Management	4.0000446	Safe Yield Program	320	0	320
Corporate	Corporate - Asset Management	4.0000449	Corporate Building Inventory	18	0	18
Corporate	Corporate - Asset Management	4.0000450	Lifecycle Strategy Enhancement	18	0	18
Corporate	Corporate - Asset Management	4.0000451	Critical Asset Inventory Enhancement	25	0	25
Corporate	Corporate - Asset Management	4.0000454	Capital Planning Process Improvement	170	0	170
Corporate	Corporate - Asset Management	Total		10,458	2,632	7,825
Corporate - Energy						
Corporate	Corporate - Energy	4.0000460	OAT Reset Controls Implementation (RPPS, DCPS, LMWSP)	20	0	20
Corporate	Corporate - Energy	Total		20	0	20
Corporate - Engineering						
Corporate	Corporate - Engineering	2.0001236	Collection System Structural Lining Program 2026/27	4,000	573	3,427
Corporate	Corporate - Engineering	3.0000819	Treatment Facilities - Condition Assessment - Small Systems WSPs and Community WWTF	500	0	500
Corporate	Corporate - Engineering	3.0000820	Treatment Facility Emergency Back-up Power Review	150	0	150
Corporate	Corporate - Engineering	4.0000416	Bayers Road Phase 2 Widening - Water Transmission Main Replacement and Sewer Separation	180	21	159
Corporate	Corporate - Engineering	4.0000424	Sullivan's Pond Phase 2, Part 2	4,300	715	3,675
Corporate	Corporate - Engineering	4.0000429	Port Wallace Utility Corridor	500	500	0
Corporate	Corporate - Engineering	4.0000464	Maynard Lake and Clement Wetland Separation	210	0	210
Corporate	Corporate - Engineering	4.0000466	Critical Telemetry Backup Power	140	0	140
Corporate	Corporate - Engineering	4.0000468	ICA Implementation	200	0	200
Corporate	Corporate - Engineering	Total		10,270	1,810	8,460
Corporate - Equipment						
Corporate	Corporate - Equipment	4.0000154	Customer Meters - New and Replacement	150	16	134
Corporate	Corporate - Equipment	Total		150	16	134
Corporate - Facility Projects						
Corporate	Corporate - Facility Projects	3.0000221	Energy Management Capital Program (Corporate)	125	125	0
Corporate	Corporate - Facility Projects	4.0000009	Security Upgrade Program (water and wastewater)	100	62	38
Corporate	Corporate - Facility Projects	4.0000077	Building Capital Improvements	1,200	698	502
Corporate	Corporate - Facility Projects	4.0000187	Burnside Operations Centre	21,700	15,211	6,489
Corporate	Corporate - Facility Projects	Total		23,125	16,096	7,029
Corporate - Fleet						
Corporate	Corporate - Fleet	4.0000007	Fleet Upgrade Program W	620	404	216
Corporate	Corporate - Fleet	4.0000316	Fleet Upgrade Program WWWSW	4,185	898	3,287
Corporate	Corporate - Fleet	Total		4,805	1,301	3,504
Corporate - Information & Technology						
Corporate	Corporate - Information & Technology	3.0000807	ORP - Operational Staffing Assessment & Strategy	500	0	500
Corporate	Corporate - Information & Technology	3.0000808	ORP - Drinking Water QMS Implementation	350	0	350
Corporate	Corporate - Information & Technology	3.0000809	ORP - Alarm Standardization Implementation	400	0	400
Corporate	Corporate - Information & Technology	3.0000810	ORP - SOPs, Emergency Exercises, Training	325	0	325
Corporate	Corporate - Information & Technology	3.0000811	ORP - Critical Spare Parts	325	0	325
Corporate	Corporate - Information & Technology	4.0000239	OT-Process-TS Work Tracking	50	0	50
Corporate	Corporate - Information & Technology	4.0000320	OT-Process-OT & Electrical Standards/Specifications	200	0	200
Corporate	Corporate - Information & Technology	4.0000365	Automated Equalized Overtime	299	0	299
Corporate	Corporate - Information & Technology	4.0000376	ERP Enhancements	400	0	400
Corporate	Corporate - Information & Technology	4.0000381	Aerial Imagery Acquisition 26-27	50	0	50
Corporate	Corporate - Information & Technology	4.0000382	GIS Data Automation 26-27	200	0	200
Corporate	Corporate - Information & Technology	4.0000383	Capital Delivery Upgrades PMO 26-27	750	0	750
Corporate	Corporate - Information & Technology	4.0000384	Capital Delivery Upgrades - EPP 26-27	800	0	800
Corporate	Corporate - Information & Technology	4.0000385	Capital Planning Upgrades - EPP 26-27	350	0	350
Corporate	Corporate - Information & Technology	4.0000386	ERP Upgrades 26-27	200	0	200
Corporate	Corporate - Information & Technology	4.0000389	PMO Improvements 26-27	860	0	860
Corporate	Corporate - Information & Technology	4.0000390	ORP - Incident Response Plans & Playbooks	625	0	625
Corporate	Corporate - Information & Technology	4.0000391	ORP - Enterprise Resiliency Assessments	500	0	500
Corporate	Corporate - Information & Technology	4.0000394	IT Asset Management	500	0	500
Corporate	Corporate - Information & Technology	4.0000395	Cyber Metrics Phase 1	124	0	124
Corporate	Corporate - Information & Technology	4.0000396	Endpoint Privileged Management	271	0	271
Corporate	Corporate - Information & Technology	4.0000397	CMMS Version23 Upgrade & preparation for Cloud Solution	650	0	650
Corporate	Corporate - Information & Technology	4.0000398	CMMS Strategy and Governance - Phase 2	350	0	350
Corporate	Corporate - Information & Technology	4.0000399	TUM - Asset Protection & Awareness Training	599	0	599

Capital Budget by Project 2026/27

Attachment 1

Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
				Capital Spend 2026/27	Previously Approved	New Budget 2026/27
Corporate	Corporate - Information & Technology	4.0000400	OT NIDS Enhancements	361	0	361
Corporate	Corporate - Information & Technology	4.0000402	TUM - Monitoring/Assessment & Vulnerability Management	599	0	599
Corporate	Corporate - Information & Technology	4.0000403	Contract Management and Vendor Performance Enhancements	120	0	120
Corporate	Corporate - Information & Technology	4.0000406	EMIS Replacement - Implementation	250	0	250
Corporate	Corporate - Information & Technology	4.0000411	OT-Lifecycle-OT OS Enhancements - Phase 1	600	0	600
Corporate	Corporate - Information & Technology	4.0000412	OT-Lifecycle-Harbour Solutions HMI Infrastructure Enhancements	200	0	200
Corporate	Corporate - Information & Technology	4.0000414	OT-Lifecycle-OT Facilities Enhancements	150	0	150
Corporate	Corporate - Information & Technology	4.0000417	Network Assessments	547	0	547
Corporate	Corporate - Information & Technology	4.0000419	OT Physical Security	258	0	258
Corporate	Corporate - Information & Technology	4.0000421	IS Infrastructure Upgrades 26-27	900	0	900
Corporate	Corporate - Information & Technology	4.0000422	Cyber Awareness Enhancements	167	0	167
Corporate	Corporate - Information & Technology	4.0000425	IS Equipment Replacement 26-27	800	0	800
Corporate	Corporate - Information & Technology	4.0000426	Service Gap Project 26-27	250	0	250
Corporate	Corporate - Information & Technology	4.0000427	Strategic Planning Business Cases 26-27	150	0	150
Corporate	Corporate - Information & Technology	4.0000428	GIS Schema Changes 26-27	100	0	100
Corporate	Corporate - Information & Technology	4.0000430	Integrated Management System 26-27	890	0	890
Corporate	Corporate - Information & Technology	4.0000431	Corporate Governance 26-27	860	0	860
Corporate	Corporate - Information & Technology	4.0000435	General IT System Upgrades 26-27	500	0	500
Corporate	Corporate - Information & Technology	4.0000437	OT-Lifecycle-Capital Tools 26-27	156	0	156
Corporate	Corporate - Information & Technology	4.0000438	OT-Lifecycle-AMI Comms Upgrade 26-27	180	0	180
Corporate	Corporate - Information & Technology	4.0000439	OT-Lifecycle-OT Enhancements 26-27	720	0	720
Corporate	Corporate - Information & Technology	4.0000448	OT-Lifecycle-Radio Network Replacement Program 26-27	250	0	250
Corporate	Corporate - Information & Technology	4.0000452	Comprehensive Emergency Management Program 26-27	700	0	700
Corporate	Corporate - Information & Technology	4.0000462	Enterprise Identity & Access Management	500	0	500
Corporate	Corporate - Information & Technology	4.0000465	Business Continuity Planning (Technology) - Discovery & Planning	984	0	984
Corporate	Corporate - Information & Technology	5.0000002	District Energy Model 26-27	250	0	250
Corporate	Corporate - Information & Technology	Total		21,119	0	21,119
Corporate	Corporate - Integrated					
Corporate	Corporate - Integrated	4.0000420	Integrated Projects All Services - Program 2026/27	15,100	0	15,100
Corporate	Corporate - Integrated	Total		15,100	0	15,100
Corporate	TOTAL			85,047	21,855	63,192
District Energy Services	District Energy - Distribution					
District Energy Services	District Energy - Distribution	5.0000001	Cogswell DES - Utility Development	568	0	568
District Energy Services	District Energy - Distribution	Total		568	0	568
District Energy Services	TOTAL			568	0	568
Stormwater	Stormwater - Culverts/Ditches					
Stormwater	Stormwater - Culverts/Ditches	1.0000104	Driveway Culvert Replacement Program	1,300	334	966
Stormwater	Stormwater - Culverts/Ditches	1.0000109	Cross Culvert Renewal Program 2026/27	5,500	18	5,482
Stormwater	Stormwater - Culverts/Ditches	1.0000279	Cross Culvert Replacement Program 26/27	200	0	200
Stormwater	Stormwater - Culverts/Ditches	1.0000325	Miller Lake Road @ Highway #2 Storm System Renewal	30	30	0
Stormwater	Stormwater - Culverts/Ditches	Total		7,030	382	6,648
Stormwater	Stormwater - Pipes					
Stormwater	Stormwater - Pipes	1.0000034	Raymond Street / Lakecrest Drive - Storm Sewer Replacement	2,892	0	2,892
Stormwater	Stormwater - Pipes	1.0000102	Manhole Renewals SW Program	10	7	3
Stormwater	Stormwater - Pipes	1.0000103	Catchbasin Renewals SW Program	75	19	56
Stormwater	Stormwater - Pipes	1.0000135	Lateral Replacements SW Program	10	0	10
Stormwater	Stormwater - Pipes	1.0000246	Oathill Lake Stormwater System Renewal	50	50	0
Stormwater	Stormwater - Pipes	1.0000321	Tobin Run Stormwater Renewal	675	675	0
Stormwater	Stormwater - Pipes	1.0000349	Windsor Street Exchange Redevelopment - Stormwater Infrastructure - Construction	4,000	998	3,002
Stormwater	Stormwater - Pipes	1.0000350	Farrell Street Storm Sewer Replacement	1,345	1,345	0
Stormwater	Stormwater - Pipes	1.0000355	Catchbasin Leads Replacement Program	100	100	0
Stormwater	Stormwater - Pipes	Total		9,157	3,195	5,962
Stormwater	Stormwater - Structures					
Stormwater	Stormwater - Structures	1.0000353	Flood List Access Improvements	40	40	0
Stormwater	Stormwater - Structures	Total		40	40	0
Stormwater	TOTAL			16,227	3,617	12,610
Wastewater	Wastewater - Collection System					
Wastewater	Wastewater - Collection System	2.0000223	Wet Weather Management Program	200	200	0
Wastewater	Wastewater - Collection System	2.0000357	Manhole Renewals WW	60	20	40
Wastewater	Wastewater - Collection System	2.0000358	Lateral Replacements WW (non-tree roots)	1,200	0	1,200
Wastewater	Wastewater - Collection System	2.0000563	Lateral Replacements WW (tree roots)	400	26	374
Wastewater	Wastewater - Collection System	2.0000679	College Street - Sewer Separation	2,610	0	2,610
Wastewater	Wastewater - Collection System	2.0000830	Eastern Passage RDII Reduction Program FMZ24 - Lake Loon	35	0	35
Wastewater	Wastewater - Collection System	2.0000831	Eastern Passage RDII Reduction Program FMZ37 - Eastern Passage	18	18	0
Wastewater	Wastewater - Collection System	2.0000835	Canal Street Separation	50	50	0
Wastewater	Wastewater - Collection System	2.0001036	Wastewater Reservicing - Hollis Street	280	43	237
Wastewater	Wastewater - Collection System	2.0001071	Raymond Street / Lakecrest Drive - Sanitary Sewer Replacement	1,203	438	765
Wastewater	Wastewater - Collection System	2.0001072	Sewer Separation Program	100	100	0
Wastewater	Wastewater - Collection System	2.0001130	Windmill Road Wastewater Repairs	35	35	0
Wastewater	Wastewater - Collection System	2.0001137	Young Avenue CN Bridge - Sewer Replacement	50	50	0
Wastewater	Wastewater - Collection System	2.0001182	Windsor Street Exchange Redevelopment - Wastewater Infrastructure - Construction	4,000	984	3,016
Wastewater	Wastewater - Collection System	2.0001196	Bedford RDII Reduction Program FMZ02 & 03	35	16	19
Wastewater	Wastewater - Collection System	2.0001220	Kempt Road Sewer Separation	5,000	1,719	3,281
Wastewater	Wastewater - Collection System	Total		15,276	3,699	11,576
Wastewater	Wastewater - Energy					
Wastewater	Wastewater - Energy	2.0000362	Energy Management Capital Program (Wastewater)	140	0	140
Wastewater	Wastewater - Energy	Total		140	0	140
Wastewater	Wastewater - Equipment					
Wastewater	Wastewater - Equipment	2.0000161	I&I Reduction Program Flow Meters and Related Equipment	30	30	0

Capital Budget by Project 2026/27

Attachment 1

Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
				Capital Spend 2026/27	Previously Approved	New Budget 2026/27
Wastewater	Wastewater - Equipment	2.0000451	Miscellaneous Equipment Replacement	100	0	100
Wastewater	Wastewater - Equipment	2.0001221	Old Lawrencetown PS Generator Replacement (East)	65	0	65
Wastewater	Wastewater - Equipment	2.0001226	Trenchless Tools/Equipment: Spot Repair Equipment Upgrades/Trailer upgrades	100	0	100
Wastewater	Wastewater - Equipment	2.0001232	Fish Hattery PS- Automatic Transfer Switch Replacement	100	0	100
Wastewater	Wastewater - Equipment	2.0001233	Operation Delivered CCTV and Cleaning for Asset Management	550	0	550
Wastewater	Wastewater - Equipment	Total		945	30	915
Wastewater	Wastewater - Structures					
Wastewater	Wastewater - Structures	2.0000005	Autoport Pleasant Street PS Replacement	500	500	0
Wastewater	Wastewater - Structures	2.0000420	Emergency Pumping Station Pump Replacements	500	282	218
Wastewater	Wastewater - Structures	2.0000444	Wastewater Pumping Station Component Replacement Program	200	169	31
Wastewater	Wastewater - Structures	2.0000660	Bissett PS Component Upgrade	100	100	0
Wastewater	Wastewater - Structures	2.0000665	CSO Upgrade Program	30	30	0
Wastewater	Wastewater - Structures	2.0000846	Quigleys Corner Pumping Station Upgrade	2,000	2,000	0
Wastewater	Wastewater - Structures	2.0000920	Herring Cove Pumping Station - Pump Replacements	1,150	0	1,150
Wastewater	Wastewater - Structures	2.0000978	Majestic Avenue PS Upgrades + FM Twinning	124	124	0
Wastewater	Wastewater - Structures	2.0001030	Duffus Street Pumping Station - Mechanical & Electrical Upgrades	2,000	2,000	0
Wastewater	Wastewater - Structures	2.0001032	Pier A Pumping Station - Mechanical Upgrades	1,000	1,000	0
Wastewater	Wastewater - Structures	2.0001076	Pump Station Quick Connects for Generators and Bypass pumps	250	250	0
Wastewater	Wastewater - Structures	2.0001115	Fall Protection Retro-Fit - Pumping Stations	50	0	50
Wastewater	Wastewater - Structures	2.0001194	Pump Station Hatch Replacements	45	45	0
Wastewater	Wastewater - Structures	2.0001219	Melville Cove PS Upgrades	100	0	100
Wastewater	Wastewater - Structures	2.0001222	Humber Park PS Upgrades	175	0	175
Wastewater	Wastewater - Structures	2.0001228	PS Control Panel / Electrical Replacement Program (Y1)	2,000	0	2,000
Wastewater	Wastewater - Structures	2.0001234	Kearney lake PS Electrical /Technical Upgrade	80	0	80
Wastewater	Wastewater - Structures	Total		10,304	6,500	3,804
Wastewater	Wastewater - Treatment Facility					
Wastewater	Wastewater - Treatment Facility	2.0000056	WWTFs - Plant Optimization Program	150	0	150
Wastewater	Wastewater - Treatment Facility	2.0000522	WWTFs Asset Renewal and Emergency Equipment Replacements/Repairs	650	0	650
Wastewater	Wastewater - Treatment Facility	2.0000668	WWTF - Research Program Pilot Plant	70	68	2
Wastewater	Wastewater - Treatment Facility	2.0000817	Mill Cove WWTF - Plant Upgrades	500	31	469
Wastewater	Wastewater - Treatment Facility	2.0000876	Halifax & Dartmouth WWTF - Raw Water Pump Refurbishment Program	125	0	125
Wastewater	Wastewater - Treatment Facility	2.0000907	WWTFs - Annual Centrifuge Rebuild Program	150	55	95
Wastewater	Wastewater - Treatment Facility	2.0000919	Biosolids Processing Facility - Gas Sensor Upgrade Program	20	0	20
Wastewater	Wastewater - Treatment Facility	2.0000931	Biosolids Processing Facility - Facility Upgrade - Construction & Commissioning	1,460	1,460	0
Wastewater	Wastewater - Treatment Facility	2.0001023	WWTFs - Critical Electrical Equipment Refurbishment Program	600	0	600
Wastewater	Wastewater - Treatment Facility	2.0001047	Dartmouth WWTF - OCS - Refurbishment - Canisters & Components	35	0	35
Wastewater	Wastewater - Treatment Facility	2.0001081	WWTFs - Critical Spare Parts Program	500	0	500
Wastewater	Wastewater - Treatment Facility	2.0001098	Eastern Passage WWTF - Pump Replacement Program	75	0	75
Wastewater	Wastewater - Treatment Facility	2.0001111	North Preston WWTF - Replace Factory Talks with VTScada- Phase 1 Scoping	50	40	10
Wastewater	Wastewater - Treatment Facility	2.0001123	Halifax WWTF - Main Isolation Gate Replacement	250	85	165
Wastewater	Wastewater - Treatment Facility	2.0001127	Dartmouth WWTF - Polymer System Upgrade	120	0	120
Wastewater	Wastewater - Treatment Facility	2.0001138	WWTFs UV Disinfection System Refurbishment Program	450	0	450
Wastewater	Wastewater - Treatment Facility	2.0001140	HHSP WWTFs Distributed Control System Upgrades	350	0	350
Wastewater	Wastewater - Treatment Facility	2.0001143	Halifax WWTF - Fire Alarm System Replacement	70	60	10
Wastewater	Wastewater - Treatment Facility	2.0001158	Eastern Passage WWTF - Polymer System Replacement	100	100	0
Wastewater	Wastewater - Treatment Facility	2.0001164	Eastern Passage WWTF - Odour Control System Carbon Replacement	200	0	200
Wastewater	Wastewater - Treatment Facility	2.0001167	Timberlea WWTF - Alum Tank Refurbishment	400	0	400
Wastewater	Wastewater - Treatment Facility	2.0001170	Timberlea WWTF - Roof Repairs	600	0	600
Wastewater	Wastewater - Treatment Facility	2.0001173	Timberlea WWTF - Generator Capacity Review Phase 1 Scoping	70	5	65
Wastewater	Wastewater - Treatment Facility	2.0001205	Halifax WWTF - Coarse Screen Replacement	53	0	53
Wastewater	Wastewater - Treatment Facility	2.0001206	Eastern Passage WWTF - UV Building Roof Replacement	50	0	50
Wastewater	Wastewater - Treatment Facility	2.0001207	Frame WWTF - Process Pipework Replacement	50	0	50
Wastewater	Wastewater - Treatment Facility	2.0001208	Timberlea WWTF - SCADA Expansion and Spare Parts	200	0	200
Wastewater	Wastewater - Treatment Facility	2.0001209	Timberlea WWTF - Valve Replacement Program	50	0	50
Wastewater	Wastewater - Treatment Facility	2.0001210	Mill Cove WWTF - Boiler Assessment	350	0	350
Wastewater	Wastewater - Treatment Facility	2.0001211	North Preston WWTF - Roof Replacement	35	0	35
Wastewater	Wastewater - Treatment Facility	2.0001212	WWTF Odour Monitoring	100	0	100
Wastewater	Wastewater - Treatment Facility	2.0001213	Middle Musquodoboit WWTF - Security Fence	14	14	0
Wastewater	Wastewater - Treatment Facility	2.0001215	Mill Cove WWTF - Centrifuge Trailer Structural Rehabilitation	100	0	100
Wastewater	Wastewater - Treatment Facility	2.0001217	Mill Cove WWTF - Odour Control Optimization	100	0	100
Wastewater	Wastewater - Treatment Facility	2.0001223	Biosolids Processing Facility - Live Bottom Bin Controls Upgrades	125	0	125
Wastewater	Wastewater - Treatment Facility	2.0001230	WWTFs - Instrumentation, Controls and SCADA Infrastructure Program	123	0	123
Wastewater	Wastewater - Treatment Facility	Total		8,344	1,918	6,426
Wastewater	Wastewater - Trunk Sewers					
Wastewater	Wastewater - Trunk Sewers	2.0001204	Fairview Cove Trunk Sewer	200	200	0
Wastewater	Wastewater - Trunk Sewers	Total		200	200	0
Wastewater	TOTAL			35,209	12,347	22,861
Water	Water - Distribution					
Water	Water - Distribution	3.0000067	- Valves Renewals	400	0	400
Water	Water - Distribution	3.0000068	- Hydrants Renewals	200	0	200
Water	Water - Distribution	3.0000069	- Service Lines Renewals	70	0	70
Water	Water - Distribution	3.0000294	Automated Flushing Program	53	53	0
Water	Water - Distribution	3.0000296	Water Sampling Station Relocation Program	35	31	4
Water	Water - Distribution	3.0000390	Lead Service Line Replacement Program	2,500	1,405	1,095
Water	Water - Distribution	3.0000688	Little Salmon River Bridge Watermain Replacement	100	100	0
Water	Water - Distribution	3.0000696	Tower Road CN Bridge - Watermain Replacement	1,324	0	1,324
Water	Water - Distribution	3.0000699	Raymond St / Lakecrest Drive Storm Sewer Replacement - Watermain	753	753	0
Water	Water - Distribution	3.0000772	Fire Flow Study	35	35	0
Water	Water - Distribution	3.0000782	Pressure Monitoring - Critical Locations	50	0	50
Water	Water - Distribution	3.0000787	Windsor Street Exchange Redevelopment - Water Infrastructure - Construction	2,000	995	1,005

Capital Budget by Project 2026/27

Attachment 1

Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
				Capital Spend 2026/27	Previously Approved	New Budget 2026/27
Water	Water - Distribution	3.0000805	Upper Hammonds Plains Water System Upgrade	890	0	890
Water	Water - Distribution	3.0000816	Operations Workflow Mapping	50	0	50
Water	Water - Distribution	3.0000822	Hardware Replacement Program - Water	35	0	35
Water	Water - Distribution	3.0000828	Non-revenue Water Program	35	0	35
Water	Water - Distribution	Total		8,530	3,373	5,157
Water	Water - Energy					
Water	Water - Energy	3.0000824	Small Systems Heat Pumps	50	0	50
Water	Water - Energy	3.0000825	Collins Park & Middle Musquodoboit HVAC & Pumping System Efficiency Improvements Study	50	0	50
Water	Water - Energy	Total		100	0	100
Water	Water - Equipment					
Water	Water - Equipment	3.0000101	Miscellaneous Equipment Replacement (Water)	53	0	53
Water	Water - Equipment	Total		53	0	53
Water	Water - Land					
Water	Water - Land	3.0000033	Watershed Land Acquisition	88	88	0
Water	Water - Land	Total		88	88	0
Water	Water - Structures					
Water	Water - Structures	3.0000263	District Metered Areas (DMA) Program	70	0	70
Water	Water - Structures	3.0000456	Reservoir Mixing and Residuals Management Upgrade Program	35	0	35
Water	Water - Structures	3.0000589	Aerotech Booster Station Replacement	400	400	0
Water	Water - Structures	3.0000601	Control Chamber Valve Replacement Program	53	53	0
Water	Water - Structures	3.0000623	Booster Station - Building Envelope - Capital Upgrade Program	35	11	24
Water	Water - Structures	3.0000651	Riverside Drive PRV Chamber Replacement	30	30	0
Water	Water - Structures	3.0000707	Albro Lake PRV - CSE Retrofit	250	3	247
Water	Water - Structures	3.0000710	Lennox Drive PRV Chamber - CSE Retrofit and Upgrade	86	86	0
Water	Water - Structures	3.0000712	Mount Edward Reservoir #1 Replacement	8,000	48	7,952
Water	Water - Structures	3.0000762	Lake Major Dam - DFO Offsetting - Follow Up Monitoring (2026-2029)	10	6	4
Water	Water - Structures	3.0000774	Cowie Hill Booster Station - Pump replacement and upgrades	100	100	0
Water	Water - Structures	3.0000780	Ritcey PRV Chamber - CSE Retrofit	63	0	63
Water	Water - Structures	3.0000788	Rockmanor Booster Station Pump Replacement	75	75	0
Water	Water - Structures	3.0000790	Newcastle PRV Chamber Replacement	20	0	20
Water	Water - Structures	3.0000823	Bulkfill Station Program	53	0	53
Water	Water - Structures	3.0000827	Back-up Generator Program - Water	50	0	50
Water	Water - Structures	3.0000829	Mount Edward Booster Station Control and Electrical Replacement	80	0	80
Water	Water - Structures	3.0000835	Electrical System Modernization Project - Water	400	0	400
Water	Water - Structures	Total		9,809	812	8,997
Water	Water - Transmission					
Water	Water - Transmission	3.0000436	Pockwock Transmission Main Twinning - WSP to Hammonds Plain Road	150	150	0
Water	Water - Transmission	3.0000554	North End Feeder Replacement ***	3,000	2,656	344
Water	Water - Transmission	3.0000773	Windmill Road Transmission Main Upgrades	110	2	108
Water	Water - Transmission	3.0000806	Burnside to Bedford Transmission Main - Anderson Lake Segment	400	0	400
Water	Water - Transmission	Total		3,660	2,808	852
Water	Water - Treatment Facilities					
Water	Water - Treatment Facilities	3.0000608	WSEP - JD Kline WSP - Clearwell, reservoir and storage - JDK-800.25	365	0	365
Water	Water - Treatment Facilities	3.0000619	WSEP - Lake Major WSP - Intake/low lift Pump Station - MAJ-800.20	400	286	114
Water	Water - Treatment Facilities	3.0000690	WSPs - Instrumentation and Controls Equipment Program	150	0	150
Water	Water - Treatment Facilities	3.0000691	WSPs Equipment Overhaul and Repair Program	600	0	600
Water	Water - Treatment Facilities	3.0000731	Small Systems - Filter Column Replacement Program	20	0	20
Water	Water - Treatment Facilities	3.0000754	Water Supply Plants Asset Renewal and Emergency Repairs	500	0	500
Water	Water - Treatment Facilities	3.0000755	Lake Major WSP - Security Gate Upgrades	80	70	10
Water	Water - Treatment Facilities	3.0000758	Pockwock Dam Replacement	500	258	242
Water	Water - Treatment Facilities	3.0000768	JD Kline WSP - Pumping Station - Raw Water Valve Actuators Replacement Phase 2 - Pipe 5 & 4	120	120	0
Water	Water - Treatment Facilities	3.0000795	JD Kline WSP - New Dry Polymer System	250	194	56
Water	Water - Treatment Facilities	3.0000796	JD Kline WSP - New Low Lift Generator	100	100	0
Water	Water - Treatment Facilities	3.0000797	JD Kline WSP - New Plant Generator Installation	70	70	0
Water	Water - Treatment Facilities	3.0000798	JD Kline WSP - Third Backwash Pump	800	800	0
Water	Water - Treatment Facilities	3.0000812	WSEP - New Pockwock Water Supply Plant	200	0	200
Water	Water - Treatment Facilities	3.0000813	Bennery WSP - Low Lift Communications Upgrades	70	0	70
Water	Water - Treatment Facilities	3.0000815	Small Systems - Bomont WSP Basement Confined Space Entry Retrofit	50	0	50
Water	Water - Treatment Facilities	3.0000817	Lake Major WSP Chemical Injection Points Replacement	120	0	120
Water	Water - Treatment Facilities	3.0000818	Lake Major WSP - Chemical Feed Line Redundancy	150	0	150
Water	Water - Treatment Facilities	3.0000826	WSPs - Plant Optimization Program	150	0	150
Water	Water - Treatment Facilities	3.0000830	Bennery Lake WSP - Actuator Replacements for various filter valves	70	0	70
Water	Water - Treatment Facilities	3.0000831	Bennery Lake WSP - Replace Stairs to the Lake	50	0	50
Water	Water - Treatment Facilities	3.0000832	JD Kline WSP - New Raw Water Motor	350	0	350
Water	Water - Treatment Facilities	3.0000834	JD Kline WSP - New kickplates around filter and railing improvements	20	0	20
Water	Water - Treatment Facilities	4.0000366	Pilot Project for Ecological Maintenance Flow determination	100	78	22
Water	Water - Treatment Facilities	Total		5,285	1,976	3,309
Water	TOTAL			27,524	9,056	18,467
GRAND TOTAL				164,574	46,875	117,699

Capital Budget 2026/27 Capital Projects Over \$1M

Attachment 2

Program Category	Project Code	Project Name	All \$ in 000s
			Y1 2026/27
Corporate			
Corporate	2.0000043	Corporate Flow Monitoring Program	2,330
Corporate	4.0000170	Integrated Resource Plan Update	1,400
Corporate	4.0000441	CCTV Sewer Condition Assessment	1,135
Corporate	4.0000443	Transmission Main Condition Assessment Program 26/27	1,500
Corporate	4.0000424	Sullivan's Pond Phase 2, Part 2	4,390
Corporate	2.0001236	Collection System Structural Lining Program 2026/27	4,000
Corporate	4.0000077	Building Capital Improvements	1,200
Corporate	4.0000187	Burnside Operations Centre	21,700
Corporate	4.0000316	Fleet Upgrade Program WWSW	4,185
Corporate	4.0000420	Integrated Projects All Services - Program 2026/27	15,100
Stormwater			
Stormwater	1.0000104	Driveway Culvert Replacement Program	1,300
Stormwater	1.0000109	Cross Culvert Renewal Program 2026/27	5,500
Stormwater	1.0000034	Raymond Street / Lakecrest Drive - Storm Sewer Replacement	2,892
Stormwater	1.0000349	Windsor Street Exchange Redevelopment - Stormwater Infrastructure - Construction	4,000
Stormwater	1.0000350	Farrell Street Storm Sewer Replacement	1,345
Wastewater			
Wastewater	2.0000358	Lateral Replacements WW (non-tree roots)	1,200
Wastewater	2.0000679	College Street - Sewer Separation	2,610
Wastewater	2.0001071	Raymond Street / Lakecrest Drive - Sanitary Sewer Replacement	1,203
Wastewater	2.0001182	Windsor Street Exchange Redevelopment - Wastewater Infrastructure - Construction	4,000
Wastewater	2.0001220	Kempt Road Sewer Separation	5,000
Wastewater	2.0000846	Quigleys Corner Pumping Station Upgrade	2,000
Wastewater	2.0000920	Herring Cove Pumping Station - Pump Replacements	1,150
Wastewater	2.0001030	Duffus Street Pumping Station - Mechanical & Electrical Upgrades	2,000
Wastewater	2.0001032	Pier A Pumping Station - Mechanical Upgrades	1,000
Wastewater	2.0001228	PS Control Panel / Electrical Replacement Program (Y1)	2,000
Wastewater	2.0000931	Biosolids Processing Facility - Facility Upgrade - Construction & Commissioning	1,460
Water			
Water	3.0000390	Lead Service Line Replacement Program	2,500
Water	3.0000696	Tower Road CN Bridge - Watermain Replacement	1,324
Water	3.0000787	Windsor Street Exchange Redevelopment - Water Infrastructure - Construction	2,000
Water	3.0000712	Mount Edward Reservoir #1 Replacement	8,000
Water	3.0000554	North End Feeder Replacement ***	3,000
GRAND TOTAL - Projects Over \$1M			112,424

APPENDIX B: 2026/27 OPERATING BUDGET

HALIFAX WATER UNAUDITED STATEMENT OF EARNINGS - ALL SERVICES - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues				
Water	\$ 56,210	\$ 78,850	\$ 22,640	40.28%
Wastewater	90,770	104,907	14,137	15.57%
Stormwater site generated service	8,865	11,631	2,766	31.20%
Stormwater right of way service	6,515	8,485	1,970	30.23%
Fire protection (public and private)	9,794	13,756	3,962	40.45%
Other services and fees	1,340	1,499	159	11.86%
Late payment and other connection fees	589	649	60	10.11%
Miscellaneous	534	562	28	5.18%
	174,617	220,337	45,720	26.18%
Operating expenditures				
Water supply and treatment	16,146	16,376	230	1.42%
Water transmission and distribution	16,910	18,182	1,272	7.52%
Wastewater collection	15,530	15,071	(459)	(2.95%)
Stormwater collection	6,969	6,759	(210)	(3.02%)
Wastewater treatment	28,640	29,065	425	1.49%
Information and technology services	16,625	19,630	3,005	18.08%
Engineering services	5,813	5,466	(347)	(5.97%)
Environment, health and safety	5,359	5,065	(294)	(5.48%)
Customer services	5,186	5,295	109	2.09%
Corporate services	4,255	3,866	(389)	(9.15%)
Administration services	7,647	7,496	(151)	(1.97%)
Depreciation and amortization	39,924	44,651	4,727	11.84%
	169,004	176,921	7,918	4.68%
Earnings from operations before financial and other revenues and expenditures	5,613	43,416	37,803	673.43%
Financial and other revenues				
Interest	468	250	(218)	(46.56%)
Other	617	700	83	13.42%
	1,085	950	(135)	(12.45%)
Financial and other expenditures				
Interest	323	450	127	39.45%
Interest on long term debt	12,291	13,426	1,135	9.23%
Repayment on long term debt	20,514	21,100	586	2.86%
Amortization of debt discount	279	305	26	9.21%
Dividend/grant in lieu of taxes	7,236	7,683	447	6.18%
Other	130	15	(115)	(88.48%)
	40,773	42,979	2,206	5.41%
Earnings (loss) for the year	\$ (34,075)	\$ 1,387	\$ 35,462	(104.07%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WATER - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues - Water				
Water	\$ 56,210	\$ 78,850	\$ 22,640	40.28%
Public fire protection	8,083	10,933	2,850	35.25%
Private fire protection	1,711	2,824	1,113	65.02%
Bulk water stations	340	399	59	17.26%
Late payment and other connection fees	202	222	20	10.00%
Miscellaneous	234	254	20	8.64%
	66,780	93,481	26,701	39.98%
Operating expenditures - Water				
Water supply and treatment	16,146	16,376	\$ 230	1.42%
Water transmission and distribution	16,910	18,182	1,272	7.52%
Information and technology services	8,150	9,517	1,367	16.77%
Engineering services	2,017	1,999	(18)	(0.91%)
Environment, health and safety	1,576	1,472	(104)	(6.62%)
Customer services	2,645	2,700	55	2.09%
Corporate services	2,086	1,971	(115)	(5.49%)
Administration services	3,900	3,823	(77)	(1.97%)
Depreciation and amortization	15,127	17,297	2,171	14.35%
	68,557	73,337	4,780	6.97%
Earnings from operations before financial and other revenues and expenditures	(1,776)	20,145	21,921	(1234.00%)
Financial and other revenues				
Interest	295	200	(95)	(32.32%)
Other	477	465	(12)	(2.52%)
	772	665	(107)	(13.91%)
Financial and other expenditures				
Interest on long term debt	5,484	5,910	426	7.77%
Repayment on long term debt	8,303	8,391	88	1.06%
Amortization of debt discount	119	130	11	8.81%
Dividend/grant in lieu of taxes	6,158	6,551	393	6.38%
Other	115	0	(115)	(100.00%)
	20,179	20,982	803	3.98%
Loss for the year	\$ (21,183)	\$ (173)	\$ 21,011	(99.19%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WASTEWATER - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues - Wastewater				
Wastewater	\$ 90,770	\$ 104,907	\$ 14,137	15.57%
Leachate	323	350	27	8.36%
Septage tipping fees	572	640	68	11.89%
Overstrength surcharge	0	0	0	0.00%
Airplane effluent	105	110	5	5.00%
Late payment and other connection fees	207	227	20	9.73%
Miscellaneous	233	233	0	0.21%
	92,210	106,467	14,257	15.46%
Operating expenditures - Wastewater				
Wastewater collection	15,530	15,071	(459)	(2.95%)
Wastewater treatment	28,640	29,065	425	1.49%
Information and technology services	7,797	9,361	1,564	20.06%
Engineering services	2,823	2,495	(328)	(11.61%)
Environment, health and safety	1,763	1,593	(170)	(9.62%)
Customer services	2,338	2,390	52	2.24%
Corporate services	1,996	1,705	(291)	(14.59%)
Administration services	3,372	3,306	(66)	(1.96%)
Depreciation and amortization	20,850	23,341	2,491	11.95%
	85,109	88,328	3,219	3.78%
Earnings from operations before financial and other revenues and expenditures	7,101	18,139	11,038	155.44%
Financial and other revenues				
Interest	172	50	(122)	(70.99%)
Other	140	235	95	67.62%
	313	285	(28)	(8.82%)
Financial and other expenditures				
Interest on long term debt	5,287	5,818	531	10.05%
Repayment on long term debt	9,942	10,340	398	4.00%
Amortization of debt discount	126	138	12	9.56%
Dividend/grant in lieu of taxes	898	942	44	4.93%
Other	15	15	0	0.00%
	16,267	17,253	985	6.06%
Earnings (loss) for the year	\$ (8,853)	\$ 1,172	\$ 10,025	(113.23%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - STORMWATER - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues - Stormwater				
Stormwater site generated service	\$ 8,865	\$ 11,631	\$ 2,766	31.20%
Stormwater right of way service	6,515	8,485	1,970	30.23%
Late payment and other connection fees	180	199	19	10.67%
Miscellaneous	67	74	7	10.40%
	15,627	20,388	4,761	30.47%
Operating expenditures - Stormwater				
Stormwater collection	6,969	6,759	(210)	(3.02%)
Information and technology services	678	752	74	10.89%
Engineering services	973	972	(1)	(0.07%)
Environment, health and safety	2,020	2,000	(20)	(0.99%)
Customer services	203	204	1	0.47%
Corporate services	173	189	16	9.49%
Administration services	375	367	(8)	(2.05%)
Depreciation and amortization	3,948	4,013	65	1.65%
	15,339	15,256	(82)	(0.54%)
Earnings from operations before financial and other revenues and expenditures	288	5,132	4,843	1678.89%
Financial and other revenues				
Interest	0	0	0	0.00%
Other	0	0	0	0.00%
	0	0	0	0.00%
Financial and other expenditures				
Interest	323	450	127	39.45%
Interest on long term debt	1,520	1,697	177	11.66%
Repayment on long term debt	2,269	2,369	100	4.41%
Amortization of debt discount	34	38	3	9.30%
Dividend/grant in lieu of taxes	180	190	10	5.52%
	4,327	4,744	418	9.65%
Earnings (loss) for the year	\$ (4,038)	\$ 388	\$ 4,426	(109.60%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
REGULATED ACTIVITIES				
Operating revenues				
Water	\$ 56,210	\$ 78,850	\$ 22,640	40.28%
Wastewater	90,770	104,907	14,137	15.57%
Stormwater	15,380	20,115	4,735	30.79%
Public fire protection	8,083	10,933	2,850	35.25%
Private fire protection	1,711	2,824	1,113	65.02%
Miscellaneous	1,463	1,609	146	9.97%
	173,617	219,237	45,620	26.28%
Operating expenditures				
Water supply and treatment	16,146	16,376	230	1.42%
Water transmission and distribution	16,910	18,182	1,272	7.52%
Wastewater collection	15,468	15,030	(437)	(2.83%)
Stormwater collection	6,969	6,759	(210)	(3.02%)
Wastewater treatment	27,725	28,246	521	1.88%
Information and technology services	16,625	19,630	3,005	18.08%
Engineering services	5,813	5,466	(347)	(5.97%)
Environment, health and safety	5,359	5,065	(294)	(5.48%)
Customer services	5,146	5,253	107	2.09%
Corporate services	4,242	3,853	(389)	(9.18%)
Administration services	7,510	7,358	(152)	(2.02%)
Depreciation and amortization	39,887	44,631	4,744	11.89%
	167,800	175,848	8,049	4.80%
Earnings from operations before financial and other revenues and expenditures	5,817	43,389	37,571	645.84%
Financial and other revenues				
Interest	468	250	(218)	(46.56%)
Other	17	0	(17)	(100.00%)
	485	250	(235)	(48.44%)
Financial and other expenditures				
Interest	323	450	127	39.45%
Interest on long term debt	12,291	13,426	1,135	9.23%
Repayment on long term debt	20,514	21,100	586	2.86%
Amortization of debt discount	279	305	26	9.21%
Dividend/grant in lieu of taxes	7,236	7,683	447	6.18%
	40,643	42,964	2,321	5.71%
Earnings (loss) for the year - Regulated	\$ (34,341)	\$ 674	\$ 35,015	(101.96%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget \$ Change % Change	
UNREGULATED ACTIVITIES				
Operating revenues				
Septage tipping fees	\$ 572	\$ 640	\$ 68	11.89%
Leachate	323	350	27	8.36%
Airplane effluent	105	110	5	5.00%
Miscellaneous	0	0	0	0.00%
	1,000	1,100	100	10.03%
Operating expenditures				
Water supply and treatment	0	0	0	0.00%
Wastewater treatment	915	820	(95)	(10.40%)
Wastewater collection	62	41	(21)	(34.48%)
Sponsorships and donations	80	82	2	3.00%
Corporate services	13	13	0	0.00%
Administration services	97	97	0	0.00%
Depreciation and amortization	37	20	(17)	(45.95%)
	1,204	1,073	(131)	(10.90%)
Earnings from operations before financial and other revenues and expenditures	(204)	27	231	(113.46%)
Financial and other revenues				
Other - leases and rentals	326	329	4	1.17%
Other - WW contract revenue	40	160	120	300.00%
Other - energy projects	235	211	(24)	(10.23%)
	600	700	100	16.63%
Financial and other expenditures				
Other	130	15	(115)	(88.48%)
	130	15	(115)	(88.48%)
Earnings for the year - Unregulated	\$ 266	\$ 712	\$ 447	167.89%
Total earnings (loss) for the year (Regulated and Unregulated)	\$ (34,075)	\$ 1,387	\$ 35,462	(104.07%)

APPENDIX C: 2026/27 BUSINESS PLAN ON A PAGE

Note: This will be developed after this plan is approved as finalized by the Halifax Water Board of Commissioners.

DRAFT PENDING APPROVAL BY
THE BOARD OF COMMISSIONERS
ON FEBRUARY 27, 2026



Halifax Water 2030

Empowering People, Transforming Service

Five Year Business Plan

2025/26 - 2029/30

Approved by the Halifax Water Board on February 27, 2025.
Endorsed by HRM Council on March 18, 2025.



Introduction

Halifax Water's 5-Year Strategic Plan, spanning 2025 to 2030, signifies a vital step in our commitment to providing sustainable, high-quality water, wastewater, and stormwater services to the Halifax Regional Municipality.

At Halifax Water, we take immense pride in our essential role in safeguarding public health and safety, supporting economic growth, and enhancing the overall quality of life in our community. Our dedicated employees are the heart of our organization, and their commitment to excellence enables us to deliver reliable services to our customers.

Reflecting on our 80-year history, we recognize that change is constant in our industry. We are committed to evolving and innovating to meet our customers' needs and regulatory requirements.

Our five-year strategic plan has been shaped by a thorough re-examination of leadership, accountability, and operational resiliency. Empowering our employees and fostering their development as future leaders can reinforce our service delivery and enhance our organization's overall performance.

Halifax Water's purpose of supplying and safeguarding sustainable, high-quality water services highlights our integral role in nurturing a vibrant, healthy community. This commitment guides our next Integrated Resource Plan (IRP), which is instrumental in our long-term business planning process. By incorporating comprehensive planning data and metrics, the IRP will help us track key performance measures, ensuring we meet our goals effectively and transparently.

With the completion of the next IRP scheduled for fiscal 2027/28, this Strategic Plan will lay the groundwork for a transformative approach known as Halifax Water 2030. We believe this interconnected planning process will strengthen our business areas and enhance our ability to respond to future challenges.

We are committed to maintaining your trust and delivering the highest level of service to our community.

Kenda MacKenzie, P. Eng
General Manager and CEO
Halifax Water

About Halifax Water

Halifax Water is an integrated water, wastewater, and stormwater utility serving more than 111,000 customers on a cost-of-service basis across Halifax, Nova Scotia. Owned by the Halifax Regional Municipality, Halifax Water is regulated by the Nova Scotia Utility and Review Board (NSUARB). Halifax Water employs approximately 600 dedicated people. The organization owns and manages more than \$1.4 billion in assets with a five-year average annual capital budget of \$133 million. In May 2020, it received approval from the NSUARB to own and operate a District Energy System in the Cogswell redevelopment area of downtown Halifax.

Purpose

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

Vision

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

Values

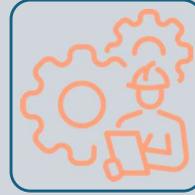
Relationships - We nurture relationships with our customers, our team members, and the environment. We are engaged in the neighbourhoods we serve, and we support continual learning across our team.

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

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

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

Strategic Pillars



People

- Our employees are vital to our success. We are committed to being an employer of choice, attracting and retaining high-quality team members in an inclusive and respectful work environment.

Environment, Health, Safety and Social Responsibility

- Our safety-first work culture and respect for the environment enable us to provide our customers with safe, reliable, and sustainable services.

Financial and Regulatory Accountability

- It is fundamental to ensure that Halifax Water can fund existing and future infrastructure. We prudently manage assets and operate our business by balancing costs and the needs of the customers today and long into the future.

Operational Effectiveness

- We are focused on safety and resiliency. We efficiently build, operate, and maintain our critical infrastructure to support a more sustainable and prosperous community.

SWOT ANALYSIS



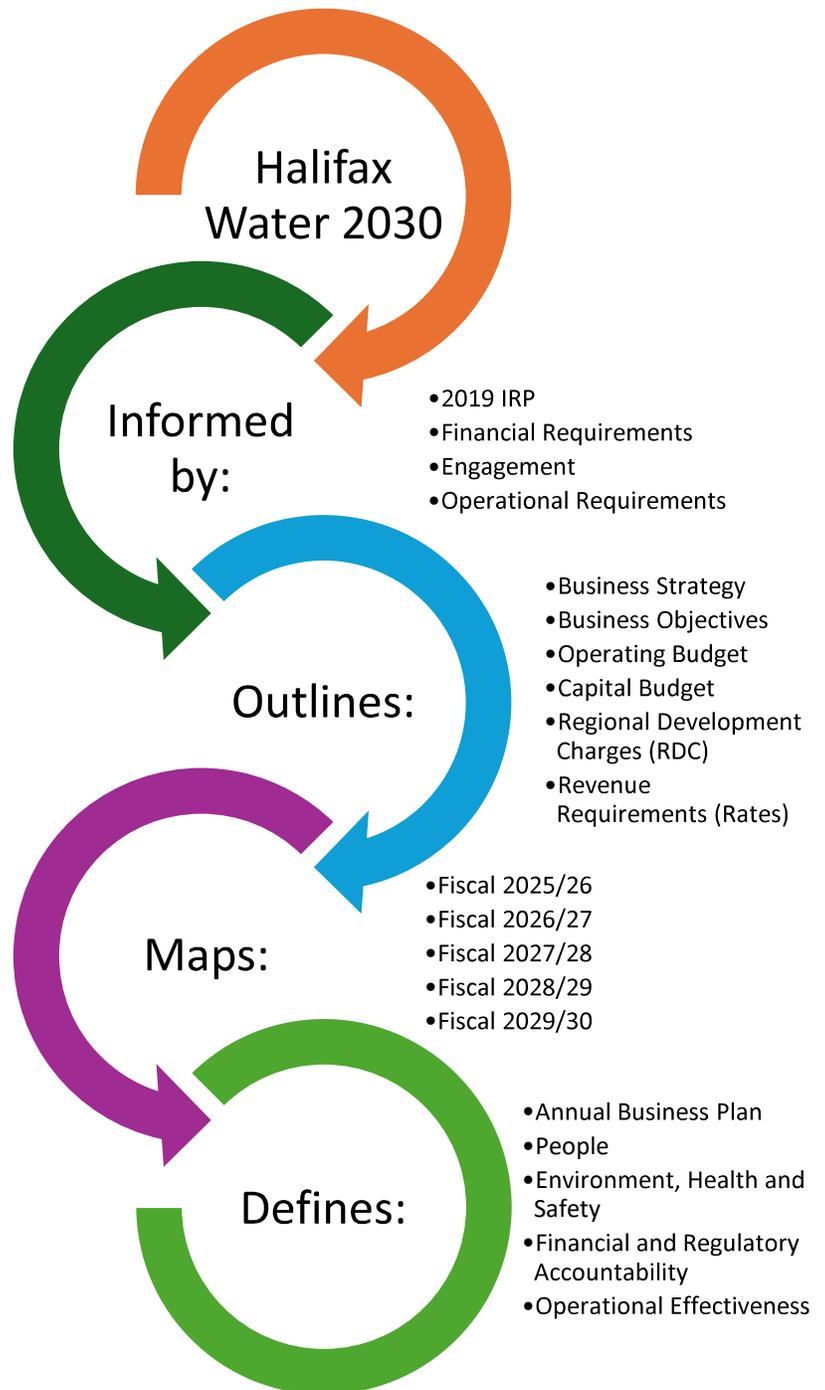
Interconnected Planning Process

This five-year strategic plan, Halifax Water 2030, defines Halifax Water’s objectives and strategic initiatives to achieve them. It has been informed by our existing Integrated Resource Plan (IRP), a long-term plan that identifies the resources and programs needed to provide water and wastewater services to the Halifax Regional Municipality (HRM), customer and stakeholder engagement, and a review of our financial and operational requirements.

Halifax Water 2030 will guide our annual planning and activities for the next five years. Our annual plans will include the organization's strategic initiatives and operational tactics, as well as establishing metrics to help empower and engage our employees, demonstrate customer value, build stronger relationships with those who depend on our services, and hold the organization accountable.

It will also help inform the development of our next IRP, which will be completed in 2027/28. This IRP will integrate its long-term planning processes to address structural, process, and resource gaps more efficiently and effectively.

Halifax Water 2030 is our roadmap to supplying and safeguarding sustainable, high-quality water services and will guide overall decision-making.



The 5-year Journey

Halifax Water 2030 - Empowering People, Transforming Services



5-year Strategic Objectives

Halifax Water has established five-year objectives under the four strategic pillars that will support the Business Strategy from 2025 to 2030. These objectives will be the basis for annual business plans and help define and measure success for the next five years.

People

Objective

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

Strategic Initiatives

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

Environment, Health, Safety, and Social Responsibility

Objective

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

Strategic Initiatives

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

Financial and Regulatory Accountability

Objective

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

Strategic Initiatives

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

Operational Effectiveness

Objective

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

Strategic Initiatives

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

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

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

DATE: February 19, 2026

SUBJECT: **Proposed 2026/27 Operating Budget**

ORIGIN

The Halifax Regional Water Commission Board of Commissioners (the “Board”) approves Halifax Water’s 2026/27 Operating Budget.

RECOMMENDATION

It is recommended the Halifax Water Board approve the attached proposed 2026/27 Operating Budget, inclusive of the proposed 2026/27 budget for unregulated activities.

BACKGROUND

The purpose of the 2026/27 Operating Budget is to outline the revenue and expenditures required to provide the services as highlighted in Halifax Water’s 2026/27 Annual Business Plan.

DISCUSSION

Table 1 below outlines the operating budget for 2026/27 which shows a projected surplus of \$1.4 million. The budget reflects requirements to maintain current levels of service, deliver projects already in progress or approved, and address any changing environmental or regulatory requirements. The 2026/27 Operating Budget is prepared on a modified accrual basis to provide broader information for decision making and be reflective of reporting under the Nova Scotia Regulatory and Appeals Board (NSRAB) Water Utility Accounting and Reporting Handbook (the Handbook), which is used in determining revenue requirements for rate making purposes.

Table 1:

	Budget	Proposed	From Prior Year Budget	
	2025/26 '000	2026/27 '000	\$ Change	% Change
Operating revenues	\$ 174,617	\$ 220,337	\$ 45,720	26.18%
Operating expenditures	169,004	176,921	7,918	4.68%
Earnings (loss) from operations before financial and other revenues and expenditures	5,613	43,416	37,803	673.43%
Financial and other revenues				
Interest	468	250	(218)	(46.56%)
Other	617	700	83	13.42%
	1,085	950	(135)	(12.45%)
Financial and other Expenditures				
Interest	323	450	127	39.45%
Interest on long term debt	12,291	13,426	1,135	9.23%
Repayment on long term debt	20,514	21,100	586	2.86%
Amortization of debt discount	279	305	26	9.21%
Dividend/grant in lieu of taxes	7,236	7,683	447	6.18%
Other	130	15	(115)	(88.48%)
	40,773	42,979	2,206	5.41%
Earnings (loss) for the year	\$ (34,075)	\$ 1,387	\$ 35,462	(104.07%)

Halifax Water faces financial pressure associated with renewal of assets, increases in customers and infrastructure due to growth in the municipality, and compliance with regulatory requirements. Additions to utility plant in service result in increased costs associated with depreciation, debt servicing, and incremental costs to operate and maintain the assets.

Continuing to build organizational capacity to deliver programs and capital projects envisioned in the Integrated Resource Plan, along with cybersecurity demands requires additional staffing for departments within the utility, which was reassessed after the General Rate Application (GRA) decision.

Operating Revenues

Halifax Water's main revenue sources are derived from base and consumption charges. Of these charges, 81.1% is from consumption/discharge rates and 18.9% from base charges. The 2026/27 Operating Budget is based on regulated rates and charges approved by the NSRAB effective April 1, 2026. After the GRA decision, the consumption and base charges and the stormwater Tier 3 rates are as follows:

Table 2:

Residential Charges – Water, Wastewater, Stormwater Services			
	Previous	2025/26 *	2026/27
Base (monthly)			
Water	\$13.00	\$13.00	\$13.00
Wastewater	\$14.00	\$14.00	\$14.00
Consumption rates (per m³)			
Water	\$1.128	\$1.596	\$1.722
Wastewater	\$2.259	\$2.425	\$2.591
Stormwater (annually)			
Tier 3	\$38.00	\$45.00	\$50.00

The stormwater site related flow charge for non-residential property customers is as follows:

Stormwater Services			
Site related flow charge for Non-residential property customers			
	Previous	2025/26 *	2026/27
Industrial, Commercial, Institutional (per m²)	\$0.173	\$0.204	\$0.227

*Effective January 1, 2026

There are no increases in base rates built into the 2026/27 Operating Budget, and consumption is budgeted to increase by 1.82%. New customer connections are estimated at 570 for water services and 531 for wastewater services, based on the 5-year historic trend.

The remainder of Halifax Water’s revenues are from miscellaneous fees, financial and other revenues, and unregulated activities.

Operating Expenditures

A total of \$176.9 million is budgeted for operating costs by nature in 2026/27 and increase of \$7.9 million from the budget for 2025/26. The table below outlines the operating costs for Halifax Water:

Table 3:

Operating Expenditures By Nature					
Notes	Budget		From 2025/26 Budget		
	2025/26 '000	Budget 2026/27 '000	\$ Change	% Change	
Salaries and benefits	\$ 57,875	\$ 57,259	\$ (616)	(1.06%)	
Training and conferences	1,130	930	(200)	(17.70%)	
Contract Services	21,125	21,865	740	3.50%	
Electricity	8,748	9,242	494	5.65%	
Operating supplies	23,433	26,045	2,612	11.15%	
Professional services	6,100	6,896	796	13.05%	
Chemicals	10,669	10,033	(636)	(5.96%)	
Depreciation and amortization	39,924	44,651	4,727	11.84%	
Total operating expenditures	\$ 169,004	\$ 176,921	\$ 7,917	4.68%	

Key assumptions in each of these areas are outlined below:

Salaries and Benefits:

- Salary rate increases:

Increases for unionized staff have been budgeted, based on collective agreements signed on November 1, 2023, and valid until October 31, 2027. For non-union staff, the increase has been historically based on CPI, performance and movement along salary scales. In 2026/27, the budgeted non-union increase is 2.75%. In addition, every three years, Halifax Water compares its salaries to the general market, which was completed in 2025/26.

- Capital Allocations:

Halifax Water allocates an overhead charge to capital projects as spending is incurred. The overhead charge is designed to reflect the salary and other costs of the Executive Team working on Capital Projects. In 2026/27, the allocation from capital is \$0.5 million and has been included as part of an administration recovery. In addition, a detailed exercise was completed to review the capital allocations of staff. This has resulted in an increase in the staffing costs allocated to capital projects.

- Organizational Award:

The Organizational Award, which previously had a budget of \$0.5 million, has been removed from the Operating Budget. An adjustment to the financial gateway measure in the Corporate Balance Scorecard, if approved, will require the organization to save at least the value of the Organization Award, before it is paid out.

- Pension Holiday:

As approved by the Trustees of the Pension Plan, the pension holiday commenced on January 1, 2026 and will reduce the pension costs in fiscal 2026/27 by \$0.7 million.

- **Vacancy Savings:**

As directed in the GRA Decision, Halifax Water has increased its vacancy factor from 2% of gross staffing costs to 4%. This vacancy factor reflects the percentage of staffing costs saved as a result of turnover.

- **Changes to Full-Time Equivalents (FTE):**

As directed in the GRA Decision, Halifax Water has reduced the costs of new positions by 20%. Halifax Water has also adjusted its proposed positions to reflect the cap, as directed in the GRA Decision, on the amount Halifax Water can spend on new positions in the two test years.

The budget for 2026/27 includes an increase of 17 new positions, equivalent to 15 FTEs, as not all positions will be filled by April 1, 2026. The rate application had proposed 32 new positions in 2026/27. The net impact of the new FTEs is \$1.5 million in 2026/27. The impact on the Operating Budget is estimated at \$0.7 million (excluding benefits) and \$0.8 million of the total cost has been assigned to capital projects.

Table 4:

The impact on each business unit is illustrated below:

	New positions	New Full-time Equivalents	% of Total FTEs	Salary Increase	Allocated to Capital	Net Increase to Operating
<i>Corporate Services</i>	1	0.75	5%	\$ 72,700	\$ (10,700)	\$ 62,000
<i>Information and Technology Services</i>	4	4	27%	\$ 396,000	\$ (286,000)	\$ 110,000
<i>Engineering and Capital Infrastructure</i>	4	3.25	22%	\$ 412,000	\$ (370,000)	\$ 42,000
<i>Administration</i>	3	3	20%	\$ 293,000	\$ (56,000)	\$ 237,000
<i>Environment, Health and Safety</i>	2	1.5	10%	\$ 157,000	\$ (16,000)	\$ 141,000
<i>Operations</i>	3	2.5	17%	\$ 194,000	\$ (47,000)	\$ 147,000
	17	15	100%	\$ 1,524,700	\$ (785,700)	\$ 739,000

Corporate Services includes 1 new position for a Senior Financial Consultant.

Information and Technology Services includes 4 new positions; 2 Industrial Electricians, 1 Cybersecurity Technician, and 1 OT Analyst.

Engineering and Capital Infrastructure includes 4 new positions; 1 Project Engineer, and 3 Senior Project Engineers.

Administration includes 3 new positions; 1 Talent Acquisition Specialist, 1 Corporate Counsel, and 1 Legal/Regulatory Administrative Coordinator.

Environment, Health and Safety includes 2 new positions; 1 Manager of Water Resources and Sustainability, and 1 ISO Coordinator.

Operations includes 3 new positions; 2 Plant Operators, and 1 Millwright.

Energy:

Assumptions regarding electricity, furnace oil and natural gas rate increases are outlined below.

- Electricity 5.0%
- Furnace Oil 15.0%
- Natural Gas 7.0%

Chemical Costs:

Chemical costs were set based on the GRA Decision of the NSRAB. The chemical costs are budgeted to increase by 2.5% over the 2025/26 costs directed in the GRA Decision.

Depreciation:

Depreciation is an integral funding source to support asset renewal and regulatory compliance requirements. Depreciation is budgeted at \$44.6 million, an increase of \$4.7 million over the 2025/26 budget, and calculated on water, wastewater, and stormwater assets.

In the 2025 rate application, Halifax Water proposed including 3.0% of depreciation for contributed water and wastewater assets and increasing the depreciation expense on contributed stormwater assets by 3.0% to 28.0%. The GRA decision did not allow the increases.

Debt Servicing:

New debt principal and interest payments are budgeted to support the additions to utility plant in service. The amount and timing of any increases in debt servicing are contingent upon the completion of projects, financing rates, and cash flow requirements. Debt servicing is projected to be \$34.5 million in 2026/27 compared to \$33.0 million in 2025/26. As directed in the GRA Decision, the increase in new debt is budgeted at \$90.0 million at an interest rate of 4.0%.

Halifax Water's capital financing strategy is designed to maintain a debt service ratio of 35.0% or less. The debt service ratio based on the 2026/27 Operating Budget is 15.8%.

Other Expenditures:

Expenditures such as electricity and chemicals, which are subject to greater cost volatility, have been given special attention due to the dependence placed on these commodities. For other expenditures carrying a high dollar value, such as contract services and materials/supplies, there is an element of judgement, as these expenditures are contingent upon other factors such as:

- Service expectations,
- Regulatory requirements and compliance,
- Maintenance and renewal of infrastructure.

Cost of Service Manual – Update to Allocations between Services:

As a component of the GRA, the Cost of Service Manual was updated. Changes made to the Cost of Service Manual ensure a more accurate and equitable distribution of expenses across services.

Water Service

Water operations of the proposed 2026/27 Operating Budget attached, is reporting a loss for the year of \$0.2 million down from a loss of \$21.2 million in 2025/26.

Operating revenues for 2026/27 total \$93.5 million, representing an increase of \$26.7 million or 40.0% compared to 2025/26. The increase is attributed to the new rates commencing January 1, 2026 and April 1, 2026 along with an expected increase in consumption, the projected increase in new customers and the approved increase of \$3.9 million to public and private fire protection.

Operating expenditure for 2026/27 total \$73.3 million, representing an increase of \$4.8 million or 7.0% compared to 2025/26. The increase is driven by the following:

- Transmission and distribution costs have increased by \$1.3 million mainly due to increases in salaries and benefits, and contract services related to traffic control.
- Information and technology services have increased by \$1.4 million, mainly due to salaries and new software.
- Contract services have increased by approximately \$0.3 million to reflect the increase in costs of replacing private laterals under the Lead Line Replacement Program.
- Depreciation has increased by \$2.2 million reflected to projected additions to utility plant in service of \$44.0 million.

Financial and other expenditures report an increase of \$0.8 million or 4.0% due to an increase in debt servicing costs and an increase in the dividend/grant in lieu of taxes paid to the Halifax Regional Municipality.

Wastewater Service

Wastewater operations proposed 2026/27 Operating Budget, reporting a surplus for the year of \$1.2 million compared to a loss of \$8.8 million.

Operating revenues for 2026/27 total \$106.4 million, representing an increase of \$14.2 million or 15.5% compared to 2026/27. The increase is attributed to the new consumption rates and the projected increase of customers in 2026/27. Halifax Water has also budgeted for the wastewater rebate to increase by \$0.3 million to \$2.3 million. The rebate represents an offset to the revenue increase.

Operating expenditures in 2026/27 total \$88.3 million, representing an increase of \$3.2 million or 3.8% compared to 2025/26. The increase is driven by the following:

- Wastewater treatment has increased by \$0.5 million primarily due to biosolids costs.
- Information and technology services has increased by \$1.5 million mainly due to increases in salaries and benefits, and new software.
- Depreciation is reporting an increase of \$2.5 million partially due to \$95.3 million projected additions to utility plant in service.

Financial and other expenditures report an increase of \$1.0 million or 6.0% due to an increase in debt servicing costs and an increase in the dividend/grant in lieu of taxes paid to the Halifax Regional Municipality.

Stormwater Service

Stormwater operations proposed on the 2026/27 Operating Budget, is reporting a surplus of \$0.4 million compared to a loss of \$4.0 million.

Operating revenues for 2026/27 total \$20.4 million, representing an increase in rates and the number of customers. There is also an increase in the Right of Way Charge to HRM, the Province and the Halifax Dartmouth Bridge Commission.

Operating expenditure in 2026/27 total \$15.3 million, which is comparable to 2025/26.

Financial and other expenditures report an increase of \$0.4 million or 9.6% due to an increase in debt servicing costs and an increase in the dividend/grant in lieu of taxes paid to the Halifax Regional Municipality.

Unregulated Activities

Unregulated activities of the proposed 2026/27 Operating Budget attached, reporting a budget surplus of \$0.7 million.

Unregulated operating revenues can be used to fund rate-regulated activities and applied against unregulated expenditures. Revenues from unregulated activities for 2026/27 are budgeted at \$1.1 million, which is comparable to the prior year. Revenues are derived primarily from septage tipping fees, the operation and maintenance of the Leachate Treatment Facility at Otter Lake, and the treatment of airline effluent, which are budgeted to increase in the range of 5.0% to 10.0%.

Unregulated operating expenditure for 2026/27 total \$1.1 million which is slightly lower than 2025/26. Included in unregulated operating expenditures are sponsorships and donations, which are treated as unregulated in nature because of the 2012 NSRAB Rate Decision. For 2026/27,

these expenditures are budgeted at \$82,400, a 3.0% increase over 2025-26 budget, and consist of:

- Help to Others (H2O) Program \$41,200
- Sponsorships and Donations \$41,200

The H2O (Help to Others) Program was established to provide financial assistance to residents who require financial assistance with their water bill. The program is funded by Halifax Water and its employees and administered by the Salvation Army. Halifax Water employees participate in the program through tax deductible contributions, which are matched by Halifax Water. The GRA Decision has directed Halifax Water to update its Rate Affordability Study and its H2O Program in the next rate application.

Unregulated financial and other revenues total \$0.7 million and include leases for communication towers, operation and maintenance contracts for several HRM facilities including the Upper Sackville Recreation Center, the Harrietsfield Recreation Center, and the Nova Scotia Health’s Twin Oaks - The Birches facility.

Unregulated financial and other expenditures total \$0.01 million related to other costs associated with the treatment of leachate.

Accumulated Operating Surplus (Deficit)

The accumulated operating deficit, based on the Handbook, at March 31, 2027, is projected to be \$41.6 million, which consists of the accumulated operating deficit for the 2024/25 fiscal year, budgeted results approved by the Halifax Water Board for 2025/26, and a budgeted surplus of \$1.4 million for 2026/27. Table 5 below summarizes the continuity of the accumulated surplus (deficit) by service.

Table 5:

Accumulated Operating Surplus (Deficit) - NSRAB (in thousands)				
	Total	Water	Wastewater	Stormwater
2024/25 Fiscal year				
Balance, beginning of year	9,784	10,676	6,435	(7,327)
Earnings (loss) for the year	(18,683)	(9,219)	(6,986)	(2,478)
Deficit, end of the year	(8,899)	1,457	(551)	(9,805)
2025/26 Fiscal year (budget)				
Balance, beginning of year	(8,899)	1,457	(551)	(9,805)
Earnings (loss) for the year	(34,075)	(21,183)	(8,853)	(4,038)
Deficit, end of the year	(42,974)	(19,726)	(9,404)	(13,843)
2026/27 Fiscal year (budget)				
Balance, beginning of year	(42,974)	(19,726)	(9,404)	(13,843)
Earnings (loss) for the year	1,387	(173)	1,172	388
Deficit, end of the year	(41,587)	(19,899)	(8,233)	(13,455)

Halifax Water has targeted to maintain a minimum accumulated operating surplus of 3.0% of total expenditures to mitigate risk. In the GRA Decision, the NSRAB did not approve the deficit elimination strategy, and has directed Halifax Water to develop a strategy in the next rate application to recover deficit from future rates.

BUDGET IMPLICATIONS

The combined operations of Water, Wastewater and Stormwater report a budgeted surplus of \$1.4 million in 2026/27.

ALTERNATIVES

The Board could direct staff to revise the proposed 2026/27 Operating Budget.

ATTACHMENT

1. Proposed 2026/27 Operating Budget

Report Prepared by:

Signed by:
Fabio Alonso

Fabio Alonso, MBA

Manager, Finance (902) 399-4668

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - ALL SERVICES - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues				
Water	\$ 56,210	\$ 78,850	\$ 22,640	40.28%
Wastewater	90,770	104,907	14,137	15.57%
Stormwater site generated service	8,865	11,631	2,766	31.20%
Stormwater right of way service	6,515	8,485	1,970	30.23%
Fire protection (public and private)	9,794	13,756	3,962	40.45%
Other services and fees	1,340	1,499	159	11.86%
Late payment and other connection fees	589	649	60	10.11%
Miscellaneous	534	562	28	5.18%
	174,617	220,337	45,720	26.18%
Operating expenditures				
Water supply and treatment	16,146	16,376	230	1.42%
Water transmission and distribution	16,910	18,182	1,272	7.52%
Wastewater collection	15,530	15,071	(459)	(2.95%)
Stormwater collection	6,969	6,759	(210)	(3.02%)
Wastewater treatment	28,640	29,065	425	1.49%
Information and technology services	16,625	19,630	3,005	18.08%
Engineering services	5,813	5,466	(347)	(5.97%)
Environment, health and safety	5,359	5,065	(294)	(5.48%)
Customer services	5,186	5,295	109	2.09%
Corporate services	4,255	3,866	(389)	(9.15%)
Administration services	7,647	7,496	(151)	(1.97%)
Depreciation and amortization	39,924	44,651	4,727	11.84%
	169,004	176,921	7,918	4.68%
Earnings from operations before financial and other revenues and expenditures				
	5,613	43,416	37,803	673.43%
Financial and other revenues				
Interest	468	250	(218)	(46.56%)
Other	617	700	83	13.42%
	1,085	950	(135)	(12.45%)
Financial and other expenditures				
Interest	323	450	127	39.45%
Interest on long term debt	12,291	13,426	1,135	9.23%
Repayment on long term debt	20,514	21,100	586	2.86%
Amortization of debt discount	279	305	26	9.21%
Dividend/grant in lieu of taxes	7,236	7,683	447	6.18%
Other	130	15	(115)	(88.48%)
	40,773	42,979	2,206	5.41%
Earnings (loss) for the year				
	\$ (34,075)	\$ 1,387	\$ 35,462	(104.07%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WATER - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues - Water				
Water	\$ 56,210	\$ 78,850	\$ 22,640	40.28%
Public fire protection	8,083	10,933	2,850	35.25%
Private fire protection	1,711	2,824	1,113	65.02%
Bulk water stations	340	399	59	17.26%
Late payment and other connection fees	202	222	20	10.00%
Miscellaneous	234	254	20	8.64%
	66,780	93,481	26,701	39.98%
Operating expenditures - Water				
Water supply and treatment	16,146	16,376	\$ 230	1.42%
Water transmission and distribution	16,910	18,182	1,272	7.52%
Information and technology services	8,150	9,517	1,367	16.77%
Engineering services	2,017	1,999	(18)	(0.91%)
Environment, health and safety	1,576	1,472	(104)	(6.62%)
Customer services	2,645	2,700	55	2.09%
Corporate services	2,086	1,971	(115)	(5.49%)
Administration services	3,900	3,823	(77)	(1.97%)
Depreciation and amortization	15,127	17,297	2,171	14.35%
	68,557	73,337	4,780	6.97%
Earnings from operations before financial and other revenues and expenditures	(1,776)	20,145	21,921	(1234.00%)
Financial and other revenues				
Interest	295	200	(95)	(32.32%)
Other	477	465	(12)	(2.52%)
	772	665	(107)	(13.91%)
Financial and other expenditures				
Interest on long term debt	5,484	5,910	426	7.77%
Repayment on long term debt	8,303	8,391	88	1.06%
Amortization of debt discount	119	130	11	8.81%
Dividend/grant in lieu of taxes	6,158	6,551	393	6.38%
Other	115	0	(115)	(100.00%)
	20,179	20,982	803	3.98%
Loss for the year	\$ (21,183)	\$ (173)	\$ 21,011	(99.19%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WASTEWATER - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues - Wastewater				
Wastewater	\$ 90,770	\$ 104,907	\$ 14,137	15.57%
Leachate	323	350	27	8.36%
Septage tipping fees	572	640	68	11.89%
Overstrength surcharge	0	0	0	0.00%
Airplane effluent	105	110	5	5.00%
Late payment and other connection fees	207	227	20	9.73%
Miscellaneous	233	233	0	0.21%
	92,210	106,467	14,257	15.46%
Operating expenditures - Wastewater				
Wastewater collection	15,530	15,071	(459)	(2.95%)
Wastewater treatment	28,640	29,065	425	1.49%
Information and technology services	7,797	9,361	1,564	20.06%
Engineering services	2,823	2,495	(328)	(11.61%)
Environment, health and safety	1,763	1,593	(170)	(9.62%)
Customer services	2,338	2,390	52	2.24%
Corporate services	1,996	1,705	(291)	(14.59%)
Administration services	3,372	3,306	(66)	(1.96%)
Depreciation and amortization	20,850	23,341	2,491	11.95%
	85,109	88,328	3,219	3.78%
Earnings from operations before financial and other revenues and expenditures				
	7,101	18,139	11,038	155.44%
Financial and other revenues				
Interest	172	50	(122)	(70.99%)
Other	140	235	95	67.62%
	313	285	(28)	(8.82%)
Financial and other expenditures				
Interest on long term debt	5,287	5,818	531	10.05%
Repayment on long term debt	9,942	10,340	398	4.00%
Amortization of debt discount	126	138	12	9.56%
Dividend/grant in lieu of taxes	898	942	44	4.93%
Other	15	15	0	0.00%
	16,267	17,253	985	6.06%
Earnings (loss) for the year				
	\$ (8,853)	\$ 1,172	\$ 10,025	(113.23%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - STORMWATER - NSRAB

	APR 1/25 MAR 31/26 BUDGET '000	APR 1/26 MAR 31/27 BUDGET '000	From 2025/26 Budget	
			\$ Change	% Change
Operating revenues - Stormwater				
Stormwater site generated service	\$ 8,865	\$ 11,631	\$ 2,766	31.20%
Stormwater right of way service	6,515	8,485	1,970	30.23%
Late payment and other connection fees	180	199	19	10.67%
Miscellaneous	67	74	7	10.40%
	15,627	20,388	4,761	30.47%
Operating expenditures - Stormwater				
Stormwater collection	6,969	6,759	(210)	(3.02%)
Information and technology services	678	752	74	10.89%
Engineering services	973	972	(1)	(0.07%)
Environment, health and safety	2,020	2,000	(20)	(0.99%)
Customer services	203	204	1	0.47%
Corporate services	173	189	16	9.49%
Administration services	375	367	(8)	(2.05%)
Depreciation and amortization	3,948	4,013	65	1.65%
	15,339	15,256	(82)	(0.54%)
Earnings from operations before financial and other revenues and expenditures	288	5,132	4,843	1678.89%
Financial and other revenues				
Interest	0	0	0	0.00%
Other	0	0	0	0.00%
	0	0	0	0.00%
Financial and other expenditures				
Interest	323	450	127	39.45%
Interest on long term debt	1,520	1,697	177	11.66%
Repayment on long term debt	2,269	2,369	100	4.41%
Amortization of debt discount	34	38	3	9.30%
Dividend/grant in lieu of taxes	180	190	10	5.52%
	4,327	4,744	418	9.65%
Earnings (loss) for the year	\$ (4,038)	\$ 388	\$ 4,426	(109.60%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB

	APR 1/25		APR 1/26		From 2025/26 Budget	
	MAR 31/26		MAR 31/27		\$ Change	% Change
	BUDGET		BUDGET			
	'000		'000			
REGULATED ACTIVITIES						
Operating revenues						
Water	\$ 56,210	\$ 78,850	\$ 22,640	40.28%		
Wastewater	90,770	104,907	14,137	15.57%		
Stormwater	15,380	20,115	4,735	30.79%		
Public fire protection	8,083	10,933	2,850	35.25%		
Private fire protection	1,711	2,824	1,113	65.02%		
Miscellaneous	1,463	1,609	146	9.97%		
	173,617	219,237	45,620	26.28%		
Operating expenditures						
Water supply and treatment	16,146	16,376	230	1.42%		
Water transmission and distribution	16,910	18,182	1,272	7.52%		
Wastewater collection	15,468	15,030	(437)	(2.83%)		
Stormwater collection	6,969	6,759	(210)	(3.02%)		
Wastewater treatment	27,725	28,246	521	1.88%		
Information and technology services	16,625	19,630	3,005	18.08%		
Engineering services	5,813	5,466	(347)	(5.97%)		
Environment, health and safety	5,359	5,065	(294)	(5.48%)		
Customer services	5,146	5,253	107	2.09%		
Corporate services	4,242	3,853	(389)	(9.18%)		
Administration services	7,510	7,358	(152)	(2.02%)		
Depreciation and amortization	39,887	44,631	4,744	11.89%		
	167,800	175,848	8,049	4.80%		
Earnings from operations before financial and other revenues and expenditures	5,817	43,389	37,571	645.84%		
Financial and other revenues						
Interest	468	250	(218)	(46.56%)		
Other	17	0	(17)	(100.00%)		
	485	250	(235)	(48.44%)		
Financial and other expenditures						
Interest	323	450	127	39.45%		
Interest on long term debt	12,291	13,426	1,135	9.23%		
Repayment on long term debt	20,514	21,100	586	2.86%		
Amortization of debt discount	279	305	26	9.21%		
Dividend/grant in lieu of taxes	7,236	7,683	447	6.18%		
	40,643	42,964	2,321	5.71%		
Earnings (loss) for the year - Regulated	\$ (34,341)	\$ 674	\$ 35,015	(101.96%)		

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB

	APR 1/25	APR 1/26	From 2025/26 Budget	
	MAR 31/26	MAR 31/27	\$ Change	% Change
	BUDGET	BUDGET		
	'000	'000		
UNREGULATED ACTIVITIES				
Operating revenues				
Septage tipping fees	\$ 572	\$ 640	\$ 68	11.89%
Leachate	323	350	27	8.36%
Airplane effluent	105	110	5	5.00%
Miscellaneous	0	0	0	0.00%
	1,000	1,100	100	10.03%
Operating expenditures				
Water supply and treatment	0	0	0	0.00%
Wastewater treatment	915	820	(95)	(10.40%)
Wastewater collection	62	41	(21)	(34.48%)
Sponsorships and donations	80	82	2	3.00%
Corporate services	13	13	0	0.00%
Administration services	97	97	0	0.00%
Depreciation and amortization	37	20	(17)	(45.95%)
	1,204	1,073	(131)	(10.90%)
Earnings from operations before financial and other revenues and expenditures	(204)	27	231	(113.46%)
Financial and other revenues				
Other - leases and rentals	326	329	4	1.17%
Other - WW contract revenue	40	160	120	300.00%
Other - energy projects	235	211	(24)	(10.23%)
	600	700	100	16.63%
Financial and other expenditures				
Other	130	15	(115)	(88.48%)
	130	15	(115)	(88.48%)
Earnings for the year - Unregulated	\$ 266	\$ 712	\$ 447	167.89%
Total earnings (loss) for the year (Regulated and Unregulated)	\$ (34,075)	\$ 1,387	\$ 35,462	(104.07%)

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

SUBMITTED BY: 
Josh DeYoung, P. Eng., Director, Engineering & Capital Infrastructure

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

DATE: February 27, 2026

SUBJECT: Proposed 2026/27 Capital Budget

ORIGIN

Halifax Water Corporate Governance Manual requires the Halifax Water Board to approve budgets for the utility.

RECOMMENDATION

That the Halifax Water Board

- 1) Approve the proposed 2026/27 Capital Budget in the amount of \$117.7 million.
- 2) Direct staff to file the 2026/27 Capital Budget to the Nova Scotia Regulatory and Appeals Board.

BACKGROUND

Halifax Water's capital planning process is guided by the organization's 5-Year Strategic Plan, which emphasizes sustainable service delivery, risk-based decision-making, and lifecycle asset management. The annual capital budget translates these strategic objectives into targeted investments that support customer-focused levels of service while managing infrastructure risk.

The Integrated Resource Plan (IRP) provides the long-term framework for capital reinvestment, identifying infrastructure needs associated with asset renewal, growth, and regulatory compliance. The IRP includes a 30-year capital reinvestment program valued at approximately \$4.28 billion (\$2.69 billion in 2019 dollars), which informs the prioritization and sequencing of capital projects.

While the IRP establishes overarching direction, additional asset renewal and compliance requirements may emerge between IRP updates through ongoing condition assessments, operational insights, and

evolving regulatory obligations. These inputs are incorporated into the annual capital planning process to ensure the program remains responsive to emerging risks and service delivery needs.

The proposed 2026/27 capital budget reflects this integrated approach and is grounded in Halifax Water's Asset Management Program. It is aligned with the IRP, Strategic Plan, Enterprise Risk Management framework, and Annual Business Plan to support the delivery of reliable and sustainable water, wastewater, and stormwater services for customers.

DISCUSSION

Halifax Water has developed a proposed capital spending plan for 2026/27. The proposed spending plan for the fiscal year April 1, 2026 to March 31, 2027 provided in Schedule 1 is \$164.6 million, which is comprised of \$46.9 million in previously approved but unspent capital budgets that has been carried forward and a net new capital budget in the amount of \$117.7 million. The capital spending plan includes projects within the Water, Wastewater, and Stormwater service areas with a combined value of \$164.6 million, including \$567,900 in planned expenditures for the District Energy service area.

The focus on total capital spending for the 2026/27 fiscal year improves transparency and oversight of annual capital spending and strengthens alignment between approved budgets, actual expenditures, and project delivery schedules.

The capital spending plan and budget were developed with a strong emphasis on organizational capacity to deliver. The 2019 IRP recommends an average annual capital investment level of approximately \$135 million. As Halifax Water's delivery capacity has increased, planned investment levels have also increased to reflect construction cost escalation and identified asset renewal needs. Project selection and phasing reflect a deliberate effort to manage delivery risk and avoid over-commitment of organizational resources.

Additional lenses applied in the development of the 2026/27 capital budget included Enterprise Risk Management, the Condition Assessment Program, Operational Resiliency and Health and Safety requirements.

By capital driver, the proposed 2026/27 capital spend allocates:

- 85.2% to asset renewal
- 5.6% to growth
- 9.2% to regulatory compliance

The high proportion of asset renewal investment reflects the ongoing need to manage infrastructure risk, maintain service reliability, and address aging assets across all service areas.

In developing the capital spending plan and budget, staff considered:

- Available staff resources, ongoing workloads, and delivery capacity
- Integrated projects undertaken in collaboration with the Halifax Regional Municipality
- Regulatory approval requirements and anticipated timelines with the Nova Scotia Regulatory and Appeals Board (NSRAB)
- Environmental permitting requirements, including Transitional Bypass Authorizations
- Previously approved projects advancing into 2026/27
- Application of the capital project scoring process, which evaluates alignment with the 5-Year Strategic Plan, Enterprise Risk Management framework, and IRP

The ongoing IRP Update Project, scheduled for completion in 2027, will further confirm long-term capital investment requirements.

Staff have continued to advance initiatives to improve the efficiency and reliability of capital delivery. Key enhancements supporting this effort are summarized in Table 1.

Table 1 – Enhancements to capital delivery capabilities

Item	Description
Institutional Capacity Assessment (ICA)	The ICA was completed in March 2025, with the NSRAB decision issued on January 22, 2026. The objective is to increase Halifax Water’s ability to deliver annual capital investment requirements. A work plan aligned with the ICA decision is under development, and preliminary findings informed the 2026/27 capital budget.
Capital Project Management and Information System (CPMIS)	CPMIS enhancements are being implemented in phases. Release 1.0 went live in April 2024, focusing on capital planning. Subsequent enhancements in 2025 strengthened project scoring, reporting, financial integration, and transitions into project delivery.
Engineering Practices Project (EPP)	The EPP established an updated understanding of capital delivery processes to improve project execution, tracking, and financial management. Approved 2026/27 projects will transition directly from CPMIS into EPP.
Ongoing recruitment of engineering personnel	Seven (7) additional engineering positions were identified in 2025/26; three have been filled, with the remaining four in progress.

A summary of 2026/27 capital spending and net new capital budget by infrastructure system is provided in Table 2.

Table 2 – Summary of Capital Spending and Net New Capital Budget by Infrastructure System (1,000s)

Program Category	Capital Spending (in 1,000s)	Net New Capital Budget (in 1,000s)
TOTAL – Corporate	\$85,047	\$63,192
TOTAL – District Energy	\$568	\$568
TOTAL – Stormwater	\$16,227	\$12,610
TOTAL – Wastewater	\$35,209	\$22,861
TOTAL – Water	\$27,524	\$18,467
TOTAL CAPITAL FUNDING	\$164,574	\$117,699

Corporate program category funding is allocated to Water, Wastewater, and Stormwater systems at the project level based on the assets impacted.

The 2026/27 capital spend includes 251 projects with funding allocated in the fiscal year. Of these:

- The 10 largest projects account for \$75.9 million
- 30 projects over \$1M, with a combined value of \$112.4 million
- The remaining 221 projects total \$52.1 million
- 118 projects have budgets of \$150,000 or less, totaling \$8.5 million

The large number of smaller projects reflect routine asset renewal and localized risk mitigation activities that collectively support system reliability. Integrated projects with the Halifax Regional Municipality total \$15.1 million, while 12 routine annual programs account for \$40 million.

All projects with a total cost exceeding \$1 million require NSRAB approval. Projects with a total cost exceeding \$5 million are typically subject to paper hearings and may advance to oral (public) hearings, which involve additional regulatory effort and longer approval timelines. Early identification of these projects supports effective regulatory coordination and schedule planning. In 2026/27, Halifax Water anticipates 30 new projects over \$1M will be submitted NSRAB for approval, including:

- 12 routine projects seeking NSRAB funding approval through the annual budget process

ITEM #7

Halifax Water Board

February 27, 2026

- 7 projects with total project costs between \$1 million and \$5 million
- 11 projects with total project costs exceeding \$5 million

BUDGET IMPLICATIONS

The funding sources for the proposed 2026/27 net new Capital Budget are provided in Table 3.

Table 3 – 2026/27 Funding Sources for Net New Capital Budget by Infrastructure System (1,000s)

Funding Source	District Energy	Stormwater	Wastewater	Water	Totals
Depreciation	\$0	\$4,038.0	\$24,412.0	\$18,249.0	\$46,699.0
Debt	\$151.4	\$15,293.9	\$17,001.1	\$29,953.5	\$62,399.9
Regional Development Charge	\$0	\$0	\$4,349.4	\$369.7	\$4,719.1
External Funding	\$416.5	\$1,653.5	\$849.3	\$961.4	\$3,880.7
Capital Cost Contributions	\$0	\$0	\$0	\$0	\$0
TOTAL	\$567.9	\$20,985.4	\$46,611.8	\$49,533.6	\$117,698.7

Note: Funding for Corporate Projects is allocated to the core infrastructure system in the above table (water, wastewater, stormwater).

The proposed 2026/27 capital budget reflects consideration of additional resource capacity added in recent years, experience gained in managing construction pricing and supply chain pressures since 2020, and alignment with the IRP's recommended average annual investment levels.

ALTERNATIVES

The Halifax Water Board does not approve the proposed 2026/27 Capital Budget in the amount of \$117.7 million. This is not recommended as it would impact the timing for delivery of the capital program.

ATTACHMENTS

1. Schedule 1, 2026-27 Capital Spend and Budget
2. Schedule 2, 2026-27 Projects Over \$1M

Report Prepared by:

Signed by:

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Kelsey Green, FEC., P.Eng.
Senior Manager, Asset Management & Capital Planning

Financial Reviewed by:

Signed by:

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



Capital Budget Summary by Program 2026/27

Attachment 1

Program Category	Program Sub Category	All \$ in 000s	All \$ in 000s	All \$ in 000s
		Program Costs	Previously Approved	New Budget 2026/27
Corporate	Corporate - Asset Management	10,458	2,632	7,825
Corporate	Corporate - Energy	20	0	20
Corporate	Corporate - Engineering	10,270	1,810	8,460
Corporate	Corporate - Equipment	150	16	134
Corporate	Corporate - Facility Projects	23,125	16,096	7,029
Corporate	Corporate - Fleet	4,805	1,301	3,504
Corporate	Corporate - Information & Technology	21,119	0	21,119
Corporate	Corporate - Integrated	15,100	0	15,100
Corporate	TOTAL	85,047	21,855	63,192
District Energy Services	District Energy - Distribution	568	0	568
District Energy Services	TOTAL	568	0	568
Stormwater	Stormwater - Culverts/Ditches	7,030	382	6,648
Stormwater	Stormwater - Pipes	9,157	3,195	5,962
Stormwater	Stormwater - Structures	40	40	0
Stormwater	TOTAL	16,227	3,617	12,610
Wastewater	Wastewater - Collection System	15,276	3,699	11,576
Wastewater	Wastewater - Energy	140	0	140
Wastewater	Wastewater - Equipment	945	30	915
Wastewater	Wastewater - Forcemains	0		
Wastewater	Wastewater - Structures	10,304	6,500	3,804
Wastewater	Wastewater - Treatment Facility	8,344	1,918	6,426
Wastewater	Wastewater - Trunk Sewers	200	200	0
Wastewater	TOTAL	35,209	12,347	22,861
Water	Water - Distribution	8,530	3,373	5,157
Water	Water - Energy	100	0	100
Water	Water - Equipment	53	0	53
Water	Water - Land	88	88	0
Water	Water - Structures	9,809	812	8,997
Water	Water - Transmission	3,660	2,808	852
Water	Water - Treatment Facilities	5,285	1,976	3,309
Water	TOTAL	27,524	9,056	18,467
GRAND TOTAL		164,574	46,875	117,699



Capital Budget by Project 2026/27

Attachment 1

Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
				Capital Spend 2026/27	Previously Approved	New Budget 2026/27
Corporate	Corporate - Asset Management					
Corporate	Corporate - Asset Management	2.000043	Corporate Flow Monitoring Program	2,330	164	2,166
Corporate	Corporate - Asset Management	2.0001074	SSO and CSO Management Program	475	475	0
Corporate	Corporate - Asset Management	3.0000644	Water Efficiency Strategy	100	100	0
Corporate	Corporate - Asset Management	4.0000113	Climate Change Management Program	175	0	175
Corporate	Corporate - Asset Management	4.0000156	Asset Management Program Roadmap Update – Implementation	175	127	48
Corporate	Corporate - Asset Management	4.0000158	Condition Assessment Program: Enhancement and Implementation	550	0	550
Corporate	Corporate - Asset Management	4.0000163	Annual Asset Management Plan Update	25	0	25
Corporate	Corporate - Asset Management	4.0000168	Model Enhancements	35	0	35
Corporate	Corporate - Asset Management	4.0000170	Integrated Resource Plan Update	1,400	1,400	0
Corporate	Corporate - Asset Management	4.0000275	Digital Twin – Data Extraction	100	0	100
Corporate	Corporate - Asset Management	4.0000308	Growth Servicing Strategy	275	275	0
Corporate	Corporate - Asset Management	4.0000318	Water Survey of Canada Hydro Monitoring	160	4	156
Corporate	Corporate - Asset Management	4.0000358	Sewer Inspection Program Review - Target State	650	86	564
Corporate	Corporate - Asset Management	4.0000359	AMP Continuous Improvement	53	0	53
Corporate	Corporate - Asset Management	4.0000440	AM Service Delivery Management	35	0	35
Corporate	Corporate - Asset Management	4.0000441	CCTV Sewer Condition Assessment	1,135	0	1,135
Corporate	Corporate - Asset Management	4.0000442	Trunk Sewer & Outfall Condition Program Development and Pilot	200	0	200
Corporate	Corporate - Asset Management	4.0000443	Transmission Main Condition Assessment Program 26/27	1,500	0	1,500
Corporate	Corporate - Asset Management	4.0000444	2026/27 AM Data & Technology Strategic Support – Implementation	500	0	500
Corporate	Corporate - Asset Management	4.0000445	Cross Culvert Condition Assessment Program	35	0	35
Corporate	Corporate - Asset Management	4.0000446	Safe Yield Program	320	0	320
Corporate	Corporate - Asset Management	4.0000449	Corporate Building Inventory	18	0	18
Corporate	Corporate - Asset Management	4.0000450	Lifecycle Strategy Enhancement	18	0	18
Corporate	Corporate - Asset Management	4.0000451	Critical Asset Inventory Enhancement	25	0	25
Corporate	Corporate - Asset Management	4.0000454	Capital Planning Process Improvement	170	0	170
Corporate	Corporate - Asset Management	Total		10,458	2,632	7,825
Corporate	Corporate - Energy					
Corporate	Corporate - Energy	4.0000460	OAT Reset Controls Implementation (RPPS, DCPS, LMWSP)	20	0	20
Corporate	Corporate - Energy	Total		20	0	20
Corporate	Corporate - Engineering					
Corporate	Corporate - Engineering	2.0001236	Collection System Structural Lining Program 2026/27	4,000	573	3,427
Corporate	Corporate - Engineering	3.0000819	Treatment Facilities - Condition Assessment - Small Systems WSPs and Community WWTF	500	0	500
Corporate	Corporate - Engineering	3.0000820	Treatment Facility Emergency Back-up Power Review	150	0	150
Corporate	Corporate - Engineering	4.0000416	Bayers Road Phase 2 Widening - Water Transmission Main Replacement and Sewer Separation	180	21	159
Corporate	Corporate - Engineering	4.0000424	Sullivan's Pond Phase 2, Part 2	4,390	715	3,675
Corporate	Corporate - Engineering	4.0000429	Port Wallace Utility Corridor	500	500	0
Corporate	Corporate - Engineering	4.0000464	Maynard Lake and Clement Wetland Separation	210	0	210
Corporate	Corporate - Engineering	4.0000466	Critical Telemetry Backup Power	140	0	140
Corporate	Corporate - Engineering	4.0000468	ICA Implementation	200	0	200
Corporate	Corporate - Engineering	Total		10,270	1,810	8,460
Corporate	Corporate - Equipment					
Corporate	Corporate - Equipment	4.0000154	Customer Meters - New and Replacement	150	16	134
Corporate	Corporate - Equipment	Total		150	16	134
Corporate	Corporate - Facility Projects					
Corporate	Corporate - Facility Projects	3.0000221	Energy Management Capital Program (Corporate)	125	125	0
Corporate	Corporate - Facility Projects	4.0000009	Security Upgrade Program (water and wastewater)	100	62	38
Corporate	Corporate - Facility Projects	4.0000077	Building Capital Improvements	1,200	698	502
Corporate	Corporate - Facility Projects	4.0000187	Burnside Operations Centre	21,700	15,211	6,489
Corporate	Corporate - Facility Projects	Total		23,125	16,096	7,029
Corporate	Corporate - Fleet					
Corporate	Corporate - Fleet	4.0000007	Fleet Upgrade Program W	620	404	216
Corporate	Corporate - Fleet	4.0000316	Fleet Upgrade Program WWSW	4,185	898	3,287
Corporate	Corporate - Fleet	Total		4,805	1,301	3,504
Corporate	Corporate - Information & Technology					
Corporate	Corporate - Information & Technology	3.0000807	ORP - Operational Staffing Assessment & Strategy	500	0	500
Corporate	Corporate - Information & Technology	3.0000808	ORP - Drinking Water QMS Implementation	350	0	350
Corporate	Corporate - Information & Technology	3.0000809	ORP - Alarm Standardization Implementation	400	0	400
Corporate	Corporate - Information & Technology	3.0000810	ORP - SOPs, Emergency Exercises, Training	325	0	325
Corporate	Corporate - Information & Technology	3.0000811	ORP - Critical Spare Parts	325	0	325
Corporate	Corporate - Information & Technology	4.0000239	OT-Process-TS Work Tracking	50	0	50
Corporate	Corporate - Information & Technology	4.0000320	OT-Process-OT & Electrical Standards/Specifications	200	0	200
Corporate	Corporate - Information & Technology	4.0000365	Automated Equalized Overtime	299	0	299
Corporate	Corporate - Information & Technology	4.0000376	ERP Enhancements	400	0	400
Corporate	Corporate - Information & Technology	4.0000381	Aerial Imagery Aquisition 26-27	50	0	50
Corporate	Corporate - Information & Technology	4.0000382	GIS Data Automation 26-27	200	0	200
Corporate	Corporate - Information & Technology	4.0000383	Capital Delivery Upgrades PMO 26-27	750	0	750
Corporate	Corporate - Information & Technology	4.0000384	Capital Delivery Upgrades - EPP 26-27	800	0	800
Corporate	Corporate - Information & Technology	4.0000385	Capital Planning Upgrades - EPP 26-27	350	0	350
Corporate	Corporate - Information & Technology	4.0000386	ERP Upgrades 26-27	200	0	200
Corporate	Corporate - Information & Technology	4.0000389	PMO Improvements 26-27	860	0	860
Corporate	Corporate - Information & Technology	4.0000390	ORP - Incident Response Plans & Playbooks	625	0	625
Corporate	Corporate - Information & Technology	4.0000391	ORP - Enterprise Resiliency Assessments	500	0	500
Corporate	Corporate - Information & Technology	4.0000394	IT Asset Management	500	0	500
Corporate	Corporate - Information & Technology	4.0000395	Cyber Metrics Phase 1	124	0	124
Corporate	Corporate - Information & Technology	4.0000396	Endpoint Privileged Management	271	0	271
Corporate	Corporate - Information & Technology	4.0000397	CMMS Version23 Upgrade & preparation for Cloud Solution	650	0	650
Corporate	Corporate - Information & Technology	4.0000398	CMMS Strategy and Governance - Phase 2	350	0	350
Corporate	Corporate - Information & Technology	4.0000399	TUM - Asset Protection & Awareness Training	599	0	599



Capital Budget by Project 2026/27

Attachment 1

Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
				Capital Spend 2026/27	Previously Approved	New Budget 2026/27
Corporate	Corporate - Information & Technology	4.0000400	OT NIDS Enhancements	361	0	361
Corporate	Corporate - Information & Technology	4.0000402	TUM - Monitoring/Assessment & Vulnerability Management	599	0	599
Corporate	Corporate - Information & Technology	4.0000403	Contract Management and Vendor Performance Enhancements	120	0	120
Corporate	Corporate - Information & Technology	4.0000406	EMIS Replacement - Implementation	250	0	250
Corporate	Corporate - Information & Technology	4.0000411	OT-Lifecycle-OT OS Enhancements - Phase 1	600	0	600
Corporate	Corporate - Information & Technology	4.0000412	OT-Lifecycle-Harbour Solutions HMI Infrastructure Enhancements	200	0	200
Corporate	Corporate - Information & Technology	4.0000414	OT-Lifecycle-OT Facilities Enhancements	150	0	150
Corporate	Corporate - Information & Technology	4.0000417	Network Assessments	547	0	547
Corporate	Corporate - Information & Technology	4.0000419	OT Physical Security	258	0	258
Corporate	Corporate - Information & Technology	4.0000421	IS Infrastructure Upgrades 26-27	900	0	900
Corporate	Corporate - Information & Technology	4.0000422	Cyber Awareness Enhancements	167	0	167
Corporate	Corporate - Information & Technology	4.0000425	IS Equipment Replacement 26-27	800	0	800
Corporate	Corporate - Information & Technology	4.0000426	Service Gap Project 26-27	250	0	250
Corporate	Corporate - Information & Technology	4.0000427	Strategic Planning Business Cases 26-27	150	0	150
Corporate	Corporate - Information & Technology	4.0000428	GIS Schema Changes 26-27	100	0	100
Corporate	Corporate - Information & Technology	4.0000430	Integrated Management System 26-27	890	0	890
Corporate	Corporate - Information & Technology	4.0000431	Corporate Governance 26-27	860	0	860
Corporate	Corporate - Information & Technology	4.0000435	General IT System Upgrades 26-27	500	0	500
Corporate	Corporate - Information & Technology	4.0000437	OT-Lifecycle-Capital Tools 26-27	156	0	156
Corporate	Corporate - Information & Technology	4.0000438	OT-Lifecycle-AMI Comms Upgrade 26-27	180	0	180
Corporate	Corporate - Information & Technology	4.0000439	OT-Lifecycle-OT Enhancements 26-27	720	0	720
Corporate	Corporate - Information & Technology	4.0000448	OT-Lifecycle-Radio Network Replacement Program 26-27	250	0	250
Corporate	Corporate - Information & Technology	4.0000452	Comprehensive Emergency Management Program 26-27	700	0	700
Corporate	Corporate - Information & Technology	4.0000462	Enterprise Identity & Access Management	500	0	500
Corporate	Corporate - Information & Technology	4.0000465	Business Continuity Planning (Technology) - Discovery & Planning	984	0	984
Corporate	Corporate - Information & Technology	5.0000002	District Energy Model 26-27	250	0	250
Corporate	Corporate - Information & Technology	Total		21,119	0	21,119
Corporate	Corporate - Integrated					
Corporate	Corporate - Integrated	4.0000420	Integrated Projects All Services - Program 2026/27	15,100	0	15,100
Corporate	Corporate - Integrated	Total		15,100	0	15,100
Corporate	TOTAL			85,047	21,855	63,192
District Energy Services	District Energy - Distribution					
District Energy Services	District Energy - Distribution	5.0000001	Cogswell DES - Utility Development	568	0	568
District Energy Services	District Energy - Distribution	Total		568	0	568
District Energy Services	TOTAL			568	0	568
Stormwater	Stormwater - Culverts/Ditches					
Stormwater	Stormwater - Culverts/Ditches	1.0000104	Driveway Culvert Replacement Program	1,300	334	966
Stormwater	Stormwater - Culverts/Ditches	1.0000109	Cross Culvert Renewal Program 2026/27	5,500	18	5,482
Stormwater	Stormwater - Culverts/Ditches	1.0000279	Cross Culvert Replacement Program 26/27	200	0	200
Stormwater	Stormwater - Culverts/Ditches	1.0000325	Miller Lake Road @ Highway #2 Storm System Renewal	30	30	0
Stormwater	Stormwater - Culverts/Ditches	Total		7,030	382	6,648
Stormwater	Stormwater - Pipes					
Stormwater	Stormwater - Pipes	1.0000034	Raymond Street / Lakecrest Drive - Storm Sewer Replacement	2,892	0	2,892
Stormwater	Stormwater - Pipes	1.0000102	Manhole Renewals SW Program	10	7	3
Stormwater	Stormwater - Pipes	1.0000103	Catchbasin Renewals SW Program	75	19	56
Stormwater	Stormwater - Pipes	1.0000135	Lateral Replacements SW Program	10	0	10
Stormwater	Stormwater - Pipes	1.0000246	Oathill Lake Stormwater System Renewal	50	50	0
Stormwater	Stormwater - Pipes	1.0000321	Tobin Run Stormwater Renewal	675	675	0
Stormwater	Stormwater - Pipes	1.0000349	Windsor Street Exchange Redevelopment - Stormwater Infrastructure - Construction	4,000	998	3,002
Stormwater	Stormwater - Pipes	1.0000350	Farrell Street Storm Sewer Replacement	1,345	1,345	0
Stormwater	Stormwater - Pipes	1.0000355	Catchbasin Leads Replacement Program	100	100	0
Stormwater	Stormwater - Pipes	Total		9,157	3,195	5,962
Stormwater	Stormwater - Structures					
Stormwater	Stormwater - Structures	1.0000353	Flood List Access Improvements	40	40	0
Stormwater	Stormwater - Structures	Total		40	40	0
Stormwater	TOTAL			16,227	3,617	12,610
Wastewater	Wastewater - Collection System					
Wastewater	Wastewater - Collection System	2.0000223	Wet Weather Management Program	200	200	0
Wastewater	Wastewater - Collection System	2.0000357	Manhole Renewals WW	60	20	40
Wastewater	Wastewater - Collection System	2.0000358	Lateral Replacements WW (non-tree roots)	1,200	0	1,200
Wastewater	Wastewater - Collection System	2.0000563	Lateral Replacements WW (tree roots)	400	26	374
Wastewater	Wastewater - Collection System	2.0000679	College Street - Sewer Separation	2,610	0	2,610
Wastewater	Wastewater - Collection System	2.0000830	Eastern Passage RDII Reduction Program FMZ24 - Lake Loon	35	0	35
Wastewater	Wastewater - Collection System	2.0000831	Eastern Passage RDII Reduction Program FMZ37 - Eastern Passage	18	18	0
Wastewater	Wastewater - Collection System	2.0000835	Canal Street Separation	50	50	0
Wastewater	Wastewater - Collection System	2.0001036	Wastewater Reservicing - Hollis Street	280	43	237
Wastewater	Wastewater - Collection System	2.0001071	Raymond Street / Lakecrest Drive - Sanitary Sewer Replacement	1,203	438	765
Wastewater	Wastewater - Collection System	2.0001072	Sewer Separation Program	100	100	0
Wastewater	Wastewater - Collection System	2.0001130	Windmill Road Wastewater Repairs	35	35	0
Wastewater	Wastewater - Collection System	2.0001137	Young Avenue CN Bridge - Sewer Replacement	50	50	0
Wastewater	Wastewater - Collection System	2.0001182	Windsor Street Exchange Redevelopment - Wastewater Infrastructure - Construction	4,000	984	3,016
Wastewater	Wastewater - Collection System	2.0001196	Bedford RDII Reduction Program FMZ02 & 03	35	16	19
Wastewater	Wastewater - Collection System	2.0001220	Kempt Road Sewer Separation	5,000	1,719	3,281
Wastewater	Wastewater - Collection System	Total		15,276	3,699	11,576
Wastewater	Wastewater - Energy					
Wastewater	Wastewater - Energy	2.0000362	Energy Management Capital Program (Wastewater)	140	0	140
Wastewater	Wastewater - Energy	Total		140	0	140
Wastewater	Wastewater - Equipment					
Wastewater	Wastewater - Equipment	2.0000161	I&I Reduction Program Flow Meters and Related Equipment	30	30	0



**Capital Budget by Project
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Attachment 1

Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
				Capital Spend 2026/27	Previously Approved	New Budget 2026/27
Wastewater	Wastewater - Equipment	2.0000451	Miscellaneous Equipment Replacement	100	0	100
Wastewater	Wastewater - Equipment	2.0001221	Old Lawrencetown PS Generator Replacement (East)	65	0	65
Wastewater	Wastewater - Equipment	2.0001226	Trenchless Tools/Equipment: Spot Repair Equipment Upgrades/Trailer upgrades	100	0	100
Wastewater	Wastewater - Equipment	2.0001232	Fish Hattery PS- Automatic Transfer Switch Replacement	100	0	100
Wastewater	Wastewater - Equipment	2.0001233	Operation Delivered CCTV and Cleaning for Asset Management	550	0	550
Wastewater	Wastewater - Equipment	Total		945	30	915
Wastewater	Wastewater - Structures					
Wastewater	Wastewater - Structures	2.0000005	Autoport Pleasant Street PS Replacement	500	500	0
Wastewater	Wastewater - Structures	2.0000420	Emergency Pumping Station Pump Replacements	500	282	218
Wastewater	Wastewater - Structures	2.0000444	Wastewater Pumping Station Component Replacement Program	200	169	31
Wastewater	Wastewater - Structures	2.0000660	Bissett PS Component Upgrade	100	100	0
Wastewater	Wastewater - Structures	2.0000665	CSO Upgrade Program	30	30	0
Wastewater	Wastewater - Structures	2.0000846	Quigleys Corner Pumping Station Upgrade	2,000	2,000	0
Wastewater	Wastewater - Structures	2.0000920	Herring Cove Pumping Station - Pump Replacements	1,150	0	1,150
Wastewater	Wastewater - Structures	2.0000978	Majestic Avenue PS Upgrades + FM Twinning	124	124	0
Wastewater	Wastewater - Structures	2.0001030	Duffus Street Pumping Station - Mechanical & Electrical Upgrades	2,000	2,000	0
Wastewater	Wastewater - Structures	2.0001032	Pier A Pumping Station - Mechanical Upgrades	1,000	1,000	0
Wastewater	Wastewater - Structures	2.0001076	Pump Station Quick Connects for Generators and Bypass pumps	250	250	0
Wastewater	Wastewater - Structures	2.0001115	Fall Protection Retro-Fit - Pumping Stations	50	0	50
Wastewater	Wastewater - Structures	2.0001194	Pump Station Hatch Replacements	45	45	0
Wastewater	Wastewater - Structures	2.0001219	Melville Cove PS Upgrades	100	0	100
Wastewater	Wastewater - Structures	2.0001222	Humber Park PS Upgrades	175	0	175
Wastewater	Wastewater - Structures	2.0001228	PS Control Panel / Electrical Replacement Program (Y1)	2,000	0	2,000
Wastewater	Wastewater - Structures	2.0001234	Kearney lake PS Electrical /Technical Upgrade	80	0	80
Wastewater	Wastewater - Structures	Total		10,304	6,500	3,804
Wastewater	Wastewater - Treatment Facility					
Wastewater	Wastewater - Treatment Facility	2.0000056	WWTFs - Plant Optimization Program	150	0	150
Wastewater	Wastewater - Treatment Facility	2.0000522	WWTFs Asset Renewal and Emergency Equipment Replacements/Repairs	650	0	650
Wastewater	Wastewater - Treatment Facility	2.0000668	WWTF - Research Program Pilot Plant	70	68	2
Wastewater	Wastewater - Treatment Facility	2.0000817	Mill Cove WWTF - Plant Upgrades	500	31	469
Wastewater	Wastewater - Treatment Facility	2.0000876	Halifax & Dartmouth WWTF - Raw Water Pump Refurbishment Program	125	0	125
Wastewater	Wastewater - Treatment Facility	2.0000907	WWTFs - Annual Centrifuge Rebuild Program	150	55	95
Wastewater	Wastewater - Treatment Facility	2.0000919	Biosolids Processing Facility - Gas Sensor Upgrade Program	20	0	20
Wastewater	Wastewater - Treatment Facility	2.0000931	Biosolids Processing Facility - Facility Upgrade - Construction & Commissioning	1,460	1,460	0
Wastewater	Wastewater - Treatment Facility	2.0001023	WWTFs - Critical Electrical Equipment Refurbishment Program	600	0	600
Wastewater	Wastewater - Treatment Facility	2.0001047	Dartmouth WWTF - OCS - Refurbishment - Canisters & Components	35	0	35
Wastewater	Wastewater - Treatment Facility	2.0001081	WWTFs - Critical Spare Parts Program	500	0	500
Wastewater	Wastewater - Treatment Facility	2.0001098	Eastern Passage WWTF - Pump Replacement Program	75	0	75
Wastewater	Wastewater - Treatment Facility	2.0001111	North Preston WWTF - Replace Factory Talks with VTS/Scada- Phase 1 Scoping	50	40	10
Wastewater	Wastewater - Treatment Facility	2.0001123	Halifax WWTF - Main Isolation Gate Replacement	250	85	165
Wastewater	Wastewater - Treatment Facility	2.0001127	Dartmouth WWTF - Polymer System Upgrade	120	0	120
Wastewater	Wastewater - Treatment Facility	2.0001138	WWTFs UV Disinfection System Refurbishment Program	450	0	450
Wastewater	Wastewater - Treatment Facility	2.0001140	HHSP WWTFs Distributed Control System Upgrades	350	0	350
Wastewater	Wastewater - Treatment Facility	2.0001143	Halifax WWTF - Fire Alarm System Replacement	70	60	10
Wastewater	Wastewater - Treatment Facility	2.0001158	Eastern Passage WWTF - Polymer System Replacement	100	100	0
Wastewater	Wastewater - Treatment Facility	2.0001164	Eastern Passage WWTF - Odour Control System Carbon Replacement	200	0	200
Wastewater	Wastewater - Treatment Facility	2.0001167	Timberlea WWTF - Alum Tank Refurbishment	400	0	400
Wastewater	Wastewater - Treatment Facility	2.0001170	Timberlea WWTF - Roof Repairs	600	0	600
Wastewater	Wastewater - Treatment Facility	2.0001173	Timberlea WWTF - Generator Capacity Review Phase 1 Scoping	70	5	65
Wastewater	Wastewater - Treatment Facility	2.0001205	Halifax WWTF - Coarse Screen Replacement	53	0	53
Wastewater	Wastewater - Treatment Facility	2.0001206	Eastern Passage WWTF - UV Building Roof Replacement	50	0	50
Wastewater	Wastewater - Treatment Facility	2.0001207	Frame WWTF - Process Pipework Replacement	50	0	50
Wastewater	Wastewater - Treatment Facility	2.0001208	Timberlea WWTF - SCADA Expansion and Spare Parts	200	0	200
Wastewater	Wastewater - Treatment Facility	2.0001209	Timberlea WWTF - Valve Replacement Program	50	0	50
Wastewater	Wastewater - Treatment Facility	2.0001210	Mill Cove WWTF - Boiler Assessment	350	0	350
Wastewater	Wastewater - Treatment Facility	2.0001211	North Preston WWTF - Roof Replacement	35	0	35
Wastewater	Wastewater - Treatment Facility	2.0001212	WWTF Odour Monitoring	100	0	100
Wastewater	Wastewater - Treatment Facility	2.0001213	Middle Musquodoboit WWTF - Security Fence	14	14	0
Wastewater	Wastewater - Treatment Facility	2.0001215	Mill Cove WWTF - Centrifuge Trailer Structural Rehabilitation	100	0	100
Wastewater	Wastewater - Treatment Facility	2.0001217	Mill Cove WWTF - Odour Control Optimization	100	0	100
Wastewater	Wastewater - Treatment Facility	2.0001223	Biosolids Processing Facility - Live Bottom Bin Controls Upgrades	125	0	125
Wastewater	Wastewater - Treatment Facility	2.0001230	WWTFs - Instrumentation, Controls and SCADA Infrastructure Program	123	0	123
Wastewater	Wastewater - Treatment Facility	Total		8,344	1,918	6,426
Wastewater	Wastewater - Trunk Sewers					
Wastewater	Wastewater - Trunk Sewers	2.0001204	Fairview Cove Trunk Sewer	200	200	0
Wastewater	Wastewater - Trunk Sewers	Total		200	200	0
Wastewater	TOTAL			35,209	12,347	22,861
Water	Water - Distribution					
Water	Water - Distribution	3.0000067	~ Valves Renewals	400	0	400
Water	Water - Distribution	3.0000068	~ Hydrants Renewals	200	0	200
Water	Water - Distribution	3.0000069	~ Service Lines Renewals	70	0	70
Water	Water - Distribution	3.0000294	Automated Flushing Program	53	53	0
Water	Water - Distribution	3.0000296	Water Sampling Station Relocation Program	35	31	4
Water	Water - Distribution	3.0000390	Lead Service Line Replacement Program	2,500	1,405	1,095
Water	Water - Distribution	3.0000688	Little Salmon River Bridge Watermain Replacement	100	100	0
Water	Water - Distribution	3.0000696	Tower Road CN Bridge - Watermain Replacement	1,324	0	1,324
Water	Water - Distribution	3.0000699	Raymond St / Lakecrest Drive Storm Sewer Replacement - Watermain	753	753	0
Water	Water - Distribution	3.0000772	Fire Flow Study	35	35	0
Water	Water - Distribution	3.0000782	Pressure Monitoring - Critical Locations	50	0	50
Water	Water - Distribution	3.0000787	Windsor Street Exchange Redevelopment - Water Infrastructure - Construction	2,000	995	1,005



**Capital Budget by Project
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Program Category	Program Sub Category	Project Code	Project Name	All \$ in 000s	All \$ in 000s	All \$ in 000s
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Water	Water - Distribution	3.000805	Upper Hammonds Plains Water System Upgrade	890	0	890
Water	Water - Distribution	3.000816	Operations Workflow Mapping	50	0	50
Water	Water - Distribution	3.000822	Hardware Replacement Program - Water	35	0	35
Water	Water - Distribution	3.000828	Non-revenue Water Program	35	0	35
Water	Water - Distribution	Total		8,530	3,373	5,157
Water	Water - Energy					
Water	Water - Energy	3.000824	Small Systems Heat Pumps	50	0	50
Water	Water - Energy	3.000825	Collins Park & Middle Musquodoboit HVAC & Pumping System Efficiency Improvements Study	50	0	50
Water	Water - Energy	Total		100	0	100
Water	Water - Equipment					
Water	Water - Equipment	3.000101	Miscellaneous Equipment Replacement (Water)	53	0	53
Water	Water - Equipment	Total		53	0	53
Water	Water - Land					
Water	Water - Land	3.000033	Watershed Land Acquisition	88	88	0
Water	Water - Land	Total		88	88	0
Water	Water - Structures					
Water	Water - Structures	3.000263	District Metered Areas (DMA) Program	70	0	70
Water	Water - Structures	3.000455	Reservoir Mixing and Residuals Management Upgrade Program	35	0	35
Water	Water - Structures	3.000589	Aerotech Booster Station Replacement	400	400	0
Water	Water - Structures	3.000601	Control Chamber Valve Replacement Program	53	53	0
Water	Water - Structures	3.000623	Booster Station - Building Envelope - Capital Upgrade Program	35	11	24
Water	Water - Structures	3.000651	Riverside Drive PRV Chamber Replacement	30	30	0
Water	Water - Structures	3.000707	Albro Lake PRV - CSE Retrofit	250	3	247
Water	Water - Structures	3.000710	Lennox Drive PRV Chamber - CSE Retrofit and Upgrade	86	86	0
Water	Water - Structures	3.000712	Mount Edward Reservoir #1 Replacement	8,000	48	7,952
Water	Water - Structures	3.000762	Lake Major Dam - DFO Offsetting - Follow Up Monitoring (2026-2029)	10	6	4
Water	Water - Structures	3.000774	Cowie Hill Booster Station - Pump replacement and upgrades	100	100	0
Water	Water - Structures	3.000780	Ritcey PRV Chamber - CSE Retrofit	63	0	63
Water	Water - Structures	3.000788	Rockmanor Booster Station Pump Replacement	75	75	0
Water	Water - Structures	3.000790	Newcastle PRV Chamber Replacement	20	0	20
Water	Water - Structures	3.000823	Bulkfill Station Program	53	0	53
Water	Water - Structures	3.000827	Back-up Generator Program - Water	50	0	50
Water	Water - Structures	3.000829	Mount Edward Booster Station Control and Electrical Replacement	80	0	80
Water	Water - Structures	3.000835	Electrical System Modernization Project - Water	400	0	400
Water	Water - Structures	Total		9,809	812	8,997
Water	Water - Transmission					
Water	Water - Transmission	3.000436	Pockwock Transmission Main Twinning - WSP to Hammonds Plain Road	150	150	0
Water	Water - Transmission	3.000554	North End Feeder Replacement ***	3,000	2,656	344
Water	Water - Transmission	3.000773	Windmill Road Transmission Main Upgrades	110	2	108
Water	Water - Transmission	3.000806	Burnside to Bedford Transmission Main - Anderson Lake Segment	400	0	400
Water	Water - Transmission	Total		3,660	2,808	852
Water	Water - Treatment Facilities					
Water	Water - Treatment Facilities	3.000608	WSEP - JD Kline WSP - Cleanwell, reservoir and storage - JDK-800.25	365	0	365
Water	Water - Treatment Facilities	3.000619	WSEP - Lake Major WSP - Intake/low lift Pump Station - MAJ-800.20	400	286	114
Water	Water - Treatment Facilities	3.000690	WSPs- Instrumentation and Controls Equipment Program	150	0	150
Water	Water - Treatment Facilities	3.000691	WSPs Equipment Overhaul and Repair Program	600	0	600
Water	Water - Treatment Facilities	3.000731	Small Systems - Filter Column Replacement Program	20	0	20
Water	Water - Treatment Facilities	3.000754	Water Supply Plants Asset Renewal and Emergency Repairs	500	0	500
Water	Water - Treatment Facilities	3.000755	Lake Major WSP - Security Gate Upgrades	80	70	10
Water	Water - Treatment Facilities	3.000758	Pockwock Dam Replacement	500	258	242
Water	Water - Treatment Facilities	3.000768	JD Kline WSP - Pumping Station - Raw Water Valve Actuators Replacement Phase 2 - Pipe 5 & 4	120	120	0
Water	Water - Treatment Facilities	3.000795	JD Kline WSP - New Dry Polymer System	250	194	56
Water	Water - Treatment Facilities	3.000796	JD Kline WSP - New Low Lift Generator	100	100	0
Water	Water - Treatment Facilities	3.000797	JD Kline WSP - New Plant Generator Installation	70	70	0
Water	Water - Treatment Facilities	3.000798	JD Kline WSP - Third Backwash Pump	800	800	0
Water	Water - Treatment Facilities	3.000812	WSEP - New Pockwock Water Supply Plant	200	0	200
Water	Water - Treatment Facilities	3.000813	Bennery WSP - Low Lift Communications Upgrades	70	0	70
Water	Water - Treatment Facilities	3.000815	Small Systems - Bomont WSP Basement Confined Space Entry Retrofit	50	0	50
Water	Water - Treatment Facilities	3.000817	Lake Major WSP Chemical Injection Points Replacement	120	0	120
Water	Water - Treatment Facilities	3.000818	Lake Major WSP - Chemical Feed Line Redundancy	150	0	150
Water	Water - Treatment Facilities	3.000826	WSPs - Plant Optimization Program	150	0	150
Water	Water - Treatment Facilities	3.000830	Bennery Lake WSP - Actuator Replacements for various filter valves	70	0	70
Water	Water - Treatment Facilities	3.000831	Bennery Lake WSP - Replace Stairs to the Lake	50	0	50
Water	Water - Treatment Facilities	3.000832	JD Kline WSP - New Raw Water Motor	350	0	350
Water	Water - Treatment Facilities	3.000834	JD Kline WSP - New kickplates around filter and railing improvements	20	0	20
Water	Water - Treatment Facilities	4.000366	Pilot Project for Ecological Maintenance Flow determination	100	78	22
Water	Water - Treatment Facilities	Total		5,285	1,976	3,309
Water	TOTAL			27,524	9,056	18,467
GRAND TOTAL				164,574	46,875	117,699



Capital Budget 2026/27 Capital Projects Over \$1M

Attachment 2

Program Category	Project Code	Project Name	All \$ in 000s
			Y1 2026/27
Corporate			
Corporate	2.0000043	Corporate Flow Monitoring Program	2,330
Corporate	4.0000170	Integrated Resource Plan Update	1,400
Corporate	4.0000441	CCTV Sewer Condition Assessment	1,135
Corporate	4.0000443	Transmission Main Condition Assessment Program 26/27	1,500
Corporate	4.0000424	Sullivan's Pond Phase 2, Part 2	4,390
Corporate	2.0001236	Collection System Structural Lining Program 2026/27	4,000
Corporate	4.0000077	Building Capital Improvements	1,200
Corporate	4.0000187	Burnside Operations Centre	21,700
Corporate	4.0000316	Fleet Upgrade Program WWSW	4,185
Corporate	4.0000420	Integrated Projects All Services - Program 2026/27	15,100
Stormwater			
Stormwater	1.0000104	Driveway Culvert Replacement Program	1,300
Stormwater	1.0000109	Cross Culvert Renewal Program 2026/27	5,500
Stormwater	1.0000034	Raymond Street / Lakecrest Drive - Storm Sewer Replacement	2,892
Stormwater	1.0000349	Windsor Street Exchange Redevelopment - Stormwater Infrastructure - Construction	4,000
Stormwater	1.0000350	Farrell Street Storm Sewer Replacement	1,345
Wastewater			
Wastewater	2.0000358	Lateral Replacements WW (non-tree roots)	1,200
Wastewater	2.0000679	College Street - Sewer Separation	2,610
Wastewater	2.0001071	Raymond Street / Lakecrest Drive - Sanitary Sewer Replacement	1,203
Wastewater	2.0001182	Windsor Street Exchange Redevelopment - Wastewater Infrastructure - Construction	4,000
Wastewater	2.0001220	Kempt Road Sewer Separation	5,000
Wastewater	2.0000846	Quigleys Corner Pumping Station Upgrade	2,000
Wastewater	2.0000920	Herring Cove Pumping Station - Pump Replacements	1,150
Wastewater	2.0001030	Duffus Street Pumping Station - Mechanical & Electrical Upgrades	2,000
Wastewater	2.0001032	Pier A Pumping Station - Mechanical Upgrades	1,000
Wastewater	2.0001228	PS Control Panel / Electrical Replacement Program (Y1)	2,000
Wastewater	2.0000931	Biosolids Processing Facility - Facility Upgrade - Construction & Commissioning	1,460
Water			
Water	3.0000390	Lead Service Line Replacement Program	2,500
Water	3.0000696	Tower Road CN Bridge - Watermain Replacement	1,324
Water	3.0000787	Windsor Street Exchange Redevelopment - Water Infrastructure - Construction	2,000
Water	3.0000712	Mount Edward Reservoir #1 Replacement	8,000
Water	3.0000554	North End Feeder Replacement ***	3,000
GRAND TOTAL - Projects Over \$1M			112,424