

HALIFAX WATER BOARD AGENDA

Thursday, March 26, 2026, 9:00 a.m.

Hybrid/ Cowie Hill Road and 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, February 27, 2026.
Motion: That the Halifax Water Board approve the in-camera minutes of February 27, 2026, as circulated.
- 2C Business arising from minutes
 - a.
- 3C **Confidential Audit Matter**
- 4C **Security Matter**
- 5C **Contract Negotiation Matter**
- 6C **Contract Negotiation Matter**

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, February 27, 2026.
Motion: That the Halifax Water Board approve the minutes of the February 27, 2026, regular meeting, as circulated.
4. Business arising from minutes:
 - a.

FINANCIAL REPORTS

- 5.1 Operating results as of January 31, 2026
 - 5.2 Capital expenditures as of January 31, 2026
-

CAPITAL REPORTS

6.1 Quigley's Corner Pump Station Upgrade – Request for additional funding

Motion: That the Halifax Water Board approve additional funding in the amount of \$5,552,000 for the Quigley's Corner Pump Station Upgrade project for a total project cost of \$11,352,000. This sum would include the previous Board-approved project funding of \$5,800,000.

OTHER BUSINESS

7. Spring 2026 Debenture

Motion: That the Halifax Water Board approve the financing of \$45,000,000 with a thirty year amortization term and finance over ten years. The maximum all-inclusive rate is not to exceed 7.0%.

8. Corporate Balance Scorecard – 2026/27 Program

Motion: That the Halifax Water Board:

1. Approve the Corporate Balanced Scorecard (CBS) targets for the 2026/27 fiscal year.
2. Incorporate the following criteria into the evaluation on the eligibility of the payment of the award commencing fiscal 2026/27 forward; If there is a budgeted accumulated deficit of \$1 million or greater, no award will be issued regardless of the other criteria being achieved”.

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

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

11. Annual Board Compensation Policy review (Verbal)

12. ADJOURNMENT

Friday, February 27, 2026
Virtual, Microsoft® Teams

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

Staff: Kenda MacKenzie, General Manager and CEO
Liana Rintoul, General Counsel and Board Secretary
Louis de Montbrun, Director, Corporate Services and CFO
Josh DeYoung, Director of Engineering & Capital Infrastructure
Ashley Kendell, Director - People & Culture
John Eisnor, Director, Operations
Wendy Krkosek, Director Environment, Health & Safety
Jeff Myrick, Senior Manager, Communications and Corporate Strategy
Stephanie Leblanc, Senior Manager Information & Technology Services
Jarvis Singer, Acting Senior Manager, Water & Wastewater Treatment
Warren Brake, Manager Accounting
Heather Britten, Quality Assurance Officer
Kelsey Green, Senior Manager, Asset Management & Capital Planning
Nicole Jollymore, Administrative Coordinator

Regrets: Commissioner Jeff Langley

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 11:46 AM.

REGULAR MEETING

1) **Ratification of the in-camera motions.**

MOVED by Commissioner Deagle Gammon, seconded by Commissioner Purdy.

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

MOTION PUT AND PASSED.



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

MOVED by Commissioner Deagle Gammon, seconded by Commissioner Steele.

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

MOTION PUT AND PASSED.

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

MOVED by Commissioner Deagle Gammon, seconded by Commissioner Steele.

THAT the Halifax Water Board approve the minutes of the December 5, 2025, regular Board meeting.

MOTION PUT AND PASSED.

4) **Business arising from minutes**

a) **None.**

FINANCIAL REPORTS

4.1 **Operating results as of December 31, 2025**

Louis de Montbrun presented the Operating results for the period between November 30, 2025, and December 31, 2025.

4.2 **Capital expenditures as of December 31, 2025**

Louis de Montbrun presented the Capital Expenditures for the period between November 30, 2025, and December 31, 2025.

OTHER BUSINESS

5. **Proposed 2026/27 Annual Business Plan**

Kenda MacKenzie presented the proposed 2026/27 Annual Business Plan.

MOVED by Commissioner Purdy, seconded by Commissioner Cuttell.

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.

MOTION PUT AND PASSED.



6. Proposed 2026/27 Operating Budget

Louis de Montbrun presented the proposed 2026/27 operating budget.

MOVED by Commissioner Steele, seconded by Commissioner Purdy.

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.

MOTION PUT AND PASSED.

7. Proposed 2026/27 Capital Budget

Josh DeYoung and Kelsey Green presented the proposed 2026/27 capital budget.

MOVED by Commissioner Steele, seconded by Commissioner Cuttell.

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.**

MOTION PUT AND PASSED.

Chair Commissioner MacPherson deferred Agenda Items 8-11 to the March Board meeting, stating that, with voting Commissioners departing for other commitments, there was no longer a quorum. ,

12. ADJOURNMENT

The public meeting adjourned at 12:50 PM.

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

Next Meeting Date: Thursday, March 26, 2026

Minutes Recorded by:

Nicole Jollymore,
Administrative Coordinator

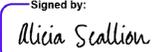
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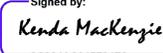
Liana Rintoul
Board Corporate Secretary



March 26, 2026

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

SUBMITTED BY: Signed by:

 Alicia Scallion, CPA, CA, Acting Director, Corporate Services/CFO

APPROVED: Signed by:

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

DATE: March 16, 2026

SUBJECT: **Operating Results for the ten (10) months ended January 31, 2026 (in thousands)**

ORIGIN

Financial information reporting.

DISCUSSION

Attached are the operating results for Halifax Water for the ten (10) months ended January 31, 2026 (in thousands) with comparative figures for January 31, 2025.

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

January 31 (in thousands)	Notes	2026	2025	March 31 2025	From Prior Year \$ Change	% Change
Assets						
Current						
Cash and cash equivalents	A	\$ 87,624	\$ 77,667	\$ 73,126	\$ 9,957	12.8%
Receivables						
Customer charges and contractual	B	20,206	15,632	21,851	4,573	29.3%
Unbilled service revenues	C	25,666	23,396	22,019	2,270	9.7%
Inventory		2,483	2,590	2,530	(107)	(4.1%)
Prepays		2,758	973	2,178	1,784	183.3%
		<u>138,737</u>	<u>120,259</u>	<u>121,704</u>	<u>18,478</u>	<u>15.4%</u>
Utility plant in service	D	1,388,477	1,359,155	1,436,849	29,322	2.2%
Capital work in progress	E	221,370	196,180	115,627	25,190	12.8%
Total assets		<u>1,748,584</u>	<u>1,675,594</u>	<u>1,674,180</u>	<u>72,990</u>	<u>4.4%</u>
Regulatory deferral account		1,693	1,885	1,852	(192)	(10.2%)
Total assets and regulatory deferral account		\$ 1,750,277	\$ 1,677,479	\$ 1,676,032	\$ 72,798	4.3%

Notes related to Table 1:

- A) Cash and cash equivalents increased by \$10.0 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 \$4.6 million due to an increase in revenue related to consumption and base charges.
- C) Unbilled service revenues receivable increased by \$2.3 million due to an increase in revenue and the timing of billing cycles.
- D) Utility plant in service increased by \$29.3 million due to new assets recorded at the end of fiscal 2024-25, less depreciation.
- E) The \$25.2 million increase in capital work in progress is a result of capital contributions of \$19.5 million through the first ten months. The largest capital project is the Burnside Operations Facility with a cumulative expenditure of \$22.0 million.

Table 2: Liabilities

January 31 (in thousands)	Notes	2026	2025	March 31 2025	From Prior Year \$ Change	% Change
Current						
Payables and accruals						
Trade	A	\$ 33,934	\$ 20,970	\$ 35,900	\$ 12,964	61.8%
Non-trade		7,239	4,822	6,430	2,417	50.1%
Interest on long term debt		2,685	2,292	4,061	393	17.1%
Halifax Regional Municipality	B	635	1,817	4,459	(1,182)	(65.1%)
Contractor and customer deposits		1,701	1,617	1,447	84	5.2%
Current portion of long term debt	C	25,940	32,881	32,881	(6,941)	(21.1%)
Unearned revenue		2,812	2,766	442	47	1.7%
		<u>\$ 74,945</u>	<u>\$ 67,164</u>	<u>\$ 85,619</u>	<u>\$ 7,781</u>	<u>11.6%</u>
Long term debt	D	315,569	260,089	260,129	55,480	21.3%
Deferred contributions		159,787	122,695	130,596	37,092	30.2%
Total liabilities		<u>\$ 550,301</u>	<u>\$ 449,947</u>	<u>\$ 476,344</u>	<u>\$ 100,353</u>	<u>22.3%</u>
Equity						
Accumulated capital surplus		\$ 1,215,220	\$ 1,214,242	\$ 1,191,266	\$ 978	0.1%
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		(23,666)	(10,511)	(15,648)	(13,155)	125.1%
Total equity		<u>\$ 1,199,976</u>	<u>\$ 1,227,802</u>	<u>\$ 1,199,688</u>	<u>\$ (27,825)</u>	<u>(2.3%)</u>
Total liabilities and equity		<u>\$ 1,750,277</u>	<u>\$ 1,677,749</u>	<u>\$ 1,676,032</u>	<u>\$ 72,528</u>	<u>4.3%</u>

Notes related to Table 2:

- A) Trade payables and accruals have increased by \$13.0 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	\$ 17,197	\$ 12,079	\$ 5,118	42.4%
Trade accrued payables	13,761	7,371	6,390	86.7%
Accrued wastewater rebate	2,976	1,520	1,456	95.8%
	<u>\$ 33,934</u>	<u>\$ 20,970</u>	<u>\$ 12,964</u>	<u>61.8%</u>

March 26, 2026

B) Halifax Regional Municipality payable has decreased by \$1.2 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	\$ 2,601	\$ 3,483	\$ (882)	(25.3%)
RDC	8,984	6,116	2,868	46.9%
Payables	(12,220)	(11,416)	(804)	7.0%
Net receivables (payables)	\$ (635)	\$ (1,817)	\$ 1,182	(65.1%)

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 \$55.5 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 January 31, 2026 (in thousands), is as follows:

Debt Servicing Ratio by Service		
	2025/26	2024/25
Water	19.46%	16.28%
Wastewater	16.23%	17.44%
Stormwater	25.68%	23.77%
Combined	18.28%	17.53%

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 18.28% 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	\$ 150,136	\$ 147,041	\$ 3,095	2.10%	\$ (24,481)	(14.02%)
Operating expenditures	169,004	141,471	126,452	15,019	11.88%	(27,532)	(16.29%)
Earnings from operations before financial and other revenues and expenditures	5,613	8,665	20,589	(11,924)	(57.92%)	3,052	54.36%
Financial and other revenues	1,085	537	821	(284)	(34.65%)	(549)	(50.55%)
Financial and other expenditures	40,773	32,867	31,921	946	2.96%	(7,906)	(19.39%)
Loss for the year	A \$ (34,075)	\$ (23,666)	\$ (10,511)	\$ (13,155)	125.15%	\$ 10,409	(30.55%)

Notes related to Table 3:

A) The loss for the year of \$23.7 million is an increase of \$13.2 million from the prior year loss. The following is a discussion of factors influencing the change.

Table 4: Operating Revenues:

Operating Revenues								
Notes		Budget	Actual	Actual	From Prior Year		Actual to Budget	
		2025/26	2025/26	2024/25	\$ Change	% Change	\$ Remaining	% Remaining
		'000	'000	'000				
	B	\$ 114,252	\$ 100,054	\$ 97,382	\$ 2,672	2.74%	\$ (14,198)	(12.43%)
	C	34,356	28,501	28,356	145	0.51%	(5,855)	(17.04%)
		(1,629)	(2,024)	(1,758)	(267)	15.19%	(396)	24.31%
		146,980	126,531	123,980	2,551	2.06%	(20,449)	(13.91%)
		8,865	7,079	6,878	201	2.92%	(1,786)	(20.15%)
		6,515	5,528	5,430	98	1.80%	(987)	(15.15%)
		8,083	6,942	6,736	206	3.06%	(1,141)	(14.12%)
		1,711	1,537	1,437	100	6.96%	(174)	(10.17%)
		2,463	2,520	2,581	(61)	(2.38%)	57	2.30%
	A	\$ 174,617	\$ 150,136	\$ 147,042	\$ 3,094	2.10%	\$ (24,480)	(14.02%)

Notes related to Table 4:

Operating revenues are presented above, broken down by type:

- A) Operating revenues have increased by \$3.1 million as compared to the previous year.
- B) Metered consumption revenue has increased 2.7% as compared to the previous year. Consumption billed within the period was up 3.1%, 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	6,041,962	5,852,235	189,727	3.2%
Industrial	1,453,274	1,475,686	(22,412)	(1.5%)
Institutional	3,692,251	3,407,836	284,415	8.3%
Multi-residential	7,563,762	7,101,431	462,331	6.5%
Residential	11,122,409	11,124,607	(2,198)	(0.0%)
	29,873,658	28,961,795	911,863	3.1%

Based on billed consumption

- C) Base charge revenue has increased by \$0.1 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	\$ 14,187	\$ 12,883	\$ 1,304	10.11%	\$ (1,959)	(12.13%)	
Water transmission and distribution	C	16,910	14,888	12,362	2,527	20.43%	(2,022)	(11.96%)	
Wastewater collection		15,530	12,480	12,817	(337)	(2.63%)	(3,050)	(19.64%)	
Stormwater collection		6,969	5,132	5,202	(71)	(1.34%)	(1,837)	(26.36%)	
Wastewater treatment	D	28,640	24,451	21,698	2,753	12.69%	(4,189)	(14.63%)	
Information and technology services	E	16,625	14,072	12,419	1,653	13.30%	(2,553)	(15.36%)	
Engineering services	F	5,813	3,526	3,216	310	9.63%	(2,287)	(39.34%)	
Environment health and safety services	G	5,359	5,139	4,443	696	15.63%	(220)	(4.11%)	
Customer services		5,186	4,195	3,890	305	7.84%	(991)	(19.11%)	
Corporate services		4,255	3,000	3,340	(341)	(10.19%)	(1,255)	(29.49%)	
Administration services	H	7,647	5,600	4,594	1,006	21.90%	(2,047)	(26.77%)	
Depreciation and amortization	I	39,924	34,801	29,587	5,215	17.63%	(5,123)	(12.83%)	
Total operating expenditures	A	\$ 169,004	\$ 141,471	\$ 126,451	\$ 15,020	11.88%	\$ (27,533)	(16.29%)	

Notes related to Table 5:

- A) Operating expenditures of \$141.5 million are \$15.0 million higher than the prior year.
- B) Water supply and treatment expenditures increased \$1.3 million from the previous year due to an increase in electricity and chemicals.
- C) Water transmission and distribution expenditures increased \$2.5 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 \$2.8 million as compared to the previous year due to increases in contract services, electricity and supplies.
- E) Information and technology services expenditures increased \$1.7 million as compared to the prior year due to increases in salaries, software licensing and supplies.
- F) Engineering services expenditures increased \$0.3 million from the prior year due to an increase in salaries.
- G) Environment health and safety services expenditures increased \$0.7 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 \$1.0 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 \$5.2 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	Actual	Actual	From Prior Year		Actual to Budget		
	2025/26	2025/26	2024/25	\$ Change	% Change	\$ Remaining	% Remaining	
	'000	'000	'000					
Salaries and benefits	\$ 57,875	\$ 47,815	\$ 43,119	\$ 4,696	10.88%	\$ (10,060)	(17.38%)	
Training and conferences	1,130	555	553	3	0.53%	(575)	(50.88%)	
Contract Services	21,125	17,056	16,193	863	5.33%	(4,069)	(19.26%)	
Electricity	8,748	8,397	7,070	1,326	18.78%	(351)	(4.01%)	
Operating supplies	23,433	19,521	17,664	1,857	10.51%	(3,912)	(16.69%)	
Professional services	6,100	5,032	4,509	523	11.59%	(1,068)	(17.51%)	
Chemicals	10,669	8,295	7,755	540	6.95%	(2,374)	(22.25%)	
Depreciation and amortization	39,924	34,801	29,587	5,215	17.63%	(5,123)	(12.83%)	
Total operating expenditures	\$ 169,004	\$ 141,472	\$ 126,450	\$ 15,022	11.88%	\$ (27,532)	(16.29%)	

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

Table 7: Financial and other revenues:

Financial and other revenues								
Notes	Budget	Actual	Actual	From Prior Year		Actual to Budget		
	2025/26	2025/26	2024/25	\$ Change	% Change	\$ Remaining	% Remaining	
	'000	'000	'000					
Interest	\$ 468	\$ 100	\$ 293	\$ (193)	(65.97%)	\$ (368)	(78.67%)	
Other	617	437	528	(91)	(17.25%)	(180)	(29.24%)	
Total financial and other revenues	A \$ 1,085	\$ 537	\$ 821	\$ (284)	(34.65%)	\$ (549)	(50.55%)	

Notes related to Table 7:

- A) Financial and other revenues decreased \$0.3 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	Actual	Actual	From Prior Year		Actual to Budget		
	2025/26	2025/26	2024/25	\$ Change	% Change	\$ Remaining	% Remaining	
	'000	'000	'000					
Interest	323	185	202	(17)	(8.42%)	(137)	(42.59%)	
Interest on long term debt	12,291	9,940	7,523	2,417	32.13%	(2,351)	(19.13%)	
Repayment on long term debt	20,514	17,252	18,057	(806)	(4.46%)	(3,262)	(15.90%)	
Amortization of debt discount	279	251	203	48	23.49%	(28)	(10.03%)	
Dividend/grant in lieu of taxes	7,236	5,132	5,823	(691)	(11.87%)	(2,105)	(29.08%)	
Other	130	108	113	(5)	(4.62%)	(23)	(17.42%)	
Total financial and other expenditures	A \$ 40,773	\$ 32,867	\$ 31,921	\$ 946	2.96%	\$ (7,906)	(19.39%)	

Notes related to Table 8:

- A) Financial and other expenditures increased \$0.9 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)	\$ (17,906)	\$ (9,063)	\$ (8,844)	97.58%	\$ 3,277	(15.47%)	
Wastewater	(8,853)	(3,263)	297	(3,560)	(1199.38%)	5,590	(63.14%)	
Stormwater	(4,038)	(2,497)	(1,745)	(752)	43.07%	1,541	(38.17%)	
Earnings (loss) for the year	\$ (34,075)	\$ (23,666)	\$ (10,511)	\$ (13,155)	125.16%	\$ 10,408	(30.55%)	

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	\$ 58,173	\$ 55,954	\$ 2,218	3.96%	\$ (8,607)	(12.89%)	
Operating expenditures	B 68,557	59,906	51,460	8,446	16.41%	(8,650)	(12.62%)	
Earnings from operations	(1,776)	(1,734)	4,494	(6,227)	(138.58%)	43	(2.41%)	
Financial and other revenues	772	377	632	(255)	(40.32%)	(395)	(51.17%)	
Financial and other expenditures	C 20,179	16,550	14,189	2,361	16.64%	(3,629)	(17.99%)	
Loss for the year	\$ (21,183)	\$ (17,906)	\$ (9,063)	\$ (8,844)	97.58%	\$ 3,277	(15.47%)	

Water services loss of \$17.9 million increased from the prior year loss by \$8.8 million due to the following factors:

- A) Increase in operating revenues of \$2.2 million due to an increase in consumption and base charge revenue as previously discussed under Notes to Table 4.
- B) Increase in operating expenditures of \$8.4 million due to higher costs in water transmission and distribution, and depreciation and amortization.
- C) Increase in financial and other expenditures of \$2.4 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	\$ 79,252	\$ 78,583	\$ 669	0.85%	\$ (12,958)	(14.05%)
Operating expenditures	B	85,109	69,806	64,066	5,740	8.96%	(15,303)	(17.98%)
Earnings from operations		7,101	9,446	14,517	(5,071)	(34.93%)	2,344	33.01%
Financial and other revenues		313	159	189	(30)	(15.68%)	(153)	(49.03%)
Financial and other expenditures	C	16,267	12,868	14,409	(1,541)	(10.69%)	(3,399)	(20.89%)
Earnings (loss) for the year		\$ (8,853)	\$ (3,263)	\$ 297	\$ (3,560)	(1199.38%)	\$ 5,590	(63.14%)

Wastewater services loss of \$3.3 million is a change of \$3.6 million from the prior year earnings due to the following factors:

- A) Increase in operating revenues of \$0.7 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 \$5.7 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	\$ 12,711	\$ 12,504	\$ 207	1.66%	\$ (2,916)	(18.66%)
Operating expenditures	B	15,339	11,759	10,926	833	7.63%	(3,579)	(23.34%)
Earnings from operations		288	952	1,578	(626)	(39.67%)	664	230.05%
Financial and other expenditures	C	4,327	3,449	3,324	125	3.77%	(878)	(20.28%)
Earnings (loss) for the year		\$ (4,038)	\$ (2,497)	\$ (1,745)	\$ (752)	43.07%	\$ 1,541	(38.17%)

Stormwater services loss of \$2.5 million is \$0.8 million greater than the prior year loss. The following factors influenced the results:

- A) Operating revenues of \$12.7 million are \$0.2 million higher 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 \$0.8 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 \$0.1 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)	\$ (24,281)	\$ (11,177)	\$ (13,104)	117.24%	\$ 10,059	(29.29%)	
Unregulated activities	B 266	615	666	(51)	(7.71%)	349	131.46%	
Loss for the year	(34,075)	(23,666)	(10,511)	(13,155)	125.16%	10,408	(30.55%)	

Notes related to Table 13:

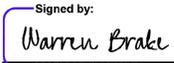
- A) Regulated activities loss has increased \$13.1 million when compared to prior year due to the factors as previously explained.
- B) Unregulated activities earnings has decreased by \$0.1 million when compared to prior year due to higher airline effluent revenues.

Results under NSRAB Handbook as compared to International Financial Reporting Standards

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

ATTACHMENT

- 1. Financial results for the ten (10) months ended January 31, 2026 (in thousands)

Report prepared by: 
Signed by: FF7DA207844542C...
 Warren Brake, CPA, CGA, Manager of Accounting

HALIFAX WATER
UNAUDITED STATEMENT OF FINANCIAL POSITION - IFRS
JANUARY 31, 2026 (in thousands)

January 31 (in thousands)	2026	2025	March 31 2025	From Prior Year \$ Change	% Change
Assets					
Current					
Cash and cash equivalents	\$ 87,624	\$ 77,667	\$ 73,126	\$ 9,957	12.8%
Receivables					
Customer charges and contractual	20,206	15,632	21,851	4,573	29.3%
Unbilled service revenues	25,666	23,396	22,019	2,270	9.7%
Inventory	2,483	2,590	2,530	(107)	(4.1%)
Prepays	2,758	973	2,178	1,784	183.3%
	<u>138,737</u>	<u>120,259</u>	<u>121,704</u>	<u>18,478</u>	<u>15.4%</u>
Employee benefit surplus (obligations)	965	(3,190)	1,053	4,155	(130.2%)
Intangible assets	39,318	34,622	42,855	4,697	13.6%
Capital work in progress	221,370	196,180	115,627	25,190	12.8%
Utility plant in service	1,336,033	1,279,232	1,345,901	56,801	4.4%
Total assets	<u>1,736,423</u>	<u>1,627,102</u>	<u>1,627,140</u>	<u>109,321</u>	<u>6.7%</u>
Regulatory deferral account	1,693	1,885	1,852	(192)	(10.2%)
Total assets and regulatory deferral account	\$ 1,738,116	\$ 1,628,987	\$ 1,628,992	\$ 109,129	6.7%
Liabilities					
Current					
Payables and accruals					
Trade	33,934	20,970	35,898	12,964	61.8%
Non-trade	7,239	4,822	6,430	2,417	50.1%
Interest on long term debt	2,685	2,292	4,061	393	17.1%
Halifax Regional Municipality	635	1,817	4,459	(1,182)	65.1%
Contractor and customer deposits	1,701	1,617	1,447	84	5.2%
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	2,812	2,766	442	47	1.7%
	<u>94,194</u>	<u>86,424</u>	<u>104,865</u>	<u>7,770</u>	<u>9.0%</u>
Deferred contributed capital	983,599	938,818	951,883	44,780	4.8%
Long term debt	315,569	260,089	260,129	55,480	21.3%
Total liabilities	<u>1,393,361</u>	<u>1,285,331</u>	<u>1,316,877</u>	<u>108,030</u>	<u>8.4%</u>
Equity					
Accumulated other comprehensive loss	66,923	60,395	66,923	6,528	10.8%
Accumulated surplus	277,831	283,531	245,192	(5,700)	(2.0%)
Total equity	<u>344,755</u>	<u>343,926</u>	<u>312,115</u>	<u>828</u>	<u>0.2%</u>
Total liabilities and equity	\$ 1,738,116	\$ 1,629,257	\$ 1,628,992	\$ 108,859	6.7%

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS AND COMPREHENSIVE EARNINGS - ALL SERVICES - IFRS
APRIL 1, 2025 - JANUARY 31, 2026 (10 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 83.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
Operating revenues								
Water	\$ 49,055	\$ 47,148	\$ 56,210	87.27%	\$ 1,907	4.04%	\$ (7,155)	(12.73%)
Wastewater	77,476	76,832	90,770	85.35%	644	0.84%	(13,294)	(14.65%)
Stormwater	12,607	12,307	15,380	81.97%	300	2.43%	(2,773)	(18.03%)
Public fire protection	6,942	6,736	8,083	85.88%	206	3.05%	(1,141)	(14.12%)
Private fire protection	1,537	1,437	1,711	89.80%	100	6.95%	(174)	(10.20%)
Other operating revenue	2,520	2,581	2,463	102.32%	(61)	(2.36%)	57	2.32%
	150,136	147,041	174,617	85.98%	3,095	2.10%	(24,481)	(14.02%)
Operating expenditures								
Water supply and treatment	14,187	12,883	16,146	87.86%	1,303	10.12%	(1,959)	(12.14%)
Water transmission and distribution	14,888	12,362	16,910	88.04%	2,526	20.43%	(2,022)	(11.96%)
Wastewater collection	12,480	12,817	15,530	80.36%	(337)	(2.63%)	(3,050)	(19.64%)
Stormwater collection	5,132	5,202	6,969	73.63%	(70)	(1.35%)	(1,837)	(26.37%)
Wastewater treatment	24,451	21,698	28,640	85.37%	2,753	12.69%	(4,189)	(14.63%)
Information and technology services	14,072	12,419	16,625	84.65%	1,654	13.32%	(2,553)	(15.35%)
Engineering services	3,526	3,216	5,813	60.66%	309	9.62%	(2,287)	(39.34%)
Environment health and safety services	5,139	4,443	5,359	95.90%	696	15.66%	(220)	(4.10%)
Customer services	4,195	3,890	5,186	80.89%	305	7.83%	(991)	(19.11%)
Corporate services	3,000	3,340	4,255	70.51%	(340)	(10.17%)	(1,255)	(29.49%)
Administration services	5,600	4,594	7,647	73.24%	1,006	21.90%	(2,047)	(26.76%)
Pension services	0	956	3,154	0.00%	(956)	(100.00%)	(3,154)	(100.00%)
Depreciation and amortization	49,988	47,437	59,184	84.46%	2,551	5.38%	(9,195)	(15.54%)
	156,659	145,258	191,418	81.84%	11,400	7.85%	(34,759)	(18.16%)
Earnings (loss) from operations before financial and other revenues and expenditures								
	(6,523)	1,783	(16,801)	38.82%	(8,306)	(465.82%)	10,278	(61.18%)
Financial and other revenues								
Interest	100	293	468	21.33%	(193)	(65.97%)	(368)	(78.67%)
Amortization of contributed capital	15,878	11,316	19,260	82.44%	4,563	40.32%	(3,382)	(17.56%)
Other	437	528	617	70.76%	(91)	(17.25%)	(180)	(29.24%)
	16,415	12,137	20,345	80.68%	4,278	35.25%	(3,930)	(19.32%)
Financial and other expenditures								
Interest	185	202	323	57.41%	(17)	(8.42%)	(137)	(42.59%)
Interest on long term debt	9,940	7,523	12,291	80.87%	2,417	32.13%	(2,351)	(19.13%)
Amortization of debt discount	251	203	279	89.97%	48	23.49%	(28)	(10.03%)
Dividend/grant in lieu of taxes	5,132	5,823	7,236	70.92%	(691)	(11.87%)	(2,105)	(29.08%)
Other	108	113	130	82.58%	(5)	(4.62%)	(23)	(17.42%)
	15,615	13,864	20,259	77.08%	1,751	12.63%	(4,644)	(22.92%)
Total comprehensive earnings for the year								
	\$ (5,723)	\$ 56	\$ (16,715)	34.24%	\$ (5,779)	#####	\$ 10,992	(65.76%)

HALIFAX WATER
UNAUDITED STATEMENT OF FINANCIAL POSITION - NSRAB
JANUARY 31, 2026 (in thousands)

January 31 (in thousands)			March 31	From Prior Year	
	2025	2024	2025	\$ Change	% Change
Assets					
Current					
Cash and cash equivalents	\$ 87,624	\$ 77,667	\$ 73,126	\$ 9,957	12.8%
Receivables					
Customer charges and contractual	20,206	15,632	21,851	4,573	29.3%
Unbilled service revenues	25,666	23,396	22,019	2,270	9.7%
Inventory	2,483	2,590	2,530	(107)	(4.1%)
Prepays	2,758	973	2,178	1,784	183.3%
	<u>138,737</u>	<u>120,259</u>	<u>121,704</u>	<u>18,478</u>	<u>15.4%</u>
Utility plant in service	1,388,477	1,359,155	1,436,849	29,322	2.2%
Capital work in progress	221,370	196,180	115,627	25,190	12.8%
Total assets	<u>1,748,584</u>	<u>1,675,594</u>	<u>1,674,180</u>	<u>72,990</u>	<u>4.4%</u>
Regulatory deferral account	1,693	1,885	1,852	(192)	(10.2%)
Total assets and regulatory deferral account	\$ 1,750,277	\$ 1,677,479	\$ 1,676,032	\$ 72,798	4.3%
Liabilities					
Current					
Payables and accruals					
Trade	33,934	20,970	35,900	12,964	61.8%
Non-trade	7,239	4,822	6,430	2,417	50.1%
Interest on long term debt	2,685	2,292	4,061	393	17.1%
Halifax Regional Municipality	635	1,817	4,459	(1,182)	(65.1%)
Contractor and customer deposits	1,701	1,617	1,447	84	5.2%
Current portion of long term debt	25,940	32,881	32,881	(6,941)	(21.1%)
Unearned revenue	2,812	2,766	442	47	1.7%
	<u>74,945</u>	<u>67,164</u>	<u>85,619</u>	<u>7,781</u>	<u>11.6%</u>
Long term debt	315,569	260,089	260,129	55,480	21.3%
Deferred contributions	159,787	122,695	130,596	37,092	30.2%
Total liabilities	<u>550,301</u>	<u>449,947</u>	<u>476,344</u>	<u>100,353</u>	<u>22.3%</u>
Equity					
Accumulated capital surplus	1,215,220	1,214,242	1,191,266	978	0.1%
Accumulated operating surplus (deficit)	(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	(23,666)	(10,511)	(15,648)	(13,155)	125.1%
Total equity	<u>1,199,976</u>	<u>1,227,802</u>	<u>1,199,688</u>	<u>(27,825)</u>	<u>(2.3%)</u>
Total liabilities and equity	\$ 1,750,277	\$ 1,677,499	\$ 1,676,032	\$ 72,528	4.3%

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - ALL SERVICES - NSRAB
APRIL 1, 2025 - JANUARY 31, 2026 (10 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 83.33%

	ACTUAL YEAR TO DATE		APR 1/25	ACTUAL	From Prior Year		Actual to Budget	
	THIS YEAR	LAST YEAR	MAR 31/26	YEAR TO DATE	\$ Change	% Change	\$ Remaining	% Remaining
	'000	'000	'000	as % of BUDGET				
Operating revenues								
Water	\$ 49,055	\$ 47,148	\$ 56,210	87.27%	\$ 1,907	4.04%	\$ (7,155)	(12.73%)
Wastewater	77,476	76,832	90,770	85.35%	644	0.84%	(13,294)	(14.65%)
Stormwater site generated service	7,079	6,878	8,865	79.85%	201	2.92%	(1,786)	(20.15%)
Stormwater right of way service	5,528	5,430	6,515	84.86%	99	1.82%	(987)	(15.14%)
Fire protection (public and private)	8,479	8,173	9,794	86.57%	306	3.75%	(1,315)	(13.43%)
Other services and fees	1,580	1,543	1,340	117.90%	37	2.40%	240	17.90%
Late payment and other connection fees	479	460	589	81.32%	19	4.05%	(110)	(18.68%)
Miscellaneous	461	578	534	86.29%	(117)	(20.26%)	(73)	(13.71%)
	150,136	147,041	174,617	85.98%	3,095	2.10%	(24,481)	(14.02%)
Operating expenditures								
Water supply and treatment	14,187	12,883	16,146	87.86%	1,303	10.12%	(1,959)	(12.14%)
Water transmission and distribution	14,888	12,362	16,910	88.04%	2,526	20.43%	(2,022)	(11.96%)
Wastewater collection	12,480	12,817	15,530	80.36%	(337)	(2.63%)	(3,050)	(19.64%)
Stormwater collection	5,132	5,202	6,969	73.63%	(70)	(1.35%)	(1,837)	(26.37%)
Wastewater treatment	24,451	21,698	28,640	85.37%	2,753	12.69%	(4,189)	(14.63%)
Information and technology services	14,072	12,419	16,625	84.65%	1,654	13.32%	(2,553)	(15.35%)
Engineering services	3,526	3,216	5,813	60.66%	309	9.62%	(2,287)	(39.34%)
Environment health and safety services	5,139	4,443	5,359	95.90%	696	15.66%	(220)	(4.10%)
Customer services	4,195	3,890	5,186	80.89%	305	7.83%	(991)	(19.11%)
Corporate services	3,000	3,340	4,255	70.51%	(340)	(10.17%)	(1,255)	(29.49%)
Administration services	5,600	4,594	7,647	73.24%	1,006	21.90%	(2,047)	(26.76%)
Depreciation and amortization	34,801	29,587	39,924	87.17%	5,214	17.62%	(5,123)	(12.83%)
	141,471	126,452	169,004	83.71%	15,019	11.88%	(27,532)	(16.29%)
Earnings from operations before financial and other revenues and expenditures	8,665	20,589	5,613	154.36%	(11,924)	(57.92%)	3,052	54.36%
Financial and other revenues								
Interest	100	293	468	21.33%	(193)	(65.97%)	(368)	(78.67%)
Other	437	528	617	70.76%	(91)	(17.25%)	(180)	(29.24%)
	537	821	1,085	49.45%	(284)	(34.65%)	(549)	(50.55%)
Financial and other expenditures								
Interest	185	202	323	57.41%	(17)	(8.42%)	(137)	(42.59%)
Interest on long term debt	9,940	7,523	12,291	80.87%	2,417	32.13%	(2,351)	(19.13%)
Repayment on long term debt	17,252	18,057	20,514	84.10%	(806)	(4.46%)	(3,262)	(15.90%)
Amortization of debt discount	251	203	279	89.97%	48	23.49%	(28)	(10.03%)
Dividend/grant in lieu of taxes	5,132	5,823	7,236	70.92%	(691)	(11.87%)	(2,105)	(29.08%)
Other	108	113	130	82.58%	(5)	(4.62%)	(23)	(17.42%)
	32,867	31,921	40,773	80.61%	946	2.96%	(7,906)	(19.39%)
Earnings (loss) for the year	\$ (23,666)	\$ (10,511)	\$ (34,075)	69.45%	\$ (13,155)	125.15%	\$ 10,409	(30.55%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WATER - NSRAB
APRIL 1, 2025 - JANUARY 31, 2026 (10 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 83.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
Operating revenues - Water								
Water	\$ 49,055	\$ 47,148	\$ 56,210	87.27%	\$ 1,907	4.04%	\$ (7,155)	(12.73%)
Public fire protection	6,942	6,736	8,083	85.88%	206	3.05%	(1,141)	(14.12%)
Private fire protection	1,537	1,437	1,711	89.80%	100	6.95%	(174)	(10.20%)
Bulk water stations	198	191	340	58.20%	7	3.58%	(142)	(41.80%)
Late payment and other connection fees	158	155	202	78.35%	3	1.79%	(44)	(21.65%)
Miscellaneous	283	287	234	121.09%	(4)	(1.27%)	49	21.09%
	58,173	55,954	66,780	87.11%	2,218	3.96%	(8,607)	(12.89%)
Operating expenditures - Water								
Water supply and treatment	14,187	12,883	16,146	87.86%	1,303	10.12%	(1,959)	(12.14%)
Water transmission and distribution	14,888	12,362	16,910	88.04%	2,526	20.43%	(2,022)	(11.96%)
Information and technology services	6,671	6,080	8,150	81.85%	591	9.73%	(1,479)	(18.15%)
Engineering services	1,225	901	2,017	60.71%	324	35.95%	(792)	(39.29%)
Environment health and safety services	1,601	1,452	1,576	101.57%	149	10.28%	25	1.57%
Customer services	2,139	1,984	2,645	80.89%	155	7.83%	(506)	(19.11%)
Corporate services	1,530	1,703	2,086	73.35%	(173)	(10.17%)	(556)	(26.65%)
Administration services	2,903	2,288	3,900	74.43%	615	26.86%	(997)	(25.57%)
Depreciation and amortization	14,763	11,807	15,127	97.60%	2,956	25.03%	(364)	(2.40%)
	59,906	51,460	68,557	87.38%	8,446	16.41%	(8,650)	(12.62%)
Earnings from operations before financial and other revenues and expenditures	(1,734)	4,494	(1,776)	97.59%	(6,227)	(138.58%)	43	(2.41%)
Financial and other revenues								
Interest	33	185	295	11.25%	(152)	(82.05%)	(262)	(88.75%)
Other	344	447	477	72.11%	(103)	(23.02%)	(133)	(27.89%)
	377	632	772	48.83%	(255)	(40.32%)	(395)	(51.17%)
Financial and other expenditures								
Interest on long term debt	4,384	3,196	5,484	79.94%	1,188	37.17%	(1,100)	(20.06%)
Repayment on long term debt	6,827	5,827	8,303	82.23%	1,000	17.16%	(1,476)	(17.77%)
Amortization of debt discount	108	86	119	90.76%	23	26.39%	(11)	(9.24%)
Dividend/grant in lieu of taxes	5,132	4,976	6,158	83.33%	156	3.13%	(1,026)	(16.67%)
Other	99	104	115	86.03%	(5)	(4.99%)	(16)	(13.97%)
	16,550	14,189	20,179	82.01%	2,361	16.64%	(3,629)	(17.99%)
Loss for the year	\$ (17,906)	\$ (9,063)	\$ (21,183)	84.53%	\$ (8,844)	97.58%	\$ 3,277	(15.47%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - WASTEWATER - NSRAB
APRIL 1, 2025 - JANUARY 31, 2026 (10 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 83.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
Operating revenues - Wastewater								
Wastewater	\$ 77,476	\$ 76,832	\$ 90,770	85.35%	\$ 644	0.84%	\$ (13,294)	(14.65%)
Leachate and other contract revenue	429	453	323	132.85%	(24)	(5.29%)	106	32.85%
Septage tipping fees	644	714	572	112.58%	(70)	(9.80%)	72	12.58%
Overstrength surcharge	174	118	0	0.00%	56	47.35%	174	0.00%
Airplane effluent	135	67	105	128.79%	68	102.11%	30	28.79%
Late payment and other connection fees	260	252	207	125.42%	7	2.93%	53	25.42%
Miscellaneous	134	147	233	57.56%	(12)	(8.47%)	(99)	(42.44%)
	79,252	78,583	92,210	85.95%	669	0.85%	(12,958)	(14.05%)
Operating expenditures - Wastewater								
Wastewater collection	12,480	12,817	15,530	80.36%	(337)	(2.63%)	(3,050)	(19.64%)
Wastewater treatment	24,451	21,698	28,640	85.37%	2,753	12.69%	(4,189)	(14.63%)
Information and technology services	6,978	5,856	7,797	89.50%	1,123	19.17%	(819)	(10.50%)
Engineering services	1,763	1,721	2,823	62.47%	43	2.49%	(1,060)	(37.53%)
Environment health and safety services	1,677	1,492	1,763	95.14%	185	12.40%	(86)	(4.86%)
Customer services	1,887	1,757	2,338	80.72%	131	7.43%	(451)	(19.28%)
Corporate services	1,323	1,473	1,996	66.29%	(150)	(10.17%)	(673)	(33.71%)
Administration services	2,438	2,064	3,372	72.29%	374	18.12%	(934)	(27.71%)
Depreciation and amortization	16,808	15,188	20,850	80.61%	1,619	10.66%	(4,042)	(19.39%)
	69,806	64,066	85,109	82.02%	5,740	8.96%	(15,303)	(17.98%)
Earnings from operations before financial and other revenues and expenditures	9,446	14,517	7,101	133.01%	(5,071)	(34.93%)	2,344	33.01%
Financial and other revenues								
Interest	67	108	172	38.60%	(41)	(38.39%)	(106)	(61.40%)
Other	93	81	140	66.17%	12	14.64%	(47)	(33.83%)
	159	189	313	50.97%	(30)	(15.68%)	(153)	(49.03%)
Financial and other expenditures								
Interest on long term debt	4,339	3,356	5,287	82.07%	983	29.28%	(948)	(17.93%)
Repayment on long term debt	8,407	10,251	9,942	84.56%	(1,843)	(17.98%)	(1,535)	(15.44%)
Amortization of debt discount	114	95	126	90.60%	19	19.74%	(12)	(9.40%)
Dividend/grant in lieu of taxes	0	699	898	0.00%	(699)	(100.00%)	(898)	(100.00%)
Other	8	8	15	56.07%	0	0.00%	(7)	(43.93%)
	12,868	14,409	16,267	79.11%	(1,541)	(10.69%)	(3,399)	(20.89%)
Earnings (loss) for the year	\$ (3,263)	\$ 297	\$ (8,853)	36.86%	\$ (3,560)	(1199.38%)	\$ 5,590	(63.14%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - STORMWATER - NSRAB
APRIL 1, 2025 - JANUARY 31, 2026 (10 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 83.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
Operating revenues - Stormwater								
Stormwater site generated service	\$ 7,079	\$ 6,878	\$ 8,865	79.85%	\$ 201	2.92%	\$ (1,786)	(20.15%)
Stormwater right of way service	5,528	5,430	6,515	84.86%	99	1.82%	(987)	(15.14%)
Late payment and other connection fees	61	53	180	33.92%	8	16.12%	(119)	(66.08%)
Miscellaneous	43	144	67	64.66%	(101)	(69.99%)	(24)	(35.34%)
	12,711	12,504	15,627	81.34%	207	1.66%	(2,916)	(18.66%)
Operating expenditures - Stormwater								
Stormwater collection	5,132	5,202	6,969	73.63%	(70)	(1.35%)	(1,837)	(26.37%)
Information and technology services	423	483	678	62.37%	(60)	(12.48%)	(255)	(37.63%)
Engineering services	538	595	973	55.28%	(57)	(9.60%)	(435)	(44.72%)
Environment health and safety services	1,861	1,499	2,020	92.13%	362	24.12%	(159)	(7.87%)
Customer services	168	150	203	82.95%	19	12.52%	(35)	(17.05%)
Corporate services	147	164	173	84.98%	(17)	(10.17%)	(26)	(15.02%)
Administration services	260	242	375	69.30%	18	7.29%	(115)	(30.70%)
Depreciation and amortization	3,231	2,591	3,948	81.84%	639	24.68%	(717)	(18.16%)
	11,759	10,926	15,339	76.66%	833	7.63%	(3,579)	(23.34%)
Earnings from operations before financial and other revenues and expenditures	952	1,578	288	330.05%	(626)	(39.67%)	664	230.05%
Financial and other expenditures								
Interest	185	202	323	57.41%	(17)	(8.42%)	(137)	(42.59%)
Interest on long term debt	1,217	970	1,520	80.06%	246	25.40%	(303)	(19.94%)
Repayment on long term debt	2,018	1,980	2,269	88.91%	38	1.91%	(252)	(11.09%)
Amortization of debt discount	29	23	34	84.97%	6	28.19%	(5)	(15.03%)
Dividend/grant in lieu of taxes	0	148	180	0.00%	(148)	(100.00%)	(180)	(100.00%)
	3,449	3,324	4,327	79.72%	125	3.77%	(878)	(20.28%)
Earnings (loss) for the year	\$ (2,497)	\$ (1,745)	\$ (4,038)	61.83%	\$ (752)	43.07%	\$ 1,541	(38.17%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB
APRIL 1, 2025 - JANUARY 31, 2026 (10 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 83.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	\$ Remaining	% Remaining
REGULATED ACTIVITIES								
Operating revenues								
Water	\$ 49,055	\$ 47,148	\$ 56,210	87.27%	\$ 1,907	4.04%	\$ (7,155)	(12.73%)
Wastewater	77,476	76,832	90,770	85.35%	644	0.84%	(13,294)	(14.65%)
Stormwater	12,607	12,307	15,380	81.97%	300	2.43%	(2,773)	(18.03%)
Public fire protection	6,942	6,736	8,083	85.88%	206	3.05%	(1,141)	(14.12%)
Private fire protection	1,537	1,437	1,711	89.80%	100	6.95%	(174)	(10.20%)
Miscellaneous	1,311	1,347	1,463	89.63%	(36)	(2.66%)	(152)	(10.37%)
	148,927	145,807	173,617	85.78%	3,120	2.14%	(24,690)	(14.22%)
Operating expenditures								
Water supply and treatment	14,187	12,879	16,146	87.87%	1,308	10.16%	(1,959)	(12.13%)
Water transmission and distribution	14,888	12,362	16,910	88.04%	2,526	20.43%	(2,022)	(11.96%)
Wastewater collection	12,440	12,763	15,468	80.42%	(324)	(2.53%)	(3,028)	(19.58%)
Stormwater collection	5,132	5,202	6,969	73.63%	(70)	(1.35%)	(1,837)	(26.37%)
Wastewater treatment	23,805	20,953	27,725	85.86%	2,852	13.61%	(3,920)	(14.14%)
Information and technology services	14,072	12,419	16,625	84.65%	1,654	13.32%	(2,553)	(15.35%)
Engineering services	3,526	3,216	5,813	60.66%	309	9.62%	(2,287)	(39.34%)
Environment health and safety services	5,139	4,443	5,359	95.90%	696	15.66%	(220)	(4.10%)
Customer services	4,156	3,852	5,146	80.75%	303	7.88%	(990)	(19.25%)
Corporate services	2,967	3,325	4,242	69.94%	(358)	(10.78%)	(1,275)	(30.06%)
Administration services	5,496	4,501	7,510	73.18%	995	22.10%	(2,014)	(26.82%)
Depreciation and amortization	34,753	29,570	39,887	87.13%	5,183	17.53%	(5,134)	(12.87%)
	140,560	125,486	167,800	83.77%	15,074	12.01%	(27,239)	(16.23%)
Earnings from operations before financial and other revenues and expenditures	8,367	20,321	5,817	143.83%	(11,954)	(58.83%)	2,550	43.83%
Financial and other revenues								
Interest	100	293	468	21.33%	(193)	(65.97%)	(368)	(78.67%)
Other	11	17	17	66.17%	(6)	(32.73%)	(6)	(33.83%)
	111	310	485	22.92%	(199)	(64.15%)	(374)	(77.08%)
Financial and other expenditures								
Interest	185	202	323	57.41%	(17)	(8.42%)	(137)	(42.59%)
Interest on long term debt	9,940	7,523	12,291	80.87%	2,417	32.13%	(2,351)	(19.13%)
Repayment on long term debt	17,252	18,057	20,514	84.10%	(806)	(4.46%)	(3,262)	(15.90%)
Amortization of debt discount	251	203	279	89.97%	48	23.49%	(28)	(10.03%)
Dividend/grant in lieu of taxes	5,132	5,823	7,236	70.92%	(691)	(11.87%)	(2,105)	(29.08%)
	32,760	31,809	40,643	80.60%	951	2.99%	(7,883)	(19.40%)
Earnings (loss) for the year - Regulated	\$ (24,281)	\$ (11,177)	\$ (34,340)	70.71%	\$ (13,104)	117.24%	\$ 10,059	(29.29%)

HALIFAX WATER
UNAUDITED STATEMENT OF EARNINGS - REGULATED AND UNREGULATED ACTIVITIES - NSRAB
APRIL 1, 2025 - JANUARY 31, 2026 (10 MONTHS)
ACTUAL YEAR TO DATE COMPLETE: 83.33%

	ACTUAL YEAR TO DATE		APR 1/25 MAR 31/26	ACTUAL YEAR TO DATE	From Prior Year		Actual to Budget	
	THIS YEAR '000	LAST YEAR '000	BUDGET '000	as % of BUDGET	\$ Change	% Change	33	% Remaining
UNREGULATED ACTIVITIES								
Operating revenues								
Septage tipping fees	\$ 644	\$ 714	\$ 572	112.58%	\$ (70)	(9.80%)	\$ 72	12.58%
Leachate and other contract revenue	429	453	323	132.85%	(24)	(5.29%)	106	32.85%
Airplane effluent	135	67	105	128.79%	68	102.11%	30	28.79%
Miscellaneous	0	0	0	0.00%	0	0.00%	0	0.00%
	1,208	1,234	1,000	120.83%	(26)	(2.08%)	208	20.83%
Operating expenditures								
Water supply and treatment	(1)	4	0	0.00%	(4)	(116.49%)	(1)	0.00%
Wastewater treatment	646	745	915	70.57%	(100)	(13.39%)	(269)	(29.43%)
Wastewater collection	41	54	62	65.54%	(13)	(24.50%)	(21)	(34.46%)
Sponsorships and donations	70	38	80	86.92%	31	81.53%	(10)	(13.08%)
Corporate services	33	15	13	256.40%	19	125.58%	20	156.40%
Administration services	74	93	97	76.52%	(19)	(20.00%)	(23)	(23.48%)
Depreciation and amortization	48	17	37	130.48%	32	192.46%	11	30.48%
	911	966	1,204	75.67%	(54)	(5.64%)	(293)	(24.33%)
Earnings from operations before financial and other revenues and expenditures	297	268	(204)	(145.71%)	29	10.75%	501	(245.71%)
Financial and other revenues								
Other - leases and rentals	249	338	365	68.18%	(88)	(26.21%)	(116)	(31.82%)
Other - energy projects	176	173	235	75.12%	3	1.73%	(58)	(24.88%)
	425	511	600	70.89%	(85)	(16.73%)	(175)	(29.11%)
Financial and other expenditures								
Other	108	113	130	82.58%	(5)	(4.62%)	(23)	(17.42%)
	108	113	130	82.58%	(5)	(4.62%)	(23)	(17.42%)
Earnings for the year - Unregulated	\$ 615	\$ 666	\$ 266	231.46%	\$ (51)	(7.71%)	\$ 349	131.46%
Total earnings (loss) for the year (Regulated and Unregulated)	\$ (23,666)	\$ (10,511)	\$ (34,075)	69.45%	\$ (13,155)	125.16%	\$ 10,408	(30.55%)

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

SUBMITTED BY: Signed by:
Alicia Scallion
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Alicia Scallion, CPA, CA, Acting Director, Corporate Services/CFO

Signed by:
Tom Gorman
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Tom Gorman, P.Eng., Acting Director, Engineering & Capital Infrastructure

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

DATE: March 13, 2026

SUBJECT: **Capital results for the ten months ending January 31, 2026**

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 January 31, 2026. The total budget available of \$368.2 million represents total approved budgets at January 31, 2026. Halifax Water has spent \$204.4 million on active projects.

The total capital budget remaining to be spent at January 31, 2026 is \$163.8 million. Total expenditures as a percentage of the total budget available is 55.5%. Expenditures in the current fiscal year as a

ITEM #5.2
Halifax Water Board
March 26, 2026

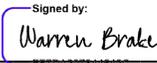
percentage of the opening cumulative unspent capital budget is 35.1%. To meet the CBS target of 45.0% will require additional expenditures of \$24.9 million. To meet the CBS target of \$135.0 million will require additional expenditures of \$46.3 million.

The average capital spend per month compared to the same timeframe in the prior year is consistent at \$8.8 million.

Capital Expenditure Report

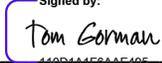
Budget Category	Total Budget Available	Expenditures to March 31, 2025	Expenditures April 1, 2025 to January 31, 2026	Total Expenditures to January 31, 2026	Remaining Budget Available as of January 31, 2026	Total Expenditures to January 31, 2026 as a Percentage of Total Budget Available
Active						
Water	\$ 83,866,295	\$ 19,606,236	\$ 17,520,165	\$ 37,126,401	\$ 46,739,894	44.3%
Wastewater	111,222,115	\$ 33,154,623	10,566,922	43,721,544	67,500,571	39.3%
Stormwater	33,771,741	\$ 6,856,357	2,547,974	9,404,330	24,367,410	27.8%
Corporate	135,869,177	\$ 56,009,997	53,165,317	109,175,314	26,693,863	80.4%
District Energy	1,075,000	-	2,475,324	2,475,324	(1,400,324)	230.3%
	\$ 365,804,328	\$ 115,627,212	\$ 86,275,701	\$ 201,902,913	\$ 163,901,415	55.2%
Closed						
Water	\$ 908,269		\$ 908,269	\$ 908,269	\$ -	
Wastewater	1,142,937		1,142,937	1,142,937	-	
Stormwater	399,248		399,248	399,248	-	
Corporate	-		-	-	-	
District Energy	-		-	-	-	
	\$ 2,450,453	\$ -	\$ 2,450,453	\$ 2,450,453	\$ -	
Total	\$ 368,254,782	\$ 115,627,212	\$ 88,726,154	\$ 204,353,366	\$ 163,901,415	55.5%

The achievement of annual targets for the fiscal year is impacted by the timing of several major projects. Significant projects include 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. 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

 Warren Brake, Manager of Accounting

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

SUBMITTED BY: Signed by:

Tom Gorman, P.Eng., Acting Director, Engineering & Capital Infrastructure

APPROVED: Signed by:

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

DATE: March 18, 2026

SUBJECT: **Quigley's Corner Pump Station Upgrades – Request for Additional Funding**

ORIGIN

2020/21, 2021/22 and 2023/24 Capital Budgets.

RECOMMENDATION

The Halifax Water Board approve additional funding in the amount of \$5,562,000 for the Quigley's Corner Pump Station Upgrade project for a total project cost of \$11,362,000. This sum would include the previous Board-approved project funding of \$5,800,000.

BACKGROUND

The Quigley's Corner Pump Station (PS) is located in the Eastern Passage area, on Shore Road, and pumps flows from the Eastern Passage area to the Eastern Passage WWTF. The existing overflow at Quigley's Corner PS discharges to Fisherman's Cove. The existing pumps and major electrical equipment are plagued with capacity, integrity and obsolescence issues making it difficult for station operations to continue in any reliable manner.

In December 2019, GM BluePlan Engineering, in the East Region Wastewater Infrastructure Plan Final Report (Volume 5 of the Infrastructure Master Plan), recommended the upgrade of Quigley's Corner Pumping Station (PS) through increasing the pumping capacity and system optimization.

In 2020, Halifax Water retained CBCL through a public procurement process to complete the design, tendering, and construction contract administration services. The completed design included major mechanical and electrical upgrades, repairs and modification to the wet well, and building envelope renovations.

The project was approved by the Halifax Water Board in January 2023 for a total project cost estimate of \$5,800,000 (including net HST) and subsequently by the Nova Scotia Regulatory and Appeals Board (NSRAB) in May 2023 for \$5,604,944 (including net HST).

DISCUSSION

In 2023, Halifax Water Staff selected a two stage Request for Supplier Qualifications (RFSQ)/Request for Quotations (RFQ) procurement process for this project. This procurement methodology was selected because of identified operational risks involved in the construction and the desire for the ability to ensure that the selected contractor was qualified to do the work. The RFSQ process was completed on February 2, 2023, and resulted in three contractors being qualified for the RFQ process. All three contractors were invited to submit proposals. The RFQ process closed on June 9, 2023. One proposal was received with a construction cost of \$13,220,150 plus HST.

The proposed construction cost was significantly greater than CBCL's pre-tender estimate including a 25% inflation/marketplace risk contingency. Halifax Water Staff did not believe that the proposed construction cost represented the best option to achieve the project objectives.

Halifax Water Staff recommended further analysis and considerations to reduce the overall costs. Through several workshops, the Halifax Water project engineering team and Halifax Water Operations group worked with CBCL to develop a solution that would be more financially viable. The accepted solution would complete a large portion of the upgrades and remove the majority of the work in the wet well from scope. The revised design eliminated the need for a large, full-station bypass which both Halifax Water and CBCL understood contributed to a large portion of the contractor's project risk carried in the original tender results. The re-design also addressed immediate concerns with the existing mechanical and electrical infrastructure and provided a functional solution to the needed upgrades. A small portion of the requested additional funding is a result of CBCL's effort to redesign the upgrades.

The project was re-tendered via an Invitation to Tender (ITT) in December 2025. A single bid of \$8,580,300 plus HST was received. This represents a construction cost reduction of \$4,592,700 plus net HST (as \$47,150 plus HST had already been spent on roof replacement and not included in the \$8,580,300 bid) compared with the original 2023 tender (See Attachment 1 – *Project Variance Analysis*). This results in a revised total project cost estimate of \$11,362,000, inclusive of net HST (see Attachment 2 – *Total Project Cost Estimate - Post-Tender*). Halifax Water Staff recommend proceeding with the work as this station needs immediate repairs and upgrades to ensure continued uninterrupted operation until a long term (20+ years) solution is implemented to supplement or replace the Quigley's Corner Pump Station for the Eastern Passage area. An assessment and feasibility study is currently underway.

Tender award is estimated in May 2026, followed by construction starting in June 2026 with a project completion anticipated in August 2027.

According to Halifax Water's Capital Project Funding Approval Policy, individual capital projects with increases that exceed the greater of \$250,000 or 5% shall be approved by the Halifax Water Board and subsequently the NSRAB.

BUDGET IMPLICATIONS

Funding in the amount of \$5,800,000 for the Quigley's Corner Pump Station Upgrade project was approved in the 2020/21, 2021/22 and 2023/24 Capital Budgets, of which 5% will come from the Regional Development Charge reserve.

Funding in the amount of \$5,562,000 for the Quigley's Corner Pump Station Upgrade project is available from surplus in previously closed wastewater projects or wastewater projects that have been deferred or cancelled and the RDC reserve.

The proposed expenditure meets the "NO REGRETS- UNAVOIDABLE NEEDS" approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of "Required to ensure infrastructure system integrity and safety" and "Directly supports the implementation of the Asset Management program". The project meets these criteria based on the following: The current equipment is failing due to age and end of life (Asset Management), causing performance/operational issues (Infrastructure System Integrity).

RISK

The existing infrastructure is failing and obsolete. Continued long term operation without these upgrades carries significant risk of a critical failure resulting in environmental overflow and emergency repairs. Deferring the project to future years or canceling the project increases these risks.

ALTERNATIVES

There are no suggested alternatives to the Pump Station upgrades.

An alternative to this work would be to not proceed, this is not recommended due to the rationale provided in this report. The project is considered by Halifax Water Staff to be essential and a prudent investment required to meet the 2019 Infrastructure Master Plan recommendations and to improve the reliability and serviceability of this infrastructure.

ATTACHMENTS

- Attachment 1 – *Project Variance Analysis*
Attachment 2 – *Total Project Cost Estimate (Post-Tender)*

Report Prepared by:

Signed by:

Justin Colwill

10CD01503A22411...

Justin Colwill, P.Eng., Project Engineer

Financial Reviewed by:

Signed by:

Alicia Scallion

AF0000000000450...

Alicia Scallion, CPA, CA, Acting Director, Corporate Services/CFO

Quigley's Corner Pumping Station Upgrades

Project Variance Analysis

March 18, 2026

CONTRACTOR COSTS	Post Tender May 2023	Post Tender Jan 2026	Variance	% Variance	Key Drivers/Notes
Contractor Original Contract Items					
Construction Cost Estimate (Post-Tender)	\$13,220,150	\$8,580,300	-\$4,639,850	-35%	Reduced scope, clearer direction to contractors and better timing of public tender release.
Replacement of Roof Insulation & Waterproofing Membrane (2025)	\$0	\$47,150	\$47,150	n/a	Roof was replaced in December 2025 on an emergency basis. Roof replacement was included in 2023 construction tender, not included in 2025 construction tender.
Construction Estimate Sub-Total	\$13,220,150	\$8,627,450	-\$4,592,700	-35%	
CONSULTANT COSTS					
Consultant Original Contract Items					
Design Phase Services	\$260,635	\$383,113	\$122,478	47%	Increased cost for iterative design approach to address legacy process equipment and building conditions.
Tender Phase Services	\$9,476	\$25,476	\$16,000	169%	Added second tender phase in 2025.
Construction Phase Services Estimate	\$304,394	\$365,277	\$60,883	20%	Addition of SCADA programming services to scope of supply, hourly rate increases, and revised approach to construction management.
Consultant (Original Contract + Change Orders) Sub-Total	\$574,505	\$773,866	\$199,361	35%	
CONTINGENCY					
Contingency Class 1: Detailed Design Post Tender (5%)	\$676,227	\$447,279	-\$228,948	-34%	Decrease in projected construction costs yields proportionally less contingency.
Provisional: Replacement of pump intake piping	\$0	\$790,400	\$790,400	n/a	This scope of work was not included in the 2023 tender as the prospective need was not identified until 2024.
Contingency Sub-Total	\$676,227	\$1,237,679	\$561,452	83%	
OTHER COSTS					
QA/QC Testing	\$10,000	\$10,000	\$0	n/a	This scope of work did not change from the 2023 tender to the 2025 tender.
Contingency Sub-Total	\$10,000	\$10,000	\$0	0%	
CONTRACTOR + CONSULTANT + CONTINGENCY + OTHER COSTS					
SUBTOTAL					
Contractor + Consultant + Contingency + Other Costs Sub-Total	\$14,480,883	\$10,648,995	-\$3,831,887	-26%	
NET HST (Applies to all EXCEPT Halifax Water Costs)					
Net HST	\$620,651	\$410,732	-\$209,919	-34%	New HST rate for most recent tender.
HALIFAX WATER COSTS					
Internal Halifax Water Project Management & Technologist Estimate	\$75,000	\$155,000	\$80,000	107%	Additional internal costs for reviewing design, preparing reports and tenders. Actuals to date are \$119,642.
Regulatory Approvals Estimate (NSRAB)	\$16,946	\$25,000	\$8,054	48%	Cost of regulatory review and approval was not entered into original project cost estimate. Actuals to date are \$16,946.
Street and Services Permit Estimate	\$10,000	\$4,000	-\$6,000	-60%	Cost of regulatory review and approval was not entered into original project cost estimate. Actuals to date are \$16,946.
Real Estate Appraisal	\$0	\$5,738	\$5,738	n/a	Real Estate Appraisal was not entered into original project cost estimate.
Halifax Water Sub-Total	\$101,946	\$189,738	\$87,792	86%	
SUB-TOTAL + OVERHEAD					
Sub-Total	\$15,203,479	\$11,249,465	-\$3,954,014	-26%	
Overhead (1%)	\$152,035	\$112,495	-\$39,540	-26%	
Total Project Cost Estimate	\$15,355,514	\$11,361,960	-\$3,993,554	-26%	
TOTAL PROJECT COST ESTIMATE*	\$15,356,000	\$11,362,000	-\$3,994,000	-26%	

* Rounded up

Quigley's Corner Pumping Station Upgrades

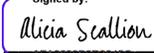
Total Project Cost Estimate

March 18, 2026

CONTRACTOR COSTS	
Contractor Original Contract Items	
Construction Cost Estimate (Post-Tender)	\$8,580,300
Construction (Original Contract) Sub-Total	\$8,580,300
Replacement of Roof Insulation & Waterproofing Membrane (2025) (Complete)	\$47,150
Construction (Original Contract + Additional costs) Sub-Total	\$8,627,450
CONSULTANT COSTS	
Consultant Original Contract Items	
Design Phase Services (Complete)	\$213,806
Tender Phase Services (2023) (Complete)	\$9,476
Tender Phase Services (2025) (Complete)	\$16,000
Construction Phase Services Estimate	\$365,277
Consultant (Original Contract) Sub-Total	\$604,559
Consultant Change Orders	
Change Order #1 - RFSQ03.2022 assistance (Design Phase, 2022) (Complete)	\$4,452
Change Order #2 - Additional Engineering Services (Design Phase, 2023) (Complete)	\$32,230
Change Order #3 - Additional Engineering Services (Design Phase, 2023) (Complete)	\$47,325
Change Order #4 - Additional Engineering Services (Design Phase, 2024) (Complete)	\$85,300
Consultant (Change Orders) Sub-Total	\$169,307
Consultant (Original Contract + Change orders) Sub-total	\$773,866
CONTINGENCY	
Construction Cost Estimate Contingency (5%)	\$429,015
Consulting Construction Phase Services Contingency (5%)	\$18,264
Provisional: Replacement of Pipe Intake Piping (Post-Tender)	\$790,400
Contingency Sub-Total	\$1,237,679
OTHER COSTS	
QA/QC Testing	\$10,000
Other costs (Taxable) Sub-total	\$10,000
CONTRACTOR+CONSULTANT+CONTINGENCY+OTHER COSTS SUBTOTAL	
Contractor + Consultant + Contingency + Other Costs Sub-Total	\$10,648,995
NET HST (Applies to all EXCEPT Halifax Water Costs)	
Net HST (3.857%)	\$410,732
HALIFAX WATER COSTS	
Internal Halifax Water Cost Estimate (Project Management and Site Audit Inspections)	\$155,000
Regulatory Approvals Estimate (NSRAB)	\$25,000
Street and Services Permit Estimate	\$4,000
Real Estate Appraisal	\$5,736
Halifax Water Sub-Total	\$189,736
SUB-TOTAL + OVERHEAD	
Sub-Total	\$11,249,462
Overhead Estimate (1%)	\$112,495
Total Project Cost Estimate	\$11,361,957
TOTAL PROJECT COST ESTIMATE*	\$11,362,000

* Rounded up

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

SUBMITTED BY: Signed by:

Alicia Scallion, CPA, CA, Acting Director, Corporate Services/CFO

APPROVED: Signed by:

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

DATE: March 13, 2026

SUBJECT: **Spring 2026 Debenture**

ORIGIN

Halifax Regional Water Commission (Halifax Water) participation in the Spring 2026 Nova Scotia Finance and Treasury Board Municipal Finance Division (NSFTB) debenture issue to secure debt financing for 2025/26 additions to utility plant in service.

RECOMMENDATION

It is recommended that the Halifax Water Board approve the financing of \$45,000,000 with a thirty-year amortization term and finance over ten years. The maximum all-inclusive rate is not to exceed 7.0%.

BACKGROUND

Halifax Water is required to borrow through the NSFTB. The borrowing proposed in this report is estimated using the 2026/27 Annual Business Plan, the approved Operating and Capital Budgets for 2026/27, and the rate schedule approved by the Nova Scotia Regulatory and Appeals Board.

DISCUSSION

The 2026/27 Operating Budget was prepared based on issuing new debt of \$90.0 million to finance water, wastewater, and stormwater additions to utility plant in service. The \$90.0 million will be applied to water, wastewater, and stormwater as follows:

Water	\$34.2 million
Wastewater	\$42.6 million
Stormwater	\$13.2 million

Halifax Water will obtain half of the planned new debt in the Spring debenture as follows:

Water	\$15.0 million
Wastewater	\$20.0 million
Stormwater	\$10.0 million

No refinancing of previous debentures is required for the Spring debenture. For the Fall debenture, refinancing a balloon payment will be required.

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

The most recent debenture in Fall 2025 had an all-in rate of 3.5%. In the most recent rate hearing, the NSRAB approved Halifax Water to use a rate of 4.0% for new debt for the 2026-27 budget. Halifax Water's current Weighted Average Cost of Debt is 3.88%.

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

Halifax Water's debt is covered by a blanket guarantee approved by Halifax Regional Municipality (HRM) Council in September 2014. The blanket guarantee will apply to all Halifax Water debt with a condition that Halifax Water must maintain a debt service ratio of 35% or less. Halifax Water's debt service ratio is 17.87% as of December 31, 2025. The debt service ratio is calculated as the cost of debt interest, principal and discount payments divided by the total Operating Revenue as found on the income statement (NSRAB format).

Halifax Water's outstanding debt on December 31, 2025 (including the current portion) was \$343.5 million, and debt is projected to be \$412.1 million by March 31, 2027, assuming the aforementioned new debt is acquired and the balloon payment refinanced in the Fall debenture.

BUDGET IMPLICATIONS

The 2026/27 budget includes \$34.5 million in debt servicing costs. Halifax Water's capital financing strategy is designed to maintain a debt service ratio of 35% or less; and to use a mixture of infrastructure funding, development related charges (reserves), depreciation, and debt.

The budget was based on an all-inclusive rate of 4.00% on both new and refinanced debt. The Fall 2025 debenture had an all-inclusive rate of 3.50% and the expectation is the Spring refinancing will be similar.

RISK

There is a risk that the final interest rate will be higher than the budgeted rate of 4.0%. At the upper limit rate of 7.0%, Halifax Water would incur an additional \$1.3 million in interest costs in 2026-27. This is considered to be unlikely. If the rate provided by NSFTB is greater than budget but below the 7.0% limit Halifax Water would proceed with the Spring debenture and can re-evaluate plans for the Fall 2026 debenture.

ALTERNATIVES

Halifax Water could finance an amount different than \$45.0 million. If Halifax Water chooses to finance less debt, approximately \$0.2 million would be saved for every \$5.0 million of debt. Principal costs would decrease \$0.1 million from budget, and interest would decrease \$0.1 million from budget.

Attachment 2 provides a cash flow estimate for the 2026/27 fiscal year. The model includes capital expenditures for the year of \$164.6 million based on estimates used in preparing the 2026-27 capital budget.

ATTACHMENT

1. Borrowing Resolution for \$45,000,000 of debt.
2. Cash Flow Model for 2026/27 based on approved Operating and Capital Budgets and anticipated cash flow.

Report Prepared by:

Signed by:
Warren Brake

Warren Brake, CPA, CGA
Manger, Accounting

Financial Reviewed by:

Signed by:
Alicia Scallion

Alicia Scallion, CPA, CA,
Acting Director, Corporate Services/CFO

HALIFAX REGIONAL WATER COMMISSION
BORROWING RESOLUTION

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

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

AND WHEREAS Halifax Water wishes to borrow \$45,000,000 for the purpose of financing regular additions to utility plant in service for a 30 year amortization period;

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

BE IT RESOLVED THAT:

1. Under the authority of Section 16 of the *Act*, Halifax Water borrow from the Nova Scotia Finance and Treasury Board Municipal Finance Division, for the purpose set forth above, a sum or sums not exceeding \$45,000,000 with a thirty-year amortization term and finance over ten years. The maximum all-inclusive rate is not to exceed 7.0% percent;
2. The sum noted above be borrowed by the issue of debentures of Halifax Water to such an amount as Halifax Water deems necessary and that the debentures be arranged with the Nova Scotia Finance and Treasury Board Municipal Finance Division, with interest to be paid semi-annually and principal payments made annually; and
3. This resolution remains in force for a period of not more than 12 months from the passing of this resolution.

I certify the above to be a true copy of a Resolution approved at a meeting of the Halifax Water Board of Directors held on March 26, 2026.

Liana Rintoul
General Counsel

Attachment 2 - Cash flow model for 2026-27

Halifax Water
Cash Flow Model for 2026-27

	2026/27 Budget	Adjustments for Cash Flow	2026/27 Cash Flow	2025/26 Forecast Mar	2026/27 Budget Apr	2026/27 Budget May	2026/27 Budget Jun	2026/27 Budget Jul	2026/27 Budget Aug	2026/27 Budget Sep	2026/27 Budget Oct	2026/27 Budget Nov	2026/27 Budget Dec	2026/27 Budget Jan	2026/27 Budget Feb	2026/27 Budget Mar
Operating Revenue	220,337,174	-	220,337,174	13,192,381	16,208,029	16,208,029	16,508,029	16,508,029	17,008,029	39,248,851	17,008,029	16,508,029	16,508,029	16,208,029	16,208,029	16,208,029
Operating Expenses	(132,270,599)	-	(132,270,599)	(10,540,147)	(10,805,883)	(10,805,883)	(10,805,883)	(12,105,883)	(10,805,883)	(10,805,883)	(10,805,883)	(10,805,883)	(12,105,883)	(10,805,883)	(10,805,883)	(10,805,883)
Non Operating Revenue	949,993	-	949,993	92,750	79,166	79,166	79,166	79,166	79,166	79,166	79,166	79,166	79,166	79,166	79,166	79,166
Non Operating Expenses	(87,629,697)	42,732,906	(44,446,791)	(6,589,000)	(1,473,205)	(9,655,680)	(1,250)	(1,318,107)	(1,250)	(164,600)	(6,167,612)	(19,369,745)	(1,250)	(448,054)	(1,250)	(7,684,605)
Operations Total	1,386,871	42,732,906	44,569,777	(3,844,016)	4,008,107	(4,174,368)	5,780,062	3,163,205	6,280,062	28,357,534	113,700	(13,588,433)	4,480,062	5,033,258	5,480,062	(2,203,293)
Capital Expenditures (incl CCC projects)	(164,575,000)	-	(164,575,000)	(14,500,000)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)	(13,714,583)
New Long Term Debt	90,000,000	(701,447)	92,824,879	-	-	44,662,500	-	-	-	-	-	48,162,379	-	-	-	-
Other Incoming Cash (Build Can, RDC, etc)	34,668,360	-	34,668,360	1,100,000	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030	2,889,030
Changes in working capital	-	-	-	(4,950,000)	(950,000)	(100,000)	300,000	(200,000)	-	(100,000)	(50,000)	(50,000)	(50,000)	(100,000)	1,000,000	300,000
Net Cash Flow	(38,519,769)	42,031,458	7,488,015	(22,194,016)	(7,767,447)	29,562,579	(4,745,491)	(7,862,349)	(4,545,491)	17,431,981	(10,761,853)	23,698,392	(6,395,491)	(5,892,295)	(4,345,491)	(12,728,846)
Opening Cash Balance			91,290,000	91,290,000	69,095,984	61,328,537	90,891,116	86,145,625	78,283,276	73,737,785	91,169,766	80,407,913	104,106,306	97,710,814	91,818,520	87,473,028
Ending Cash Balance				69,095,984	61,328,537	90,891,116	86,145,625	78,283,276	73,737,785	91,169,766	80,407,913	104,106,306	97,710,814	91,818,520	87,473,028	74,744,182

- Notes
- Adjustments for Cash Flow include removing the non cash portion of the Pension Expense, Depreciation, and Debt Discount
 - Debt principle and interest payments are included in the Non Operating Expenses category
 - Capital Expenditures includes an estimated capital spend of \$164.6 million based on expected level of spend
 - The new Long Term Debt anticipated in this forecast is for \$45.0m in new debt in Spring (May) and \$45.0m in new debt in October (Fall) plus a \$3.5m balloon renewal
 - Other Incoming Cash includes \$34.7 million in RDC Collections

Opening Cash Balance highlighted in green
Closing Cash Balance highlighted in blue



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

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

DATE: March 19, 2026

SUBJECT: **Corporate Balanced Scorecard - 2026/27 Program**

ORIGIN:

Annual Corporate Performance Measurement.

RECOMMENDATION:

It is recommended that the Halifax Water Board:

- 1) Approve the Corporate Balanced Scorecard (CBS) targets for the 2026/27 fiscal year.
- 2) Incorporate the following criteria into the evaluation on the eligibility of the payment of the award commencing fiscal 2026/27 forward; “If there is a budgeted accumulated deficit of \$1 million or greater, no award will be issued regardless of the other criteria being achieved”.

BACKGROUND

Halifax Water has been utilizing a Corporate Balanced Scorecard to measure performance since 2001.

DISCUSSION

The purpose of Halifax Water is to supply and safeguard sustainable, high quality water services.

The organizational indicators have been aligned with the four strategic pillars approved in the 2026/27 Business Plan.

The vision statement for Halifax Water is:

- We will provide our customers with high quality water, wastewater, and stormwater services.

ITEM # 8

Halifax Water Board

March 26, 2026

- 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.

Each year, the organizational indicators are reviewed and refined based on operational objectives and approved budgets. Within the Operational Effectiveness Pillar, Halifax Water has a goal in the 2026/27 Annual Business Plan of;

Establishing a framework for core services + customer Levels of Service (LOS)

Given this, staff are not proposing any significant changes to the CBS this coming year, with the intention of incorporating updates to the CBS with the advancement of the Level of Service exercise. However, we are noting one proposed adjustment within the People pillar:

Replace “Operating expense/revenue ratio percentage (excluding depreciation)” with “Operating expenses, excluding depreciation, are less than budget by at least \$1 million”. The updated measure requires that expenditures are reduced by at least the amount required to pay the organizational award. The new measure is also not affected by increases in revenues resulting from rate increases or increases in consumption. With the current measure, increases in revenues can offset increases in expenditures. The reduction in operating expenditures would not include “unusual unbudgeted” reductions. For example, if an additional pension holiday is approved by the Trustees of the pension plan, the resulting decrease in expenditures would not be considered at part of the required \$1 million reduction.

Replace the “Employee satisfaction survey result” with “Employee Engagement Index Score”. The rationale for this is the Employee Engagement Index examines aspects that, once combined, measure overall employee engagement. Specifically, the Index includes employee ratings on the following questions:

- In general, I look forward to coming to work;
- I feel a sense of pride in the accomplishments of the organization;
- I would recommend my organization as a good place to work;
- I feel passionate about working at Halifax Water; and
- In general, at work I feel motivated to do a good job.

See Attachment A for the proposed 2026/27 CBS targets.

March 26, 2026Assessment of the CBS and Fiscal Health

Consistent with prior years and the methodology approved by the Halifax Water Board, the most objective organizational indicators have been considered for the Organizational Award program. Twelve organizational indicators are recommended for inclusion in the award program. The recognition of an organizational award hinges on a minimum score of 7.0 to give a passing grade out of a maximum score of 12.0. Funds for the award program are connected to the operating expense to revenue ratio being at/or below the target for the fiscal year. The operating expense to revenue ratio for 2026/27 has been adjusted to reflect the equivalent of \$1.0 million in expense reduction. The \$1.0 million reduction provides the funds required to pay the organizational award.

In the report presented to the Board March 2025, it was recommended to develop a methodology to assess the fiscal health of the utility and to recommend whether the CBS Organizational Award be paid based on this additional measure.

To recognize the current budgeted accumulated deficit and our commitment to being fiscally responsible to our customers, it is proposed that an additional measure be added:

“If there is a budgeted accumulative deficit of \$1 million or greater, no award will be issued regardless of the other criteria being achieved”.

This will be revisited upon receiving direction on the deficit elimination strategy (September 2026 GRA).

2025/26 CBS Summary as of Q3:

The attached CBS summary (Attachment A) identifies the organizational indicators for 2025/26 as of Q3, where available. Final results will be available after completion of the 2025/26 fiscal year audit and will be reported to the Halifax Water Board at the June Board meeting.

BUDGET IMPLICATIONS

Funds for the Organizational Award program are available if the operating expense to revenue ratio is at/or below the target amount. In many cases, meeting the organizational indicator targets will realize direct savings to the utility, improved operational effectiveness, and/or improved customer service.

ALTERNATIVES

1. The Board not approve the goals contained within the CBS for 2026/27. This is not recommended as it would not provide for corporate metrics to guide employees for the coming fiscal year.
2. The Board not require an assessment of the fiscal health of the utility and follows established methodology for determining the amount of the Organizational Award.

ATTACHMENT

1. Attachment - Corporate Balanced Scorecard Results as of Q3 & 2026-2027 Proposed Corporate Balance Scorecard

Report Prepared By:

Signed by:
Kenda MacKenzie

Kenda MacKenzie, P. Eng, General Manager and CEO

Financial Approved By:

Signed by:
Louis de Montbrun

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

Corporate Balance Scorecard
Projected Results 2025-2026 & Proposed 2026-2027

Organizational Indicators	Organization Award	2025/26		2026/27
		TARGET	RESULTS (as of Q3)	TARGET
Financial and Regulatory Accountability				
Operating expense/revenue ratio percentage (excluding depreciation) Operating Expenses (excluding depreciation) are less than budget by at least \$ 1.0 million ¹	Gateway	73.1%	69.7%	Y/N
Annual cost per customer connection – Water (excluding depreciation)		\$587	\$442	\$587
Annual cost per customer connection – Wastewater (excluding depreciation)		\$740	\$538	\$740
Total capital spend in the fiscal year (in millions)		\$135	\$81	\$135
Capital budget expenditures. Percentage of total unspent budget available, spent in the current fiscal year.		45%	32%	45%
Environment, Health, Safety and Social Responsibility				
NS Labour and Advanced Education compliance – Number of Compliance Orders issued		2	0	2
Lost time Injury Frequency -Number of accidents resulting in lost time per 100 employees	Gateway	2	1.06	2
Total Recordable Injury Frequency - Number of accidents resulting in lost time per 100 employees		3.5	1.59	3.5
Safe driving - Number of traffic Accidents per 1,000,000 km driven (maximum of 5)	Org. Award	4	7.7	4
Training - Number of employees trained or re-certified before due date		85%	152	85%
Percentage of completed safety talks		90%	74%	90%
Percentage of public health and environmental regulatory infractions resulting in a summary offense tickets		2%	0%	2%
Percentage of WWTFs complying with NSE approval permits	Org. Award	95%	93%	95%
Number of ICI properties engaged by Pollution Prevention each year		250	248	250
Operational Excellence				
Adherence with 6 objectives of Water Safety Plan for all water systems	Org. Award	80%	95%	80%
Number of times primary disinfection in water supply facility criteria not met per year	Org. Award	0%	0%	0%
Water service outages - Number of connection hours/1000 customers		200	103	200
Wastewater service outages – Number of connection hours/1000 customers		4	0.76	4
Average speed of answer – Percentage of calls answered within 5 minutes		90%	38%	90%
Response time for service connection permits – percentage of formal responses provided from Halifax Water within 3 days or less		80%	81%	80%
Response time for subdivisions involving system extensions – percentage of formal responses from Halifax Water provided within 4 weeks or less review		80%	64%	80%
Water Loss Control - Percentage reduction in real water loss over previous fiscal year	Org. Award	0.05	0.04	0.05
I&I reduction - Number of private properties engaged about Inflow & Infiltration		1200	1432	1200
Percentage of time GIS and Cityworks are available	Org. Award	97%	99%	97%
Energy management kwh/m ³ reduction associated with capital projects	Org. Award	14%	15%	14%
Bio-solids residual handling - percentage of sludge meeting bio-solids concentration targets	Org. Award	95%	99.6%	95%
People				
Customer satisfaction about water quality - Percentage from customer survey	Org. Award	85%	82%	85%
Customer satisfaction with service - Percentage from customer survey	Org. Award	95%	86%	95%
Percentage of total grievances resolved within the year.		85%	72%	85%
Leaders to engage employees in career conversations to support employee development and succession planning initiatives through performance appraisals.		75%	TBD	75%
Employee satisfaction survey result – Employee Engagement Index Score		A	TBD	72
Percentage of employees to participate in monthly health and wellness moments.		90%	21%	90%

M12384 – Operations and Maintenance Audit 2025

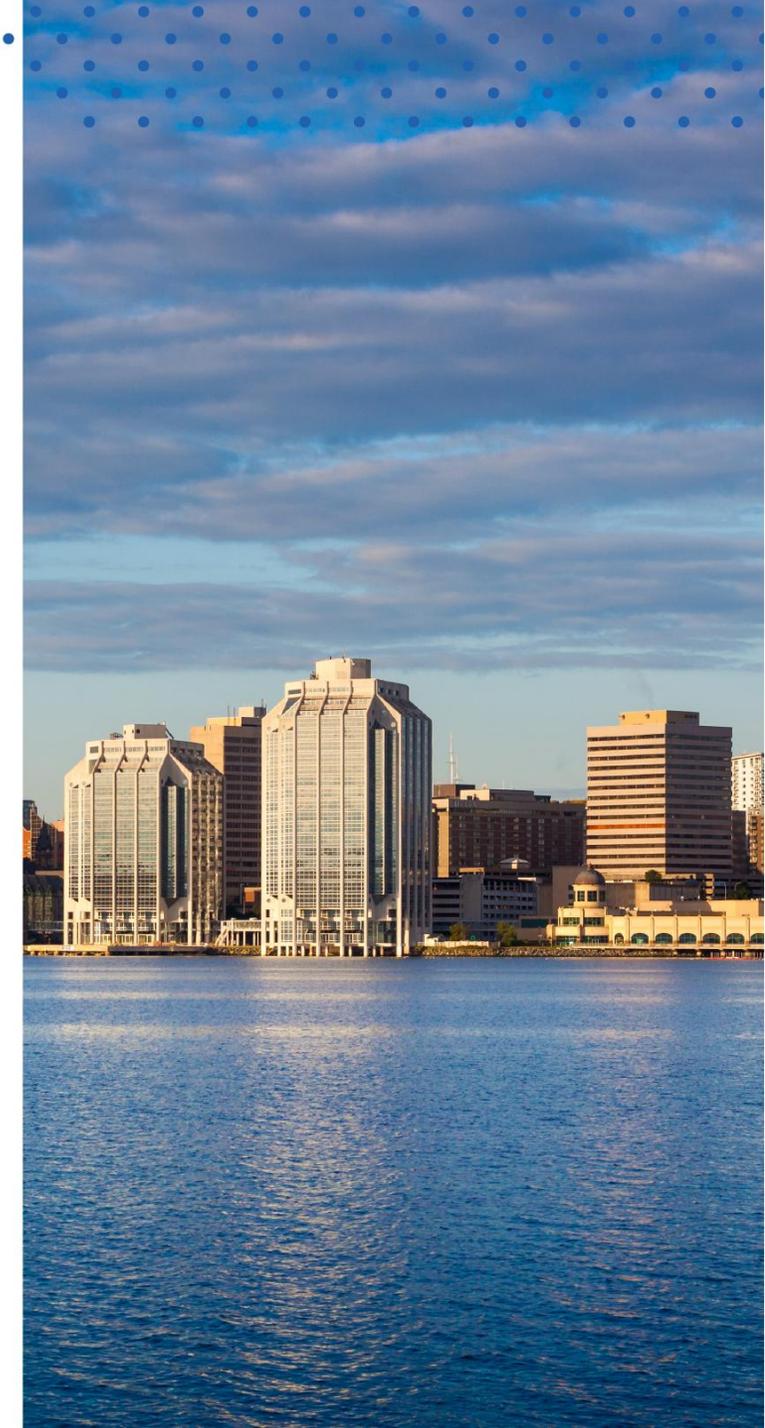
- Information Requests from Carollo have been completed and shared.
- Carollo was on-site February 9 to 11 and March 9 to 12
 - JD Kline, Lake Major & Bennery Lake
 - Halifax, Dartmouth, Mill Cove, Herring Cove & Timberlea
- Expect another round of Information Requests from Carollo
- July 2026 Completion Date



Boil Water Advisory – Update on Corrective Measures

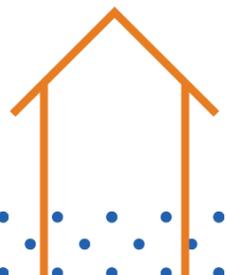
March 2026

**STRAIGHT from
the SOURCE**



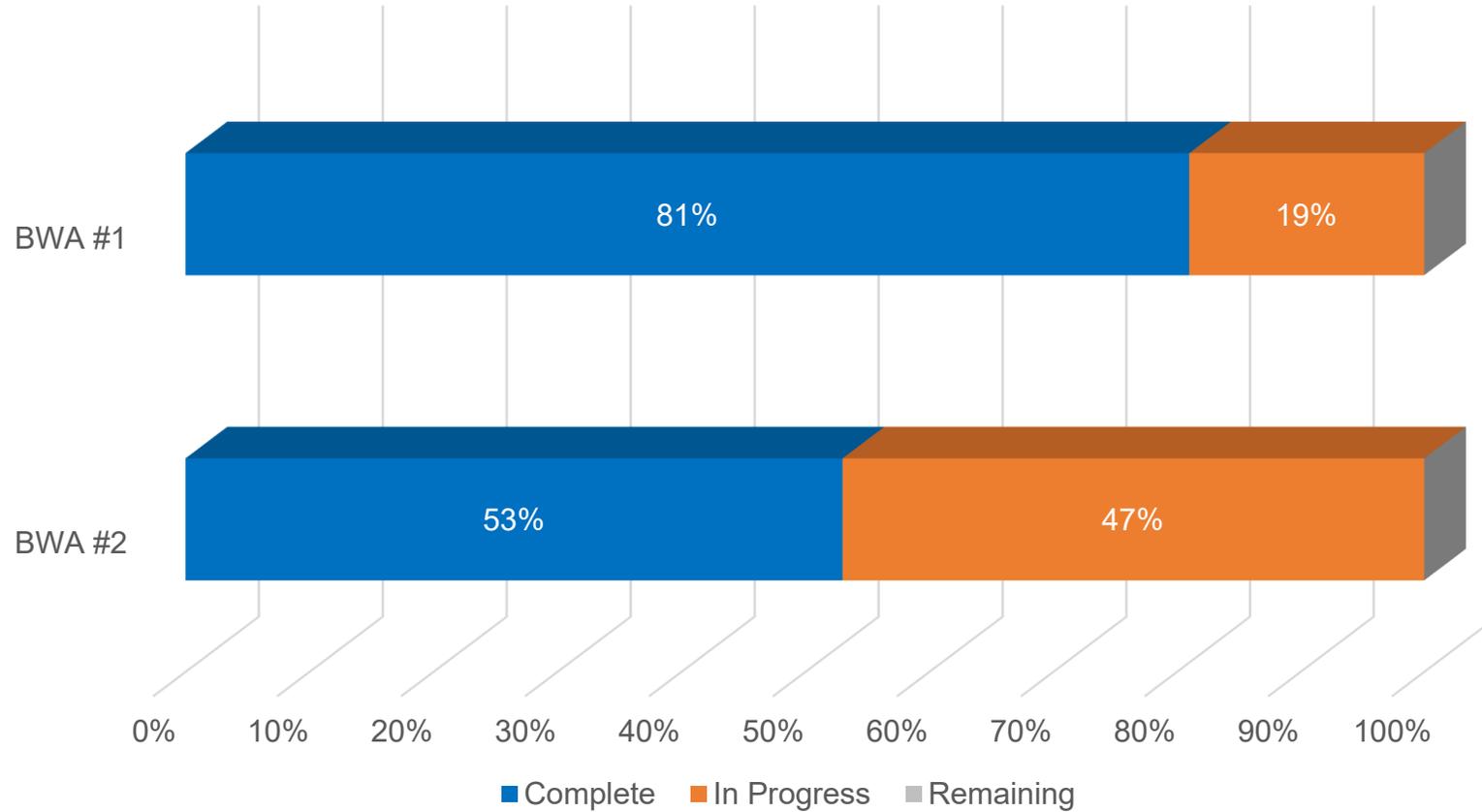
Acronyms

- BWA – Boil Water Advisory
- CM – Corrective Measure
- ORP – Operational Resiliency Program



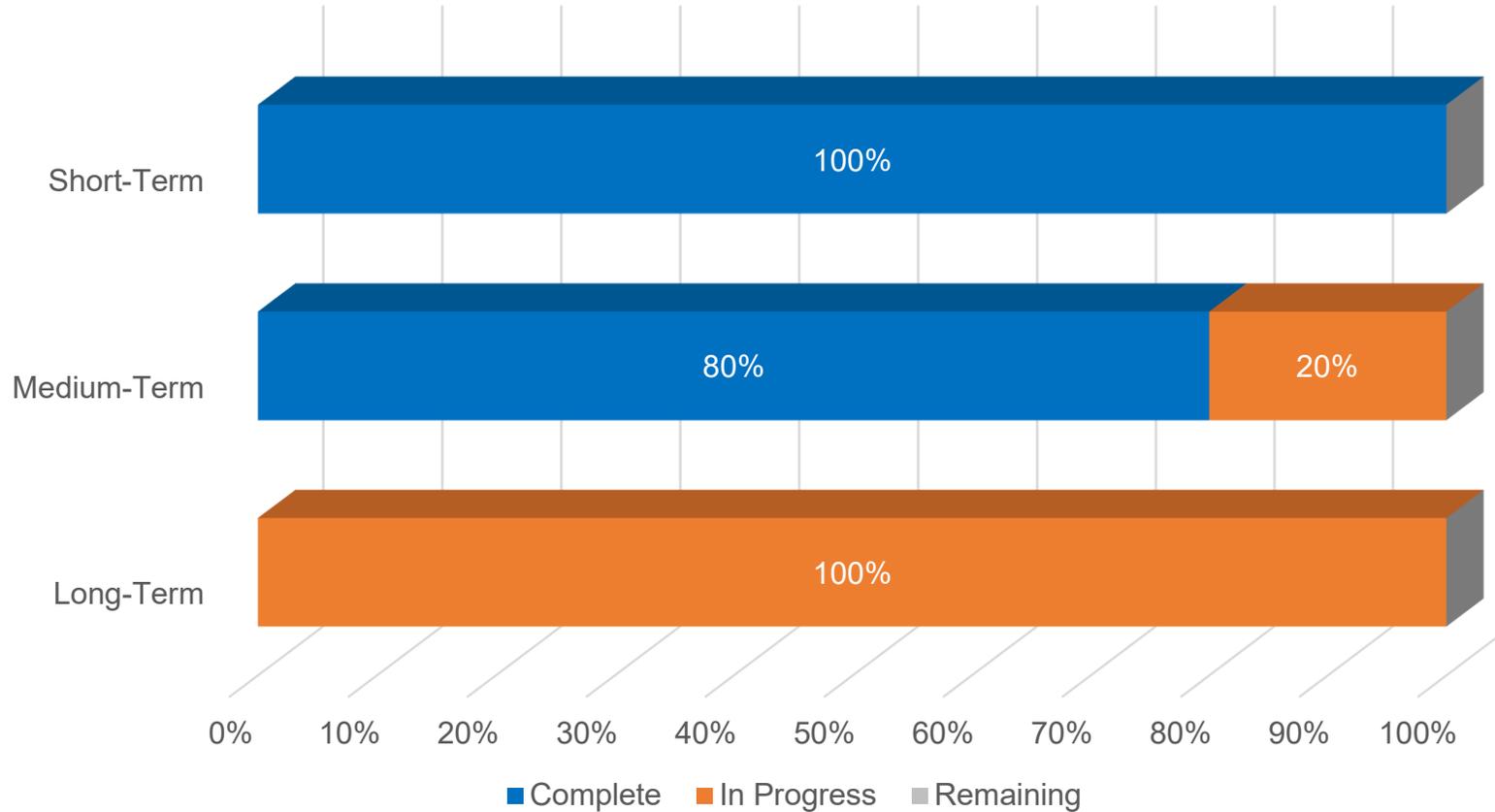
Boil Water Advisory Corrective Measures Update

Boil Water Advisories Combined



Boil Water Advisory Corrective Measures Update

Boil Water Advisory #1

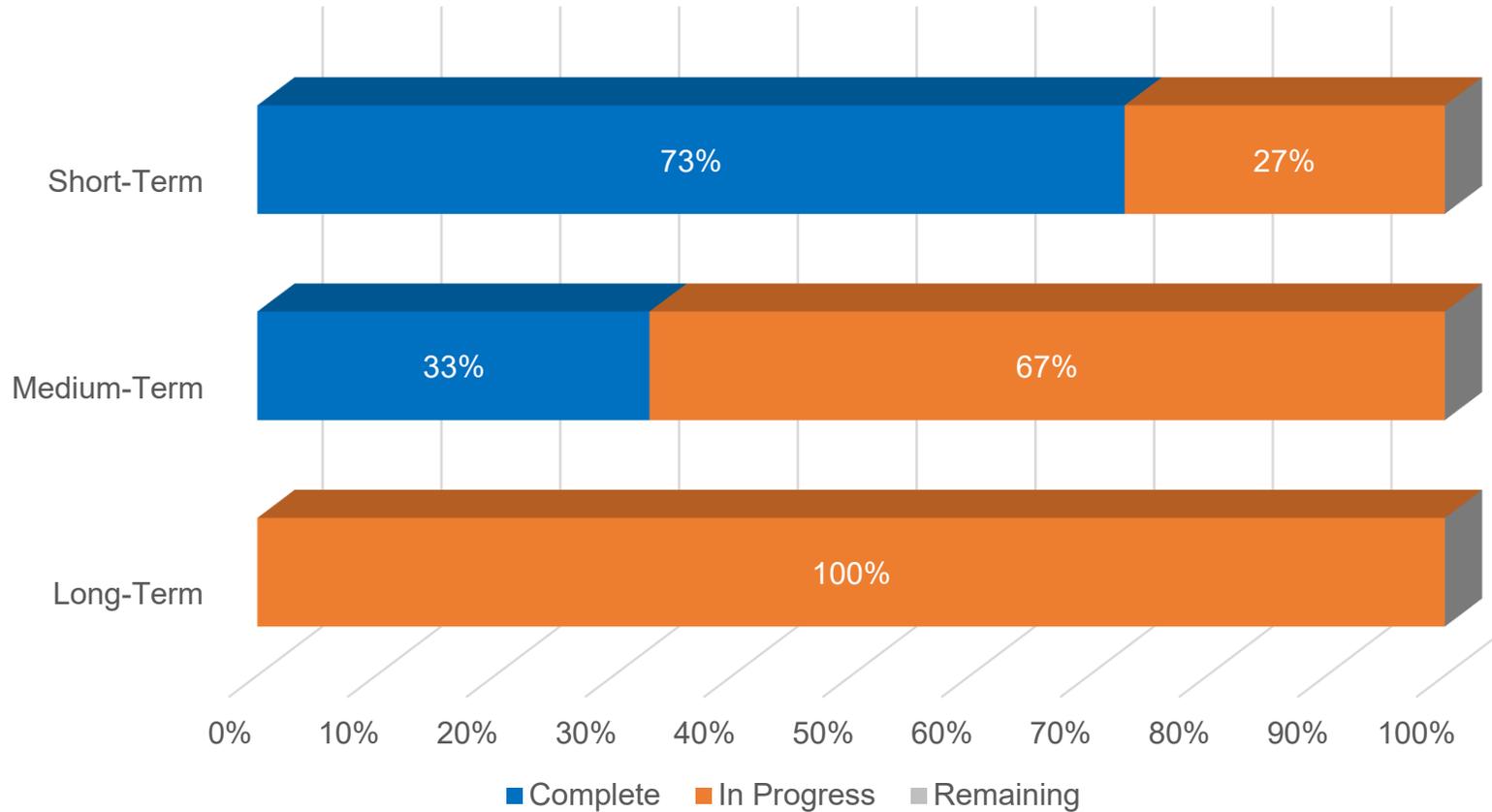


* Short term refers to measures that can be implemented in less than one year. Medium term is estimated to take 1-2 years and long-term is estimated at 5-10 years.



Boil Water Advisory Corrective Measures Update

Boil Water Advisory #2



* Short term refers to measures that can be implemented in less than one year. Medium term is estimated to take 1-2 years and long-term is estimated at 5-10 years.



July 2024 BWA		Corrective Measure	Timeline	Status		Update
Item #	Reference #			February 2026	March 2026	
1	[1.01]	Assess and conduct repairs as required on raw water pumps and components.	Short-term	Complete	Complete	
2	[1.02]	Assess the emergency generators.	Short-term	Complete	Complete	
3	[1.03]	Install a temporary generator to power the main plant building, replacing the auxiliary generator.	Short-term	Complete	Complete	
4	[1.04]	Install standby electrical system to power emergency chlorination equipment, in the event of a complete power failure, to reduce time to initiate the system and remove immediate need for portable gas-powered generator.	Short-term	Complete	Complete	
5	[1.05]	Install an uninterruptible power supply (UPS) that will be able to supply power to necessary instrumentation in the event of a power failure.	Short-term	Complete	Complete	
6	[1.06]	Conduct thermal scanning of electrical equipment at the low-lift pump station.	Short-term	Complete	Complete	
7	[1.07]	Assess main incoming power bus and associated utility, emergency breakers, as well as transfer controls. Assess the sequence settings that control the safety systems at the pump station. Re-program the sequence as necessary based on the assessment.	Short-term	Complete	Complete	
8	[1.08]	Assess layers of engineered protection on raw water pumps and install additional layers as needed.	Short-term	Complete	Complete	
9	[1.09]	Complete formal incident debrief with various levels of staff.	Short-term	Complete	Complete	

* Short term refers to measures that can be implemented in less than one year. Medium term is estimated to take 1-2 years and long-term is estimated at 5-10 years.

July 2024 BWA		Corrective Measure	Timeline	Status		Update
Item #	Reference #			February 2026	March 2026	
10	[1.10]	Increase operator staffing on shift to minimize response time to emergency incidents.	Short, medium-term	Complete	Complete	
11	[1.11]	Review and update SOPs for clarity. Ensure staff understanding through training.	Short, medium-term	Complete	Complete	
12	[1.12]	Conduct emergency exercises to enhance knowledge on response to varying incidents.	Short, medium-term	Complete	Complete	
13	[1.13]	Improve emergency lighting throughout the facility.	Short, medium-term	Complete	Complete	
14	[1.14]	Install a permanent generator to replace the auxiliary generator.	Medium-term	Ongoing (Interim solution implemented)	Ongoing (Interim solution implemented)	Temporary 600kW Generator is installed. New generator is available. The implementation design contract awarded. Design for the improved implementation underway. *Coincides with item 1.15.
15	[1.15]	Upgrade and increase resiliency of incoming power feed. Consider adding a new, dedicated utility service to the main water supply plant building.	Long-term	Ongoing	Ongoing	Reviewing options analysis for plant power feed. Power feed design coincides with permanent generator installation. Preliminary design underway.
16	[1.16]	Address fundamental design constraints by providing adequate treated and chlorinated water storage and the ability to shut down for maintenance or failure conditions without interruption to water quantity or quality.	Long-term	Ongoing	Ongoing	Conceptual design of a reservoir is complete. Advanced design work is underway for connecting the new reservoir to the transmission main. Detailed risk analysis is required for the reservoir connection to prevent service interruptions.

January 2025 BWA		Corrective Measure	Timeline	Status		Update
Item #	Reference #			February 2026	March 2026	
1	[2.01]	Formalize a procedure for communications with NSP. Update and regularly review phone numbers on file with NSP, clarify communication protocols for various types of power events and improve internal communications for power outages (emergency and non-emergency).	Short-term	Ongoing (Interim solution implemented)	Ongoing (Interim solution implemented)	Governance document draft completed and reviewed. Workshops occurring with external participants to implement communications workflows. Expected completion end of Q4.
2	[2.02]	Review alarms from the incident. Conduct a holistic review of alarm philosophy and prioritization to assist operators in emergencies. Implement alarm rationalization and prioritization process based on review, train staff on alarm rationalization and prioritization process.	Medium-term	Ongoing	Ongoing	Alarm management philosophy is under review. Preliminary engagement with consultant completed.
3	[2.03]	Develop checklists based on SOPs that can be referenced quickly during emergency situations.	Short-term	Ongoing	Complete	
4	[2.04]	Develop a schedule of drills and tabletop exercises (at least quarterly). Conduct these emergency exercises to enhance emergency preparedness as part of an improved comprehensive operator training plan.	Short-term	Complete	Complete	
5	[2.05]	Complete electrical review to inform electrical risk as part of the Operational Resiliency Review.	Medium-term	Ongoing	Ongoing	Electrical systems are being assessed as part of the Thermal Scans (Complete), Arc Flash and Coordination study (Complete), & Operational Resiliency Review (Ongoing). Electrical system remediation of known issues in ongoing.
6	[2.06]	Address fundamental design constraints by providing adequate treated and chlorinated water storage and the ability to shut down for maintenance or failure conditions without interruption to water quantity or quality.	Long-term	Ongoing	Ongoing	Conceptual design of a reservoir is complete. Advanced design work is underway for connecting the new reservoir to the transmission main. Detailed risk analysis is required for the reservoir connection to prevent service interruptions.
7	[2.07]	Review and update SOPs for clarity. Create new SOPs as appropriate. Ensure staff understand through training as part of an improved comprehensive operator training plan.	Short, medium, and long-term	Ongoing	Ongoing	New SOPs have been identified, prioritized and are being created. Dependency with project [2.13]– Comprehensive Operator Training Plan.

January 2025 BWA		Corrective Measure	Timeline	Status		Update
Item #	Reference #			February 2026	March 2026	
8	[2.08]	Install labels on chlorine analyzer and on the HMI to indicate 10-to-25-minute delay in readings.	Short-term	Complete	Complete	
9	[2.09]	Install a second chlorine analyzer in a location closer to the chlorine injection point to mitigate delay in chlorine residual readings.	Short-term	Complete	Complete	
10	[2.10]	Improve the design and operation of the backup hypo system to prevent the formation of airlocks.	Short-term	Complete	Complete	
11	[2.11]	Install flow meters on the backup hypo system to improve monitoring to ensure that the system is feeding chlorine.	Short-term	Complete	Complete	
12	[2.12]	Complete formal incident debriefs with various levels of staff.	Short-term	Complete	Complete	
13	[2.13]	Evaluate and develop an improved comprehensive operator training plan with defined key performance measures of competency and operator success.	Short-term	Ongoing	Ongoing	Operator Training Framework Project underway as part development of the broader Drinking Water Quality Management System. Phase 1: Establish a standardized operator training framework with defined learning modules and measurable competency metrics by April 2026.
14	[2.14]	Investigate the feasibility of chlorine analyzer monitoring earlier in the distribution system to better assess the impact of events.	Short-term	Complete	Complete	

January 2025 BWA		Corrective Measure	Timeline	Status		Update
Item #	Reference #			February 2026	March 2026	
15	[2.15]	Investigate the feasibility of additional rechlorination locations within the distribution system to minimize impacts of chlorine disinfection interruptions.	Medium-term	Complete	Complete	
16	[2.16]	Clarify protocols for issuing municipal and provincial alerts for advisories with HRM and the Province.	Short-term	Ongoing	Ongoing	Have been provided the direct ability to request issuance of a provincial alert. Continuing conversations with municipal partners and the Province on criteria for what triggers intrusive versus non-intrusive alerts. Internal SOP is under review.
17	[2.17]	Explore additional options for notifying customers beyond PSAs and social media.	Medium-term	Ongoing	Ongoing	<p>Ongoing discussions regarding additional notification pathways.</p> <ul style="list-style-type: none"> Investigating opportunities to use the online customer portal for direct communications, being mindful of privacy laws. Clarifying the protocol for the provincial alert system regarding intrusive versus unintrusive alerts. Investigating the potential for an HFXAlert-type notification system that allows communications that target residents who may not be direct customers.
18	[2.18]	Engage with NSECC and MOH to clarify language in the Approval to Operate and Guidelines for Monitoring Public Drinking Water Supplies regarding loss of disinfection and discuss a public health risk-based approach.	Medium-term	Complete	Complete	
19	[2.19]	Complete an Operational Resiliency Review for the JDKWSP.	Short, medium-term	Ongoing	Ongoing	Site visits complete. Technical Memo #1 complete with risk rankings. Upcoming: Failure Modes and Effects Analysis for Technical Memo #2. (Expected project completion Q2 2026)

Questions