450 Cowie Hill Road
P.O. Box 8388 RPO CSC
Halifax, Nova Scotia
Canada B3K 5M1

HALIFAX WATER SPECIAL BOARD MEETING – AGENDA

September 2, 2026, 2:00 p.m.
Hybrid – 455 Cowie Hill Road, Room 102 & Virtually via 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.

AGENDA ITEMS

CALL TO ORDER

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

MOTION:
That the Halifax Water Board approve the order of business for the special meeting of the Halifax Water Board and that the agenda be approved as presented.

2. E-Vote Ratification

MOTION:
That the Halifax Water Board ratify the e-vote motion on August 31, 2026, to approve Halifax Water's revised 2026 Financial Statements.

3. Pension Holiday

MOTION:
That the Halifax Water Board as the Trustees of the Plan, approve the following recommendations as set out in the Current Status and Options for Continued Employer Contribution Holiday Report, dated August 21, 2026,

1) Restart an employer contribution holiday for the Halifax Regional Water Commission Employees' Pension Plan to commence 60 days after written notice has been provided to all plan members and retirees.

2) Continue the pension holiday until the full amount of going concern special payment has been recouped, an additional $12.8M, conditional on the annual reassessment on the impact on the pension plan based on the actuarial extrapolation or actuarial valuation.

4. 2026 General Rate Application

MOTION:
That the Halifax Water Board direct Executive Management:

1) To ensure compliance with all directives issued by the Nova Scotia Regulatory and Appeals

Board (NSRAB) within the timelines prescribed in the NSRAB's Decision dated December 16, 2025, and to report back to the Halifax Water Board at the next Halifax Water Board meeting, scheduled for September 24, 2026, to confirm that all directives are either in progress or satisfied in accordance with that Decision.

2) To continue to work on the 2026 General Rate Application for final approval at the next Halifax Water Board meeting, scheduled for September 24, 2026, within the following parameters:

    1. Increase the average annual residential bill for water, wastewater and stormwater services not to exceed 9.0% in 2027/28 and 9.0% in 2028/29.

    2. Approve the deficit elimination strategy, such that the overall impact to the proposed rates remains within the threshold of parameter 1.

    3. Any increase to water and wastewater rates is to apply only to consumption and discharge rates, respectively.

    4. Increase to total public and private fire protection revenue shall not exceed 34% in 2027/28 and 14% in 2028/29.

    5. Any increase to stormwater charges not to exceed 11% in 2027/28 and 19% in 2028/29.

    6. Any increase to stormwater right of way charges based on current impervious area not to exceed 24% in 2027/28 and 7% in 2028/29 and an increase in the incremental per square meter charge to $0.325 per square meter in 2027/28 and $0.364 per square meter in 2028/29.

    7. Any increases to take effect over two fiscal years, becoming effective April 1, 2027, and April 1, 2028.

    8. Engage with interested parties on the pending 2026 General Rate Application.

5. Appointments to Consecutive Standing Committees

ADOURNMENT

Outlook

Halifax Water Board - E Vote

From Liana Rintoul <lianar@halifaxwater.ca>
Date Mon 8/31/2026 6:23 PM
To John MacPherson <johncmacpherson52@gmail.com>; Cathy Deagle Gammon <deaglec@halifax.ca>; Janet Steele <janet.steele@halifax.ca>; Patty Cuttell (D11) <patty.cuttell@halifax.ca>; Trish Purdy <trish.purdy@halifax.ca>; Kerry Jennex; Jeff Taylor

Cc Kenda MacKenzie <mackenk@halifaxwater.ca>; Louis de Montbrun <louis.demontbrun@halifaxwater.ca>; Amanda Jodrey <amandaj@halifaxwater.ca>; Anguish, Brad <anguisb@halifax.ca>; Blackwood, Jerry

Commissioner Chair MacPherson and Commissioners of the Halifax Water Board,

INSTRUCTIONS for electronic voting:

- *For the e – vote, we need one Commissioner to respond as a mover and one Commissioner to respond as a seconder.*
- *After the motion is moved, please vote electronically by replying to this email (by replying to me and copying Amanda Jodrey).*
- *If you wish to abstain, please reply with an email to me stating that you will abstain from voting.*
- *As Corporate Secretary, I will record the electronic voting results and will present the results to the Chair of the Board.*

BACKGROUND:

I. Special Meeting of the Halifax Water Audit and Finance Committee Meeting – August 31, 2026

At the special meeting of the Halifax Water Audit and Finance Committee on August 31, 2026, the following motion was put and passed:

Motion:

That the Audit and Finance Committee review and forward the revised financial statements for the year ending March 31, 2026, to the Halifax Water Board for approval.

II. Halifax Water Board Governance

The Halifax Water Board Governance Manual, Section 6.2 states that:

In exceptional circumstances and situations of unforeseen urgency, the Board may conduct business through email or electronic voting. Any motions approved through email or electronic voting must be ratified at the next regularly scheduled board meeting to ensure they are formally recorded and validated.

Further, the Halifax Water Board Governance Manual, Section 6.11 states that:

Motions require a mover and a seconder from the voting Commissioners. Motions are carried by majority vote.

III. <u>Motion for Electronic Voting</u>

WHEREAS, the Halifax Regional Water Commission Board (the "**Halifax Water Board**"), in exceptional and situations of unforeseen urgency, may conduct business through email or electronic voting;

WHEREAS, any motions approved through email or electronic voting must be ratified at the next regularly scheduled Halifax Water Board meeting to ensure they are formally recorded;

WHEREAS, the next board meeting is a special meeting of the board, scheduled for September 2, 2026;

WHEREAS, the financial statements of the Halifax Regional Water Commission for the year ended March 31, 2026, were originally approved by the Halifax Water Board on June 30th, 2026;

WHEREAS, as set out in the Revised Financial Statements for March 31, 2026 Report (the "Report"), dated August 26, 2026, the financial statements have been revised to reflect adjustments more particularly described in that Report;

WHEREAS, the approval of the revised financial statements is time sensitive for reporting requirements to the Halifax Regional Municipality and the Nova Scotia Regulatory and Appeals Board;

WHEREAS the Halifax Water Board desires to approve the following motion via electronic voting; and

WHEREAS the motion will be ratified at the September 2, 2026, special meeting of the Halifax Water Board.

<u>MOTION:</u>

That the Halifax Water Board approve the revised financial statements of the Halifax Regional Water Commission for year ending March 31, 2026, as set out in the Report, dated August 26th, 2026.

ITEM # 2
Halifax Water Board
(Special Meeting)
September 2, 2026

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

SUBMITTED BY: Signed by: A65D6874EBC1467...

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

APPROVED: Signed by: Kenda MacKenzie 0C084AC815794F6...

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

DATE: August 31, 2026

SUBJECT: **Revised Financial Statements for March 31, 2026**

ORIGIN

Financial information reporting.

RECOMMENDATION

It is recommended that the Halifax Water Board approve the revised financial statements for the year ending March 31, 2026.

BACKGROUND

At the August 31, 2026, special meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #2, Revised Financial Statements for March 31, 2026, was presented, reviewed, and discussed.

ATTACHMENT

1. Report to the Halifax Water Audit and Finance Committee Item #2 – Revised Financial Statements for March 31, 2026

Halifax Water Audit and Finance Committee (Special Meeting)

August 31, 2026

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

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

APPROVED:
Signed by:
Kenda MacKenzie
0C084AC815794E6...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: August 26, 2026

SUBJECT: **Revised Financial Statements for March 31, 2026**

ORIGIN

Operational and regulatory requirements.

RECOMMENDATION

It is recommended that the Audit and Finance Committee review and forward the revised financial statements for the year ending March 31, 2026, to the Halifax Water Board for approval.

BACKGROUND

Halifax Regional Water Commission (Halifax Water) is required to submit audited financial statements, approved by the Halifax Water Board, to the Halifax Regional Municipality (HRM) by June 30, 2026, and the Nova Scotia Regulatory Appeals Board (NSRAB) within 180 days of the fiscal year end.

The financial statements were reviewed by the Audit and Finance Committee and submitted to the Halifax Water Board of Commissioners and approved at the June 30, 2026, special meeting.

DISCUSSION

During the final stages of the audit of the financial results, Halifax Water staff and the auditors identified a required restatement of 2025 figures to reflect four large culverts that had been upgraded to 3.0 m or larger in earlier fiscal years. Under a MOU with HRM from 2010, this is now considered a bridge and that ownership of the assets was to be transferred to HRM.

It was subsequently determined that a portion of one of the culverts is not in the HRM right-of-way and is to remain a Halifax Water asset. The restatement valued at $6.5 million was reduced to $3.8 million, which is under the materiality threshold. As a result, the restatement has been removed from the 2025 figures and the adjustment for the asset transfer is included in the 2026 fiscal year. The financial statements were then presented to the Audit and Finance Committee at a special meeting and submitted to the Halifax Water Board of Commissioners for approval at the June 30, 2026, at a special meeting of the Board.

During the period of consolidating Halifax Water’s financial statements with HRMs financial statements, in August, it was discovered that several asset records dating as far back as the 1970s had not been properly depreciated. This was first identified during the 2025 audit and resulted in a restatement of the 2024 opening balances. It was determined during the latter stage of the current audit that these assets were not properly depreciated in 2026. The change reduces depreciation and amortization expense under IFRS by $2.4 million and $3.0 million under NSRAB.

Halifax Water is providing revised Financial Statements for the year ending March 31, 2026 for Halifax Water’s Audit and Finance to review based on the adjustments since June 30, 2026.

The change to the current year statement of earnings and comprehensive earnings under International Financial Reporting Standards (IFRS) is as follows:

	Original	Culvert adjustment	Depreciation on old assets adjustment	Revised
Current year 2025-26 (IFRS)				
Statement of earnings and comprehensive earnings				
Operating expenditures				
Depreciation and amortization	62,639		(2,369)	60,270
Financial and other expenses				
Other	438	2,769		3,207
Loss for the year	(15,414)	(2,769)	2,369	(15,814)
Total comprehensive earnings for the year	9,905	(2,769)	2,369	9,505

The change to the prior year statement of financial position under IFRS is as follows:

	Original	Culvert adjustment	Depreciation on old assets adjustment	Revised
Prior year 2024-25 (IFRS)				
Statement of Financial Position				
Utility plant in service	1,339,358	6,543		1,345,901
Deferred contributed capital	948,109	3,774		951,883
Accumulated surplus	242,423	2,769	-	245,192

The original figures for the current year reflected the reduced value for culverts transferred to HRM. The adjustment for the current year is to add back the value of the culvert that did not transfer.

The change to the current year statement of financial position under IFRS is as follows:

	Original	Culvert adjustment	Depreciation on old assets adjustment	Revised
Current year 2025-26 (IFRS)				
Statement of Financial Position				
Utility plant in service	1,402,382	3,774	2,369	1,408,525
Deferred contributed capital	1,000,753	3,774		1,004,527
Accumulated surplus	227,009	-	2,369	229,378

The change to the current year schedule of earnings for water under NSRAB in schedule C is as follows:

	Original	Culvert adjustment	Depreciation on old assets adjustment	Revised
Schedule C (NSRAB)				
Schedule of earnings - Water				
Depreciation and amortization	18,219		(3,024)	15,195
Loss for the year	(19,249)		3,024	(16,225)

The change to the current year summarized consolidated operating results under NSRAB in Schedule E is as follows:

	Original	Culvert adjustment	Depreciation on old assets adjustment	Revised
Schedule E (NSRAB)				
Summarized consolidated operating results				
Operating expenditures	172,035		(3,024)	169,011
Loss for the year	(24,333)		3,024	(21,309)

As a result of these changes the earnings for the year under IFRS is now $9.5 million, an improvement of $0.4 million. The loss under NSRAB standards is reduced by $3.0 million and is now $21.3 million.

The improvement is greater under NSRAB because under IFRS the transfer of the assets results in an expense whereas under NSRAB the transfer results in a reduction of capital surplus. Updates were also made to other related notes and schedules.

The revised financial statements reflect the corrections made in August 2026.

ATTACHMENT

1. Revised Financial Statements for the fiscal year ended March 31, 2026

Report Prepared by:

Signed by:
Warren Brake
FF7DA207844542C...

Warren Brake, CPA, CGA
Manager, Accounting

Financial Reviewed by:

Signed by:
A65D6874EBC1467...

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

Halifax Water

Financial Statements

Halifax Regional Water Commission

March 31, 2026

Contents

Independent auditor's report

Doane Grant Thornton LLP
Suite 1000, Nova Centre, North Tower
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To the Members of the Board of the Halifax Regional Water Commission

Independent auditor’s report

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Halifax Regional Water Commission
Statement of financial position

March 31 (in thousands)	2026	2025
Assets		
Current		
Cash and cash equivalents	**$ 82,494**	$ 73,126
Receivables		
Customer charges and contractual (Note 8)	**27,410**	21,851
Unbilled service revenues (Note 8)	**24,093**	22,019
Inventory	**2,486**	2,530
Prepaids	**2,118**	2,178
	138,601	121,704
Employee benefit surplus (Note 4)	**16,263**	1,053
Intangible assets (Note 10)	**57,561**	42,855
Capital work in progress	**118,546**	115,627
Utility plant in service (Note 11)	**1,408,525**	1,345,901
Total assets	**1,739,496**	1,627,140
Regulatory deferral account (Note 5)	**1,660**	1,852
Total assets and regulatory deferral account	**$ 1,741,156**	$ 1,628,992
Liabilities		
Current		
Payables and accruals		
Trade	**$ 35,831**	$ 35,896
Non-trade	**6,436**	6,430
Interest on long term debt	**4,709**	4,061
Halifax Regional Municipality	**2,995**	4,459
Contractor and customer deposits	**3,095**	1,447
Current portion of deferred contributed capital (Note 12)	**19,885**	19,249
Current portion of long term debt (Note 13)	**24,926**	32,881
Unearned revenue	**500**	442
	98,377	104,865
Deferred contributed capital (Note 12)	**1,004,527**	951,883
Long term debt (Note 13)	**316,632**	260,129
Total liabilities	**1,419,536**	1,316,877
Equity		
Accumulated other comprehensive income	**92,242**	66,923
Accumulated surplus	**229,378**	245,192
Total equity	**321,620**	312,115
Total liabilities and equity	**$ 1,741,156**	$ 1,628,992

Contingent liabilities (Note 3)
Commitments (Note 6)

Approved by the Halifax Regional Water Commission Board

______________________ Chair ______________________ Vice Chair

See accompanying notes to the financial statements.

Halifax Regional Water Commission

Statement of earnings and comprehensive earnings

Year ended March 31 (in thousands)	2026	2025
Operating revenues		
Water	$ 60,664	$ 56,116
Wastewater	93,494	90,110
Stormwater	15,918	15,226
Public fire protection	8,682	8,083
Private fire protection	1,923	1,785
Other operating revenue	3,310	2,903
	183,991	174,223
Operating expenditures (Note 14)		
Water supply and treatment	17,066	16,127
Water transmission and distribution	18,575	16,717
Wastewater collection	15,198	15,383
Stormwater collection	5,764	6,053
Wastewater treatment	29,238	26,950
Information and technology services	16,233	12,925
Engineering services	6,329	5,029
Environment, health and safety services	4,987	4,256
Customer services	5,143	4,477
Corporate services	3,942	4,043
Administration services	5,422	6,635
Pension services	10,003	3,107
Depreciation and amortization	60,270	56,195
	198,170	177,897
Loss from operations before financial and other revenues and expenditures	(14,179)	(3,674)
Financial and other revenues		
Interest	112	367
Amortization of deferred contributed capital	19,343	19,122
Other	585	611
	20,040	20,100
Financial and other expenditures		
Interest	214	253
Interest on long term debt	11,924	9,294
Amortization of debt issue costs	304	244
Dividend/grant in lieu of taxes (Note 6)	5,834	6,816
Other	3,207	134
	21,483	16,741
Loss for the year before regulatory deferral account depreciation	(15,622)	(315)
Regulatory deferral account depreciation	(192)	(192)
Loss for the year	(15,814)	(507)
Other comprehensive earnings		
Items that will not be reclassified subsequently to earnings:		
Re-measurement on defined benefit plans	25,319	6,527
Total comprehensive earnings for the year	$ 9,505	$ 6,020

See accompanying notes to the financial statements.

Halifax Regional Water Commission

Statement of changes in equity

Year ended March 31 (in thousands)

	Accumulated other comprehensive income	Accumulated surplus	Total
Balance, April 1, 2024	$ 60,396	$ 245,699	$ 306,095
Loss for the year	-	(507)	(507)
Other comprehensive earnings	6,527	-	6,527
Comprehensive earnings for the year	6,527	(507)	6,020
Balance, March 31, 2025	$ 66,923	$ 245,192	$ 312,115
Loss for the year	**-**	**(15,814)**	**(15,814)**
Other comprehensive earnings	**25,319**	**-**	**25,319**
Comprehensive earnings for the year	**25,319**	**(15,814)**	**9,505**
Balance, March 31, 2026	**$ 92,242**	**$ 229,378**	**$ 321,620**

See accompanying notes to the financial statements.

Halifax Regional Water Commission

Statement of cash flows

Year ended March 31 (in thousands)	**2026**	2025
Increase (decrease) in cash and cash equivalents		
Operating		
Comprehensive earnings for the year	**$ 9,505**	$ 6,020
Depreciation and amortization	**42,956**	39,111
Employee benefit surplus	**(15,231)**	(4,314)
Loss on disposal of utility plant in service	**3,128**	-
	40,358	40,817
Change in non-cash operating working capital items		
Receivables, customer charges and contractual	**(5,559)**	(305)
Receivables, unbilled service revenues	**(2,074)**	(1,060)
Inventory	**44**	(166)
Prepaids	**60**	(443)
Payables and accruals, trade	**(65)**	12,503
Payables and accruals, non-trade	**6**	851
Payables and accruals, interest on long term debt	**648**	999
Payable to Halifax Regional Municipality	**(1,464)**	(588)
Contractor and customer deposits	**1,648**	352
Unearned revenue	**58**	285
	(6,698)	12,428
	33,660	53,245
Financing		
Proceeds from issuance of long term debt	**68,000**	80,000
Contributed capital and interest	**30,379**	32,833
Debt issue costs	**(318)**	(478)
Principal repayment on Halifax Regional Municipality long term debt	**-**	(6,500)
Principal repayments on long term debt	**(19,134)**	(16,466)
	78,927	89,389
Investing		
Proceeds from sale of utility plant in service	**310**	-
Purchase of capital work in progress, utility plant in service and intangible assets	**(103,529)**	(113,529)
	(103,219)	(113,529)
Net increase in cash and cash equivalents	**9,368**	29,105
Cash and cash equivalents, beginning of year	**73,126**	44,021
Cash and cash equivalents, end of year	**$ 82,494**	$ 73,126

See accompanying notes to the financial statements.

1. Nature of operations

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

2. Summary of material accounting policies

(a) Statement of compliance

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

The financial statements were authorized for issue by the Board of Commissioners on June XX, 2026.

(b) Basis of measurement

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

(c) Regulation

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

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

(d) Utility plant in service

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

(e) Leased assets

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

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

March 31, 2026 (in thousands)

2. Summary of material accounting policies (continued)

(e) Leased assets (continued)

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

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

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

(f) Deferred contributed capital

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

(g) Cash and cash equivalents

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

(h) Depreciation of utility plant in service

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

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

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

2. Summary of material accounting policies (continued)

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

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

(i) Inventory

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

(j) Revenues and expenditures

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

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

(k) Long term debt

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

(l) Use of estimates and critical accounting judgments

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

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

Actual results could differ from these estimates.

(m) Financial instruments

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

2. Summary of material accounting policies (continued)

(m) Financial instruments (continued)

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

Halifax Water has classified its financial instruments as follows:

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

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

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

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

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

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

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

(n) Provisions

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

(o) Impairments

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

2. Summary of material accounting policies (continued)

(o) Impairments (continued)

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

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

(p) Intangible assets

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

Intangible assets	5 to 30 years

(q) Employee benefit obligations

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

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

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

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

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

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

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

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

2. Summary of material accounting policies (continued)

(q) Employee benefit obligations (continued)

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

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

(r) Regulatory deferral account

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

(s) Accounting policies not yet effective

At the date of authorization of these financial statements, new, but not yet effective, IFRS Accounting Standards and amendments to existing IFRS Accounting Standards, and Interpretations have been published by the IASB or International Financial Reporting Interpretations Committee:

IFRS Accounting Standard 18 Presentation and Disclosure in Financial Statements, effective April 1, 2027. This IFRS Accounting Standard sets out requirements for the presentation and disclosure of information in general-purpose financial statements and will have a significant impact on how statements are presented. Management is currently evaluating this IFRS Accounting Standard and its impact on the financial statements.

IFRS Accounting Standard 20 Regulatory Assets and Regulatory Liabilities, effective April 1, 2029. This IFRS Accounting Standard outlines new recognition and measurement requirements, as well as presentation and disclosures related to timing differences of rate regulated assets and the impact on performance of rate regulated entities. Management is currently evaluating this IFRS Accounting Standard and its impact on the financial statements.

None of these IFRS Accounting Standards or amendments to existing IFRS Accounting Standards have been adopted early by Halifax Water and no Interpretations have been issued that are applicable and need to be taken into consideration by Halifax Water. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New IFRS Accounting Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they have not had a material impact on Halifax Water's financial statements.

3. Contingent liabilities

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

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

4. Employee benefit surplus (obligations)

Retirement benefit plan – employees transferred from HRM
For employees that transferred from HRM, Halifax Water records an expense for the employer's share of the contributions to the Halifax Regional Municipality Pension Plan (HRM Pension Plan) in the period when Halifax Water is obligated to make contributions for services rendered by the employee. During 2026, Halifax Water funded $430 (2025 - $446) in contributions to the HRM Pension Plan. The number of employees included in this plan is 35 (2025 - 39) and this number is reducing over time. As former HRM employees retire, they are replaced with employees in the Halifax Regional Water Commission Employee Pension Plan (the Plan).

Supplemental retirement plans sponsored by Halifax Water
For employees who participate in the supplemental retirement plans, the cost of pension benefits are expensed at the time active employees are compensated. During 2026, Halifax Water funded $38 (2025 - $22) in contributions to these plans. The number of employees included in these plans is 17 (2025 - 11).

Defined benefit plan sponsored by Halifax Water and other long term employment benefits
For all other employees, Halifax Water maintains a defined benefit pension plan and offers post-retirement health and insurance benefits. The defined benefit pension plan provides pensions based upon length of service and best five consecutive years' earnings. The defined benefit pension plan is funded by employer and employee contributions with employees contributing 8.96% (8.72% to December 31, 2025, 9.60% to December 31, 2024) of pensionable employee earnings. Halifax Water matched employee contributions until January 2026 when an employer contribution holiday began. The defined benefit pension plan assets are managed by the HRM Pension Committee.

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

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

March 31, 2026 (in thousands)

4. Employee benefit surplus (obligations) (continued)

Information about Halifax Water's plans, based on an actuarial valuation of the defined benefit pension plan, and an actuarial extrapolation of the pre-retirement benefits and the post-retirement benefits as at March 31, 2026, is as follows:

	Defined benefit pension plan		Post-retirement benefits		Pre-retirement benefits		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
Change in accrued benefit obligation								
Balance, April 1	**$ 217,338**	$ 199,825	**$ 235**	$ 212	**$ 1,436**	$ 1,441	**$ 219,009**	$ 201,478
Current service cost	**17,717**	11,512	**85**	54	**74**	72	**17,876**	11,638
Interest cost	**10,628**	9,850	**9**	9	**66**	68	**10,703**	9,927
Benefit payments	**(7,546)**	(9,122)	**(48)**	(38)	**(40)**	(272)	**(7,634)**	(9,432)
Re-measurements – actuarial (gains)/losses from changes in financial/experience assumptions	**(16,565)**	5,273	**(5)**	(2)	**(31)**	127	**(16,601)**	5,398
Balance, March 31	**221,572**	217,338	**276**	235	**1,505**	1,436	**223,353**	219,009
Change in fair value of plan assets								
Balance, April 1	**220,062**	199,125	**-**	-	**-**	-	**220,062**	199,125
Investment income	**10,568**	9,742	**-**	-	-	-	**10,568**	9,742
Administrative expenses	**(171)**	(114)	**-**	**-**	-		**(171)**	(114)
Actual return on plan assets	**8,758**	11,803	**-**	-	**-**	-	**8,758**	11,803
Benefit payments	**(7,546)**	(9,122)	**(48)**	(38)	**(40)**	(272)	**(7,634)**	(9,432)
Contributions: Employee	**4,912**	4,419	**-**	-	**-**	-	**4,912**	4,419
Employer	**3,033**	4,209	**48**	38	**40**	272	**3,121**	4,519
Balance, March 31	**239,616**	220,062	**-**	-	**-**	-	**239,616**	220,062
Accrued benefit surplus (liability), March 31	**$ 18,044**	$ 2,724	**$ (276)**	$ (235)	**$ (1,505)**	$ (1,436)	**$ 16,263**	$ 1,053

On December 5, 2025, the Halifax Water Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan approved an employer contribution holiday to commence January 1, 2026 as a result of the plan's funded status exceeding 125%. The approved contribution holiday of $1,900 is expected to be reached by May 2026. The impact in 2026 is a savings of $1,267.

Included in the statement of earnings and comprehensive earnings is pension expense of $12,925 (2025 - $7,045).

March 31, 2026 (in thousands)

4. Employee benefit surplus (obligations) (continued)

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

	2026 Defined benefit Pension plan	2025 Defined benefit Pension plan	**2026 Post-retirement benefits**	2025 Post-retirement benefits	**2026 Pre-retirement benefit**	2025 Pre-retirement benefit
Discount rate	**5.20%**	4.80%	**4.60%**	4.20%	**4.70%**	4.40%
Expected return on plan assets	**5.20%**	4.80%	**N/A**	N/A	**N/A**	N/A
Rate of compensation increase	**3.90%**	3.75%	**N/A**	N/A	**3.90%**	3.90%
Expenses for life benefits as a % of claims	**N/A**	N/A	**0.00%**	0.00%	**N/A**	N/A
Health benefit trending per year	**N/A**	N/A	**6.16%**	6.30%	**N/A**	N/A
Dental benefit trending per year	**N/A**	N/A	**0.00%**	0.00%	**N/A**	N/A

The measurement date used to determine the plan assets and the accrued benefit obligation was March 31, 2026. The most recent actuarial valuation for the defined benefit pension plan was January 1, 2025, with the next actuarial valuation scheduled for January 1, 2028. The most recent actuarial valuation for the accrued benefit obligation was March 31, 2024. Going concern extrapolations of the defined benefit pension plan occur annually between the actuarial valuation dates.

The estimated employer contributions expected to be paid to the pension plans for the next fiscal year are $4,820.

5. Regulatory deferral account

In 2011, the NSRAB granted Halifax Water approval to defer depreciation charges on certain assets transferred in 2010 from HRM relating to the Halifax Harbour Solutions Project (HHSP). Depreciation of $2,078 was deferred in each of fiscal 2011 and 2012. As a result, Halifax Water recognized a $4,156 regulatory deferral account. In absence of rate regulation, this regulatory deferral account would have been expensed as depreciation in fiscal 2011 and 2012. In 2012, the NSRAB granted approval of the depreciation of this deferral account over the remaining useful lives of the underlying assets, beginning in 2014. The expense recognized in 2026 is $192 (2025 - $192).

	2026	2025
Balance, April 1	**$ 1,852**	$ 2,044
Depreciation	**(192)**	(192)
Balance, March 31	**$ 1,660**	$ 1,852

6. Commitments

An agreement with HRM for the dividend/grant in lieu of taxes (dividend) for the period from April 1, 2023 through March 31, 2028 whereby dividend payments are approved as part of revenue requirements by the NSRAB. The total amount payable will be calculated based on Property Valuation Services Corporation's (PVSC) assessed value of Halifax Water properties and the property tax rates set by HRM each fiscal year. The assessed value of Halifax Water properties will be reduced by a declining percentage over the five-year period to phase in this new approach. For the fiscal year ended March 31, 2026, the assessed values of the properties were reduced by 4% for the calculation (2025 reduced by 6%). The payment is allocated to each service based on no more than 1.56% times the water rate base, at least 0.25% times the wastewater rate base, and at least 0.25% times the stormwater rate base. In the event these allocations are not sufficient to fund the payment in any given fiscal year, the allocations for wastewater and stormwater will be increased to an amount sufficient to fund the payment. In a December 16, 2025 order, the NSRAB did not approve a dividend for wastewater and stormwater for 2026, resulting in a reduction of the dividend of $988 from 2025.

7. Capital management

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

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

	2026	2025
Long term debt	**$ 341,558**	$ 293,010
Equity	**321,620**	309,346
Capital under management	**$ 663,178**	$ 602,356

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

8. Financial instruments and risk management

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

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

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

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

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

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

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

March 31, 2026 (in thousands)

8. Financial instruments and risk management (continued)

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

		2026		2025
Customer charges, contractual, and unbilled service revenues	**$**	**54,413**	$	46,447
Less: allowance for doubtful accounts		**(2,910)**		(2,577)
	$	**51,503**	$	43,870

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

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

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

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

9. Related party transactions

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

Amounts receivable from HRM have normal credit terms.

Halifax Water had the following related party transactions with HRM:

		2026		2025
Revenue for provision of Water, Wastewater and Stormwater Services	**$**	**8,087**	$	7,834
Public fire protection revenue		**8,682**		8,083
Dividend/grant in lieu of taxes		**(5,834)**		(6,816)
Operating expenditures		**(1,605)**		(2,996)
Net revenue and expenditures	**$**	**9,330**	$	6,105

The debt issued by Halifax Water was covered by a blanket guarantee from HRM subject to Halifax Water maintaining a debt service ratio of less than 35%. The debt service ratio at March 31, 2026 is 17.04% (2025 - 17.64%).

March 31, 2026 (in thousands)

9. Related party transactions (continued)

Compensation of key management personnel

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

The following is compensation expense for key management personnel:

		2026		2025
Compensation and benefits	$	**1,592**	$	1,463
Post-employment benefits		**105**		118
Total compensation	$	**1,697**	$	1,581

10. Intangible assets		**2026**		2025
Cost				
Balance, April 1	$	**64,429**	$	52,928
Additions		**21,212**		11,501
Balance, March 31		**85,641**		64,429
Accumulated amortization				
Balance, April 1		**21,574**		16,939
Amortization		**6,506**		4,635
Balance, March 31		**28,080**		21,574
Net book value, March 31	$	**57,561**	$	42,855

March 31, 2026 (in thousands)

11. Utility plant in service

	Land	Structures and improvements	Treatment and network equipment	Distribution and collection network	Tools and work equipment	**Total**
Cost						
Balance, April 1, 2025	$ 25,806	$ 314,941	$ 315,310	$ 1,129,488	$ 55,672	**$ 1,841,217**
Additions	-	7,998	17,440	89,238	6,318	**120,994**
Disposals	-	-	-	(3,082)	-	**(3,082)**
Balance, March 31, 2026	25,806	322,939	332,750	1,215,644	61,990	**1,959,129**
Accumulated depreciation						
Balance, April 1, 2025	$ -	$ 111,144	$ 156,729	$ 192,801	$ 34,642	**$ 495,316**
Depreciation	-	9,530	17,381	21,738	6,952	**55,601**
Depreciation retired	-	-	-	(313)	-	**(313)**
Balance, March 31, 2026	-	120,674	174,110	214,226	41,594	**550,604**
Net book value, March 31, 2026	$ 25,806	$ 202,200	$ 158,640	$ 1,001,418	$ 20,396	**$ 1,408,525**

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

March 31, 2026 (in thousands)

12. Deferred contributed capital

	2026	2025
Balance, April 1	**$ 971,132**	$ 947,308
Assets contributed during the year	**42,244**	10,113
Contributions and interest	**30,379**	32,833
Amortization	**(19,343)**	(19,122)
Balance, March 31	**1,024,412**	971,132
Less: current portion	**(19,885)**	(19,249)
Net deferred contributed capital	**$ 1,004,527**	$ 951,883

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

13. Long term debt

	Interest rates	2026	2025
Payable to Nova Scotia Department of Finance and Treasury Board			
Water	0.565% to 5.460%	**$ 151,782**	$ 129,794
HHSP	2.205% to 2.561%	**2,600**	3,250
Wastewater	0.565% to 5.460%	**145,591**	123,961
Stormwater	0.565% to 5.460%	**43,554**	37,656
		343,527	294,661
Less: debt issue costs		**(1,969)**	(1,651)
		341,558	293,010
Less: amount payable within one year		**(24,926)**	(32,881)
		$ 316,632	$ 260,129

During the year Halifax Water acquired $68,000 (2025 – $80,000) in new debt with a ten year term and thirty year amortization period and refinanced $15,403 (2025 - $16,865) in existing debt for the remaining ten year term.

The debentures are repayable in fixed annual principal instalments plus interest payable semi-annually. Interest expensed during the year was $11,924 (2025 - $9,294). Principal instalments for the next five years are as follows:

2026/27	$ 24,926
2027/28	$ 25,847
2028/29	$ 27,847
2029/30	$ 32,847
2030/31	$ 32,847
Thereafter	$ 199,213

March 31, 2026 (in thousands)

14. Operating expenditures by nature

	2026	2025
Salaries and benefits	$ **56,970**	$ 52,337
Pension	**10,003**	3,107
Training and conferences	**660**	633
Contract services	**21,517**	21,149
Electricity	**9,774**	9,334
Operating supplies	**21,311**	18,493
Professional services	**6,044**	5,254
Chemicals	**9,784**	9,549
Depreciation on assets allocated to departments	**1,837**	1,846
Depreciation and amortization	**60,270**	56,195
	$ **198,170**	$ 177,897

15. Comparative figures

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

16. Revenue Deficiency Account

Halifax Water is in the process of establishing an Ambient Temperature District Energy System (DES) and as such, has approval from the NSRAB to establish a Revenue Deficiency Account (RDA). The RDA will accumulate expenditures being made in relation to the DES. Once the DES is operational, RDA amounts will be recovered through the setting of rates which reflect the cost of providing this service together with a provision for the recovery of the amounts accumulated in the RDA over a reasonable period of time. There is no balance in the RDA as of March 31, 2026 as the infrastructure is not yet complete. Capital costs to March 31, 2026, net of Federal funding, are reflected in the total balance of work in progress $2,367 (2025 - $3,391).

Halifax Regional Water Commission

Schedule A

Schedule of utility plant in service

Year ended March 31, 2026 (in thousands)

Water

	Land	Structures and improvements	Pumping equipment	Purification equipment	SCADA equipment	Transmission & distribution mains	Services	Meters	Hydrants	Aerotech and small systems	Tools and work equipment	**Total**
Cost												
Balance, April 1, 2025	$ 18,250	$ 153,254	$ 11,379	$ 33,375	$ 12,818	$ 469,109	$ 55,126	$ 19,754	$ 25,356	$ 10,371	$ 56,507	**$ 865,299**
Additions		3,807	858	1,102	1,545	35,782	3,638	404	1,984	1,156	12,782	**63,058**
Disposals	-	-	-	-	-	-	-	-	-	-	-	**-**
Balance, March 31, 2026	18,250	157,061	12,237	34,477	14,363	504,891	58,764	20,158	27,340	11,527	69,289	**928,357**
Accumulated depreciation												
Balance, April 1, 2025	$ -	$ 43,041	$ 9,291	$ 24,690	$ 7,062	$ 121,975	$ 15,107	$ 9,436	$ 8,221	$ 5,475	$ 32,340	**$ 276,638**
Depreciation	-	3,066	240	759	636	6,246	1,052	936	509	460	5,637	**19,541**
Depreciation retired	-	-	-	-	-	-	-	-	-	-	-	**-**
Balance, March 31, 2026	-	46,107	9,531	25,449	7,698	128,221	16,159	10,372	8,730	5,935	37,977	**296,179**
Net book value, March 31, 2026	$ 18,250	$ 110,954	$ 2,706	$ 9,028 #	$ 6,665	$ 376,670	$ 42,605	$ 9,786	$ 18,610	$ 5,592	$ 31,312	**$ 632,178**

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

Schedule A is presented in accordance with the NSRAB Handbook.

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

Halifax Regional Water Commission

Schedule A

Schedule of utility plant in service

Year ended March 31, 2026 (in thousands)

Wastewater

	Land	Structures and improvements	Pumping equipment	Purification equipment	SCADA equipment	Transmission & distribution mains	Laterals	Meters	Aerotech and small systems	Tools and work equipment	**Total**
Cost											
Balance, April 1, 2025	$ 7,083	$ 210,339	$ 33,827	$ 190,510	$ 16,807	$ 373,802	$ 44,142	$ 9,491	$ 14,841	$ 72,953	**$ 973,795**
Additions	-	3,664	809	7,869	816	15,881	4,888	-	2,090	12,456	**48,473**
Disposals	-	-	-	-	-	-	-	-	-	-	**-**
Balance, March 31, 2026	7,083	214,003	34,636	198,379	17,623	389,683	49,030	9,491	16,931	85,409	**1,022,268**
Accumulated depreciation											
Balance, April 1, 2025	$ -	$ 85,521	$ 14,606	$ 117,741	$ 7,753	$ 95,091	$ 6,544	$ 2,775	$ 8,191	$ 37,804	**$ 376,026**
Depreciation	-	4,427	1,536	9,822	911	5,164	950	488	1,456	6,752	**31,506**
Depreciation retired	-	-	-	-	-	-	-	-	-	-	**-**
Balance, March 31, 2026	-	89,948	16,142	127,563	8,664	100,255	7,494	3,263	9,647	44,556	**407,532**
Net book value, March 31, 2026	$ 7,083	$ 124,055	$ 18,494	$ 70,816	$ 8,959	$ 289,428	$ 41,536	$ 6,228	$ 7,284	$ 40,853	**$ 614,736**

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

Schedule A is presented in accordance with the NSRAB Handbook.

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

Halifax Regional Water Commission

Schedule of utility plant in service

Year ended March 31, 2026 (in thousands)

Stormwater

	Land	Structures and improvements	Collection system	Laterals	Tools and work equipment	Total
Cost						
Balance, April 1, 2025	$ 473	$ 13,384	$ 320,719	$ 6,161	$ 10,820	**$ 351,557**
Additions	-	230	27,441	743	2,262	**30,676**
Disposals	-		(3,082)		-	**(3,082)**
Balance, March 31, 2026	473	13,614	345,078	6,904	13,082	**379,151**
Accumulated depreciation						
Balance, April 1, 2025	$ -	$ 3,162	$ 90,641	$ 1,160	$ 6,175	**$ 101,138**
Depreciation	-	253	7,843	131	1,070	**9,297**
Depreciation retired	-		(313)		-	**(313)**
Balance, March 31, 2026	-	3,415	98,171	1,291	7,245	**110,122**
Net book value, March 31, 2026	$ 473	$ 10,199	$ 246,907	$ 5,613	$ 5,837	**$ 269,029**

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

Collective utility plant in service	Water	Wastewater	Stormwater	Total
Net book value, March 31, 2026	$ 632,178	$ 614,736	$ 269,029	$ 1,515,943
Net book value March 31, 2025	$ 588,661	$ 597,769	$ 250,419	$ 1,436,849

Schedule A is presented in accordance with the NSRAB Handbook.

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

Halifax Regional Water Commission
Schedule B
Schedule of long term debt
Year ended March 31, 2026 (in thousands)

	Interest rate	Maturity	Balance Remaining 2026	2025
Payable to NS Finance and Treasury Board				
Water				
Debenture 35 A 1	2.573% to 2.894%	2025	$ -	$ 7,407
Debenture 36 A 1	2.443% to 2.925%	2026	**200**	400
Debenture 36 B 1	2.048% to 2.506%	2026	**2,386**	2,603
Debenture 37 A 1	2.671% to 3.073%	2027	**2,100**	2,275
Debenture 38 A 1	2.884% to 3.300%	2028	**300**	400
Debenture 38 B 1	3.048% to 3.389%	2028	**3,900**	4,200
Debenture 39 A 1	2.205% to 2.561%	2029	**7,700**	8,250
Debenture 40 A 1	0.995% to 1.879%	2030	**9,000**	9,600
Debenture 40 B 1	0.565% to 2.376%	2031	**8,000**	8,500
Debenture 42 A 1	2.575% to 3.782%	2032	**11,824**	12,262
Debenture 42 B 1	4.177% to 4.116%	2032	**3,757**	4,615
Debenture 43 A 1	3.550% to 4.714%	2033	**4,045**	4,550
Debenture 43 B 1	4.897% to 5.460%	2033	**2,965**	3,335
Debenture 43 B 1	4.897% to 5.460%	2033	**18,886**	19,561
Debenture 44 A 1	4.438% to 4.940%	2034	**5,800**	6,000
Debenture 44 B 1	2.720% to 4.096%	2034	**6,153**	6,836
Debenture 44 B 1	2.720% to 4.096%	2034	**28,033**	29,000
Debenture 45 A 1	2.720% to 4.096%	2035	**6,733**	-
Debenture 45 A 1	2.720% to 4.096%	2035	**15,000**	-
Debenture 45 B 1	2.511% to 3.872%	2035	**15,000**	-
Wastewater				
Debenture 35 A 1	2.573% to 2.894%	2025	**-**	7,761
Debenture 36 B 1	2.048% to 2.506%	2026	**997**	1,088
Debenture 37 A 1	2.671% to 3.073%	2027	**3,660**	3,965
Debenture 38 B 1	3.048% to 3.389%	2028	**4,160**	4,480
Debenture 39 A 1	2.205% to 2.561%	2029	**11,350**	11,250
Debenture 40 A 1	0.955% to 1.879%	2030	**5,550**	6,940
Debenture 40 B 1	0.565% to 2.376%	2031	**4,800**	5,100
Debenture 42 A 1	2.575% to 3.782%	2032	**12,039**	13,759
Debenture 42 B 1	4.177% to 4.116%	2032	**1,608**	1,516
Debenture 43 A 1	3.550% to 4.714%	2033	**6,744**	7,587
Debenture 43 B 1	4.897% to 5.460%	2033	**4,357**	4,902
Debenture 43 B 1	4.897% to 5.460%	2033	**13,068**	13,535
Debenture 44 A 1	4.438% to 4.940%	2034	**2,506**	2,785
Debenture 44 A 1	4.438% to 4.940%	2034	**5,800**	6,000
Debenture 44 B 1	2.720% to 4.096%	2034	**3,864**	4,293
Debenture 44 B 1	2.720% to 4.096%	2034	**28,033**	29,000
Debenture 45 A 1	2.720% to 4.096%	2035	**7,055**	-
Debenture 45 A 1	2.720% to 4.096%	2035	**15,000**	-
Debenture 45 B 1	2.511% to 3.872%	2035	**15,000**	-
HHSP				
Debenture 39 A 1	2.205% to 2.561%	2029	**2,600**	3,250
Stormwater				
Debenture 35 A 1	2.573% to 2.894%	2025	**-**	1,776
Debenture 36 B 1	2.048% to 2.506%	2026	**496**	541
Debenture 37 A 1	2.671% to 3.073%	2027	**240**	260
Debenture 38 B 1	3.048% to 3.389%	2028	**1,690**	1,820
Debenture 39 A 1	2.205% to 2.561%	2029	**2,800**	3,000
Debenture 40 A 1	0.955% to 1.879%	2030	**4,200**	4,480
Debenture 40 B 1	0.565% to 2.376%	2031	**3,200**	3,400
Debenture 42 A 1	2.575% to 3.782%	2032	**2,350**	2,437
Debenture 43 A 1	3.550% to 4.714%	2033	**216**	243
Debenture 43 B 1	4.897% to 5.460%	2033	**1,056**	1,188
Debenture 43 B 1	4.897% to 5.460%	2033	**5,368**	5,560
Debenture 44 A 1	4.438% to 4.940%	2034	**2,900**	3,000
Debenture 44 B 1	2.720% to 4.096%	2034	**2,656**	2,951
Debenture 44 B 1	2.720% to 4.096%	2034	**6,767**	7,000
Debenture 45 A 1	2.720% to 4.096%	2035	**1,615**	-
Debenture 45 A 1	2.720% to 4.096%	2035	**4,000**	-
Debenture 45 B 1	2.511% to 3.872%	2035	**4,000**	-
			343,527	294,661

Halifax Regional Water Commission

Schedule B

Schedule of long term debt

Year ended March 31, 2026 (in thousands)

	2026	2025
Less: debt issue costs	**(1,969)**	(1,651)
	341,558	293,010
Less: amount payable within one year	**(24,926)**	(32,881)
Net long term debt	**$ 316,632**	$ 260,129

Halifax Regional Water Commission — Schedule C

Schedule of earnings

Year ended March 31, 2026 (in thousands)

Water

	2026	2025
Operating revenues		
Water	**$ 60,664**	$ 56,116
Public fire protection	**8,682**	8,083
Private fire protection	**1,923**	1,785
Other operating revenue		
Bulk water stations	**466**	209
Late payment and connection fees	**182**	119
Miscellaneous	**277**	426
	72,194	66,738
Operating expenditures		
Water supply and treatment	**17,066**	16,127
Water transmission and distribution	**18,575**	16,717
Information and technology services	**7,886**	6,262
Engineering services	**2,429**	835
Environment health and safety services	**1,498**	1,161
Customer services	**2,623**	2,283
Corporate services	**1,994**	2,062
Administration services	**2,765**	3,272
Depreciation and amortization	**15,195**	11,305
	70,031	60,024
Earnings from operations before financial and other revenues and expenditures	**2,163**	6,714
Financial and other revenues		
Interest	**36**	232
Other	**409**	514
	445	746
Financial and other expenditures		
Interest on long term debt	**5,026**	3,963
Repayment of long term debt	**7,723**	7,062
Amortization of debt issue costs	**132**	105
Dividend/grant in lieu of taxes	**5,834**	5,828
Other	**118**	124
	18,833	17,082
Loss for the year	**$ (16,225)**	$ (9,622)

Schedule C is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission — Schedule C

Schedule of earnings

Year ended March 31, 2026 (in thousands)

Wastewater

	2026	2025
Operating revenues		
Wastewater	**$ 93,494**	$ 90,110
Other operating revenue		
Leachate and other contract revenue	**575**	562
Septage tipping fees	**718**	795
Over strength surcharge	**316**	169
Airplane effluent	**204**	67
Late payment and connection fees	**294**	194
Miscellaneous	**156**	165
	95,757	92,062
Operating expenditures		
Wastewater collection	**15,198**	15,383
Wastewater treatment	**29,238**	26,950
Information and technology services	**7,723**	6,184
Engineering services	**2,901**	2,802
Environment health and safety services	**1,581**	1,310
Customer services	**2,313**	2,022
Corporate services	**1,756**	1,783
Administration services	**2,391**	2,986
Depreciation and amortization	**21,888**	19,348
	84,989	78,768
Earnings from operations before financial and other revenues and expenditures	**10,768**	13,294
Financial and other revenues		
Interest	**76**	135
Other	**176**	97
	252	232
Financial and other expenditures		
Interest on long term debt	**4,930**	4,120
Repayment of long term debt	**9,308**	11,790
Amortization of debt issue costs	**136**	110
Dividend/grant in lieu of taxes	**-**	808
Other	**10**	10
	14,384	16,838
Loss for the year	**$ (3,364)**	$ (3,312)

Schedule C is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission

Schedule C

Schedule of earnings

Year ended March 31, 2026 (in thousands)

Stormwater

	2026	2025
Operating revenues		
Stormwater site generated service	$ **9,106**	$ 8,599
Stormwater right-of-way service	**6,812**	6,627
Other operating revenue		
Late payment and connection fees	**66**	38
Miscellaneous	**56**	159
	16,040	15,423
Operating expenditures		
Stormwater collection	**5,764**	6,053
Information and technology services	**624**	479
Engineering services	**999**	1,392
Environment health and safety services	**1,908**	1,785
Customer services	**207**	172
Corporate services	**192**	198
Administration services	**266**	377
Depreciation and amortization	**4,031**	3,659
	13,991	14,115
Earnings from operations before financial and other expenditures	**2,049**	1,308
Financial and other expenditures		
Interest	**214**	253
Interest on long term debt	**1,416**	1,211
Repayment of long term debt	**2,103**	2,349
Amortization of debt issue costs	**36**	29
Dividend/grant in lieu of taxes	**-**	180
	3,769	4,022
Loss for the year	$ **(1,720)**	$ (2,714)

Schedule C is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission — Schedule D
Schedule of earnings
Year ended March 31, 2026 (in thousands)

Regulated activities

	2026	2025
Operating revenues		
Water	$ **60,664**	$ 56,116
Wastewater	**93,494**	90,110
Stormwater	**15,918**	15,226
Public fire protection	**8,682**	8,083
Private fire protection services	**1,923**	1,785
Other operating revenue	**1,813**	1,479
	182,494	172,799
Operating expenditures		
Water supply and treatment	**17,066**	16,122
Water transmission and distribution	**18,575**	16,717
Wastewater collection	**15,141**	15,320
Stormwater collection	**5,764**	6,053
Wastewater treatment	**28,483**	26,065
Information and technology services	**16,233**	12,925
Engineering services	**6,329**	5,029
Environment health and safety services	**4,987**	4,256
Customer services	**5,105**	4,465
Corporate services	**3,887**	4,025
Administration services	**5,348**	6,524
Depreciation and amortization	**41,043**	34,273
	167,961	151,774
Earnings from operations before financial and other revenues and expenditures	**14,533**	21,025
Financial and other revenues		
Interest	**112**	367
Other	**13**	18
	125	385
Financial and other expenditures		
Interest	**214**	253
Interest on long term debt	**11,372**	9,294
Repayment of long term debt	**19,134**	21,201
Amortization of debt issue costs	**304**	244
Dividend/grant in lieu of taxes	**5,834**	6,816
	36,858	37,808
Loss for the year	$ **(22,200)**	$ (16,398)

Schedule D is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission

Schedule D

Schedule of earnings

Year ended March 31, 2026 (in thousands)

Unregulated activities

	2026	2025
Operating revenues		
Septage tipping fees	$ 718	$ 795
Leachate treatment and contract revenue	575	562
Airplane effluent	204	67
	1,497	1,424
Operating expenditures		
Water supply and treatment	-	5
Wastewater treatment	755	885
Wastewater collection	57	63
Customer services	38	12
Corporate services	55	18
Administration services	74	111
Depreciation and amortization	71	39
	1,050	1,133
Earnings from operations before financial and other revenues and expenditures	447	291
Financial and other revenues		
Other	572	593
Financial and other expenditures		
Other	128	134
Earnings for the year	$ 891	$ 750

Schedule D is presented in accordance with the NSRAB Handbook.

Halifax Regional Water Commission — Schedule E
Nova Scotia Regulatory and Appeals Board information
Year ended March 31, 2026 (in thousands)

Return on rate base	**2026**	2025
Rate of return on rate base for Water Service	**(0.83%)**	0.28%
Rate of return on rate base for Wastewater Service	**2.92%**	3.65%
Rate of return on rate base for Stormwater Service	**2.26%**	1.73%

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

Special purpose reserves

	Regional Development Charge Water Reserve	Regional Development Charge Wastewater Reserve	Other Capital Reserves	**2026 Total**	2025 Total
Reserve, April 1	$ 7,950	$ 117,834	$ 1,071	**$ 126,855**	$ 94,104
Contributions and interest	9,714	25,405	-	**35,119**	34,853
Expenditures	(4,262)	(4,866)	-	**(9,128)**	(2,102)
Reserve, March 31	$13,402	$ 138,373	$ 1,071	**$ 152,846**	$ 126,855

Summarized consolidated operating results	**2026**	2025
Operating revenues	**$ 183,991**	$ 174,223
Operating expenditures	**169,011**	152,907
Earnings from operations before financial and other revenues and expenditures	**14,980**	21,316
Financial and other revenues	**697**	978
Financial and other expenditures	**36,986**	37,942
Loss for the year	**$ (21,309)**	$ (15,648)

Schedule E is presented in accordance with the NSRAB Handbook.

ITEM # 3
Halifax Water Board
(Special Meeting)
September 2, 2026

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

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

APPROVED:
Signed by:
Kenda MacKenzie
0C084AC815794E6...
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: September 1, 2026

SUBJECT: **Halifax Regional Water Commission Employees' Pension Plan – Current Status and Options for Continued Employer Contribution Holiday**

ORIGIN

The Halifax Regional Water Commission Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan (the Plan), approve any changes to the plan structure and design.

RECOMMENDATION

It is recommended that the Halifax Water Board as Trustees of the Plan, approve the following recommendations, as set out in the Halifax Regional Water Commission Employees' Pension Plan – Current Status and Options for Continued Employer Contribution Holiday Report:

1. Restart an employer contribution holiday for the Halifax Regional Water Commission Employees' Pension Plan to commence 60 days after written notice has been provided to all plan members and retirees.

2. Continue the pension holiday until the full amount of going concern special payment has been recouped, an additional $12.8M, conditional on the annual reassessment on the impact on the pension plan based on the actuarial extrapolation or actuarial valuation.

BACKGROUND

At the August 31, 2026, special meeting of the Halifax Water Audit and Finance Committee (the Committee), the attached report, Item #3, Halifax Regional Water Commission Employees' Pension Plan – Current Status and Options for Continued Employer Contribution Holiday, was presented, reviewed, and discussed.

ATTACHMENT

1. Audit & Finance August 31, 2026a Item #3 - Halifax Regional Water Commission Employees' Pension Plan – Current Status and Options for Continued Employer Contribution Holiday

TO: Cathy Deagle Gammon, Chair of the Audit & Finance Committee

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

APPROVED: Signed by: Kenda MacKenzie 0C084AC81579456
Kenda MacKenzie, P.Eng., General Manager & CEO

DATE: August 31, 2026

SUBJECT: **Halifax Regional Water Commission Employees' Pension Plan – Current Status and Options for Continued Employer Contribution Holiday**

ORIGIN

The Halifax Regional Water Commission Board, as Trustees of the Halifax Regional Water Commission Employees' Pension Plan (the Plan), approve any changes to the plan structure and design. At the December 5, 2025, meeting of the Halifax Water Board, an initial employer contribution holiday of $1.9M was approved to commence in January 2026.

RECOMMENDATION

That the Audit and Finance Committee review the Current Status and Options for Continued Employer Contribution Holiday Report and forward the following recommendations to the Halifax Water Board as the Trustee of the Plan for approval.

1) Restart an employer contribution holiday for the Halifax Regional Water Commission Employees' Pension Plan to commence 60 days after written notice has been provided to all plan members and retirees.

2) Continue the pension holiday until the full amount of going concern special payment has been recouped, an additional $12.8M, conditional on the annual reassessment on the impact on the pension plan based on the actuarial extrapolation or actuarial valuation.

BACKGROUND

The actuarial valuation conducted at January 1, 2025, showed a Going Concern Funded Ratio of 127.7% and a hypothetical wind-up ratio of 108.3%. Per the CRA regulations, the Going Concern Funded Ratio needs to be below 125% in a valuation year.

In January 2026, the pension funded the reinstatement of BAE to 5 years back to 2016 the contribution rate increased from 8.72% to 8.96% to fund the change to the plan formula to contain Best Average Five (BA5) years of earnings from the previous Best Average Seven (BA7) years of earnings.

The initial employer contribution holiday approved by the Trustees recouped an initial $1.9 M from the plan by mid-May 2026 and employer contributions resumed at that time and have continued since.

Halifax Water's actuary conducted the annual extrapolation of the January 1, 2025, Actuarial Valuation with comparison shown for the January 1, 2025, addendum which included the formula change from BA7 to BA5, with results shown below.

	Jan 1, 2025 Valuation	Jan 1, 2025 Addendum	Jan 1, 2026 extrap
Assets	216,989,800	216,989,800	237,273,500
Liabilities	169,979,400	172,773,600	184,498,600
Excess	**47,010,400**	**44,216,200**	**52,774,900**
Funded Position	**127.7%**	**125.6%**	**128.6%**

The extrapolation shows the plan to be 128.6% funded as at January 1, 2026.

DISCUSSION

Based on the extrapolated results, the pension plan continues to be very well funded. As such, there is an opportunity to re-instate the pension holiday that commenced in January 2026 as a means of recouping the unrecovered going concern special payments. The unrecovered going concern special payments are approximately $12.8M. The total employer contributions are approximately $5,000,000 annually.

Halifax Water has reviewed the impact of recouping the full amount of the unrecovered going concern special payments on the plan and determined that the plan would continue to be funded at over 120%. The calculation does not consider if there is a significant change in the value of the assets in the plan or any changes to benefits.

LABOUR RELATIONS

Halifax Water has continued to meet with the union locals 227 and 1431 and has provided updated information on the health of the pension plan and the estimated impact of a pension holiday and the reinstatement of benefits. These discussions are continuing.

BUDGET IMPLICATIONS

Should a full employer contribution holiday re-start 60 days after notice is given to all members and retirees of the plan, estimated start date of December 1, 2026, Halifax Water would save approximately $1.5 M in 2026/27, a further $5.0 M a year in 2027/28 and 2028/29.

RISK

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

ALTERNATIVES

The Trustees could direct Halifax Water staff to:

1. Do nothing until the next Actuarial Valuation at January 1, 2028.
2. Approve the recovery of only a portion of the unrecovered going concern special payments.
3. Improve specific benefits as outlined in Attachment 1 and 2 while restarting the employer contribution holiday simultaneously.

ATTACHMENTS

1. Halifax Water Board Report Item 4.4 (December 5, 2025) – Halifax Regional Water Commission Employees' Pension Plan – Employer Contribution Holiday and Costing of Benefit Enhancements
2. Presentation shared with Unions and Pension and Benefits Advisory Committee June 22, 2026

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

TO:	John MacPherson, K.C., Chair and Members of the Halifax Regional Water Commission Board
SUBMITTED BY:	Signed by: A65D6874EBC1467... Louis de Montbrun, CPA, CA, Director, Corporate Services / CFO
	Signed by: Ashley Kendell 7450D624BA6E42A... Ashley Kendell, Director, People and Culture
APPROVED:	Signed by: Kenda MacKenzie 0C084AC815794F6... Kenda MacKenzie, P.Eng., General Manager & CEO
DATE:	October 21, 2025
SUBJECT:	**Halifax Regional Water Commission Employees' Pension Plan – Employer Contribution Holiday and Costing of Benefit Enhancements**

ORIGIN

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

RECOMMENDATION

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

BACKGROUND

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

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

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

> **Indexing:** Changed from CPI to a maximum of 2% to CPI to a maximum of 1% for post-2015 benefits earned. According to the Memorandum of Understanding – Pensions in the Collective Agreements, indexing could be returned to 2% once going concern special payments have been recouped and the Plan has a going concern funded ratio of 108% or above.
>
> **Plan formula:** Changed from 2% of Best Average 5 Years of earnings times years of pensionable service to 2% of Best Average 7 Years of earnings times years of pensionable service.
>
> **Pension Earnings Cap:** Pensionable earnings capped at the level that produces the 2015 CRA maximum pension starting in 2016 for 8 years, then increasing by 1% per year thereafter.

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

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

DISCUSSION

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

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

A. Changing the Assumptions used in the Actuarial Valuation:

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

B. Benefit Improvements:

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

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

1) <u>Changing the Plan formula from best average 7 to best average 5 years.</u>

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

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

Balance Sheet	January 1, 2025 (Base)	Scenario 2: Change from BAE 7 to BAE 5
Total Assets	216,989,800	216,989,800
Total Liabilities	169,979,400	172,773,600
Excess	***47,010,400***	***44,216,200***
Funded Ratio	127.7%	125.6%
Impact on Surplus	n/a	(2,794,200)
Contribution Rate	8.72%	8.96%
Employer Contributions	4,029,000	4,140,100

- Reduces surplus by $2.8 M
- Contribution rate increase to 8.96%
- Employer contributions $4.1 M

2) <u>Increase indexing from 1% to 2% for all past service and/or for all future service.</u>

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

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

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

- Employer contributions $4.0 M

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

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

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

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

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

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

3) Changing the pensionable earning cap.

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

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

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

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

C. Employer pension holiday:

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

Recouping of Going Concern Special Payments

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

Table 6 – Going Concern Special Payment Summary

Going Concern Special Payments

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

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

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

Next Steps

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

BUDGET IMPLICATIONS

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

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

RISK

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

ALTERNATIVES

The Trustees could direct Halifax Water staff to:

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

ATTACHMENT

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

Report Prepared by:	Signed by: Heather Britten 7F50B0451C60405... ___________________ Heather Britten, Quality Assurance Officer
Financial Reviewed by:	Signed by: A65D6874EBC1467... ___________________ Louis de Montbrun, CPA, CA Director, Corporate Services/CFO

MEMORANDUM OF UNDERSTANDING – PENSIONS #1

Amend existing plan design as follows:

1. Final Year Average adjusted from 5 Years to 7 Years

2. Accrual rate at 2%.

3. Reduce Guaranteed Indexation at CPI to a max of 1% on Post Retirement Income (currently 2%).

4. Conditional Indexation - to permit the return of the lost 1% indexation. Additional indexation would be provided at CPI to a max of 2% after Going Concern Special Payments have been recouped and subject to the plan having a Going Concern Funded Ratio of 108% or above, and no Solvency Deficit, and so long as implementation can be affected while maintaining a Going Concern Funded Ratio of 108%. Implementation of this mechanism for Conditional Indexation could be accelerated by mutual agreement of the Parties.

5. Maximum Earnings Base – Frozen for 8 years at 2015 level (Defined Benefit Limit of $2,818.89), then indexing at the rate of 1% (actuarial valuation currently assumes 3%).

6. The Parties share a commitment to the primary goal of providing ongoing indexation to the pension benefits as referenced in paragraph 4, as well as the secondary goal of future indexation of the Maximum Earnings Base. The provision of accelerated or enhanced benefits reflecting either of these two goals can be decided by mutual agreement of the Parties.

7. Until the Pension Plan's going concern deficit (as measured in a newly filed actuarial valuation report projected for Jan. 1, 2016) is eliminated, contribution rates shall be as follows:

   - Employer = (CSC / 2) – 0.4%
   - Employee = (CSC / 2) + 0.4%

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

8. The Employer agrees to review the feasibility of revisiting the final year average at the point that special payments stop and the plan is fully funded. The review shall be conducted in consultation with the pension benefit advisory committee.

9. New terms of reference for the Pension and Benefits Committee will be drafted, and will include provision of meaningful resources for regular and ongoing training for members to a level similar to comparable public sector plans in Nova Scotia. Training expenses will be provided out of the pension fund. Committee members will be expected to provide regular updates on the work of the Committee and the status of the plan and fund to the Union.

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

Dated this 19 day of November, 2024.

Signed on behalf of:

Halifax Regional Water Commission	Canadian Union of Public Employees, Local 1431

MEMORANDUM OF UNDERSTANDING – PENSIONS #1

Amend existing plan design as follows:

1. Final Year Average adjusted from 5 Years to 7 Years

2. Accrual rate at 2%.

3. Reduce Guaranteed Indexation at CPI to a max of 1% on Post Retirement Income (currently 2%).

4. Conditional Indexation - to permit the return of the lost 1% indexation. Additional indexation would be provided at CPI to a max of 2% after Going Concern Special Payments have been recouped and subject to the plan having a Going Concern Funded Ratio of 108% or above, and no Solvency Deficit, and so long as implementation can be affected while maintaining a going concern funded ratio of 108%. Implementation of this mechanism for Conditional Indexation could be accelerated by mutual agreement of the Parties.

5. Maximum Earnings Base – Frozen for 8 years at 2015 level (Defined Benefit Limit of $2,818.89), then indexing at the rate of 1% (actuarial valuation currently assumes 3%).

6. The Parties share a commitment to the primary goal of providing ongoing indexation to the pension benefits as referenced in paragraph 4, as well as the secondary goal of future indexation of the Maximum Earnings Base. The provision of accelerated or enhanced benefits reflecting either of these two goals can be decided by mutual agreement of the Parties.

7. Until the Pension Plan's going concern deficit (as measured in a newly filed actuarial valuation report projected for Jan. 1, 2016) is eliminated, contribution rates shall be as follows:

    - Employer = (CSC / 2) – 0.4%
    - Employee = (CSC / 2) + 0.4%

    For clarity CSC includes contribution for disabled Employees. The additional 0.4% Employee contribution will be characterized as a contribution to special payments.

    After going concern deficit and special payments have been eliminated, Employee and Employer contribution rates shall be shared 50/50, inclusive of contributions for disabled Employees.

8. The Employer agrees to review the feasibility of revisiting the final year average at the point that special payments stop, and the plan is fully funded. The review shall be conducted in consultation with the pension benefit advisory committee.

9. New terms of reference for the Pension and Benefits Committee will be drafted and will include provision of meaningful resources for regular and ongoing training for members to a level similar to comparable public sector plans in Nova Scotia. Training expenses will be provided out of the pension fund. Committee members will be expected to provide regular updates on the work of the Committee and the status of the plan and fund to the Union.

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

Dated at the Halifax Regional Municipality, in the Province of Nova Scotia this 19 day

of November, 2024.

Signed on behalf of:

Halifax Regional Water Commission	Canadian Union of Public Employees, Local 227
______________________	______________________
______________________	______________________
______________________	______________________
______________________	______________________
______________________	______________________

MEMORANDUM OF AGREEMENT - PENSION PLAN #2

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

Dated this 19 day of November, 2024.

Signed on behalf of:

Halifax Regional Water Commission	Canadian Union of Public Employees, Local 1431

MEMORANDUM OF AGREEMENT - PENSION PLAN #2

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

Dated at the Halifax Regional Municipality, in the Province of Nova Scotia this 19TH day of November, 2024.

Signed on behalf of:

Halifax Regional Water Commission	Canadian Union of Public Employees, Local 227

ITEM #4
Halifax Water Board
(Special Meeting)

September 2, 2026

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

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

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

DATE: August 28, 2026

SUBJECT: **2026 General Rate Application – Water, Wastewater and Stormwater Services**

ORIGIN

The Nova Scotia Regulatory and Appeals Board (NSRAB) directed a rate application to be filed by September 30, 2026 (M12257).

EXECUTIVE SUMMARY

Halifax Water is required to file a General Rate Application by September 30, 2026 as directed by the NSRAB in its December 16, 2025 Decision (Decision).

The budgeted expenditures for Halifax Water are estimated to increase by 14% in 2027/28 and a further 9% in 2028/29. These increases are driven primarily by an increase in assets in services and capital spend and the impact on debt servicing costs and depreciation.

The following summary tables reflect the scenarios resulting from the analysis in this Report.

Table 1

Scenario	*1: Cost of service per rate studies, with base charges rounded to nearest dollar*	*2: No change in current base charges/ change in consumption rate only.*	*3: No change in base charge/ change in consumption only plus rate rider*	*4: No change in base charge/ change in consumption only plus rate rider and pension holiday*	*5: No change in base charge/ change in consumption only plus pension holiday*

Consistent, Predictable, Understandable	No - Water base charges would decrease and then increase for some meter sizes while wastewater base charges would increase for most meter sizes making it more difficult to explain rate changes. 2, creating uncertainty in the charges.	Yes	Yes	Yes	Yes
Allows Customers to adjust their usage and inform their bill	Partially	Yes	Yes	Yes	Yes
Reduces the Deficit – Gradually over 5 years	No	No	Yes	Yes – more than Scenarios 3 and 5	Yes – but may result in spikes in Years 3-5
Proposed TY1 Impact on Average Residential Bill (W/WW)	12.4%	7.5%	8.0%	8.0%	7.5%
Proposed TY2 Impact on Average Residential Bill (W/WW)	8.7%	7.3%	7.6%	7.6%	7.3%

Table 2

Scenarios	*1 - Stormwater charge per rate studies*	*2 - Stormwater charge per rate studies with rate rider*	*3: Cost of service per rate studies plus rate rider and pension holiday*	*4: Cost of service per rate studies plus pension holiday*
Recovers Operational Costs	Yes	Yes	Yes	Yes

Reduces Deficit Gradually over 5 years	No	Yes	Yes – more than Scenario 2	Yes – but may result in spikes in Years 3-5
Proposed TY1 Impact on Average Residential Bill (SW)*	6.0%	10.0%	10.0%	6.0%
Proposed TY2 Impact on Average Residential Bill (SW)*	11.3%	14.5%	14.5%	11.3%

*(based on Tier3)

The table below represents a summary of the recommendations from staff.

Table 3

Total Average Residential Bill (including Stormwater)

			Proposed Rates		Change 2027/28		Change 2028/29	
	Current Rates at Historical Consumption	Current Rates at Revised Consumption	2027/28	2028/29	$	%	$	%
Water								
Base charges	$156.00	$156.00	$156.00	$156.00	$0.00	0.0%	$0.00	0.0%
Consumption	$286.93	$290.19	$331.98	$374.04	$41.79	14.4%	$42.06	12.7%
	$442.93	$446.19	$487.98	$530.04	$41.79	9.4%	$42.06	8.6%
Wastewater								
Base charges	$168.00	$168.00	$168.00	$168.00	$0.00	0.0%	$0.00	0.0%
Consumption	$430.55	$435.28	$477.27	$521.88	$41.99	9.6%	$44.61	9.3%
	$598.55	$603.28	$645.27	$689.88	$41.99	7.0%	$44.61	6.9%
Annual Water and Wastewater Total	$1,041.48	$1,049.47	$1,133.25	$1,219.92	$83.78	8.0%	$86.67	7.6%
Stormwater (Tier 3)	$50.00	$50.00	$55.00	$63.00	$5.00	10.0%	$8.00	14.5%
Total Average Residential Bill	$1,091.48	$1,099.47	$1,188.25	$1,282.92	$88.78	8.1%	$94.67	8.0%

RECOMMENDATIONS

It is recommended that the Halifax Water Board direct Executive Management to ensure compliance with all directives issued by the Nova Scotia Regulatory and Appeals Board (NSRAB) within the timelines prescribed in the NSRAB's Decision dated December 16, 2025, and to report back to the Halifax Water Board at the next Halifax Water Board meeting, scheduled for September 24, 2026, to confirm that all directives are either in progress or satisfied in accordance with that Decision.

It is recommended that the Halifax Water Board direct Executive Management to continue to work on the 2026 General Rate Application for final approval at the next Halifax Water Board meeting, scheduled for September 24, 2026, within the following parameters:

1) Increase the average annual residential bill for water, wastewater and stormwater services not to exceed 9.0% in 2027/28 and 9.0% in 2028/29.

2) Approve the deficit elimination strategy as such that the overall impact to the proposed rates remains within the threshold of Recommendation 1.

3) Any increase to water and wastewater rates is to apply only to consumption and discharge rates, respectively.

4) Increase to total public and private fire protection revenue shall not exceed 34% in 2027/28 and 14% in 2028/29.

5) Any increase to stormwater charges not to exceed 11% in 2027/28 and 19% in 2028/29.

6) Any increase to stormwater right of way charges based on current impervious area not to exceed 24% in 2027/28 and 7% in 2028/29 and an increase in the incremental per square meter charge to $0.325 per square meter in 2027/28 and $0.364 per square meter in 2028/29.

7) Any increases to take effect over two fiscal years, becoming effective April 1, 2027, and April 1, 2028.

8) Engage with interested parties on the pending 2026 General Rate Application.

BACKGROUND

Cost of Service and Rate Design Methodology

Halifax Water is a government business enterprise that operates on a cost recovery basis. There is no profit component built into the rates, as would be for an investor-owned utility.

There are three necessary elements to establish utility rates: revenue requirements, cost of service, and rate design. The operating and capital budgets of Halifax Water form the basis for establishing revenue requirements, which are presented in accordance with the Nova Scotia Regulatory and Appeals Board (NSRAB) *Water Utility Accounting and Reporting Handbook (Handbook).*

The Cost of Service (COS) Manual provides guidance (through explanations, standard schedules, and example calculations) of the NSRAB-approved cost of service and rate design methodology, which is based on the American Waterworks Association (AWWA) M1 *Principles of Water Rates, Fees and Charges* manual of practice and the Water Environment Federation (WEF) Manual of Practice No. 27 *Financing and Charges for Wastewater Systems*. The COS Manual is based on combining the AWWA/WEF methodologies with the principles used in the NSRAB Handbook and extends the case for cost causation-based approach to establishment of stormwater rates.

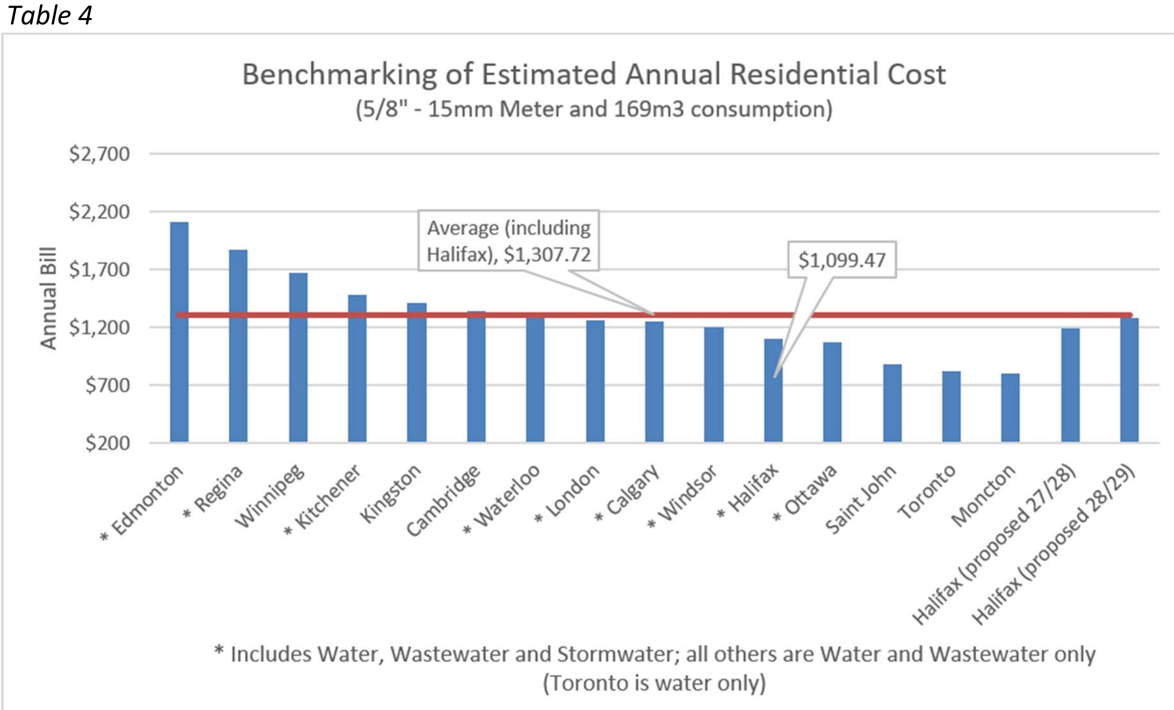
Halifax Water periodically makes applications to adjust rates and/or update the COS Manual.

<u>Current Situation</u>

In the 2025 General Rate Application, the NSRAB directed Halifax Water to file the nextGeneral Rate Application for fiscal years 2027/28 and 2028/29 no later than September 30, 2026. A number of directives identified within the 2025 General Rate Application will be addressed in the submission. Included in the directives is the requirement to file a proposal for recovery of this deferral amount over a number of years. Halifax Water is proposing to recover this deficit over five years, including the two test years of 2027/28 and 2028/29.

In preparation for this rate application, Halifax Water has benchmarked its current average residential costs against key cities across Canada. The graph below shows that Halifax Water's current average residential customers' cost for water, wastewater and stormwater services is below the average for these key cities.

Table 4



Please note that most of the costs are for water, wastewater and stormwater services, however several are for water and wastewater services only and for Toronto, the costs are for water only.

DISCUSSION

Since the last rate application, Halifax Water has prepared the budgets for 2027/28 (Test Year 1) and 2028/29 (Test Year 2) and continues to see its costs increase. Without an increase in rates, in 2027/28, Halifax Water is budgeting for an operating deficit of $24.3 million and for 2028/29, Halifax Water is budgeting for an operating deficit of $44.5 million.

The 2027/28 and 2028/29 test year budgets were reviewed by the Halifax Water Audit and Finance Committee August 20, 2026, with further refinements completed after that meeting. Presented at that meeting were increases of 15% in total operating costs from the 2026/27 operating budget and a further 10% increase for 2028/29. As of the filing of this report, the operating cost increases have decreased to 14% and 9% respectively.

The proposed rate application is closely linked to Halifax Water's capital program. As approved and planned projects are completed and placed into service, they increase the utility's rate base assets and create ongoing rate-supported costs through depreciation and debt servicing. The proposed rates are intended to fund these costs while supporting continued infrastructure renewal, regulatory compliance, and delivery of the Integrated Resource Plan.

Key drivers of the increase in operating costs are higher debt servicing costs and depreciation, both of which are driven by the value of assets placed into service. Halifax Water is proposing to add $214M in new funded assets in 2027/28 and $166M in 2028/29. These additions contribute to new annual depreciation of $10.8M and $8.6M, respectively. Prior to the 2025 rate filing, the NSRAB had been encouraging Halifax Water to include depreciation on contributed water and wastewater assets into rates and to increase the depreciation on contributed stormwater assets included in rates. Due to the impact on rates of including any additional contributed depreciation in rates from the existing 25% for stormwater assets, the NSRAB directed Halifax Water to maintain current levels of contributed depreciation until the updated debt strategy is completed by June 30, 2027.

In addition to depreciation, the increase in assets in service contributes additional debt servicing costs, including (principal and interest payments,) of $2.7M (interest only) for 2027/28 and $12.6M for 2028/29. The 2027/28 amount reflects interest only, while the 2028/29 amount reflects both (principal and interest) for 2028/29. These amounts include an interest component for short-term financing, which may be required if spending on assets under construction begins to exceed cash available because, as only assets in service can be funded by long- term debt. Under M12257, Halifax Water was directed to include modifying their approach of including debt servicing costs on an accrual basis to include these costs on a cash basis for rate- setting purposes.

Increase in Utility Plant in Service for the years 2021/22 to 2025/26 are below:

Table 5

	Infrastructure Investment					
	Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Actual 2025-26	Total 2021-2026
Water						
Regular Additions	8,717,211	23,931,463	25,533,737	48,397,636	46,774,027	153,354,074
Donated Additions	7,266,262	14,195,064	440,211	10,035,100	16,238,620	48,175,257
Total Water	15,983,473	38,126,527	25,973,948	58,432,736	63,012,647	201,529,331
Wastewater						
Regular Additions	16,910,270	24,069,390	23,268,666	45,253,663	43,338,766	152,840,755
Donated Additions	5,978,796	1,779,329	1,176,913	2,037,604	5,155,530	16,128,172
Total Wastewater	22,889,066	25,848,719	24,445,579	47,291,267	48,494,296	168,968,927
Stormwater						
Regular Additions	8,485,573	6,789,000	5,766,312	15,156,440	12,135,176	48,332,501
Donated Additions	1,548,858	9,142,051	6,965,962	2,719,275	18,541,217	38,917,363
Total Stormwater	10,034,431	15,931,051	12,732,274	17,875,715	30,676,393	87,249,864
Total Regular Additions	34,113,054	54,789,853	54,568,715	108,807,739	102,247,969	354,527,330
Total Donated Additions	14,793,916	25,116,444	8,583,086	14,791,979	39,935,367	103,220,792
Total	48,906,970	79,906,297	63,151,801	123,599,718	142,183,336	457,748,122

For the period 2026/27 to 2028/29, Halifax Water is estimating significant additions to Utility Plant in Service. These additions reflect major approved projects now being delivered, as well as projects that are underway and expected to contribute to future capital spending as approvals, designs, and schedules are finalized.

Table 6

	Infrastructure Investment				
	Estimated 2026-27	Estimated 2027-28	Estimated 2028-29	Total 2026-29	Total 2021-27
Water					
Regular Additions	50,060,595	102,578,879	62,664,946	215,304,420	368,658,494
Donated Additions	119,125	562,510	10,234,730	10,916,365	59,091,622
Total Water	50,179,720	103,141,389	72,899,676	226,220,785	427,750,116
Wastewater					
Regular Additions	63,431,087	87,392,785	73,447,486	224,271,358	377,112,113
Donated Additions	2,230,925	821,860	14,096,220	17,149,005	33,277,177
Total Wastewater	65,662,012	88,214,645	87,543,706	241,420,363	410,389,290
Stormwater					
Regular Additions	37,092,268	24,029,567	29,886,979	91,008,814	139,341,315
Donated Additions	-	-	16,065,000	16,065,000	54,982,363
Total Stormwater	37,092,268	24,029,567	45,951,979	107,073,814	194,323,678
Total Regular Additions	150,583,950	214,001,231	165,999,411	530,584,592	885,111,922
Total Donated Additions	2,350,050	1,384,370	40,395,950	44,130,370	147,351,162
Total	152,934,000	215,385,601	206,395,361	574,714,962	1,032,463,084

The proposed capital spend on funded assets for the two test years is summarized below and reflects the forecasted cost of projects expected to move through delivery and into service during the rate period.

Table 7

Funded Assets	Planned Spend 2027-28	Planned Spend 2028-29	Total Planned Spend 2027/28 to 2028/29
Corporate	72,590,960	62,089,120	344,652,080
Water	42,640,063	33,107,478	285,719,541
Wastewater	42,992,787	48,142,945	194,778,232
Stormwater	17,195,930	24,074,588	58,606,018
Total Spend	175,419,740	167,414,131	883,755,871

Several significant projects have been approved and are subsequently being delivered by Halifax Water and are contributing to higher forecasted spending and increased values for Utility Plant in Service. These projects include but are not limited to the following:

Burnside Operations Centre (M11418)
Mount Edward Reservoir Replacement (M11672)
Windsor Street Exchange Redevelopment Project (M11999 & M12205)
Sullivan's Pond – Phase 2 Part 1 (M11537)
Cogswell Redevelopment Project (M10793)
Pier A Pumping Station Upgrades (M12712)
Integrated Resource Plan Update (M11899)
Raymond/Lakecrest/Walker Street Infrastructure Upgrades (M12122)
Bayers Rd Water Transmission Main Replacement (M12699)

The following projects are underway but not yet approved. They are included to provide visibility into future capital requirements that may affect spending forecasts, timing, and future rate-supported costs as project scopes and approvals are finalized:

Port Wallace Utility Corridor (M11255)
Sullivan's Pond – Phase 2 Part 2 (M12153 & M12913)
Autoport Pump Station Upgrades (M11291)
Quigley's Corner Pump Station Upgrades (M11007 & M12860)
Integrated Projects Programs (M12975)

For capital forecasting purposes, Halifax Water applied a portfolio-level delivery factor of 80% to the planned annual expenditures for projects with less than $1.0 million of forecast spend in each of 2026/27, 2027/28 and 2028/29. Accordingly, forecast expenditures for this group of projects are therefore assumed to be 80% of the amounts identified in the capital program. This adjustment recognizes that the portfolio includes numerous projects at varying stages of development and that project scopes and delivery schedules will continue to be refined as work progresses. Certain projects are expected to proceed and incur expenditures as forecast, while others may experience timing changes due to the time required for approvals, procurement, and coordination, or new technical, operational or site information identified through project scoping and design. Applied across the portfolio, the 80% factor is not a reduction in the approved scope or priority of any specific project. Rather, it is a prudent forecasting allowance intended to reduce the risk of overstating near-term capital expenditures while recognizing that deferred expenditures may shift into a subsequent year. Forecasts will continue to be updated as project definitions, schedules and delivery information mature.

Taken together, the approved project list reflects near-term capital commitments already influencing the 2027/28 and 2028/29 revenue requirements, while the not-yet-approved and longer-term initiatives signal continued capital pressure within and beyond the current test years. This approach also helps distinguish between the approved capital program and the portion of the program that may shift between years due to normal project delivery risks. It supports a more realistic rate forecast while maintaining priority of infrastructure renewal and compliance-related work.

Beyond the current test years, significant capital investment will continue to be required as Halifax Water advances key initiatives such as the Mill Cove Wastewater Treatment Facility Upgrades, Biosolids Processing Facility Upgrades and the Water Supply Enhancement Program. These projects are expected to create further long-term funding requirements as they move through planning, approval, construction and eventual placement into service.

As capital investment generates assets that are placed into service, depreciation and debt servicing costs will increase to reflect this investment. These costs are a direct and ongoing consequence of delivering the infrastructure required to meet regulatory requirements, and address asset renewal and replacement needs identified through Halifax Water's asset management and long-term infrastructure planning processes.

Other factors contributing to the increasing costs include:

- Chemical cost increases due to market uncertainty, higher freight, and supply costs;
- Higher contract services costs including lead service line replacements to meet targets, sludge hauling, hydrant maintenance, and traffic control;
- Higher software licenses due to an expanding portfolio of applications and user licenses;
- Higher fleet related costs for fuel, repairs, and maintenance; and
- Higher salaries and benefits relating to workforce growth and salary increases.

Key considerations when designing a rate structure are the anticipated increase in new customers and the expected increase in consumption. Halifax Water has estimated an increase of 510 new customers for Water and 472 new customers for Wastewater, spread across all meter sizes. This increase in customers is based on the average of the last five years. There has been a trend over the last five years of more larger meter installations, indicating multi-residential construction is growing more than the average residential 15 mm meter.

Halifax Water continues to see increases in consumption over the last number of years.

Table 8

Consumption by Customer Class (m3)							
	Annual Consumption 2022/23	Annual Consumption 2023/24	Annual % Change in Consumption 2023/24	Annual Consumption 2024/25	Annual % Change in Consumption 2024/25	Annual Consumption 2025/26	Annual % Change in Consumption 2025/26
Commercial	6,605,005	6,724,101	1.8%	6,965,719	3.6%	7,047,727	1.2%
Industrial	1,757,151	1,753,824	(0.2%)	1,731,636	(1.3%)	1,730,475	(0.1%)
Institutional	3,710,173	3,818,567	2.9%	4,095,194	7.2%	4,410,334	7.7%
Multi-residential	7,806,248	8,080,410	3.5%	8,552,146	5.8%	9,015,815	5.4%
Residential	12,641,623	12,943,799	2.4%	13,178,808	1.8%	13,342,999	1.2%
Total	32,520,201	33,320,701	2.5%	34,523,503	3.6%	35,547,350	3.0%

Halifax Water continues to expect consumption to increase for the next two test years and has incorporated total consumption increases of 2.0% for 2027/28 and 2.0% for 2028/29 in the rate studies.

As can be seen below, the accumulated deficits on April 1, 2026, were $25.3 million. At the end of March 2029, without any rate increases or deficit elimination strategies, Halifax Water is projecting to have an accumulated deficit of $92.7 million.

Halifax Water is proposing for consideration to reduce the accumulated deficits for water and stormwater services over five years, including the two test years, through use of a rider and pension holiday (if approved by Trustees). The rider will generate $2.0 million in 2027/28 and $3.5 million in 2028/29 for water services and $1.0 million in 2027/28 and $1.5 million in 2028/29 for stormwater services for a combined total of $3.0 million in Test Year 1 and $5.0 million in Test Year 2. The pension holiday will generate savings of approximately $5.0 million per year split between water and stormwater respectively $3.5 million and $1.5 million.

Table 9

Accumulated Operating Surplus (Deficit) - NSRAB (in thousands)	Total	Water	Wastewater	Stormwater
2023/24 Fiscal Year				
Balance, beginning of year	19,069	16,433	5,475	(2,839)
Loss for the year	(7,379)	(5,960)	(88)	(1,331)
Surplus (deficit), end of year	11,690	10,473	5,387	(4,170)
2024/25 Fiscal Year				
Balance, beginning of year	11,690	10,473	5,387	(4,170)
Loss for the year	(15,648)	(9,622)	(3,312)	(2,714)
Surplus (deficit), end of year	(3,958)	851	2,075	(6,884)
2025/26 Fiscal Year				
Balance, beginning of year	(3,958)	851	2,075	(6,884)
Loss for the year	(21,309)	(16,225)	(3,364)	(1,720)
Surplus (deficit), end of year	(25,267)	(15,374)	(1,289)	(8,604)
2026/27 Fiscal Year				
Balance, beginning of year	(25,267)	(15,374)	(1,289)	(8,604)
Projected (loss) for the year	1,387	(173)	1,172	388
Projected surplus (deficit), end of year	(23,880)	(15,547)	(117)	(8,216)
2027/28 Fiscal Year				
Balance, beginning of year	(23,880)	(15,547)	(117)	(8,216)
Projected (loss) for the year	(24,298)	(11,043)	(10,678)	(2,577)
Projected surplus (deficit), end of year	(48,178)	(26,590)	(10,795)	(10,793)
2028/29 Fiscal Year				
Balance, beginning of year	(48,178)	(26,590)	(10,795)	(10,793)
Projected (loss) for the year	(44,483)	(20,410)	(19,041)	(5,032)
Projected surplus (deficit), end of year	(92,661)	(47,000)	(29,836)	(15,825)

Rates and Charges

Based on these inputs, Halifax Water has determined its revenue requirements and has designed rates for the key sources of revenue:

1) Water and Wastewater base charges – these are fixed charges customers pay based on the meter size the customers have installed.
2) Water and Wastewater consumption charges – these are the per cubic meter charges that are applied to water consumed and wastewater discharged.

3) Stormwater charges – Right of way charge is charged to the Halifax Regional Municipality (HRM), the Province of Nova Scotia and the Halifax Dartmouth Bridge Commission to cover costs related to stormwater that comes off roads.
4) Stormwater site related flow charge – residential customers are charged a rate based on the amount of impervious area on their property. The site related flow charges are based on tiers.
5) Stormwater site related flow charge – non-residential customers are charged a per cubic meter charge.
6) Fire Protection charges cover the costs of providing water to fire hydrants and to private buildings that have sprinkler systems.

Water and Wastewater Base Charges and Consumption Charges

Halifax Water has developed five scenarios for consideration:

W/WW Scenario 1: Cost of service per rate studies, changes to base charges rounded to nearest dollar.

W/WW Scenario 2: No change in base charges/change in consumption rate only.

W/WW Scenario 3: No change in base charge/change in consumption rate only plus rate rider.

W/WW Scenario 4: No change in base charge/change in consumption only plus rate rider and pension holiday.

W/WW Scenario 5: No change in base charge/change in consumption rate only plus pension holiday.

W/WW *Scenario 1: Cost of service per rate studies, with base charges rounded to nearest dollar.*

This scenario uses the rates as calculated by the rate studies. In this scenario, there would be adjustments to base charges and consumption charges.

The water rate increases range from an increase of 6.8% to an increase of 13.2% for 2027/28 and 7.4% to 10.0% for 2028/29.

The wastewater rate changes range from an increase of 0.4% to an increase of 16.4% for 2027/28 and an increase of 6.2% to an increase of 8.3% for 2028/29.

The combined water and wastewater rate changes range from an increase of 5.2% to an increase of 12.4% for 2027/28 and increases of 6.7% to 9.0% for 2028/29.

Table 10

Scenario #1: Cost of service per rate studies, with base rates rounded to nearest dollar

Halifax Regional Water Commission
Consolidated Rate Studies - Water and Wastewater Services
Bill Comparisons
2027/28

	Monthly Base Charge			Monthly Commodity Charge			Monthly Combined Bill			Quarterly Combined Bill		
Meter Size	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change
5/8" - 15mm	$27.00	$34.00	25.9%	$60.45	$64.26	6.3%	$87.45	$98.26	12.4%	$262.36	$294.78	12.4%
3/4" - 20mm	$38.00	$45.00	18.4%	$190.67	$202.60	6.3%	$228.67	$247.60	8.3%	$686.01	$742.79	8.3%
1" - 25mm	$62.00	$67.00	8.1%	$390.94	$415.54	6.3%	$452.94	$482.54	6.5%	$1,358.82	$1,447.63	6.5%
1.5" - 40mm	$119.00	$121.00	1.7%	$943.57	$1,002.33	6.2%	$1,062.57	$1,123.33	5.7%	$3,187.72	$3,369.98	5.7%
2" - 50mm	$188.00	$185.00	(1.6%)	$2,258.00	$2,399.13	6.2%	$2,446.00	$2,584.13	5.6%	$7,338.00	$7,752.38	5.6%
3" - 80mm	$376.00	$356.00	(5.3%)	$4,955.02	$5,272.89	6.4%	$5,331.02	$5,628.89	5.6%	$15,993.07	$16,886.67	5.6%
4" - 100mm	$585.00	$548.00	(6.3%)	$8,813.66	$9,363.39	6.2%	$9,398.66	$9,911.39	5.5%	$28,195.98	$29,734.17	5.5%
6" - 150mm	$1,168.00	$1,084.00	(7.2%)	$25,871.04	$27,447.06	6.1%	$27,039.04	$28,531.06	5.5%	$81,117.13	$85,593.18	5.5%
8" - 200mm	$2,100.00	$1,941.00	(7.6%)	$22,956.17	$24,410.75	6.3%	$25,056.17	$26,351.75	5.2%	$75,168.51	$79,055.24	5.2%
10" - 250mm	$3,498.00	$3,226.00	(7.8%)	$44,495.95	$47,291.78	6.3%	$47,993.95	$50,517.78	5.3%	$143,981.85	$151,553.33	5.3%

Table 11

Halifax Regional Water Commission
Consolidated Rate Studies - Water and Wastewater Services
Bill Comparisons
2028/29

	Monthly Base Charge			Monthly Commodity Charge			Monthly Combined Bill			Quarterly Combined Bill		
Meter Size	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change
5/8" - 15mm	$34.00	$37.00	8.8%	$64.26	$69.78	8.6%	$98.26	$106.78	8.7%	$294.78	$320.35	8.7%
3/4" - 20mm	$45.00	$48.00	6.7%	$202.60	$218.12	7.7%	$247.60	$266.12	7.5%	$742.79	$798.37	7.5%
1" - 25mm	$67.00	$70.00	4.5%	$415.54	$448.92	8.0%	$482.54	$518.92	7.5%	$1,447.63	$1,556.75	7.5%
1.5" - 40mm	$121.00	$127.00	5.0%	$1,002.33	$1,071.95	6.9%	$1,123.33	$1,198.95	6.7%	$3,369.98	$3,596.85	6.7%
2" - 50mm	$185.00	$195.00	5.4%	$2,399.13	$2,570.62	7.1%	$2,584.13	$2,765.62	7.0%	$7,752.38	$8,296.86	7.0%
3" - 80mm	$356.00	$375.00	5.3%	$5,272.89	$5,699.07	8.1%	$5,628.89	$6,074.07	7.9%	$16,886.67	$18,222.21	7.9%
4" - 100mm	$548.00	$577.00	5.3%	$9,363.39	$10,218.86	9.1%	$9,911.39	$10,795.86	8.9%	$29,734.17	$32,387.57	8.9%
6" - 150mm	$1,084.00	$1,140.00	5.2%	$27,447.06	$29,949.16	9.1%	$28,531.06	$31,089.16	9.0%	$85,593.18	$93,267.47	9.0%
8" - 200mm	$1,941.00	$2,041.00	5.2%	$24,410.75	$26,644.33	9.2%	$26,351.75	$28,685.33	8.9%	$79,055.24	$86,056.00	8.9%
10" - 250mm	$3,226.00	$3,392.00	5.1%	$47,291.78	$51,615.51	9.1%	$50,517.78	$55,007.51	8.9%	$151,553.33	$165,022.53	8.9%

The impact on the average residential bill for water and wastewater services as calculated in the rate studies is an increase of 12.4% in 2027/28 and 8.7% in 2028/29.

Table 12

Scenario #1: Cost of service per rate studies, with base charges rounded up to the nearest dollar

	Current Rates at Historical Consumption	Current Rates at Revised Consumption	Proposed Rates 2027/28	Proposed Rates 2028/29	Change 2027/28 $	Change 2027/28 %	Change 2028/29 $	Change 2028/29 %
Water								
Base charges	$156.00	$156.00	$144.00	$156.00	($12.00)	(7.7%)	$12.00	8.3%
Consumption	$286.93	$290.19	$332.65	$364.81	$42.46	14.6%	$32.16	9.7%
	$442.93	$446.19	$476.65	$520.81	$30.46	6.8%	$44.16	9.3%
Wastewater								
Base charges	$168.00	$168.00	$264.00	$288.00	$96.00	57.1%	$24.00	9.1%
Consumption	$430.55	$435.28	$438.46	$472.61	$3.18	0.7%	$34.15	7.8%
	$598.55	$603.28	$702.46	$760.61	$99.18	16.4%	$58.15	8.3%
Annual total	$1,041.48	$1,049.47	$1,179.11	$1,281.42	$129.64	12.4%	$102.31	8.7%

W/WW *Scenario 2: No change in current base charges/change in consumption rate only.*

This scenario maintains the base rate at the current level and applies all required rate adjustments to the consumption rate.

The water rate increases range from 8.0% to 11.7% for 2027/28 and 7.8% to 11.5% for 2028/29.

The wastewater rate increases range from 7.0% to 9.3% for 2027/28 and 6.9% to 9.5% for 2028/29.

The combined water and wastewater rate increases range from 7.4% to 10.2% for 2027/28 and 7.3% to 10.3% for 2028/29.

Table 13

Scenario #2 - No change in current base charges/change in consumption rate only												
Halifax Regional Water Commission Consolidated Rate Studies - Water and Wastewater Services Bill Comparisons 2027/28												
	Monthly Base Charge			Monthly Commodity Charge			Monthly Combined Bill			Quarterly Combined Bill		
Meter Size	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change
5/8" - 15mm	$27.00	$27.00	0.0%	$60.45	$66.93	10.7%	$87.45	$93.93	7.4%	$262.36	$281.79	7.4%
3/4" - 20mm	$38.00	$38.00	0.0%	$190.67	$211.08	10.7%	$228.67	$249.08	8.9%	$686.01	$747.25	8.9%
1" - 25mm	$62.00	$62.00	0.0%	$390.94	$432.82	10.7%	$452.94	$494.82	9.2%	$1,358.82	$1,484.47	9.2%
1.5" - 40mm	$119.00	$119.00	0.0%	$943.57	$1,044.55	10.7%	$1,062.57	$1,163.54	9.5%	$3,187.72	$3,490.63	9.5%
2" - 50mm	$188.00	$188.00	0.0%	$2,258.00	$2,499.73	10.7%	$2,446.00	$2,687.73	9.9%	$7,338.00	$8,063.19	9.9%
3" - 80mm	$376.00	$376.00	0.0%	$4,955.02	$5,487.04	10.7%	$5,331.02	$5,863.04	10.0%	$15,993.07	$17,589.13	10.0%
4" - 100mm	$585.00	$585.00	0.0%	$8,813.66	$9,756.98	10.7%	$9,398.66	$10,341.98	10.0%	$28,195.98	$31,025.95	10.0%
6" - 150mm	$1,168.00	$1,168.00	0.0%	$25,871.04	$28,632.81	10.7%	$27,039.04	$29,800.81	10.2%	$81,117.13	$89,402.42	10.2%
8" - 200mm	$2,100.00	$2,100.00	0.0%	$22,956.17	$25,417.52	10.7%	$25,056.17	$27,517.52	9.8%	$75,168.51	$82,552.56	9.8%
10" - 250mm	$3,498.00	$3,498.00	0.0%	$44,495.95	$49,262.27	10.7%	$47,993.95	$52,760.27	9.9%	$143,981.85	$158,280.80	9.9%

Table 14

Halifax Regional Water Commission Consolidated Rate Studies - Water and Wastewater Services Bill Comparisons 2028/29												
	Monthly Base Charge			Monthly Commodity Charge			Monthly Combined Bill			Quarterly Combined Bill		
Meter Size	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change
5/8" - 15mm	$27.00	$27.00	0.0%	$66.93	$73.78	10.2%	$93.93	$100.78	7.3%	$281.79	$302.33	7.3%
3/4" - 20mm	$38.00	$38.00	0.0%	$211.08	$230.67	9.3%	$249.08	$268.67	7.9%	$747.25	$806.01	7.9%
1" - 25mm	$62.00	$62.00	0.0%	$432.82	$474.63	9.7%	$494.82	$536.63	8.4%	$1,484.47	$1,609.90	8.4%
1.5" - 40mm	$119.00	$119.00	0.0%	$1,044.55	$1,133.93	8.6%	$1,163.54	$1,252.93	7.7%	$3,490.63	$3,758.80	7.7%
2" - 50mm	$188.00	$188.00	0.0%	$2,499.73	$2,718.89	8.8%	$2,687.73	$2,906.89	8.2%	$8,063.19	$8,720.67	8.2%
3" - 80mm	$376.00	$376.00	0.0%	$5,487.04	$6,020.88	9.7%	$5,863.04	$6,396.88	9.1%	$17,589.13	$19,190.63	9.1%
4" - 100mm	$585.00	$585.00	0.0%	$9,756.98	$10,808.03	10.8%	$10,341.98	$11,393.03	10.2%	$31,025.95	$34,179.09	10.2%
6" - 150mm	$1,168.00	$1,168.00	0.0%	$28,632.81	$31,710.65	10.7%	$29,800.81	$32,878.65	10.3%	$89,402.42	$98,635.96	10.3%
8" - 200mm	$2,100.00	$2,100.00	0.0%	$25,417.52	$28,159.51	10.8%	$27,517.52	$30,259.51	10.0%	$82,552.56	$90,778.54	10.0%
10" - 250mm	$3,498.00	$3,498.00	0.0%	$49,262.27	$54,572.48	10.8%	$52,760.27	$58,070.48	10.1%	$158,280.80	$174,211.45	10.1%

Maintaining the existing base charges and adjusting consumption rates provides more opportunity for customers to manage their consumption and bills and provides customers with a means of offsetting the proposed rate increases through reducing their water use.

The impact on the average residential bill for water and wastewater services is an increase of 7.5% in 2027/28 and 7.3% in 2028/29.

Table 15

Scenario #2 - No change in current base charges/change in consumption rate only

	Current Rates at Historical Consumption	Current Rates at Revised Consumption	Proposed Rates 2027/28	Proposed Rates 2028/29	Change 2027/28 $	Change 2027/28 %	Change 2028/29 $	Change 2028/29 %
Water								
Base charges	$156.00	$156.00	$156.00	$156.00	$0.00	0.0%	$0.00	0.0%
Consumption	$286.93	$290.19	$325.91	$363.44	$35.72	12.3%	$37.53	11.5%
	$442.93	$446.19	$481.91	$519.44	$35.72	8.0%	$37.53	7.8%
Wastewater								
Base charges	$168.00	$168.00	$168.00	$168.00	$0.00	0.0%	$0.00	0.0%
Consumption	$430.55	$435.28	$477.27	$521.88	$41.99	9.6%	$44.61	9.3%
	$598.55	$603.28	$645.27	$689.88	$41.99	7.0%	$44.61	6.9%
Annual total	$1,041.48	$1,049.47	$1,127.18	$1,209.32	$77.71	7.5%	$82.14	7.3%

W/WW *Scenario 3: No change in base charge/change in consumption only plus rate rider.*

Halifax Water was directed to develop a strategy to recover the accumulated deficit from the previous rate filing in 2025. Halifax Water is proposing to recover $2.0 million in 2027/28 and $3.5 million in 2028/29 through a rate rider scenario to reduce the accumulated water deficit.

The water rate increases range from 9.4% to 13.7% for 2027/28 and 8.6% to 12.7% for 2028/29.

The wastewater rate increases range from 7.0% to 9.3% for 2027/28 and an increase of 6.9% to an increase of 9.5% for 2028/29.

The combined water and wastewater rate increases range from 8.0% to 11.0% for 2027/28 and 7.6% to 10.8% for 2028/29.

Table 16

Scenario #3 - No change in Base charge/change in consumption only plus rate rider

Halifax Regional Water Commission
Consolidated Rate Studies - Water and Wastewater Services
Bill Comparisons
2027/28

	Monthly Base Charge			Monthly Commodity Charge			Monthly Combined Bill			Quarterly Combined Bill		
Meter Size	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change	Current	2027/28 Proposed Rates	% Change
5/8" - 15mm	$27.00	$27.00	0.0%	$60.45	$67.44	11.6%	$87.45	$94.44	8.0%	$262.36	$283.31	8.0%
3/4" - 20mm	$38.00	$38.00	0.0%	$190.67	$212.67	11.5%	$228.67	$250.67	9.6%	$686.01	$752.00	9.6%
1" - 25mm	$62.00	$62.00	0.0%	$390.94	$436.09	11.5%	$452.94	$498.09	10.0%	$1,358.82	$1,494.28	10.0%
1.5" - 40mm	$119.00	$119.00	0.0%	$943.57	$1,052.34	11.5%	$1,062.57	$1,171.34	10.2%	$3,187.72	$3,514.02	10.2%
2" - 50mm	$188.00	$188.00	0.0%	$2,258.00	$2,518.46	11.5%	$2,446.00	$2,706.46	10.6%	$7,338.00	$8,119.39	10.6%
3" - 80mm	$376.00	$376.00	0.0%	$4,955.02	$5,529.39	11.6%	$5,331.02	$5,905.39	10.8%	$15,993.07	$17,716.16	10.8%
4" - 100mm	$585.00	$585.00	0.0%	$8,813.66	$9,829.94	11.5%	$9,398.66	$10,414.94	10.8%	$28,195.98	$31,244.82	10.8%
6" - 150mm	$1,168.00	$1,168.00	0.0%	$25,871.04	$28,841.30	11.5%	$27,039.04	$30,009.30	11.0%	$81,117.13	$90,027.90	11.0%
8" - 200mm	$2,100.00	$2,100.00	0.0%	$22,956.17	$25,610.96	11.6%	$25,056.17	$27,710.96	10.6%	$75,168.51	$83,132.89	10.6%
10" - 250mm	$3,498.00	$3,498.00	0.0%	$44,495.95	$49,633.67	11.5%	$47,993.95	$53,131.67	10.7%	$143,981.85	$159,395.01	10.7%

Table 17

Halifax Regional Water Commission
Consolidated Rate Studies - Water and Wastewater Services
Bill Comparisons
2028/29

	Monthly Base Charge			Monthly Commodity Charge			Monthly Combined Bill			Quarterly Combined Bill		
Meter Size	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	% Change
5/8" - 15mm	$27.00	$27.00	0.0%	$67.44	$74.66	10.7%	$94.44	$101.66	7.6%	$283.31	$304.98	7.6%
3/4" - 20mm	$38.00	$38.00	0.0%	$212.67	$233.41	9.8%	$250.67	$271.41	8.3%	$752.00	$814.24	8.3%
1" - 25mm	$62.00	$62.00	0.0%	$436.09	$480.31	10.1%	$498.09	$542.31	8.9%	$1,494.28	$1,626.92	8.9%
1.5" - 40mm	$119.00	$119.00	0.0%	$1,052.34	$1,147.33	9.0%	$1,171.34	$1,266.33	8.1%	$3,514.02	$3,798.99	8.1%
2" - 50mm	$188.00	$188.00	0.0%	$2,518.46	$2,751.12	9.2%	$2,706.46	$2,939.11	8.6%	$8,119.39	$8,817.34	8.6%
3" - 80mm	$376.00	$376.00	0.0%	$5,529.39	$6,094.17	10.2%	$5,905.39	$6,470.17	9.6%	$17,716.16	$19,410.52	9.6%
4" - 100mm	$585.00	$585.00	0.0%	$9,829.94	$10,936.19	11.3%	$10,414.94	$11,521.19	10.6%	$31,244.82	$34,563.56	10.6%
6" - 150mm	$1,168.00	$1,168.00	0.0%	$28,841.30	$32,076.90	11.2%	$30,009.30	$33,244.90	10.8%	$90,027.90	$99,734.71	10.8%
8" - 200mm	$2,100.00	$2,100.00	0.0%	$25,610.96	$28,499.32	11.3%	$27,710.96	$30,599.32	10.4%	$83,132.89	$91,797.97	10.4%
10" - 250mm	$3,498.00	$3,498.00	0.0%	$49,633.67	$55,224.91	11.3%	$53,131.67	$58,722.91	10.5%	$159,395.01	$176,168.73	10.5%

The impact on the average residential bill as calculated in the rate studies is an increase of 8.0% in 2027/28 and 7.6% in 2028/29.

Table 18

Scenario #3 - No change in Base charge/change in consumption only plus rate rider

	Current Rates at Historical Consumption	Current Rates at Revised Consumption	Proposed Rates 2027/28	Proposed Rates 2028/29	Change 2027/28 $	Change 2027/28 %	Change 2028/29 $	Change 2028/29 %
Water								
Base charges	$156.00	$156.00	$156.00	$156.00	$0.00	0.0%	$0.00	0.0%
Consumption	$286.93	$290.19	$331.98	$374.04	$41.79	14.4%	$42.06	12.7%
	$442.93	$446.19	$487.98	$530.04	$41.79	9.4%	$42.06	8.6%
Wastewater								
Base charges	$168.00	$168.00	$168.00	$168.00	$0.00	0.0%	$0.00	0.0%
Consumption	$430.55	$435.28	$477.27	$521.88	$41.99	9.6%	$44.61	9.3%
	$598.55	$603.28	$645.27	$689.88	$41.99	7.0%	$44.61	6.9%
Annual total	$1,041.48	$1,049.47	$1,133.25	$1,219.92	$83.78	8.0%	$86.67	7.6%

W/WW *Scenario 4: No change in base charge/change in consumption only plus rate rider and pension holiday*

The Trustees of the Halifax Regional Water Commission Employees' Pension Plan (the "Plan") has approved a pension holiday. Which will generate savings of approximately $5.0 million annually. Halifax Water is proposing to utilize the cost savings from the pension holiday to reduce the accumulated deficit for water services by $3.5 million in each test year.

W/WW Scenario 4 results in the same output as Scenario 3, but the accumulated deficit is reduced by the pension holiday.

W/WW *Scenario 5: No change in base charge/change in consumption only plus pension holiday*

Scenario 5 results in the same output as Scenario 2 and similar to Scenario 4, Halifax Water is proposing to take a pension holiday and apply the cost savings directly to the accumulated deficit for water services by $3.5 million in each test year.

Recommendation for water and wastewater:

Halifax Water is recommending Scenario 4. If proposed rates are increased, this scenario will bring the accumulated water deficit down by $12.5 million by the end of 2028/29.

The summary of the monthly base charges and consumption charges for the residential customers are as follows:

Table 19

Summary of residential rates and monthly base charges			
	Current	2027/28	2028/29
Base			
Water	$13.00	$13.00	$13.00
Wastewater	$14.00	$14.00	$14.00
Consumption rates			
Pre-rider			
Water	$1.722	$1.934	$2.125
Wastewater	$2.591	$2.841	$3.061
Plus Rider			
Water	$0.000	$0.036	$0.062
Wastewater	$0.000	$0.000	$0.000
Post-rider			
Water	$1.722	$1.970	$2.187
Wastewater	$2.591	$2.841	$3.061

Below is a summary of the impact on the revenue generated from each meter size based on the first 3 scenarios as the remaining two have no impact on the revenue.

Table 20

COMBINED WATER AND WASTEWATER	2027/28					2028/29				
	Scenario 1	Scenario 2	Scenario 3			Scenario 1	Scenario 2	Scenario 3		
	Cost of Service Revenue	Current Base Rate	Volumetric plus Rate Rider	Scenario 1 to Scenario 3 Difference		Cost of Service Revenue	Current Base Rate	Volumetric plus Rate Rider	Scenario 1 to Scenario 3 Difference	
	$	$	$	$	%	$	$	$	$	%
Calculated Revenues										
Unmetered 5/8"	807,474	754,686	756,470	(51,004)	(6.3%)	875,698	808,105	811,223	(64,475)	(7.4%)
Unmetered 3/4"	3,451	3,504	3,504	54	1.6%	3,689	3,758	3,758	70	1.9%
Unmetered 1"	47,189	48,531	48,805	1,616	3.4%	50,709	52,592	53,069	2,360	4.7%
Unmetered 3"	37,899	41,021	41,021	3,122	8.2%	40,757	44,576	44,576	3,819	9.4%
5/8" - 15mm	95,827,549	91,723,843	92,232,982	(3,594,567)	(3.8%)	104,677,581	98,913,288	99,807,675	(4,869,906)	(4.7%)
3/4" - 20mm	3,254,377	3,273,485	3,294,595	40,218	1.2%	3,546,079	3,579,512	3,616,595	70,515	2.0%
1" - 25mm	9,639,535	9,881,791	9,948,081	308,546	3.2%	10,473,726	10,827,567	10,944,016	470,290	4.5%
1.5" - 40mm	17,862,905	18,495,099	18,620,731	757,826	4.2%	19,457,049	20,324,163	20,544,856	1,087,807	5.6%
2" - 50mm	28,584,816	29,710,669	29,921,763	1,336,947	4.7%	31,164,410	32,731,168	33,101,990	1,937,579	6.2%
3" - 80mm	22,291,951	23,194,532	23,366,774	1,074,822	4.8%	24,299,375	25,559,363	25,861,935	1,562,560	6.4%
4" - 100mm	8,902,845	9,284,082	9,350,618	447,773	5.0%	9,698,346	10,228,767	10,345,648	647,302	6.7%
6" - 150mm	11,526,611	12,006,434	12,096,502	569,891	4.9%	12,566,083	13,253,237	13,411,456	845,374	6.7%
8" - 200mm	7,726,440	8,061,103	8,119,135	392,696	5.1%	8,412,008	8,865,853	8,967,797	555,789	6.6%
10" - 250mm	1,212,427	1,266,246	1,275,160	62,733	5.2%	1,320,180	1,393,692	1,409,350	89,170	6.8%
	207,725,466	207,745,028	209,076,141	1,350,676	0.7%	226,585,690	226,585,642	228,923,943	2,338,254	1.0%
Fire Protection	17,347,658	17,347,658	17,674,536	326,878	1.9%	19,387,006	19,387,006	19,967,232	580,226	3.0%
Total	225,073,124	225,092,686	226,750,677	1,677,553	0.7%	245,972,696	245,972,648	248,891,175	2,918,480	1.2%
Revenue Requirement per Rate	225,071,188	225,071,188	226,744,310			245,964,051	245,964,051	248,883,825		
Adjustment To Revenue Requirement	1,936	21,498	6,367			8,645	8,597	7,350		

Stormwater Charges

Halifax Water has developed four scenarios for consideration:

SW Scenario 1: Stormwater charge per rate studies
SW Scenario 2: Stormwater charge per rate studies with rate rider
SW Scenario 3: Stormwater charge per rate studies with rate rider plus pension holiday
SW Scenario 4: Stormwater charge per rate studies with pension holiday

SW *Scenario 1 - Stormwater charge per rate studies*

Based on this scenario, in 2027/28, the annual charges for residential customers would increase in each tier ranging from $1.00 for tier 2 to $7.00 for tier 5. In 2027/28, the annual charges for residential customers would increase further in each tier ranging from $4.00 for tier 2 to $20.00 for tier 5.

In 2027/28, the charges per cubic meter for non-residential customers would increase from $0.227 to $0.238. In 2028/29, charges for non-residential customers would increase to $0.269 per cubic meter.

The total right-of-way charge would be $10.0 million in 2027/28 and $11.0 million in 2028/29.

Halifax Water was directed in M12257 to explore a potential new rate design for the right-of-way charge with the Province of Nova Scotia. A mutual understanding was not reached by the mandated date of July 30, 2026, therefore the proposed amounts follow the same methodology as used in previous rate filings.

Table 21

Scenario #1 (Stormwater): Cost of service per rate studies, with tier rates rounded to nearest dollar

Halifax Regional Water Commission
Stormwater Services Rate Study
Bill Comparisons

	2027/28 Annual Charges				2028/29 Annual Charges			
	Current	2027/28 Proposed Rates	$ Change	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	$ Change	% Change
Industrial, Commercial, Institutional	0.227	0.238	0.011	4.8%	$0.238	$0.269	$0.031	13.0%
Residential								
Tier 1 (exempt)	$0.00	$0.00	$0.00	0.0%	$0.00	$0.00	$0.00	0.0%
Tier 2 [1]	$25.00	$26.00	$1.00	4.0%	$26.00	$30.00	$4.00	15.4%
Tier 3 [1]	$50.00	$53.00	$3.00	6.0%	$53.00	$59.00	$6.00	11.3%
Tier 4	$100.00	$105.00	$5.00	5.0%	$105.00	$119.00	$14.00	13.3%
Tier 5	$151.00	$158.00	$7.00	4.6%	$158.00	$178.00	$20.00	12.7%
Culvert only customers	$25.00	$26.00	$1.00	4.0%	$26.00	$30.00	$4.00	15.4%

1: Tiers 2 and 3 represent 83% of the Residential parcels, and individually represent 39% and 47% respectively.

SW *Scenario 2 - Stormwater charge per rate studies with rate rider*

Halifax Water is proposing to recover $1.0 million in 2027/28 and $1.5 million in 2028/29 through a rate rider scenario to reduce the accumulated water deficit.

Based on this scenario, in 2027/28, the annual charges for residential customers would increase in each tier ranging from $2.00 for tier 2 to $14.00 for tier 5. In 2027/28, the annual charges for residential customers would increase further in each tier ranging from $5.00 for tier 2 to $24.00 for tier 5.

In 2027/28, the charges per cubic meter for non-residential customers would increase from $0.227 to $0.249. In 2028/29, charges for non-residential customers would increase to $0.285 per cubic meter.

The total right-of-way charge would be $10.5 million in 2027/28 and $11.7 million in 2028/29.

Table 22

Scenario #2 (Stormwater): Cost of Service Rates plus rate rider

Halifax Regional Water Commission
Stormwater Services Rate Study
Bill Comparisons

	2027/28 Annual Charges				2028/29 Annual Charges			
	Current	2027/28 Proposed Rates	$ Change	% Change	2027/28 Proposed Rates	2028/29 Proposed Rates	$ Change	% Change
Industrial, Commercial, Institutional	$0.227	$ 0.249	$0.022	9.6%	$ 0.249	$0.285	$0.036	14.6%
Residential								
Tier 1 (exempt)	$0.00	$0.00	$0.00	0.0%	$0.00	$0.00	$0.00	0.0%
Tier 2 [1]	$25.00	$27.00	$2.00	8.0%	$27.00	$32.00	$5.00	18.5%
Tier 3 [1]	$50.00	$55.00	$5.00	10.0%	$55.00	$63.00	$8.00	14.5%
Tier 4	$100.00	$110.00	$10.00	10.0%	$110.00	$126.00	$16.00	14.5%
Tier 5	$151.00	$165.00	$14.00	9.3%	$165.00	$189.00	$24.00	14.5%
Culvert only customers	$25.00	$27.00	$2.00	8.0%	$27.00	$32.00	$5.00	18.5%

1: Tiers 2 and 3 represent 83% of the Residential parcels, and individually represent 39% and 47% respectively.

The revenue generated from these scenarios is outlined below.

Table 23

STORMWATER

	2027/28				2028/29			
	Cost of Service Revenue	Rate Rider	Change		Cost of Service Revenue	Rate Rider	Change	
	$	$	$	%	$	$	$	%
Site Related Flow								
Industrial, Commercial, Institutional	7,524,851	7,863,470	338,618	4.5%	8,504,979	9,015,278	510,299	6.0%
Residential			0					
Tier 1 (exempt)	0	0	0	0.0%	0	0	0	0.0%
Tier 2	936,312	972,324	36,012	3.8%	1,080,360	1,152,384	72,024	6.7%
Tier 3	2,285,678	2,371,930	86,252	3.8%	2,544,434	2,716,938	172,504	6.8%
Tier 4	1,067,640	1,118,480	50,840	4.8%	1,209,992	1,281,168	71,176	5.9%
Tier 5	323,900	338,250	14,350	4.4%	364,900	387,450	22,550	6.2%
Culvert only customers	20,384	21,168	784	3.8%	23,520	25,088	1,568	6.7%
	12,158,765	12,685,622	526,856	4.3%	13,728,185	14,578,306	850,121	6.2%
Street Right-of Way (ROW)								
Halifax (HRM)	7,991,440	8,351,055	359,615	4.5%	8,813,711	9,342,534	528,823	6.0%
Province of Nova Scotia	1,998,281	2,088,203	89,923	4.5%	2,203,892	2,336,125	132,233	6.0%
Halifax Dartmouth Bridge Commission	22,775	23,799	1,025	4.5%	25,118	26,625	1,507	6.0%
Street Right-of Way (ROW)	10,012,496	10,463,058	450,562	4.5%	11,042,720	11,705,284	662,563	6.0%
Total	22,171,261	23,148,680	1,427,981	6.4%	24,770,905	26,283,589	1,512,684	6.1%
Revenue Requirement per Rate Application	22,202,429	23,202,429			24,768,302	26,268,302		
Adjustment To Revenue Requirement	(31,168)	(53,749)			2,604	15,288		

SW *Scenario 3: Cost of service per rate studies plus rate rider and pension holiday*

The Trustees of the Halifax Regional Water Commission Employees' Pension Plan (the "Plan") has approved a pension holiday. Which will generate savings of approximately $5.0 million annually. Halifax Water is proposing to utilize the cost savings from the pension holiday to reduce the accumulated deficit for stormwater services by $1.5 million in each test year.

Scenario 3 results in the same output as Scenario 2, but the accumulated deficit is reduced by the pension holiday.

Scenario 4: Cost of service per rate studies plus pension holiday

Scenario 4 results in the same output as Scenario 1 and similar to Scenario 3, Halifax Water is proposing to take a pension holiday and apply the cost savings directly to the accumulated deficit for stormwater services by $1.5 million in each test year.

Recommendation for stormwater:

Halifax Water is recommending Scenario 3. If proposed rates increases are approved, this scenario will bring the accumulated stormwater deficit down by $5.5 million by the end of 2028/29.

Combined Impact of Recommendations:

When the recommended scenarios, Scenario 4 for water and wastewater and Scenario 3 for stormwater, are combined, the impact on the average residential customer is as follows:

Table 24

Total Average Residential Bill (including Stormwater)

			Proposed Rates		Change 2027/28		Change 2028/29	
	Current Rates at Historical Consumption	Current Rates at Revised Consumption	2027/28	2028/29	$	%	$	%
Water								
Base charges	$156.00	$156.00	$156.00	$156.00	$0.00	0.0%	$0.00	0.0%
Consumption	$286.93	$290.19	$331.98	$374.04	$41.79	14.4%	$42.06	12.7%
	$442.93	$446.19	$487.98	$530.04	$41.79	9.4%	$42.06	8.6%
Wastewater								
Base charges	$168.00	$168.00	$168.00	$168.00	$0.00	0.0%	$0.00	0.0%
Consumption	$430.55	$435.28	$477.27	$521.88	$41.99	9.6%	$44.61	9.3%
	$598.55	$603.28	$645.27	$689.88	$41.99	7.0%	$44.61	6.9%
Annual Water and Wastewater Total	$1,041.48	$1,049.47	$1,133.25	$1,219.92	$83.78	8.0%	$86.67	7.6%
Stormwater (Tier 3)	$50.00	$50.00	$55.00	$63.00	$5.00	10.0%	$8.00	14.5%
Total Average Residential Bill	$1,091.48	$1,099.47	$1,188.25	$1,282.92	$88.78	8.1%	$94.67	8.0%

Alternative:

As an alternative, Halifax Water has calculated the impact on the average residential customer if there is no rate rider and the accumulated deficit is reduced only by the savings from the pension holiday:

Table 25

Total Average Residential Bill (including Stormwater)								
			Proposed Rates		Change 2027/28		Change 2028/29	
	Current Rates at Historical Consumption	Current Rates at Revised Consumption	2027/28	2028/29	$	%	$	%
Water								
Base charges	$156.00	$156.00	$156.00	$156.00	$0.00	0.0%	$0.00	0.0%
Consumption	$286.93	$290.19	$325.91	$363.44	$35.72	12.3%	$37.53	11.5%
	$442.93	$446.19	$481.91	$519.44	$35.72	8.0%	$37.53	7.8%
Wastewater								
Base charges	$168.00	$168.00	$168.00	$168.00	$0.00	0.0%	$0.00	0.0%
Consumption	$430.55	$435.28	$477.27	$521.88	$41.99	9.6%	$44.61	9.3%
	$598.55	$603.28	$645.27	$689.88	$41.99	7.0%	$44.61	6.9%
Annual Water and Wastewater Total	$1,041.48	$1,049.47	$1,127.18	$1,209.32	$77.71	7.4%	$82.14	7.3%
Stormwater (Tier 3)	$50.00	$50.00	$53.00	$59.00	$3.00	6.0%	$6.00	11.3%
Total Average Residential Bill	$1,091.48	$1,099.47	$1,180.18	$1,268.32	$80.71	7.3%	$88.14	7.5%

Fire Protection

Halifax Water has developed two scenarios for consideration:

FP Scenario 1: Cost of service per rate studies
FP Scenario 2: Cost of service per rate studies plus rate rider

FP Scenario 1: Cost of service per rate studies:

The cost of service studies produced a result that would see private fire protection revenue increase from $2.4 million to $3.1 million in 2027/28 and to $3.8 million in 2028/29.

For public fire protection, revenue would increase from $10.9 million to $14.2 million in 2027/28 and to $15.6 million in 2028/29.

The total fire protection revenue would increase from $13.3 million to $17.3 million in 2027/28 and to $19.4 million in 2028/29.

FP *Scenario 2: Cost of service per rate studies plus rate rider:*

FP Scenario 2 produced a result that would see private fire protection revenue increase from $2.4 million to $3.2 million in 2027/28 and to $3.9 million in 2028/29.

For public fire protection, revenue would increase from $10.9 million to $14.5 million in 2027/28 and to $16.1 million in 2028/29.

The total fire protection revenue would increase from $13.3 million to $17.7 million in 2027/28 and to $20.0 million in 2028/29.

Table 26

Summary of Proposed Fire Protection

	Current	Scenario 1: Rate Studies 2027/28	Scenario 1: Rate Studies 2028/29	Scenario 2: with Rate Rider 2027/28	Scenario 2: with Rate Rider 2028/29	Scenario 1: Current to 2027/28 Difference		Scenario 1: 2027/28 to 2028/29 Difference		Scenario 2: Current to 2027/28 Difference		Scenario 2: 2027/28 to 2028/29 Difference	
Proposed Public Fire Protection	$10,932,721	$14,244,867	$15,575,992	$14,520,511	$16,053,045	$3,312,146	30.3%	$1,331,125	9.3%	$3,587,790	32.8%	$1,532,534	10.6%
Proposed Private Fire Protection	$2,392,390	$3,102,791	$3,811,014	$3,154,025	$3,914,187	$710,401	29.7%	$708,223	22.8%	$761,635	31.8%	$760,162	24.1%
Total	**$13,325,111**	**$17,347,658**	**$19,387,006**	**$17,674,536**	**$19,967,232**	$4,022,547	30.2%	$6,061,895	11.8%	$4,349,425	32.6%	$2,292,696	13.0%

Halifax Water is recommending Scenario 2 Cost of service per rate studies plus rate rider.

Review of Other Fees and Charges

Halifax Water has reviewed all its rates and other charges to reflect the increase in costs that it has experienced and to reflect any changes in processes that will affect the charges. Of the 44 fees that are currently charged, Halifax Water is proposing to increase 18 fees and to decrease 2 fees.

In addition to these adjustments, Halifax Water is proposing to add 8 new fees relating to water service commissioning, pressure testing, permit reviews, and damage to services, and a deposit for stormwater service appeals.

There are number of minor housekeeping edits proposed to provide clarity for staff and customers.

Customer Assistance and Affordability

A rate-funded program to provide assistance to customers was approved by the NSRAB in 2020: the lead service line replacement program where Halifax Water will fund the replacement of the private portion of the service connection as part of projects integrated with HRM. The lead service line replacement rebate and the private lateral replacement assistance program continue to be available to customers with a goal of removing all lead service lines both public and private by 2038. An update to the Regulations related to increasing the limit for reimbursement was approved by the NSRAB via M12236.

As a measure of affordability, the draft updated Affordability Report references from industry studies suggests an appropriate affordability measure is 2.5% of median household income for water and 4.5% for water and wastewater combined. Halifax Water is currently using the benchmark of 2% of median household income for the three combined services (rather than 4.5% for water and wastewater) for the purpose of financial planning. Based on the increases proposed, the increase in the average residential costs for water, wastewater and stormwater will increase as a percentage of median household income after tax from 1.71% to 1.85%.

In summary, the Application is proposed to address the following objectives.

1) Provide sufficient operating revenue for 2027/28 and 2028/29 to cover the operating and non-operating costs for water, wastewater and stormwater.

2) Provide sufficient operating revenue to accommodate depreciation for additions to utility plant in service, which is required by the NSRAB.

3) Provide sufficient operating revenue to accommodate debt servicing requirements.

4) Provide sufficient operating revenue for 2027/28 and 2028/29 to enable Halifax Water to continue addressing the infrastructure deficit, advancing regulatory compliance requirements, and supporting delivery of the Integrated Resource Plan.

5) Adjust rates to recognize increased utility plant in service, increased number of customers and connections, and changes in factors such as impervious area, and a 2.0% increase in water consumption in both 2027/28 and 2028/29.

6) Include a rate rider and the utilization of pension holiday cost savings that will reduce the accumulated deficit by $18.0 million.

7) Approve updates to the COS Manual and the Halifax Water Regulations.

BUDGET IMPLICATIONS

The 2027/2828 and 2028/2929 operating budgets reflect deficits in water, wastewater, and stormwater services. Rate increases are required to fund these operating deficits and to recover the ongoing costs created as capital projects are completed and placed into service, including depreciation and debt servicing costs. Deferral of rate increases will increase the risk of financial instability for Halifax Water and undermine the objective of developing a long-term funding strategy to achieve the objectives of Halifax Water’s Integrated Resource Plan.

From a capital budget perspective, the proposed rate increases support the transition of major capital investments into the rate base as projects are completed. Without sufficient revenue, Halifax Water would face increased pressure on cash flow, debt financing, and its ability to continue delivering infrastructure renewal and compliance-related projects at the required pace.

ALTERNATIVES

The Halifax Water Board may choose to increase or decrease the proposed rate increases. Halifax Water has provided alternative scenarios for consideration.

The Halifax Water Board may not approve the proposed changes to the Regulations in part or in whole.

ATTACHMENT

1. Halifax Water Rules & Regulations – Summary of Amendment Requests

Report Prepared By: Signed by: Alicia Scallion
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Manager, Finance

Halifax Water Rules & Regulations – Summary of Amendment Requests (August 2026)

Section Number	Section	Amendment Rationale
3(e)	Definitions – Animal by-products	Editorial.
3(q)	Definitions – Complainant	To add a definition to clarify who is a complainant to the DRO.
3(r)	Definitions – Complaint	To clarify the definition.
3(s)	Definitions – Composite Sample	Delete reference to deleted defined term “Uncontaminated Water”.
3(v)	Definitions – Day	To add a definition to clarify the meaning of day.
3(dd)	Definitions – Encoder Receiver Transmitter	To clarify the definition.
3(hh)	Definitions – Grab Sample	Delete reference to deleted defined term “Uncontaminated Water”.
3(oo)	Definitions – Impervious Area	To update the definition to match the process.
3(uu)	Definitions – Monitoring Access Point	Delete reference to deleted defined term “Uncontaminated Water”.
3(zz)	Definitions – Notice of Objection	Update subsections for clarity.
3(nnn)	Definitions – Service	Clarify the Commission as the provider of service.
3(vvv) (former numbering)	Definitions – Uncontaminated Water	Deleted defined term, in relation to update to section 63(6).
5(2) – Table 2	Non-metered Water Service Rates	Add other meter sizes (38 mm, 50 mm, and 75 mm).
7(9)(2)	Charges for Stormwater Service	To request a deposit to cover a portion of the costs associated with review by the DRO of a Notice of Objection determination. The proposed deposit would be collected when a Complainant wishes to refer a Notice of Objection determination to the DRO. Such deposit would be returned to the Complainant upon final disposition of the Complaint, if it ultimately determined that the subject property does not receive Stormwater Service.

		Editorial updates, considering new definition of “Complainant”.
7(9)(4)	Charges for Stormwater Service	Clarified language to address DRO Decisions.
10(3)	Payment of Bills	To clarify when the Commission receives funds and ultimately considers a payment to be “paid”.
13(2)(a)	Suspension or Refusal of Service	Update lienable event language to clarify the intent of the HRWC Act.
13(4)	Suspension or Refusal of Service	Added section related to medical emergencies, in the context of suspension of service.
14	Collection of Overdue Bills	Updated $50 fee to $55. Increase due to staff rate and vehicle rate increases.
17(2)(a)	Deposits	To allow for the return of deposits made to Customers who demonstrate prompt payment for 24 months.
18(1)	Connection/Disconnection of Service	Further clarifying the costs associated with connection and disconnections made during and outside of Regular Working Hours. Increase due to staff rate and vehicle rate increases.
18(2)	Connection / Disconnection of Service	New fee to capture connections scheduled ($100).
19(3)	Water Meter Installation	To add other meter sizes and applicable fees to the Regulations ($360).
19(4)	Water Meter Installation	To add large meter sizes and applicable fees to the Regulations ($440).
21(1)(a)	Inspection of Service Connections and Driveway Culverts	To update fees for residential and ICI, from $175 to $180.
21(1)(b)	Inspection of Service Connections and Driveway Culverts	To increase fees, from $200 to $375
21(1)(c)	Inspection of Service Connections and Driveway Culverts	To increase fees, from $75 to $94.
21(2)	Inspection of Service Connections and Driveway Culverts	To increase fees, from $150 to $180.

21(3)	Inspection of Service Connections and Driveway Culverts	To increase fees, from $175 to $180.
21(4)	Inspection of Service Connections and Driveway Culverts	New fee for pressure testing inspections, added for the staff present over multiple hours to observe testing ($400).
23(1)(a)	Water Service Connection Tapping Connection Fee	To update fees, from $375 to $450.
23(1)(b)	Water Service Connection Tapping Connection Fee	To add applicable fees outside of Regular Working Hours ($725).
23(1)(c)	Water Service Connection Tapping Connection Fee	To correct applicable fees to $1,100.
23(1)(d)	Water Service Connection Tapping Connection Fee	To add applicable fees outside of Regular Working Hours ($1,700).
24(1)(a)-(c)	Audit Inspections and Review of Drawings	To increase fees, from $2 to $3 per linear metre.
24(3)	Audit Inspections and Review of Drawings	To increase audit inspection fee per inspection visit, from $175 to $180.
24(4)	Audit Inspections and Review of Drawings	To clarify intent.
24(5)	Audit Inspections and Review of Drawings	To update fees to align with actual costs, from $75 to $80.
25(1)(e), 25(2)	Missed Appointment by Customer	Editorial update, and to update fees to align with actual costs, from $55 to $80.
25(3)	Missed Appointment by Customer	Editorial.
29(11)	Regional Development Charge for Water Infrastructure	To update language only to be consistent with lienable event as set out in HRWC Act.

29(13)	Regional Development Charge for Water Infrastructure	Editorial.
30(11)	Regional Development Charge for Water Infrastructure	To update language only to be consistent with lienable event as set out in HRWC Act.
30(13)	Regional Development Charge for Water Infrastructure	Editorial.
31A(2)(b)(i-ii)	Fire Hydrant Flow Testing	Update fees to align with actual costs, from \$300 to \$400 (for one staff attending) and from \$600 to \$675 (for two staff attending).
37(1)(b)	Plumbing to be Satisfactory	Editorial.
43(1)(b)	Interference with Commission Water System	Editorial.
49 (3)	Damage to Water Meters	To clarify that multiple amounts may be charged, depending on the nature of the damage (i.e., both damaged ERT and wire to ERT cut). To update to various fees, decreasing damaged ERT (replacement) from \$320 to \$275, and decreasing wire to ERT cut from \$320 to \$130. Addition of fee for when there is damage to the ERT, but the equipment is repaired rather than replaced (\$145).
50(1)	Meter Testing	To update fees in line with actual costs, from \$100 to \$150.
50(2)(c)	Meter Testing	To add clarity regarding ultrasonic electromagnetic meters.
51(1)(h)	Water Service Connection	To add clarity to fire protection requirements.
51(2)	Water Service Connection	Editorial.
51A(1)	Lead Water Service Connection Replacement	To remove reference to water service boundary as it is not defined in the Regulations.

54(b)	Repairs to Water Service Connection	Housekeeping / Editorial.
56(g)	Water Service Control Valves	Housekeeping / Editorial.
57(4)	Water Conservation Directives	Additional section regarding conservation measures to permit enforcement in line with the Summary Offence Ticket Table.
61(3) & 61(7)	Wastewater and/or Stormwater Service Connections	Editorial.
63(4) - Table 6	Discharge into the Wastewater System	Updates to table.
63(5)	Discharge into the Wastewater System	Clarification.
63(6)	Discharge into the Wastewater System	To clarify, since the language previously prohibited discharging of uncontaminated water into the wastewater system. Update to revise that stormwater is prohibited from entry into the wastewater system.
63(7)	Discharge into the Wastewater System	Updates fees, from $325 to $360.
64(1)	Stormwater Discharge to the Wastewater System	Editorial.
64(5) & 64(6)	Stormwater Discharge to the Wastewater System	Editorial.
65(1) & 65(2)	Discharge of Extra Strength Wastewater and Extraneous Water or Wastewater	Clarification with respect to issuing Directives rather than entering into agreements, with respect to discharge of extra strength wastewater and extraneous water or wastewater.
66(3)(c) & (o) & (q)	Discharge into and Obstruction of the Stormwater System	Editorial.

66(6) & 66(7)	Discharge into and Obstruction of the Stormwater System	Editorial.
67(4)	Wastewater Discharges to Stormwater Systems	Clarification.
68	Swimming Pools and Spas	Clarification.
70(2)(c) & (g)	Food Related Grease Interceptors	Editorial.
71(1), 71(2)(a-h)	Vehicle and Equipment Service Oil Interceptors	Editorial.
72(2)(b), (c), (d), (f)	Sediment Interceptors	Editorial.
75(1)	Monitoring, Sampling, and Reporting	Add CCTV assessments.
76(1)	Wastewater and/or Stormwater Service Sampling and Analytical Requirements	Editorial.
77(2)(b)	Wastewater and/or Stormwater Monitoring Access Point	Editorial.
78(4)	Releases	Editorial - neutral language.
78A	Dispute Resolution Office Established	Editorial and clarification updates, considering new definition of “Complainant”.
78E(1)(d), (e), (f)	Refusal or Cessation of Review	Editorial and clarification updates, considering new definition of “Complainant”.

78E(2)	Refusal or Cessation of Review	Editorial and clarification updates, considering new definition of “Complainant”.
78E(3)	Refusal or Cessation of Review	To address administrative law concepts.
78G	Nature of Review	To address administrative law concepts and to clarify scope of review. Editorial and clarification updates, considering new definition of “Complainant”.
78H(f)	Decision of DRO	Editorial update, considering new definition of “Complainant”.
78I	Decision Letter of DRO	Editorial and clarification updates, considering new definition of “Complainant”.
78J	Appeal from the Decision Letter of the DRO	Clarification on timeline for appeal. Editorial and clarification updates, considering new definition of “Complainant”.
80(1)	Directives	To add language to enforce Directives.