

East Hants Water Utility

Financial Estimates
2025/2026 to 2027/2028

March 18, 2025



EAST HANTS
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East Hants Water Utility

	2024/2025		2025/2026	2026/2027	2027/2028
	Budget	Projection	Budget	Budget	Budget
OPERATING REVENUE					
Metered sales	\$ 2,302,100	\$ 2,345,100	\$ 2,389,900	\$ 2,418,800	\$ 2,447,800
Public fire protection	650,091	650,091	735,716	829,523	804,473
Bulk water station	120,000	183,000	150,000	150,000	150,000
Miscellaneous income	22,050	28,275	24,375	24,375	24,375
TOTAL OPERATING REVENUE	\$ 3,094,241	\$ 3,206,466	\$ 3,299,991	\$ 3,422,698	\$ 3,426,648
OPERATING EXPENDITURES					
Source of supply	\$ 212,655	\$ 55,155	\$ 191,714	\$ 26,271	\$ 26,707
Power and pumping	401,991	390,491	414,171	421,603	432,099
Water treatment	657,874	705,260	782,592	807,832	833,933
Transmission and distribution	976,249	1,038,672	1,098,869	1,005,597	1,024,926
Administration and general	457,142	425,939	477,340	467,649	479,269
Depreciation	522,717	522,744	587,760	614,250	623,134
TOTAL OPERATING EXPENDITURES	\$ 3,228,628	\$ 3,138,261	\$ 3,552,446	\$ 3,343,201	\$ 3,420,067
NET OPERATING REVENUE (EXPENDITURE)	\$ (134,387)	\$ 68,205	\$ (252,455)	\$ 79,497	\$ 6,581
NON-OPERATING REVENUE					
Interest	\$ 50,000	\$ 50,000	\$ 45,000	\$ 45,000	\$ 45,000
	\$ 50,000	\$ 50,000	\$ 45,000	\$ 45,000	\$ 45,000
NON-OPERATING EXPENDITURES					
Bank and finance charges	\$ 5,091	\$ 4,215	\$ 10,715	\$ 10,861	\$ 12,042
Interest	228,645	197,165	197,417	189,690	134,328
Principal	297,681	297,681	430,253	431,102	453,331
Capital expenditure out of operations	37,500	37,500	37,500	75,000	75,000
	\$ 568,917	\$ 536,561	\$ 675,885	\$ 706,653	\$ 674,702
NON-OPERATING EXPENDITURES	\$ (518,917)	\$ (486,561)	\$ (630,885)	\$ (661,653)	\$ (629,702)
NET REVENUE (EXPENDITURES)	\$ (653,304)	\$ (418,356)	\$ (883,340)	\$ (582,156)	\$ (623,121)
SURPLUS, BEGINNING OF YEAR	1,539,004	1,539,004	1,120,648	237,308	(344,848)
SURPLUS (DEFICIT), END OF YEAR	\$ 885,700	\$ 1,120,648	\$ 237,308	\$ (344,848)	\$ (967,969)

Notes

The East Hants Water Utility budget is presented in the required reporting format by the Nova Scotia Utility and Review Board (NSUARB).

Revenue Assumptions

The revenues reflected in this budget are based on the water rates which were approved by the NSUARB July 1, 2017 as part of a three-year rate review process covering the fiscal years 2017/2018 through 2019/2020. The revenue budgets for 2025/2026 to 2027/2028 have been increased to reflect an increase in the number of water accounts related to development, using the same base and consumption rates approved for April 1st, 2019 and onwards.

Expense Assumptions

2025/2026

The staffing costs for the Utility consist of allocations from the Infrastructure & Operations and Finance departments, plus full-time positions working exclusively in the Water Utility. The overall budget to budget variances in salaries and benefits has increased as a result of increments and market adjustments for employees.

Changes in non-compensation expenses are detailed in the following variance table. The increase in expenses is primarily related to debt service costs, retrofit rebate grants, increase in cost of chemicals, as well as repairs due to aging infrastructure.

2026/2027 and 2027/2028

Budgets for the years 2026/2027 and 2027/2028 are based upon conservative extrapolations of expenses budgeted in 2025/2026. Significant assumptions include the following:

- 3% annual increase in salaries & benefits based on estimated growth in labour market demand for similar positions including any applicable pay scale step increases for current staff;
- 2% increase in the cost of services acquired, all systems (allocation of shared water & wastewater services), and all other operating expenses excluding custodial, chemical and insurance expenses. These rates of increase are consistent with inflation expectations;
- 4% increase in custodial, chemical and insurance expenses;
- 3% increase in power for 2026/2027 & 2027/2028;
- Amortization expense is based on existing assets and Capital Budget planned additions.



Variance from Budget 2024/2025 to 2025/2026

Description	Amount
(INCREASES) / DECREASES IN REVENUES	
Increase in metered sales based on projections for consumption 2024/2025	(\$87,800)
Increase in Public Fire Protection as per NSUARB Rules and Regulations	(\$85,625)
Increase in bulk water based on 2024/2025 projections	(\$30,000)
Increase in administration fees	(\$2,325)
Sub-Total Revenue Variances	(\$205,750)
INCREASES / (DECREASES) IN EXPENDITURES	
Net decrease in Source and Supply Costs due to:	
Decrease in advertising - Source Water Protection Advisory Committee (SWPAC) - publish/recruit	(\$500)
Increase in contracts - Primarily Shubenacadie abandoned well closures	\$6,945
Net decrease in professional fees - NSE requirements \$34K for hydrology modeling at the Regional Water Treatment Plant completed	(\$27,386)
Net increase in Power and Pumping Costs due to:	
Net decrease primarily for completed plant security upgrades \$7K, air release valves \$6K; offset by increase in property grounds repairs & maintenance and electrical maintenance	(\$7,450)
Increase in plant & equipment maintenance - water tower foundation repair	\$8,800
Increase in power due to rate increases	\$10,830
Net increase in Water Treatment Costs due to:	
Net Increase in Salaries & Benefits (Increments, Benefits, Training, Travel)	\$14,237
Salaries & Benefits (Market Adj. 2024/2025)	\$10,126
Net increase in operating costs (primarily chemicals \$65K, insurance \$3.5K & janitorial \$4K)	\$77,324
Increase in small equipment - primarily monitoring cameras for treatment plants and DAF	\$15,772
Net increase in professional fees - NSE requirements \$10K	\$7,259
Net increase in Transmission & Distribution Costs due to:	
Net Increase in Salaries & Benefits (Increments, Benefits, Training, Travel)	\$9,513
Salaries & Benefits (Market Adj. 2024/2025)	\$11,012
Increase in other operating costs (primarily insurance \$8.5K and administrative allocations from the Urban Service Rate \$10K)	\$24,495
Decrease in professional fees - Shubenacadie water air pockets mediation review removed	(\$20,000)
Increase in grants - Expansion of Cross Connection Control (CCC) Program to include retrofits as per Council Motion C24(345)	\$97,600
Net increase in Administration & General Expenses due to:	
Net Increase in Salaries & Benefits (Increments, Benefits, Training, Travel)	\$5,589
Salaries & Benefits (Market Adj. 2024/2025)	\$8,074
Decrease in Computer Support fees - primarily from infotech support	(\$15,823)
Increase in Administration fees & other operating expenses	\$22,358
Increase in depreciation expense primarily from capital purchases 2024/2025	\$65,043
Net Change in Non-Operating Revenue & Expenditures due to:	
Decrease in interest revenue	\$5,000
Increase in debt servicing costs	\$106,968
Sub-Total Expenditures Variances	\$435,786
NET IMPACT ON WATER UTILITY	\$230,036