



Subject: *Water Utility Rate Review*
To: Corporate and Residential Services Committee
Date Prepared: October 15, 2025
Related Motions: NA
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Approved by: Kim Ramsay, CAO

Summary

The last water utility rate review was completed in 2017. It included scheduled rate increases up to April 1, 2019. The water utility operating fund has incurred operating deficits of \$206,297 and \$320,987 respectively for the years ending March 31, 2024 and March 31, 2025. It is projected the current fiscal year of 25/26 will also incur a deficit.

Financial Impact Statement

Water utilities are required to have sufficient financial resources to operate in a manner that does not create deficits. The water utility still has an operating fund accumulated surplus but this is expected to reduce to approximately \$300,000 by March 31, 2026. An increase in rates is therefore required. The attached report indicates the increases required.

Recommendations

Staff recommend council approve the resolution authorizing the rate application be filed with the NS Regulatory and NSRAB.

Recommended Motions

Move that the Corporate and Residential Services Committee recommend that Council direct THE EAST HANTS WATER UTILITY APPLY TO THE NOVA SCOTIA REGULATORY AND APPEALS BOARD FOR CHANGES IN ITS RATES FOR WATER AND WATER SERVICE, FIRE PROTECTION TO THE MUNICIPALITY AND CHANGES TO ITS RULES AND REGULATIONS FOR CUSTOMERS SERVED BY THE UTILITY, AS SET OUT IN THE WATER RATE STUDY PREPARED BY G.A. ISENOR CONSULTING LIMITED IN ASSOCIATION WITH BLAINE S. ROONEY CONSULTING LIMITED.

Background/Information

In the spring of 2025 municipal staff engaged two very experienced consultants who specialize in preparing reports for Nova Scotia water utility rates reviews. During the summer and early fall staff have worked with these consultants to gather the information and documentation necessary to prepare a report for the NS Regulatory and Appeals Board (formerly the UARB). A bio document is attached to the agenda describing the consultants training and experience.

The consultants will present the report and answer questions Council members may have during the October 21, 2025 Executive Meeting. Should council approve the submission of the report to the NSRAB, staff will

continue to work with the consultants to answer questions of the NSRAB. It is hoped this process will be completed in time for the rate increases to take effect April 1, 2026.

The municipal website has a specific page for information and documents related to the water utility rate review process. Information related to the water utility rate review will be posted the website asap.

The NSRAB website has the following information posted regarding the rate application process.

Setting Rates and Regulations

The Utility decides that a rate application is necessary (based upon the circumstances, the Board may determine that a rate review is required). A rate study is prepared either by staff or an external consultant. The Board's [Water Utility Accounting and Reporting Handbook](#) provides a guide as to the type of information required in the rate application. The information that is required in a rate application includes: Proposed Rates and Revenue; System Description; Historical and Projected Financial Information; Methodology and Calculation of Water Rates. Appendix B in the Handbook has the details and format to be followed in an application for adjustments to existing rates, regulations, fire protection services, etc.

The completed rate study must first be presented to Municipal Council (or an equivalent body) for a resolution authorizing that the application be filed with the Board for approval.

The Utility files with the Board a copy of the completed rate study along with copies of a petition, affidavit and resolution supporting the application.

Board staff then reviews the application and supporting documents. Additional information may be required. If so, Board staff requests clarification through Information Requests (IRs). Once the application is complete, the Board drafts a notice of the public hearing and after consulting with the Utility, determines a date and location in the community for the hearing. The hearing date is usually eight to ten weeks following complete information being filed with the Board. This is necessary to allow time for advertising the notice and process for intervention. The notice is forwarded to the Utility, and the Utility's consultants, if applicable, for verification. The notice further specifies a date by which formal intervenors should file their submissions with the Board and provides the Board's contact information if any individuals wish to provide comments.

The Board issues an Order which specifies the dates, as required by the Public Utilities Act, that the notice is to appear for three consecutive weeks in a local newspaper(s). The Utility is responsible for ensuring the notice is included in the paper(s) on the specified date and is also responsible for payment of associated costs. Copies of the notice confirming it was placed in the paper on the dates specified in the Order are required to be filed at the start of the public hearing and are entered as exhibits, along with other pre-filed evidence.

The Utility must have copies of the rate study available at its offices and/or an agreed upon central location for public viewing.

The Board issues IRs to the Utility for response within a two week period. The Board usually specifies the number of copies required to be filed. The responses to the IRs are identified as a pre-filed exhibit at the public hearing.

The Public Hearing process is generally as follows:

- The Board reads the notice of hearing, outlining the proposed amendments.
- The parties are identified.
- The Board explains the procedure to be followed at the hearing.
- The hearing exhibits are marked.
- The witnesses are sworn/affirmed.
- The Applicant presents evidence (direct examination), which is generally a review of the rate study.
- There is cross-examination of the Applicant by Formal Intervenors.
- The Board questions the Applicant, and if a response cannot be given at the hearing, the Board may request that the answer be provided as an Undertaking within a specified period of time.
- The Formal Intervenors present evidence.
- The Formal Intervenors are cross-examined by the Applicant.
- The Board questions the Formal Intervenors, and if a response cannot be given at the hearing, the undertaking process noted above will be followed.
- Any members of the public who wish to speak are given the opportunity to do so.
- The Applicant/Formal Intervenors are given the opportunity to make an oral or written submission should they have further comment.
- The Board asks any additional questions/provides additional comments.
- The filing date for Undertaking(s) response is set.
- The hearing is adjourned and the Board's decision is reserved.

If Undertakings are requested during the hearing, the Utility is usually given a one to two week time period to respond. Undertakings are set out at the hearing and are confirmed, including the filing date, in a letter from the Board soon after the hearing date.

Below are various statistics regarding the East Hants Water Utility.

Water Consumption Report - April 1, 2024 to March 31, 2025								
Meter Size Type	Account Type	Number of Accounts	Average Quarterly Cubic Meters Consumption	Quarterly Base Charge	Average Quarterly Consumption Cost	Total Quarterly Cost	Total Annual Cost	
Meter 5/8"	Residential homes, duplexes	3069	36.17	\$ 47.00	\$ 98.01	\$ 145.01	\$ 580.06	
Meter 3/4"	Small business, duplexes and row homes	21	92.36	\$ 69.01	\$ 250.29	\$ 319.30	\$ 1,277.19	
Meter 1"	Small to medium sized business, apt buildings	58	144.78	\$ 113.02	\$ 392.34	\$ 505.36	\$ 2,021.44	
Meter 1.5"	Medium size business, apartment buildings	29	399.25	\$ 223.05	\$ 1,081.96	\$ 1,305.01	\$ 5,220.03	
Meter 2"	Medium to large business, larger apt buildings	21	687.60	\$ 355.09	\$ 1,863.40	\$ 2,218.49	\$ 8,873.97	
Meter 3"	Large business	3	3,357.67	\$ 707.18	\$ 9,099.28	\$ 9,806.46	\$ 39,225.84	
Meter 4"	82 unit apartment complex	1	1,541.06	\$ 1,094.24	\$ 4,176.27	\$ 5,270.51	\$ 21,082.02	
High and Low Consumptions - Residential Accounts (5/8")								
High Consumption			320.00	\$ 47.00	\$ 867.20	\$ 914.20	\$ 3,656.80	
Low Consumption			5.00	\$ 47.00	\$ 13.55	\$ 60.55	\$ 242.20	

Comparative Bulk Water Rates (per M3)				
Water Utility	Last Updated			
East Hants - Current	01-Apr-19	\$ 3.07		
East Hants - Proposed		\$ 7.67		
Halifax Water	01-Apr-23	\$ 2.35	Also charges \$115 annual access fee	
Town of Truro	01-Apr-15	\$ 2.52	Also charges \$150 annual access fee	
Queens	01-Apr-24	\$ 3.74		
Cumberland	01-Apr-25	\$ 7.08		
West Hants	01-Apr-21	\$ 7.20		
Inverness	01-Apr-25	N/A		
Tatamagouche	01-Apr-19	\$ 8.53		
Mahone Bay	01-Apr-21	N/A		

Also, see the schedule in the agenda document that was prepared by the consultants which shows all NS water utilities rates (base and consumption) for 5/8 inch meters. This analysis demonstrates what all quarterly invoices would be for each utility, assuming 36 cubic meters consumption. Note the importance of base rates when comparing total quarterly or annual costs for consumers. Note the years these rates were last increased. And note their disclaimer statement as well.