



Subject: *Well and Septic Loan Program Update*
To: Corporate and Residential Services Committee
Date Prepared: January 12, 2025
Related Motions: C20(243), C23(112)
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Approved by: Adam Clarkson, Director Corporate Services

Summary

This report provides an update on the status of the Water Supply and On-Site Sewage Disposal System Upgrade Lending Program (“W&S Program”), established and managed under Bylaw A-200.

Launched as a pilot program in September 2024 with \$200,000 in funding, the program’s initial uptake prompted Council to increase funding to \$400,000 in February 2025. Over 14-months, sixteen (16) applicants have been approved, with one (1) application currently in progress. As most of the funds are now allocated, staff are preparing to manage a waitlist; as such, staff are requesting Council provide an additional \$100,000 to the fund

This report also recommends minor amendments to Bylaw A-200 based on lessons learned during program administration to-date.

Financial Impact Statement

Program funding is currently \$400,000, with a maximum loan of \$25,000 per applicant/property owner. As of the date of this report, the majority of initial funds have been allocated (See Table 2).

Annually, the principal amounts collected via loan payments are applied back to the available funds.

This report recommends increasing the program by an additional \$100,000, to a total of \$500,000. Staff recommend the program transitions from a pilot to a permanent program, capped at \$500,000 funding, with principal payments reinvested for future applications.

Recommendation

Staff recommend giving first-reading to the proposed amendments to Bylaw A-200.

Staff recommend the Well & Septic program, increasing the program by \$100,000 to a program total of \$500,000.

Recommended Motion

Move that the Corporate & Residential Services Committee recommend that Council give first reading to Bylaw A-200-1, An Amendment to Bylaw A-200 Water Supply and On-Site Sewage Disposal System Upgrade Lending Program Bylaw; and

Move that the Corporate & Residential Services Committee recommend that Council extend the Well and Septic Loan Program under Bylaw A-200-1, with the program funding amount to be increased to, and capped at, \$500,000.

Background

Well and Septic Loan Program Overview

In July 2024, Council approved Bylaw A-200 establishing the Water Supply and On-Site Sewage Disposal System Upgrade Lending Program (“W&S Program”). The W&S Program was launched to the public in September 2024 as a pilot program to assess demand.

As a program overview:

- Loans are issued for a ten (10) year term, repayable at any time without penalty;
- Repayment is secured as a lien against the property;
- Interest rate is set in accordance with the Municipal Fees Policy, and is currently RBC Prime Rate less 1.6% at the time of financing agreement;
- Administered in-house by Corporate Services with support from Finance, with no administration fee.

To qualify for a loan, applicants must meet the following criteria:

- A total taxable household income that does not exceed \$100,000;
- Applicant must be the registered Property Owner;
- The property must be occupied by the Property Owner for a minimum of 6 months of the year;
- The property must be an existing detached, semi-detached or row house style home within the East Hants municipal boundary; and
- There must be no defaults on municipal taxes, rates or charges.

Approved applicants have six (6) months from the Effective Date on their Financing Agreement to complete the upgrade work and submit invoices to the Municipality.

Program Participation

As of the date of this report, there have been 20 loan applications, as summarized in Table 2. Two (2) applications were withdrawn, one (1) application was rejected, nine (9) applicants have completed their upgrade/replacement work and begun paying back their loans, eight (8) applications have been approved and upgrade work is in progress, and one (1) application remains in progress.

Of note, four (4) applications have received their initial invoice under the program; of those, two (2) applicants defaulted on their payments, with one (1) default remaining outstanding. This creates work for the Municipal Collections Officer (reminder, no administration fee for program) and puts those tax payers at risk of being in a tax sale position.

Where applicants do not require the maximum \$25,000 loan, the balance of unused funds is applied back to the available funds upon completion of the applicant’s file (i.e. work is completed and invoice is received). The principal amounts collected via loan payments are also applied back to the available funds annually; which helps facilitate additional participation in the loan program.

Table 1 - Summary of Well & Septic Loan Files

File #	File Status	Community	Allocated Funds
WS001	Work Complete - Invoiced	Hardwoodlands	\$17,000
WS002	Work Complete - Invoiced	Upper Rawdon	\$20,700
WS003	Work Complete - Invoiced	Rawdon Gold Mines	\$25,000
WS004	Work Complete - Invoiced	Mill Village	\$19,380
WS005	Application Rejected	Dutch Settlement (HRM)	N/A
WS006	Application Withdrawn	East Walton	N/A
WS007	Application in Progress	Upper Rawdon	\$25,000

WS008	Work Complete - Invoiced	Mount Uniacke	\$25,000
WS009	Work Complete - Invoiced	Mount Uniacke	\$25,000
WS010	Work Complete - Invoiced	Upper Rawdon	\$24,896
WS011	Application Approved	East Noel	\$25,000
WS012	Work Complete - Invoiced	Shubenacadie	\$18,240
WS013	Application Approved	Noel Shore	\$25,000
WS014	Application Approved	Enfield	\$25,000
WS015	Application Withdrawn	Noel	N/A
WS016	Work Complete - Invoiced	Upper Rawdon	\$15,162
WS017	Application Approved	Tennecape	\$25,000
WS018	Application Approved	Noel	\$25,000
WS019	Application Approved	Barr Settlement	\$25,000
WS020	Application Approved	Maitland	\$25,000
Allocated Funds (at date of report)			\$390,378
Balance of Initial Funds			\$9,622
2025 Principal Payments			\$6,752
Total Available Funds (at date of report)			\$16,374

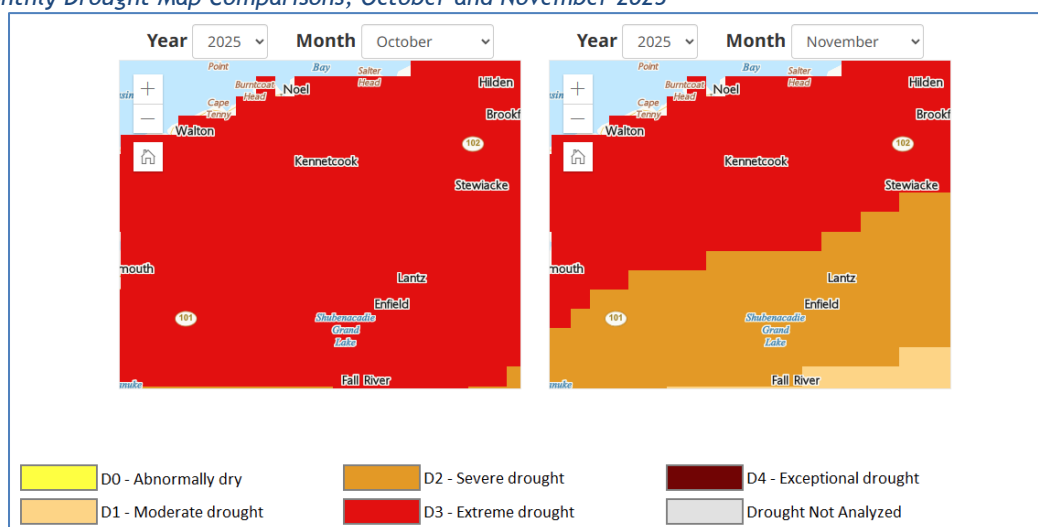
Climate Change Impacts on Water Access

Agriculture and Agri-Food Canada's Canadian Drought Monitor is Canada's official source for the monitoring and reporting of drought nationally. As of the date of this report, December 2025 drought data was not published; staff have included October and November 2025's drought data conditions for context.

October to December 2025 saw the largest increase in loan program inquiries since the program's launch in fall 2024. Staff anticipate an increase of inquiries and applications to continue in spring and summer 2026.

As of October 31, 2025, drought conditions from throughout the summer months were generally maintained, with 100% of the Atlantic Region classified as Abnormally Dry or in Moderate to Exceptional Drought. As of November 30, 2025, drought conditions continued to impact all provinces and territories, with 92% of the Atlantic Region continuing to be classified as Abnormally Dry or in Moderate to Exceptional Drought.

Figure 1 - Monthly Drought Map Comparisons, October and November 2025



In 2025 East Hants provided support for residents during drought events, through support mechanisms that include water vouchers and refill stations.

Of interest, the Bulk Water Station has seen a significant increase in usage between 2023 to 2025 (year-to-date data available up to November 3, 2025).

Table 2 - Bulk Water Station Usage, 2022 to 2025

Year	Imp. Gallons Usage	Year over Year Change
2022	11,129,296.30	
2023	9,649,656.76	-13%
2024	12,320,568.55	28%
2025 (YTD Nov 3)	15,793,654.07	28%

The fact that East Hants residents have recently faced drought conditions strengthens the business case for continuing the W&S Program. Participation to-date in East Hants’ water access programs signals households are already experiencing acute and/or financial water stress.

Discussion

While no formal satisfaction survey has been implemented, in the normal course of administering the program, staff have received positive feedback and gratitude for the program.

Lessons learned from administering the W&S Program have informed the following proposed amendments to Bylaw A-200.

Definition of Household Income

The most significant change relates to the definition and clarity for reporting Household Income.

The proposed bylaw revision clarifies the year of the Canada Revenue Agency Notice of Assessment to be submitted with an application:

- Applications submitted between January 1st to March 31st must include a Notice of Assessment(s) from two (2) calendar years prior (Ex. an application dated March 2026 would provide their 2024 Notice of Assessment).
- Applications submitted between April 1st to December 31st must include the Notice of Assessment(s) from the previous calendar year (ex. an application dated April 2026 would provide their 2025 Notice of Assessment).

Value of Household Income

Staff recommend including a price adjustment based on the Consumer Price Index (CPI). The recommend change increases the \$100,000 Maximum Household Income to \$102,600, and for further increases each December by the CPI factor provided by PVSC.

For W&S applicants to-date, the average Household Income was reported at \$57,040; with the highest Household Income reported at \$96,753 and the lowest at \$20,641.

Staff are aware of three (3) instances where a resident inquiring about the program provided feedback that the income threshold should be higher.

Council may wish to make further adjustments to the Household Income maximum. Staff highlight that the W&S Program Household Income is higher than all other municipal tax support programs.

Default

The Bylaw states that “Qualifying Property Owner(s) shall not be in default of any Municipal taxes, rates, or charges.”

The proposed revision adds: “For the purposes of this Bylaw, and in exceptional circumstances, exception may be made at the discretion of the Treasurer and where the Qualifying Property Owner(s) has entered into a payment arrangement that is acceptable to the Treasurer.”

This proposed addition reflects the financial challenges experienced by some applicants.

STRATEGIC ALIGNMENT

The Well and Septic Loan Program aligns with the Municipality’s key strategies of Sustainable Infrastructure and Strong Communities.

LEGISLATIVE AUTHORITY

The Bylaw is in compliance with sections 81A(1)(a)-(d) of the *Municipal Government Act* (MGA).

Alternatives

Council may prefer an alternative direction, including but not limited to:

1. **Status Quo** - Council may decide not to allocate any additional funds to the Well and Septic Loan Program. In this scenario, the program would continue to operate on a limited basis, generating additional participants only as unspent funds from completed loans and principal repayments are returned to the available funding pool.

OR

2. **Cancel Program** - Council may decide not to continue the Well and Septic Loan Program. If Council prefers this alternative, a motion should be made to repeal Bylaw A-200.
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