

# East Hants Water Utility

Financial Estimates  
2026/2027 to 2028/2029

March 6, 2026



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	2025/2026 Budget	2025/2026 Projection	2026/2027 Budget	2027/2028 Budget	2028/2029 Budget
<b>OPERATING REVENUE</b>					
Metered sales	\$ 2,389,900	\$ 2,424,900	\$ 2,889,192	\$ 3,190,611	\$ 3,279,710
Public fire protection	735,716	\$ 711,098	697,705	826,394	915,214
Bulk water station	150,000	245,000	175,000	175,000	175,000
Miscellaneous income	24,375	24,375	24,375	24,375	24,375
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 3,299,991</b>	<b>\$ 3,405,373</b>	<b>\$ 3,786,272</b>	<b>\$ 4,216,380</b>	<b>\$ 4,394,299</b>
<b>OPERATING EXPENDITURES</b>					
Source of supply	\$ 191,714	\$ 181,111	\$ 37,086	\$ 37,813	\$ 38,947
Power and pumping	414,171	418,012	396,821	406,712	418,894
Water treatment	782,592	848,092	867,393	892,034	918,794
Transmission and distribution	1,098,869	1,030,078	1,192,501	1,137,720	1,175,673
Administration and general	477,340	478,290	465,699	477,204	491,521
Depreciation	587,760	581,417	610,265	639,814	712,262
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 3,552,446</b>	<b>\$ 3,537,000</b>	<b>\$ 3,569,765</b>	<b>\$ 3,591,297</b>	<b>\$ 3,756,091</b>
<b>NET OPERATING REVENUE (EXPENDITURE)</b>	<b>\$ (252,455)</b>	<b>\$ (131,627)</b>	<b>\$ 216,507</b>	<b>\$ 625,083</b>	<b>\$ 638,208</b>
<b>NON-OPERATING REVENUE</b>					
Interest	\$ 45,000	\$ 20,000	\$ 20,000	\$ 10,000	\$ 5,000
Transfer from Operating Surplus	-	-	450,000	-	-
Federal Program Grant	-	67,500	-	-	-
	<b>\$ 45,000</b>	<b>\$ 87,500</b>	<b>\$ 470,000</b>	<b>\$ 10,000</b>	<b>\$ 5,000</b>
<b>NON-OPERATING EXPENDITURES</b>					
Bank and finance charges	\$ 10,715	\$ 10,715	\$ 10,715	\$ 10,676	\$ 6,725
Interest	197,417	197,417	189,690	134,328	107,580
Principal	430,253	430,253	431,102	435,079	473,903
Capital expenditure out of operations	37,500	37,500	55,000	55,000	55,000
	<b>\$ 675,885</b>	<b>\$ 675,885</b>	<b>\$ 686,507</b>	<b>\$ 635,083</b>	<b>\$ 643,208</b>
<b>NON-OPERATING EXPENDITURES</b>	<b>\$ (630,885)</b>	<b>\$ (588,385)</b>	<b>\$ (216,507)</b>	<b>\$ (625,083)</b>	<b>\$ (638,208)</b>
<b>NET REVENUE (EXPENDITURES)</b>	<b>\$ (883,340)</b>	<b>\$ (720,012)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SURPLUS, BEGINNING OF YEAR</b>	<b>1,120,648</b>	<b>1,218,018</b>	<b>498,006</b>	<b>48,006</b>	<b>48,006</b>
<b>TRANSFER TO NON-OPERATING REVENUE</b>	<b>-</b>	<b>-</b>	<b>(450,000)</b>	<b>-</b>	<b>-</b>
<b>SURPLUS (DEFICIT), END OF YEAR</b>	<b>\$ 237,308</b>	<b>\$ 498,006</b>	<b>\$ 48,006</b>	<b>\$ 48,006</b>	<b>\$ 48,006</b>

## Notes

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

### Revenue Assumptions

The revenues reflected in this budget are based on the water rates which are under review by the NSRAB and are expected to be approved prior to April 1, 2026. This is part of a three-year rate review process covering the fiscal years 2026/2027 through 2028/2029. The revenue budgets for 2026/2027 to 2028/2029 have been increased to reflect an increase in the number of water accounts related to development.

### Expense Assumptions

#### 2026/2027

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, market adjustments for employees and one new position.

Changes in non-compensation expenses are detailed in the following variance table. The increase in expenses is primarily related to water leak repairs.

\$450,000 has been transferred from cumulative surplus to eliminate a deficit in 2026/2027. This transfer allows for a more gradual rate increase between 2026/2027 and 2028/2029.

#### 2027/2028 and 2028/2029

Budgets for the years 2027/2028 and 2028/2029 are based upon conservative extrapolations of expenses budgeted in 2026/2027. 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 2027/2028 and 3% in 2028/2029 for the cost of services acquired, all systems (allocation of shared water & wastewater services), and all other operating expenses excluding custodial, chemical and insurance expenses;
- 4% increase in 2027/2028 and 3% increase in 2028/2029 for custodial, chemical and insurance expenses;
- 3% increase in power for 2027/2028 & 2028/2029
- Amortization expense is based on existing assets and Capital Budget planned additions.



## Variance from Budget 2025/2026 to 2026/2027

Description	Amount
<b>(INCREASES) / DECREASES IN REVENUES</b>	
Increase in Metered Sales based on new rates and projections for consumption	(\$499,292)
Decrease in Public Fire Protection as per NSRAB Rules and Regulations	\$38,011
Increase in Bulk Water based on 2025/2026 projections	(\$25,000)
<b>Sub-Total Revenue Variances</b>	<b>(\$486,281)</b>
<b>INCREASES / (DECREASES) IN EXPENDITURES</b>	
<b>Net decrease in Source and Supply Costs due to:</b>	
Decrease in Professional Fees - \$150K Grand Lake water withdrawal study	(\$155,628)
Increase in Operational Materials and Supplies	\$1,000
<b>Net decrease in Power and Pumping Costs due to:</b>	
Decrease in Property and Grounds Maintenance - reduction of facilities signage replacements	(\$9,150)
Net decrease in Electrical, Plant and Equipment Maintenance and Equipment replacement	(\$8,200)
<b>Net increase in Water Treatment Costs due to:</b>	
Net Increase in Salaries & Benefits (Increments, New Supervisor Position, Benefits, Training)	\$88,970
Salaries & Benefits (Market Adj. 2025/2026)	\$7,631
Net decrease in Operating Costs and Services Acquired - primarily allsystems allocation	(\$3,028)
Decrease in Small Equipment - primarily due to monitoring cameras for treatment plants installed	(\$8,772)
<b>Net increase in Transmission &amp; Distribution Costs due to:</b>	
Net Increase in Salaries & Benefits (Increments, Benefits, Training, Travel)	\$39,612
Salaries & Benefits (Market Adj. 2025/2026)	\$9,543
Net increase in Other Operating Costs and Supplies	\$9,062
Increase in Services Acquired - primarily increased expense of water leak repairs	\$51,015
Decrease in Grants - Expansion of Cross Connection Control (CCC) to include retrofits	(\$15,600)
<b>Net increase in Administration &amp; General Expenses due to:</b>	
Net decrease in Salaries & Benefits - primarily due to lower market review for 2026/2027	(\$6,163)
Salaries & Benefits (Market Adj. 2025/2026)	\$4,843
Decrease in Professional Fees - Water Rate Review completed	(\$15,033)
Increase in Administration Fees & other operating expenses	\$4,712
Increase in Depreciation expense primarily from capital purchases 2025/2026	\$22,505
<b>Net Change in Non-Operating Revenue &amp; Expenditures due to:</b>	
Decrease in Interest revenue	\$25,000
Decrease in Debt Servicing costs	(\$6,878)
Increase in Capital Expenditure out of Operations	\$17,500
Increase in Transfer from Operating Surplus	(\$450,000)
<b>Sub-Total Expenditures Variances</b>	<b>(\$397,059)</b>
<b>NET IMPACT ON WATER UTILITY</b>	<b>(\$883,340)</b>