

From: Rick Smith
To: [PublicOnlyCouncilEmail](#)
Subject: Revisions To My Email
Date: January 19, 2026 3:31:13 PM
Attachments: [West Hants Regional Municipality Draft Three.docx](#)

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To all Council.

In reviewing my email of January 12th I realized my comments regarding the West Hants water updates (when compared to the rate study), were not entirely correct. My comparisons to the rate study were based on the May 7, 2024, report and should have been the June 5, 2024. As a result, I have made 5 corrections to my previous email.

Although the issues remain the same, I feel it is important to provide you with accurate numbers.

I have attached a revised version of my email comments using the strikethrough feature to allow you to compare the changes I have made.

The reference to fire protection has been removed as the corrected changes made the difference nominal.

I trust that you will take the time to review the changes (in the attachment) and the content of my concerns.

Again, I apologise for any inconvenience, and I assure you that my intent is to identify any outstanding concerns that will hopefully get resolved.

Respectfully Submitted

Rick Smith



Reports for Committee of the Whole Meeting January 13, 2026

My Comments

Operating Budget Update – Seventh Month Ending October 31, 2025

Sewer Revenue Rate Sales, it is important to clarify the cut off date for sewer billings. My latest sewer bill for instance, is only billed to Sept 3rd, and this report is as of Oct 31st. When will the billing date lineup with a quarterly reporting period or year end. If it does not, an accrual will be required to properly report the rate sales.

Sewer Revenue was budgeted at \$2,420,775 and was forecasted at five months to be \$2,188,706. The current forecast is \$2,965,720 which is a significant increase over the budget.

The sewer rate study of January 4, 2024, however, indicates that the revenue required for 2025 – 2026 is \$3,453,628. At what point in time will the forecasted revenue align with the rate study. If not how will this under funding of about \$488,000 be recovered?

Budget Concern - When looking at the 2025-2026 detailed budget for the sewer utility, the budget for non-operating expenses is \$460,821 compared to the sewer rate study at \$1,065,595. At what point in time will the difference, of \$604,774 align with the rate study?

West Hants Regional Water – Financial Update as of October 31, 2025

Water Revenue Rate Sales, it is important to clarify the cut off date for water billings. My latest water bill for instance, is only billed to Sept 3rd, and this report is as of Oct 31st. When will the billing date lineup with a quarterly reporting period or year end. If it does not, an accrual to adjust will likely be required.

References to the Rate Study below were taken from Worksheet D-2 dated June 5, 2024.

Water Rate Sales were budgeted at \$2,904,863 and was forecasted at five months to be \$2,617,820. The current forecast is \$2,852,526. This is a significant increase from the five-month forecast and closer to the budget.

The water rate study however indicates that the metered water revenue required for 2025 – 2026 is ~~\$3,823,838~~ **\$3,741,742**. At what point in time will the forecasted revenue align with the rate study. If not, how will this under funding of about ~~\$970,000~~ \$889,216 be recovered.

Depreciation for 2025-2026 was budgeted at \$697,535. Since the budget was approved, council was advised that depreciation expense has been increased by about \$400,000. The rate study for 2025-2026 shows depreciation at ~~\$1,098,367~~ **\$1,089,591**. Is the increase of \$400,000 to align with the rate study?

Transmission and Distribution is forecasted to be \$1,780,118 which is about \$300,000 over budget. What does this increase relate to?

Budget Concern - When looking at the 2025-2026 budget for non-operating expenses at \$423,702 compared to the water rate study at ~~\$1,443,595~~ **\$1,743,945**. At what point in time will the difference, of ~~\$1,019,893~~ **\$1,320,243** align with the rate study.

(The current forecasted deficit of \$454,268 does not seem likely or reasonable given the uncertainty of water rate revenue and non-operating expenses forecasted for the year when you compare them to the rate study).

It is my understanding, that the purpose of the rate studies is to determine what level of revenue is required to cover the projected expenses including infrastructure in each of the survey test years, establish new rates so that when implemented they provide this revenue required. Assuming of course that you follow the budgets provided in the rate study.

The West Hants Utilities Budget states that West Hants manages one water utility and one wastewater system which are self-supported through user fees. I believe that this means full cost recovery without being subsidized by taxes. Is this correct?

West Hants Water Utility Consumption Report -October 31, 2025

This report is dated October 31, 2025, however, clarity is required to determine when the readings were taken. As previously noted, my last water billing was to Sept 3rd. I would recommend that billing dates coincide (as close as possible) to the West Hants quarterly reporting. This would simplify the billing invoice as well as UARB increases which typically happen on the quarter.

Total consumption for WH TMP 5 Back Road for 2024-2025 is reported at 45,760,370 imperial gallons. In previous reports dated August 31, 2025 and the March 31, 2025 (year end report) it was reported at 39,484,655 imperial gallons. An increase of over 6 million gallons. How can prior period water meter reading change.

The consumption for WH TMP 5 Back Road for Q1 is stated as 12,154,607 imperial gallons compared to 3,028,093 gallons in the previous report dated August 31, 2025, for Q1. How can a meter reading change from one report to another. Is the current reading of 12,154,607 an estimate in lieu of an actual reading? These readings to be useful need to be taken on a consistent basis and timed with the billing invoices. Again, I would suggest that the readings be taken monthly to help minimize errors and lost water.

Note that with changes to the TMP consumption the variance has changed for 25.9% in August to 58% in October. Without correct and timely readings, the variance and lost water is anything but accurate.

The consumption for WH Underwood Road for Q2 at 195,772 gallons and Wentworth Road at 9,876,608 cannot be correct. These numbers may be reversed.

Prepared by Rick Smith

January 18, 2026