West Hants
something inspiring awaits

Committee of the Whole Excerpts
September 8, 2026

WATER UTILITY AND SEWER RATE STUDY EXCERPT

During the 2026-27 budget discussions, funding for water and sewer rate studies was included in the approved budget to support future planning and help address financial pressures within both utilities. These studies were expected to move forward; however, during the July Committee of the Whole meeting, it was noted that the work would not proceed at that time as the focus was on sewer-related priorities. Further clarification on the status and timeline of the water and sewer rate studies was being requested.

The recommended motion was that Committee of the Whole recommends …

COUNCIL DIRECTS THE CAO TO ENGAGE STAFF FOR THE PURPOSES OF UNDERTAKING A WATER AND SEWER RATE STUDY THROUGH ITS CONSULTANTS AS IDENTIFIED IN ITS 2026-27 BUDGET FOR POTENTIAL CHANGES IN RATES, TERMS AND CONDITIONS THAT MIGHT BE NECESSARY WITHIN THE MUNICIPALITY'S WATER UTILITY SERVICE AND ITS SEWER SERVICE TO DETERMINE IF A NEED EXISTS TO REQUEST A WATER SERVICES RATE CHANGE THROUGH THE NOVA SCOTIA REGULATORY AND APPEALS BOARD TRIBUNAL, AND THROUGH THE MUNICIPALITY'S OWN INTERNAL BILLING FOR SEWER SERVICES IN THE UPCOMING FISCAL YEAR BEGINNING IN 2027-28.

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information	Recommendation ✓	Decision Request ☐	Councillor Activity ✓

To: Committee of the Whole

Submitted by: Jim Ivey, Councillor District 11, Windsor South

Date: September 8, 2026

Subject: Water Utility and Sewer Rate Study Recommendation

LEGISLATIVE AUTHORITY
MGA: Sections 2, 9a, 14, 30
Meeting and Committee Procedural Policy: Reports 7, 7.1,7.2

RECOMMENDATION or DECISION REQUEST
Council directs the CAO to engage staff for the purposes of undertaking a water and sewer rate study through its consultants as identified in its 2026-27 budget for potential changes in rates, terms and conditions that might be necessary within the Municipality's Water Utility Service and its Sewer Service to determine if a need exists to request a water services rate change through the Nova Scotia Regulatory and Appeals Board Tribunal, and through the Municipality's own internal billing for sewer services in the upcoming fiscal year beginning in 2027-28.

BACKGROUND

During the 2026-27 budget discussions sewer and water rate studies were identified on 2 or 3 occasions to have been incorporated into the budget. (March 25th – water and sewer)

There was no discussion about them being removed, particularly given the thin financial results in the water utility and the losses apparently incurred by the sewer services for the in the last three years and continued losses expected this year.

During July's Committee of the Whole meeting a question was raised about the planned timing for this year's pending water and sewer rate study/review. The response received was that the study would not be done as Council was focussed on sewer and no motion was made.

It's not clear to me why Council would need to make a specific motion to incorporate a water and sewer rate study into a budget, in which the budget being presented had identified that a

46% increase in professional services costs, included the cost of the rate studies **for implementation April 1, 2028.**

Property ☐	Public Opinion ✓	Environment ☐	Social ☐	Economic ✓	Councillor Activity ✓

DISCUSSION

In 2023-24 the West Hants Regional Municipality undertook a water rate study and public hearing through the Nova Scotia Regulatory and Appeals Board Tribunal (NSUARB at the time). New rates were implemented effective October 1, 2024 and are now in the final year.

Water Utility Revenues realized through the new rates, have generally met expectations as they were identified within the study model and rate hearing.

Water Utility Operating expenses have exceeded the study expectations, causing a drag on revenues.

Water Utility Non-Operating Expenditures however have been less than expected. While this might appear to be a good thing, its really not. It is my understanding through the directives of the NSERBT, that the principal and interest due for projects not yet completed, is supposed to be set aside in a special deferred water utility capital fund or reserve.

(The reason for the preceding is because, the new rates were approved based on the projects being completed with the principal and interest expense (non-operating expense) being incurred at the same time as the rates were being implemented each year. The expense however is not being realized and results in a better performing financial result compared against the study data from 2023-24.

Repeated in summary we are billing (generating the revenue), that incorporates the *cost of the expected expense into the new rates*, but we are not yet realizing the related non-operating expense in our financial statements.

Sewer revenue rates and non-operating expenditures are operating in a similar but not exactly the same fashion. The sewer revenue and expense are not regulated. Sewer revenues have and continue to be insufficient to cover its the services expenses, resulting in 3 years of deficits equal to approximately $1.5 million. This cannot be allowed to continue.

In conclusion with the capital projects in the queue, neither the water nor sewer services of the West Hants Regional Municipality have the luxury of running as close to the line as they are and certainly not to incur deficits. The situation needs review and remedy as appropriate.

NEXT STEPS

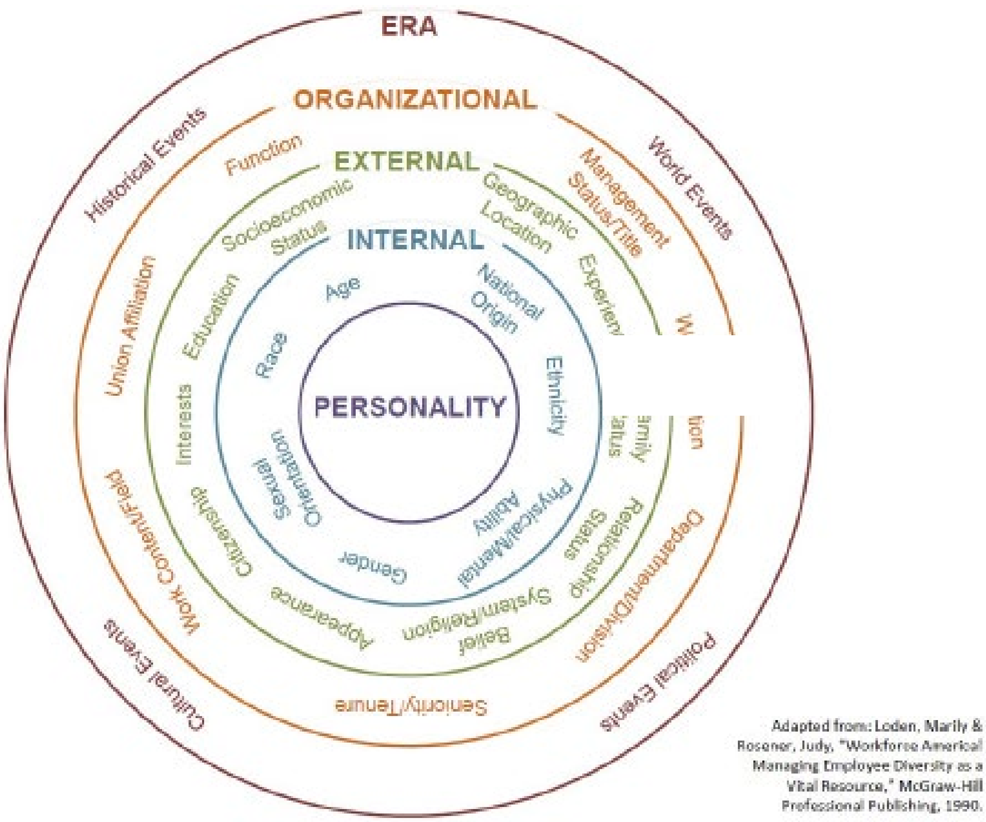
Approve the motion and engage the consultants to initiate the work on the studies.

FINANCIAL IMPLICATIONS

No direct financial expenses as the studies are included in the budget. Certainly depending on the study results, revenues, expenses and surpluses/losses in water and sewer can be improved.

DIVERSITY, EQUITY, INCLUSION AND ACCESSIBILITY CONSIDERATIONS

(Inform of any material DEIA implications it may have on the Municipality, or to residents, if anything.)



ENVIRONMENTAL CONSIDERATIONS

(Inform of any implications it may have on the environment, climate change, or current or future climate plans of the Municipality i.e. greenhouse gas emissions, community risk and resilience, etc.)

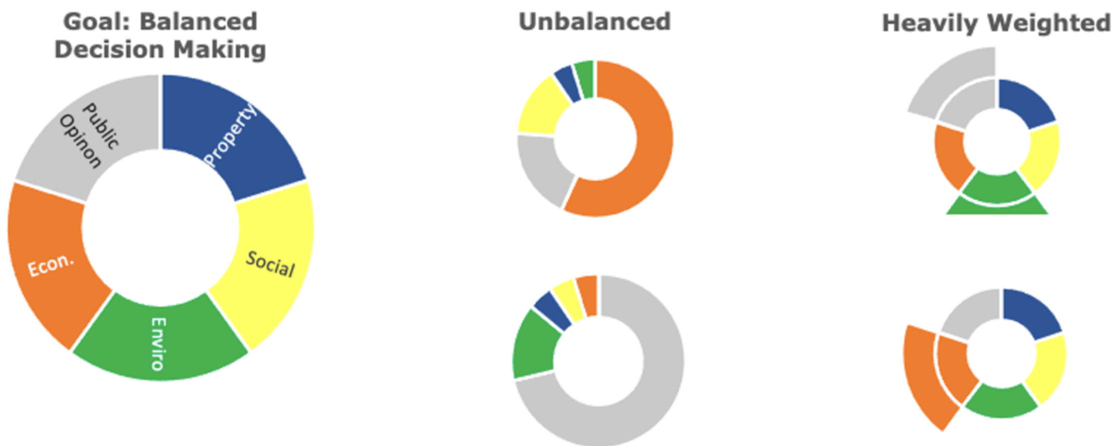
ALTERNATIVES

ATTACHMENTS

CHIEF ADMINISTRATIVE OFFICER REVIEW

(For use if report is from a Councillor. CAO to provide additional comments on background, department/staff responsible and workload, budget, options, preferred strategy. State "Not Applicable" if report is from staff which already incorporates CAO review.)

Council has been provided with a reference taken from the Meeting and Committee Procedural Policy , Appendix C "Decision Making by Council and Committee of the Whole" as a reminder of the principles highlighted for good decision making.



Report Prepared by: Jim Ivey, Councillor District 11, Windsor South

Report Reviewed by: ___________________________________

(Name and Title)

Report Approved by: ___________________________________

Mark Phillips, Chief Administrative Officer