



WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ✓	Recommendation ☐	Decision Request ☐	Councillor Activity ✓
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To: Committee of the Whole – West Hants Regional Municipality

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

Date: May 14, 2024

Subject: Water Rate Study Update Submitted to UARRB – APRIL 2 2024

LEGISLATIVE AUTHORITY

Meeting and Committee Procedural Study – Councillor Reports

RECOMMENDATION or DECISION REQUEST

TBD

BACKGROUND

Property ☐	Public Opinion ✓	Environment ☐	Social ☐	Economic ✓	Councillor Activity ☐
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On April 2, 2024, Staff submitted a revised rate study to the Utility and Review Board resulting in an additional 5% increase in the water rates for the residents of the West Hants Regional Municipality. The net effect of the revised rates would (if approved), result in an increase of 48% to the average bills of Windsor residents and 21% to West Hants water users (up from 43% and 16% in the original study).

It must be noted that the Revised Rate Study dated April 2nd, was not shared nor communicated with the West Hants Regional Council: (a) a week earlier during the Council meeting of March 26, when it was identified that errors existed within the original rate study, negatively impacting resident rates (b) a week later at the April 9th Committee of the Whole Meeting during staff and operational updates, (c) 2 weeks later during the April 23rd Council meeting.

The April 2 Revised Rate Study only surfaced publicly and with this Council, when discovered buried within the NSUARB hearing files for Information Requests (IR-1-IR-70) online.

Further compounding matters, flyer ads appearing in the water bills mid-April and posts placed on social media as late as May 1st were circulated continuing to advertise the originally proposed rates from January 2024, not the revised rates of April 2/24.

DISCUSSION

To be determined

NEXT STEPS

To be determined

FINANCIAL IMPLICATIONS

To be determined

ALTERNATIVES

(State any option to the recommendation and implication of the options, if anything)

ATTACHMENTS

NSUARB Rate Submission April 2, 2024

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.)

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

Report Reviewed by: _____
(Name and Title)

Report Approved by: _____
(Name and Title)

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF: AN APPLICATION of the **WEST HANTS REGIONAL MUNICIPALITY**, on behalf of the existing two water utilities (Windsor and West Hants) to amalgamate the two utilities into one utility named the West Hants Regional Water Utility and for an Order authorizing and approving a new Schedule of Rates and Charges for Water and Water Services and a Schedule of Rules and Regulations

To: Board Staff
Nova Scotia Utility and Review Board

From: Mark Phillips
Chief Administrative Officer
West Hants Regional Municipality
76 Morrison Drive
Windsor, NS
mphillips@westhants.ca

Responses Due: Wednesday, April 3, 2024

RESPONSE TO BOARD INFORMATION REQUESTS

Request IR-1:

Please explain the rationale for the proposed amalgamation of the two current water utilities of Windsor and West Hants into one utility named the West Hants Regional Water Utility.

Response:

The Town of Windsor and the Municipality of West Hants merged into the West Hants Regional Municipality and now the Municipality would like to combine the two existing water utilities in to one so that there is one rate structure and one common set of rules and regulations for the customers within the Regional Municipality.

Currently each of the two utilities have their own water rates and associated rules. Because they are two unique entities there are differences among the rules. A combined water utility would also mean uniform water and base rates for the two utilities, which are currently all different.

The utilities are currently interconnected, as the Three Mile Plains/Wentworth water distribution system purchases water at several metered connections from the Windsor Water system. Consolidating the two utilities into one will eliminate the inter-billing between the utilities.

Request IR-2:

a) Please briefly describe each of the water systems (Windsor and West Hants).

Response:

Falmouth

The French Mill Brook natural watershed collects and drains water into the French Mill Brook impoundment, which is controlled by a manmade dam located approximately 2 km west of the center of the community. The existing watershed boundary area covers approximately 1138 hectares of land and was designated a protected water area in 1983.

The Falmouth Water Treatment Plant draws water from the French Mill Brook impoundment via an intake structure originally constructed in 1968, consisting of a 1050 mm diameter galvanized, bitumen coated, metal pipe complete with a screened opening (one #6 screen and one #2 screen). Two 11.2 kW low lift pumps are used on a duty/standby basis to pump raw water from the impoundment to the treatment plant via a 250 mm diameter PVC line.

The Water Treatment Plant consists of the following process units: Screening; Rapid Mixing; Coagulation; Hydraulic Flocculation; Clarification – Tube Settlers; Multimedia Filtration; Chemical Feed Systems and Disinfection.

System storage is achieved by the use of a 110 foot high; 25 foot diameter standpipe on Wilwood Drive. The Standpipe feeds the distribution system until the water level drops to a predetermined low level when it automatically starts the pumps at the treatment plant to feed the system with any extra water going to the standpipe to raise the level to a high level shut off.

Hantsport

The water supply for Hantsport, Hants Boarder and Glooscap First Nations is Davison Lake located approximately 12km southwest of the Town with a capacity of approximately 550,000 igpd. Water flows by gravity through 10" and 12" transmission main to the treatment plant located on east side of the Bishopville Road near the Glooscap First Nations Reserve. The treatment is micro filtration that provides water that meets the Canadian Drinking Water Guidelines.

Water for Hantsport is pumped from the treatment plant to a steel reservoir with a capacity of 1,000,000 gallons located on Homes Hill. The distribution system consists of distribution piping ranging in size from 4" to 12". The 4" distribution piping does not provide adequate fire protection however the majority has been replaced since the last application. There are no new service areas and no significant changes since 2012.

Water for Glooscap First Nations is pumped from the treatment plant to a small underground reservoir within the First Nations Community.

Three Mile Plains/Wentworth

The Three Mile Plains water distribution system extends from several metered connections into the Windsor water system, with the main connection at Windsor Back Road. Water purchased by the Three Mile Plains water utility from Windsor is metered at the connection points. Pipe sizes range from 150 mm (6 inch) to 300 mm (12 inch) diameter, and pipe materials consist of PVC. There are no storage tanks or chlorine injection stations on the existing system, however there is one pressure boosting station on Panuke Road.

Windsor

Description of Utility System

- The source is Mill Lakes, a series of four lakes located approximately 5.6 km from the Town boundary, these lakes are impounded into a single lake by an earthen dam built in 1945. Lake elevation is approximately 183 meters
- Discharge into Fall Brook which is impounded at 3.2 km from the lake by a new dam that was constructed in 2004. Storage capacity of the impounded area is approximately 12.7 million liters which serves as the raw water source for the Windsor Water Treatment Plant which was commissioned in 2002. Plant capacity is 6.8 ML/day.
- Water is pumped from a low lift pumping station into the plant where it receives conventional treatment with clarification using dissolved air floatation technology.
- Treated water receives pH adjustment, corrosion control adjustment and gas chlorination prior to leaving the plant
- Transmission mains include 250 & 300 mm cast iron mains and 450/400 ductile iron mains
- Distribution mains vary in size from 100 mm to 300 mm and include a variety of material types including ductile, cast, PVC and HDPE. All mains replaced since 1994 have been PVC and HDPE.
- The system also includes a 1.4 ML standpipe constructed in 1981 and located in the Windsor/West Hants Industrial Park.
- The system serves the residents and business operators in Windsor and also provides bulk sale of water to the Three Mile Plains Utility.

b) Are any of the water systems a separate legal entity?

Response:
No

c) Is it anticipated that the proposed amalgamated utility would serve any areas not currently served by the existing two utilities? Please explain.

Response:
No, There are no service extensions planned at this time.

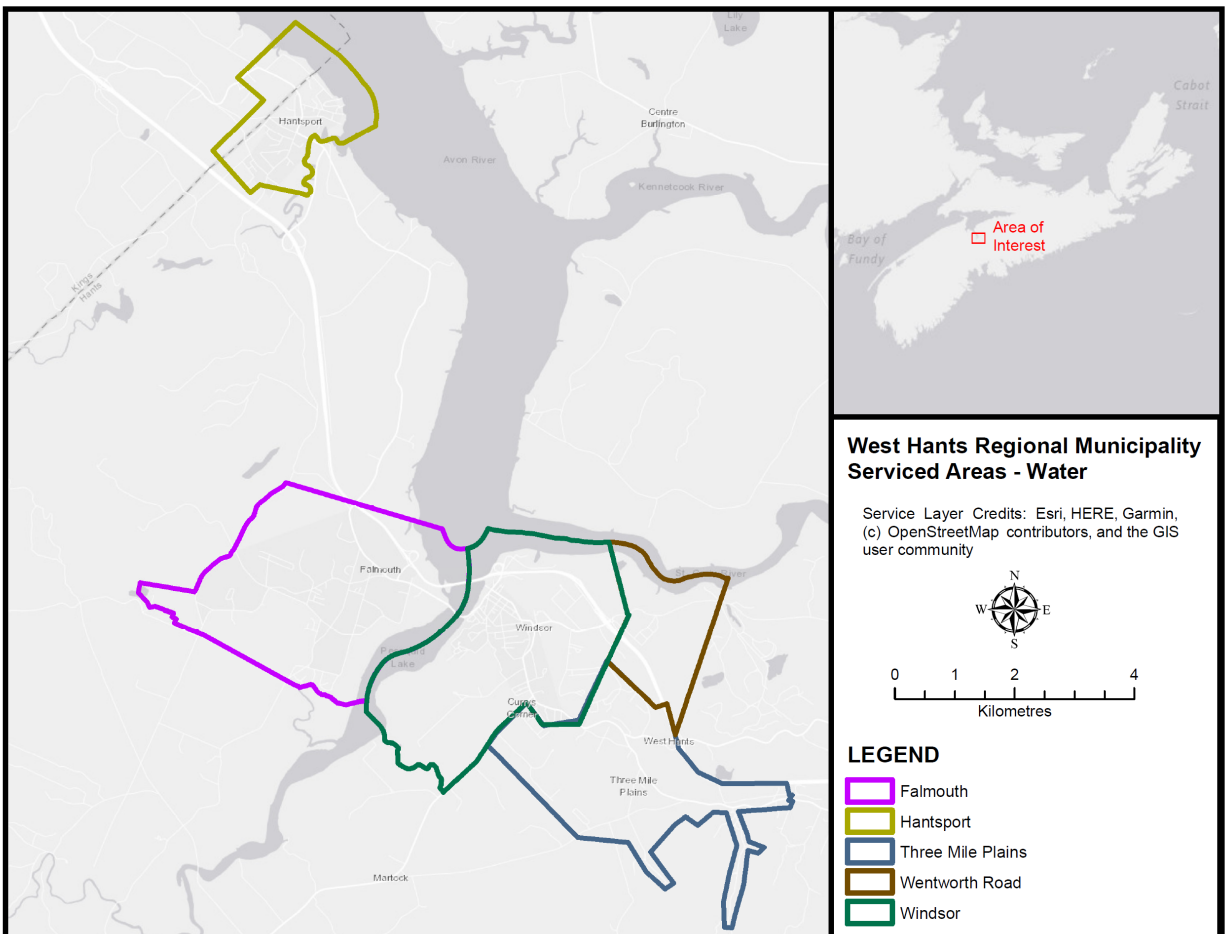
1
2 **d) Is it anticipated that the proposed amalgamated utility will not serve any areas**
3 **currently served by the existing two utilities? Please explain.**

4
5 Response:

6 No, all serviced areas will continue to be provided with municipal water services.

7
8 **e) Please provide a map depicting the proposed service area of the proposed new**
9 **utility.**

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11 Response:



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14 **f) Do any of the two utilities operate sewer or stormwater systems?**

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16 Response:

17 No, the sewer and stormwater systems are operated by the West Hants Regional Municipality

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19 **g) Do both water systems meet the Canadian Drinking Water Guidelines?**

20
21 Response:

Yes

h) Are the assets in each water system in comparable condition?

Response:

Yes, based on condition overall. However, the Windsor Water Utility does have some linear water infrastructure still in service dating back to the 1880's. The majority of the West Hants water utility dates back to the 1970's except for Hantsport where there are water systems dating back to the early 1900's.

i) What is the current outstanding debt per customer for each system?

Response:

Utility	Total Debt Outstanding - Est. March 31, 2024	# of Customers	Outstanding Debt /per customer
Windsor Water	\$ 421,514.00	1295	\$ 325.49
West Hants Water	\$ 653,603.00	2689	\$ 243.07

j) What percentage of revenues are current principal and interest for each system?

Response:

Utility	Current Debt Payment /incl. Interest	2023-24 Budget Revenue	Percentage of Revenue
Windsor Water*	\$ 163,794.22	\$ 2,091,466.00	7.8%
West Hants Water	\$ 75,837.30	\$ 2,569,470.00	3.0%
*Includes final payment of \$100,016.74, without payment percentage is 3.0%			

Request IR-3:

Please provide the projected operating and capital fund balance sheets for each of the test years of the Rate Study, based upon the assumptions of the Rate Study.

Response:

The projected operating and capital fund balance sheets for each of the test years based on the assumptions in the rate study are as follows;

West Hants Regional Water Utility			
Projected Operating Fund Balance Sheet			
Year Ended March 31, 2025, 2026 and 2027			
	2025	2026	2027
Assets			
Cash	\$125,000	\$130,000	\$135,000
Accounts Receivable	\$978,783	\$1,096,237	\$1,118,162
Prepays	\$20,000	\$21,000	\$22,000
	\$1,123,783	\$1,247,237	\$1,275,162
Liabilities			
Payables and Accruals	\$230,000	\$235,000	\$240,000
Deferred Revenue	\$65,000	\$70,000	\$72,000
Due to Municipal Operating	\$794,452	\$907,906	\$928,831
Accumulated Surplus	\$34,331	\$34,331	\$34,331
	\$1,123,783	\$1,247,237	\$1,275,162

West Hants Regional Water Utility			
Projected Capital Fund Balance Sheet			
Year Ended March 31, 2025, 2026 and 2027			
	2025	2026	2027
Assets			
Cash Depreciation Fund	\$220,372	\$250,059	\$263,772
Utility Plant in Service	\$48,608,994	\$51,314,344	\$53,393,919
Accumulated Depreciation	-\$11,522,213	-\$12,899,145	-\$14,309,732
	\$37,307,153	\$38,665,258	\$39,347,959
Liabilities			
Long Term Debt	\$11,752,255	\$12,273,184	\$12,359,658
Unamortized Capital Cost Contribution	\$5,046,874	\$5,052,812	\$4,954,086
	\$16,799,129	\$17,325,996	\$17,313,744
Investment in Capital Assets	\$20,508,024	\$20,339,262	\$22,034,215
	\$37,307,153	\$37,665,258	\$39,347,959

Request IR-4:

With respect to the 2022/23 financial statements of the two current water utilities, which were previously filed with the Board:

- a) Please explain the difference between the actual revenue from water rates of \$798,374, and the budgeted amount of \$1,165,900 in the Non-consolidated Statement of Financial Activities of the Windsor Water Utility Operating Fund.

Response:

The bulk of the variance is associated with the bulk master meters between Windsor Water Utility and West Hants Water Utility. There was overbilling between the utilities, and a significant credit was issued to the West Hants Water Utility. The remaining variance is associated to budget estimates based on historical data were higher than what occurred due to the overbilling.

b) Why did the revenue from water sales (Non-consolidated Statement of Financial Activities of the Windsor Water Utility Operating Fund) decrease from \$933,136 in 2022 to \$798,374 in 2023?

Response:

As noted in the response to IR-4 a), there was overbilling between the utilities on a bulk master meter, and a significant credit was issued to the West Hants Water Utility.

c) Please explain the flat rate sales operating revenue line item in the Non-consolidated Statement of Financial Activities of the Windsor Water Utility Operating Fund.

Response:

Flat rate sales operating revenue line item is where the revenue from the quarterly base rates for non-bulk customers approved by the UARB would be assigned.

d) With respect to the Operating Expenditures in the Non-consolidated Statement of Financial Activities of the Windsor Water Utility Operating Fund:

- i. Why is the source of supply expense in 2023, at \$12,742, significantly higher than both the 2022 amount of \$9,857 and the 2023 budgeted amount of \$7,000?**
- ii. Why is the water treatment expense in 2023, at \$544,119, significantly higher than both the 2022 amount of \$422,094, and the 2023 budgeted amount of \$466,200?**
- iii. Why is the administration and general expense in 2023, at \$315,818, significantly higher than both the 2023 budgeted amount of \$266,683, and the 2022 amount of \$196,724?**
- iv. Why is the taxes expense in 2023, at \$45,647 significantly higher than both the 2022 amount of \$28,560, and the 2023 budgeted amount of \$29,478?**

Response:

i. - There was an occasion on November 2, 2022 that the control structure at the Dam was plugged with debris and divers (Huntley's Diving and Marine) were required. The bill for this was \$10,063.60.

ii - There was an unexpected catastrophic failure to one of our filter underdrains which required a complete rebuild. All filter media was removed and replaced, under drain nozzles were removed and replaced, and aluminum welders were on site for a week. The entire project cost \$94,742.

iii - Administration costs variance in 2023 is associated with the allocation of operational expenses from the Municipality Public Works and Administrative Departments. The variance

1 from 2022 is attributed to the addition of professional services in 2023.

2
3 iv - There was a processing error of \$14,952 for a tax bill associated with West Hants
4 Water Utility.

5
6 **e) In reference to the Non-Consolidated Statement of Financial Activities of the**
7 **Windsor Water Utility Operating Fund, please explain the circumstances of the**
8 **debenture principal of \$512,538 and interest repayment of \$31,845 in 2023.**

9 **i. Please provide details of the debt such as why was the debt incurred, debt**
10 **amount, interest rate and debt retirement date.**
11

12 Response:

13 Three debentures retired in 2022-23.

14 The debt is made up of three outstanding debentures:

- 15 • Wentworth Road Water Treatment Rehab
 - 16 ○ Debt Remaining - \$95,300
 - 17 ○ Interest Rate ranges from 4.760% to 4.770%
 - 18 ○ Debt retirement date is set for June 1, 2022
- 19 • Fallbrook Dam
 - 20 ○ Debt Remaining - \$237,450
 - 21 ○ Interest Rate ranges from 4.760% to 4.770%
 - 22 ○ Debt retirement date is set for June 1, 2022
- 23 • Water Treatment Rehab
 - 24 ○ Debt Remaining - \$33,745
 - 25 ○ Interest Rate ranges from 5.190% to 5.210%
 - 26 ○ Debt retirement date is set for October 17, 2022
- 27 • Wentworth & Stannus &, Grey Road Rehab, Watermain work
 - 28 ○ Debt Remaining - \$184,632
 - 29 ○ Interest Rate ranges from 4.655% to 4.875%
 - 30 ○ Debt retirement date is set for June 29, 2025
- 31 • Wile Avenue Road Rehab, Watermain work
 - 32 ○ Debt Remaining - \$30,144
 - 33 ○ Interest Rate ranges from 3.469% to 4.114%
 - 34 ○ Debt retirement date is set for November 15, 2027
- 35 • Water Treatment
 - 36 ○ Debt Remaining - \$105,660
 - 37 ○ Interest rate ranges from 2.373% to 3.449%
 - 38 ○ Debt retirement date is set for November 20, 2030
- 39 • Refinance Water Treatment Plan
 - 40 ○ Debt Remaining - \$197,190
 - 41 ○ Interest rate ranges from 2.761% to 2.880%
 - 42 ○ Debt retirement date is set for May 30, 2023
- 43 • Alexander Street Distribution Main
 - 44 ○ Debt Remaining - \$195,974
 - 45 ○ Interest rate ranges from 2.039% to 3.048%

- Debt retirement date is set for May 9, 2033

f) With respect to the Non-Consolidated Statement of Financial Activities of the Windsor Water Utility Operating Fund, please comment on the utility's 2023 excess of expenditures over revenues of \$425,784. Include an explanation of why this deficit occurred.

Response:

This deficit occurred, due to lower revenue as a result of a large credit for overbilling to the West Hants Water Utility, and higher expenditures due to a catastrophic failure of equipment in the water treatment plant.

g) With respect to the Non-Consolidated Statement of Financial Position of the Windsor Water Utility Operating Fund, please explain each of the following Assets line items (2023):

- i. Due from General capital \$2,294;
- ii. Due from West Hants water utility \$8,042; and
- iii. Due from General operating \$423,849.

Response:

With fund accounting, there are often times where one fund owes funds to another, similar to accounts payable/receivable with a vendor. Costs for similar services are sometimes shared between water utilities as a means of providing savings to all the utilities. The due to/from account keeps track of what is owed between each fund.

- i. General capital receivable payable to Windsor Water for costs associated for sewer expense.
- ii. West Hants Water owes Windsor Water for deposits received from customers.
- iii. For the Municipal operating, all water utility funds are paid from the Municipal General Operating fund.

h) In reference to the Non-Consolidated Statement of Financial Position of the Windsor Water Utility Capital Fund, please explain each of the following Assets line items:

- i. Cash-depreciation – why is this \$0?
- ii. Due from Water operating \$546,402.

Response:

In this instance similar to above, the water capital fund has a receivable from the water operating fund in the amount of \$546,402. The depreciation cash balance was used to fund capital, and transfer to the fund for the receivable followed fiscal year end.

i) Please explain the difference between the actual revenue from water rates of \$1,107,458, and the budgeted amount of \$1,253,100 in the Non-consolidated Statement of Financial Activities of the West Hants Water Utility Operating Fund.

Response:

1 A flat rate sales account's budget was added under revenue for water rates resulting in the
2 variance.

3
4 **j) Please explain the flat rate sales in the Non-consolidated Statement of Financial
5 Activities of the West Hants Water Utility Operating Fund.**

6 **i. Please explain the difference between the 2023 actual revenue flat rate sales of
7 \$708,471, and the 2023 budgeted amount of \$490,569.**

8
9 Response:

10 As noted above flat rate sales are the base charges on the meters. A flat rate sales account's
11 budget was added under revenue for water rates resulting in the variance.

12
13 **k) In reference to the Non-consolidated Statement of Financial Activities of the West
14 Hants Water Utility Operating Fund, what is the Other operating revenue?**

15 **i. Why does the actual 2023 other operating revenue of \$2,961, differ
16 significantly from the 2023 budgeted amount of \$20,553, and the 2022 actual
17 amount of \$27,195?**

18
19 Response:

20 Other revenue is made up of breaking ground fees, and work order charges (i.e. new account
21 creation fees, suspension of service fees, etc.). There was a reduction of \$12,149.41, moving
22 the deposit for the work completed on user service laterals.

23
24 **l) With respect to the Operating Expenditures in the Non-consolidated Statement of
25 Financial Activities of the West Hants Water Utility Operating Fund:**

26 **i. Why is the source of supply expense in 2023, at \$296,994, significantly lower
27 than both the 2022 amount of \$535,438 and the 2023 budgeted amount of
28 \$467,970?**

29 **ii. Why did the transmission and distribution expense increase significantly
30 from \$467,170 in 2022 to \$671,666 in 2023?**

31 **iii. Why did the administration and general expense decrease to \$202,281 in
32 2023 from \$276,006 in 2022?**

33 **iv. Why is the taxes expense in 2023, at \$18,243 significantly lower than both
34 the 2022 amount of \$35,450, and the 2023 budgeted amount of \$39,372?**

35
36 Response:

37 **i.** This is associated with the credit for the overbilling on one of the bulk meters
38 between Windsor Water Utility and West Hants Water Utility.

39 **ii.** This is a combination of an increase in Operational Labour, Mains, and Fleet Fuel
40 and Maintenance. There was capitalization of work for distribution main that reduced
41 the expenses.

42 **iii.** This is a combination of the initial asset management costs in 2022 for new software
43 application and subscription that were not included in 2023. As well as other costs in
44 2023 that did not occur, including the rate study.

- iv. There was a property tax invoice processed to Windsor Water Utility that should have been coded to West Hants Water Utility.

m) In reference to the Non-Consolidated Statement of Financial Activities of the West Hants Water Utility Operating Fund, please describe the budgeted transfer to reserves amount of \$10,000 in 2023, and explain why this amount wasn't transferred?

Response:

In 2022/23 the \$10,000 transfer to the Sludge Reserve was made, however it will not show in the water utility's financials till 2023-24.

m) In reference to the Non-Consolidated Statement of Financial Activities of the West Hants Water Utility Operating Fund, please explain the debenture principal of \$60,134 and interest repayment of \$13,571 in 2023.

- i. Please provide details of the debt such as why was the debt incurred, debt amount, interest rate and debt retirement date.

Response:

The debt is made up of three outstanding debentures:

- Road Rehabilitation, water main work.
 - Debt Remaining - \$79,200
 - Interest Rate ranges from 4.655% to 4.875%
 - Debt retirement date is set for June 29, 2025
- Former Hantsport Water Utility Rehab
 - Debt Remaining - \$88,000
 - Interest Rate ranges from 3.480% to 3.856%
 - Debt retirement date is set for May 15, 2027
- Refinancing the Water Treatment System
 - Debt Remaining - \$606,671
 - Interest Rate ranges from 0.859% to 2.378%
 - Debt retirement date is set for July 7, 2026

n) With respect to the Non-Consolidated Statement of Financial Position of the West Hants Water Utility Operating Fund, please explain each of the following Assets line items (2023):

- i. Receivables – Water rates (net of valuation allowance \$350) \$528,767;
- ii. Prepaids \$16,165; and
- iii. Due from Windsor water utility \$0 in 2023 and \$287,412 in 2022.

Response:

- i. This is the outstanding receivables from water customers;
- ii. This represents customers' prepayments, and interest on deposits held on customer accounts; and

iii. With fund accounting, there are often times where one fund owes funds to another, similar to accounts payable/receivable with a vendor. Costs for similar services are sometimes shared between water utilities as a means of providing savings to all the utilities. The due to/from account keeps track of what is owed between each fund. In this instance, the Windsor Utility cleared its receivable to West Hants in 2023.

o) In reference to the Non-Consolidated Statement of Financial Position of the West Hants Water Utility Capital Fund, please explain each of the following Assets line items:

- i. Due from Water operating \$320,281; and
- ii. Due from Special reserves \$739,820. What were the funds loaned to the special reserves used for?

Response:

With fund accounting, there are often times where one fund owes funds to another, similar to accounts payable/receivable with a vendor. Costs for similar services are sometimes shared between water utilities as a means of providing savings to all the utilities. The due to/from account keeps track of what is owed between each fund. In this instance, the West Hants water operating fund owed the West Hants water capital fund for depreciation transfer and a few capital items funded through operations.

p) In reference to the Non-Consolidated Statement of Financial Position of the Windsor Water Utility Capital Fund, please explain why “Cash-depreciation” is shown as zero in 2023? What is the balance of depreciation funds and where are they held?

Response:

The depreciation funds were utilized for capital projects and the transfer from water operating for the depreciation funds did not occur before March 31, 2023. You can see this on the Financial Statements in the due from water operating balance.

Request IR-5:

The current rates for the Windsor Utility have been in effect since April 1, 2017, as approved by the Board in a Decision and Order, dated September 24, 2015 and October 7, 2015, respectively (M06739). From the Board's Decision:

The Board accepts the Utility's explanation of its asset replacement program and its continuing management practices of reducing the amount of non-revenue water. The Board notes the Utility's use of the AWWA water audit software and its commitment to continue. This software will assist the Utility to direct capital and maintenance resources appropriately and to reduce the amount of non-revenue water.

[2015 NSUARB 225, para [36]

- a) Please provide an update on the utility's asset management program and its management practices of reducing the amount of non-revenue water.

Response:

The utility continues to invest in the assets of the utility along with replacement of infrastructure based on asset condition, probability of failure and consequence of failure. The utility has devoted time, resources, and energy into enhancing its asset management program. In 2021 West Hants Regional Municipality has invested and implemented a workflow and asset management solution. This program called Cartegraph (Onegov) is an operations management system that integrates the GIS information to track and manage our systems in a much more effective manner. This system when fully implemented will allow the water utility assets to be managed through the full process cycle of service requests management, work management, condition assessment, condition prediction, life cycle costing, capital investment planning, financial information reporting and asset management planning. Having this system in place allows the utility to gain valuable information on predicting areas to focus on for water loss / non-revenue water. Staff continues to perform leak detection, and repairs to reduce the amount of non-revenue water. The Utility has also implemented master meters in our municipal services specifications on long and/or multiple service lines to capture this leakage that would have been previously gone undetected. The utility continues to replace old service lines and distribution mains as they approach their end of life.

b) Has the non-revenue water in the Windsor water utility decreased since the last rate application? If it has not, please explain why.

Response:

The non-revenue water in the Windsor Water Utility has declined from 20% in the previous rate study to 17%. The combined Windsor/Three Mile Plains system has significant non-revenue water as noted in IR5c) below.

c) What is the current amount of non- revenue water in the Windsor water utility?

Response:

The following table presents the non-revenue water for each of the three separate water systems included in the proposed West Hants Regional Water Utility.

2023	Windsor/TMP	Hantsport	Falmouth
Billed Metered Water	182687314	19926551.78	34016887.91
Flushing Stations/Annual Flushing	18130068	7252300	2135936
WTP Treated Water Flow	275687238	45027840	58243680
% Accounted For	72.84	60.36	62.07
% Unaccounted For	27.16	39.64	37.93

d) Are actions being taken to actively try to reduce non-revenue water in the Windsor water utility? If so, are any costs related to this contained in the Rate Study, and please identify these costs.

Response:

1 Yes, addressing non-revenue water/water loss in an on-going endeavor that will continue to be
2 included in both capital budgets and annual operational budgets including Items such as water
3 main replacement as identified by asset condition, asset age, probability of failure and
4 consequence of failure. Continued work on service line replacements, more accurate meters
5 along with adding master water meters in locations of long service or multiple service lines.
6 Pressure management to reduce severity and frequency of water main breaks and adding new
7 meter reading equipment along with replacement of aging meters with improved meter
8 technology, training staff in leak detection along with purchasing new leak detection equipment
9 that were Identified in the 2024/25 budget is a FTE to be responsible for coordination of leak
10 detection and management.

11
12 There are numerous line items in the budget that would relate to reducing non-revenue water.
13 Such as professional services, contracted leak detection, additional staff to coordinate leak
14 detection activities and formalize a program. Current staff time allotment for leak detection,
15 water service repairs and replacement, watermain repairs and replacement. Flushing stations
16 are sampled weekly to make adjustments based on water quality results. Water surfacing is
17 investigated immediately. Once determined it is treated water it is repaired as soon as possible.
18 Water mains that become known areas for leaks/breaks are placed on a priority list for
19 replacement and are done so as funds become available.

20
21
22 **Request IR-6:**

23 **The current rates for the West Hants water utility have been in effect since April 1, 2021,**
24 **as approved by the Board in an Order dated June 4, 2019. (M09013). The Board's Order in**
25 **that matter further approved the consolidation of Falmouth, Hantsport and Three Mile**
26 **Plains/Wentworth water utilities into the West Hants water utility. With respect to the**
27 **Board's Decision in the matter [2019 NSUARB 69] dated May 27, 2019:**

- 28 a) **A major leakage issue existed within the Three Mile Plains/Wentworth water system**
29 **that needed to be addressed. The Board encouraged the utility to continue leak**
30 **detection and prompt repair efforts. Please indicate whether this has been**
31 **addressed and how. If not yet addressed, please indicate why.**

32
33 **Response:**

34 Continued leak detection efforts and repairs will persist as this is an on-going process to operate
35 a water distribution system. A capital replacement program to replace service lines on the
36 municipal side was completed in 2019 along Hwy 1. There was a reduction in service line leaks
37 after the work was completed in this area. Leak detection and repair continues to be a very high
38 priority items in both Windsor and West Hants Utilities. With consolidation, the new West Hants
39 Regional Municipality (WHRM) structure included a dedicated water distribution/wastewater
40 collection division within the Public Works Department. By having this resource the WHRM were
41 able to repair all known leaks as well as contract a professional leak detection to assist with
42 detecting unsurfaced leakage.

- 43
44 b) **At the time of the last West Hants water utility rate application, the calculated**
45 **amount of non-revenue water was given for each of the Falmouth, Hantsport and**

1 **Three Mile Plains/Wentworth water utilities as 17.51%, 13.53% and 56.7%,**
2 **respectively.**

- 3 i. **What is the current amount of non-revenue water in the West Hants water**
4 **utility?**
5 ii. **Are actions being taken to actively try to reduce the non-revenue water in**
6 **the West Hants water utility? If so, are any costs related to this contained in**
7 **the Rate Study, and please identify these costs?**

8
9 Response:

- 10 i. The following table presents the non-revenue water for each of the three separate
11 water systems included in the proposed West Hants Regional Water Utility.

2023	Windsor/TMP	Hantsport	Falmouth
Billed Metered Water	182687314	19926551.78	34016887.91
Flushing Stations/Annual Flushing	18130068	7252300	2135936
WTP Treated Water Flow	275687238	45027840	58243680
% Accounted For	72.84	60.36	62.07
% Unaccounted For	27.16	39.64	37.93

- 12
13 ii. Flushing stations are sampled weekly to make adjustments based on water quality
14 results. Water surfacing is investigated immediately. Once determined it is treated
15 water it is repaired as soon as possible. Water mains that become known areas for
16 leaks/breaks are placed on a priority list for replacement and are done so as funds
17 become available.

18
19 **c) Did the Municipality address the issue of inadequate fire protection in areas of**
20 **Hantsport?**

21
22 Response:

23 The majority of small diameter watermain in Hantsport have been replaced. The remaining
24 areas have been identified in the 5-10 year capital plan. The Municipality has identified
25 inadequate fire protection areas within the Capital Budget. To date, the Municipality has
26 upgraded infrastructure in four of the six areas previously identified as having inadequate fire
27 protection. In the previous 2019 West Hants water rates study, it was recorded that Hantsport
28 had 76 water customers affected by inadequate fire protection. Today that number is 20.

29
30 **d) The Board encouraged the utility to further explore any operating efficiencies**
31 **gained through amalgamation of the three utilities to form the West Hants water**
32 **utility to reduce operating expenses and thus the operating deficit. Please indicate**
33 **whether the utility explored these and whether there was any reduction to operating**
34 **expenses.**

35
36 Response:

1 Since consolidation, all new equipment installations as well as replacement equipment
2 (chemical feed pumps, instrumentation, lab equipment, etc.) have been purchased based on a
3 regional approach. Where possible, all common and relatable equipment across all three
4 treatment facilities continue to be replaced with similar or identical items to minimize the storage
5 of replacement parts, minimize down time, and reduce repair costs and operator training.

6
7 Staff continuously find and identify operating efficiency, further the amalgamation of the former
8 municipal units, allow the municipality to further explorer opportunities. Though inflation and
9 COVID have presented challenges, the deficit of the combined West Hants Water Utility has
10 reduced over time since the amalgamation with a surplus of \$44,986 in the first year of
11 operating the combined utility, followed by a surplus in the second year of \$77,198. In the third
12 and fourth year also showed and increasing surplus. However, the 2022-23 surplus is impacted
13 by a credit from overbilling from the Windsor Water Utility, explained in the responses to IR 4 a)
14 & b) above.

15
16 **e) The Board encouraged the utility to continue to actively pursue any opportunities**
17 **for outside funding for capital expenditures. Please comment on the utility's efforts**
18 **related to outside funding.**

19
20 Response:

21 Yes, the utility/municipality is always looking for funding opportunities. One of the most recent
22 was the Windsor Water Utility was approved for over \$3M of provincial funding for the new
23 water storage expansion project.

24
25
26 **The following IRs relate to Supplemental Notes on Worksheets:**

27 **Request IR-7:**

28 **The Supplemental Notes to Worksheet B-1 state that the rate study includes a transfer from**
29 **operating surplus to capital works of \$100,000 in 2023/24 and \$450,000 in 2024/25 to reduce**
30 **borrowing and smooth rates.**

31 **a) Please show what the rates in the test years would be without these transfers. The**
32 **response should include tables like Worksheet D-1.**

33
34 Response:

35 The following tables are from the revised rate study without any transfers from surplus to capital.

WEST HANTS UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2024/25										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	32	62.25	84.18	35.2%	78.40	85.78	9.4%	140.65	169.96	20.8%
3/4"	65	92.42	124.63	34.8%	159.25	174.23	9.4%	251.67	298.86	18.8%
1"	167	152.74	205.51	34.6%	409.15	447.65	9.4%	561.89	653.16	16.2%
1.5"	335	303.56	407.74	34.3%	820.75	897.98	9.4%	1,124.31	1,305.71	16.1%
2"	567	484.53	650.41	34.2%	1,389.15	1,519.86	9.4%	1,873.68	2,170.26	15.8%
3"	2,061	967.14	1,297.52	34.2%	5,049.45	5,524.56	9.4%	6,016.59	6,822.08	13.4%
4"	459	1,510.07	2,025.52	34.1%	1,124.55	1,230.36	9.4%	2,634.62	3,255.88	23.6%
6"	-	3,018.20	4,047.75	0.0%	-	-				0.0%

WINDSOR UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2024/25										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	38	69.75	84.18	20.7%	55.40	101.02	82.3%	125.15	185.20	48.0%
3/4"	131	102.00	124.63	22.2%	192.41	350.86	82.3%	294.41	475.49	61.5%
1"	172	166.51	205.51	23.4%	252.58	460.58	82.3%	419.09	666.10	58.9%
1.5"	423	327.78	407.74	24.4%	622.12	1,134.42	82.3%	949.90	1,542.16	62.4%
2"	1,245	521.30	650.41	24.8%	1,829.81	3,336.64	82.3%	2,351.11	3,987.04	69.6%
3"	194	1,037.36	1,297.52	25.1%	285.38	520.39	82.3%	1,322.74	1,817.91	37.4%
4"	3,300	1,617.93	2,025.52	25.2%	4,850.32	8,844.48	82.3%	6,468.25	10,870.00	68.1%
6"	-	3,230.61		0.0%	-	-				0.0%

COMBINED WEST HANTS REGIONAL WATER UTILITY

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2024/25										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	34	62.25	84.18	35.2%	82.70	90.48	9.4%	144.95	174.66	20.5%
3/4"	121	92.42	124.63	34.8%	297.12	325.08	9.4%	389.54	449.71	15.4%
1"	170	152.74	205.51	34.6%	417.19	456.44	9.4%	569.93	661.95	16.1%
1.5"	396	303.56	407.74	34.3%	969.68	1,060.91	9.4%	1,273.24	1,468.65	15.3%
2"	1,129	484.53	650.41	34.2%	2,764.95	3,025.11	9.4%	3,249.48	3,675.52	13.1%
3"	1,128	967.14	1,297.52	34.2%	2,762.94	3,022.91	9.4%	3,730.08	4,320.43	15.8%
4"	1,879	1,510.07	2,025.52	34.1%	4,604.13	5,037.33	9.4%	6,114.20	7,062.85	15.5%
6"	-	-			-					

NOTE: Existing rates based on existing West Hants Water Utility rates

WEST HANTS UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2025/26										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	34	84.18	85.81	1.9%	85.78	97.77	14.0%	169.96	183.58	8.0%
3/4"	121	124.63	127.02	1.9%	174.23	351.29	101.6%	298.86	478.31	60.0%
1"	170	205.51	209.44	1.9%	447.65	493.24	10.2%	653.16	702.67	7.6%
1.5"	396	407.74	415.48	1.9%	897.98	1,146.45	27.7%	1,305.71	1,561.93	19.6%
2"	1,129	650.41	662.73	1.9%	1,519.86	3,269.00	115.1%	2,170.26	3,931.73	81.2%
3"	1,128	1,297.52	1,322.07	1.9%	5,524.56	3,266.63	-40.9%	6,822.08	4,588.70	-32.7%
4"	1,879	2,025.52	2,063.82	1.9%	1,230.36	5,443.46	342.4%	3,255.88	7,507.28	130.6%
6"	-	-			-					

WINDSOR UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2025/26										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	34	84.18	85.81	1.9%	101.02	97.77	-3.2%	185.20	183.58	-0.9%
3/4"	121	124.63	127.02	1.9%	350.86	351.29	0.1%	475.49	478.31	0.6%
1"	170	205.51	209.44	1.9%	460.58	493.24	7.1%	666.10	702.67	5.5%
1.5"	396	407.74	415.48	1.9%	1,134.42	1,146.45	1.1%	1,542.16	1,561.93	1.3%
2"	1,129	650.41	662.73	1.9%	3,336.64	3,269.00	-2.0%	3,987.04	3,931.73	-1.4%
3"	1,128	1,297.52	1,322.07	1.9%	520.39	3,266.63	527.7%	1,817.91	4,588.70	152.4%
4"	1,879	2,025.52	2,063.82	1.9%	8,844.48	5,443.46	-38.5%	10,870.00	7,507.28	-30.9%
6"	-	-			-					

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2026/27										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	33	85.81	84.54	-1.5%	97.77	97.78	0.0%	183.58	182.33	-0.7%
3/4"	121	127.02	125.07	-1.5%	351.29	358.47	2.0%	478.31	483.54	1.1%
1"	170	209.44	206.13	-1.6%	493.24	503.32	2.0%	702.67	709.45	1.0%
1.5"	396	415.48	408.78	-1.6%	1,146.45	1,169.87	2.0%	1,561.93	1,578.65	1.1%
2"	1,129	662.73	651.96	-1.6%	3,269.00	3,335.80	2.0%	3,931.73	3,987.76	1.4%
3"	1,128	1,322.07	1,300.43	-1.6%	3,266.63	3,333.38	2.0%	4,588.70	4,633.81	1.0%
4"	1,879	2,063.82	2,029.97	-1.6%	5,443.46	5,554.69	2.0%	7,507.28	7,584.65	1.0%
6"										

b) What is the current operating surplus balance for each of the two separate water utilities of Windsor and West Hants?

Response:

The operating surplus in the Windsor Water Utility was \$761,429 as of 31 March 2023.

The operating surplus in the West Hants Water Utility was \$612,882 as of 31 March 2023.

Request IR-8:

The Supplemental Notes to Worksheet B-2a/b/c/d/e state that the Worksheet was prepared through summing the projected expenses for the Windsor and West Hants water utilities for the current year, 2023/24. Please explain:

- a) Were there any transactions between the two utilities that were, or should have been, eliminated upon consolidation?**

Response:

The West Hants Water Utility purchases water from the Windsor Water Utility (Sales to Other Utilities on Worksheet B-1 in 2022/23 and 2023/24) which will not be needed after consolidation. The West Hants Water Utility includes this expense in the Source of Supply expenses on Worksheet B-2a/b/c/d/e in 2022/23 and 2023/24 which will not be needed after consolidation. While preparing this response it was realized that the numbers on Worksheet B-2a/b/c/d/e were incorrectly entered. See revised rate study attached.

- b) Please provide a worksheet showing any costs or revenues that were re-classified to a different expense category when the projected expenses were summed.**

Response:

No costs or revenue items were re-classified to a different category when the expenses were summed.

- c) The rate study is dated January 2024, so the 2023/24 expenses are budgeted, not actuals. Based on the most current information available, should any of the figures presented be adjusted? If so, please provide details.**

Response:

The current forecasting of the two utilities indicates it may be slightly more favourable than the projection in the rate study however the fiscal period has not concluded to confirm the results with 100% certainty, but it is felt that the projected figures do not need to be adjusted.

- e) Are there any efficiencies gained through amalgamating the two existing water utilities that would result in a reduction of expenses?**

- i. Please explain and identify any efficiencies in the rate study.**
- ii. If there are no efficiencies from amalgamation included in the rate study, please explain why not?**
- iii. If there are no efficiencies, what are the benefits from the amalgamation?**

Response:

It is not anticipated that there will any operational efficiencies by amalgamating the two utilities as they are separate systems not interconnected (with the exception of the water connection between Windsor and West Hants for the sale of water). There may be some administrative

1 efficiency by not have to administer two separate utilities, rate structures and two sets of rules
2 and regulations (see also response to 6d above).

3
4
5 **Request IR-9:**

6 **The Supplemental Notes to Worksheet C-3 state that depreciation and return on rate base**
7 **are allocated 70% to base, 15% to delivery and 15% to production in the first two test years.**
8 **Depreciation is allocated 60% to base, 20% to delivery and 20% to production in the final**
9 **test year for rate design purposes. The notes further state that the proposed allocation**
10 **provides approximately 40% of the total revenue from customer base charges in the first**
11 **test year, 41% in the second, and 39% in the third test year.**

12 **a) How does this differ from the allocations used in the previous rate studies for each**
13 **of the two current water utilities?**

14
15 Response:

16 The previous rate study for the Windsor Water Utility in 2015 was based on approximately 43%
17 if the total revenue from customer base charges in all three test years. The previous rate study
18 for the West Hants Water Utility was based on approximately 38% of the total revenue from
19 customer base charges in the first test year, 38% in the second, and 39% in the third test year.

20
21 **b) What would be the rate design impact if the *Water Utility Accounting and Reporting***
22 ***Handbook (Accounting Handbook)* allocation was used in the Worksheet?**

23
24 Response:

25 The percentage of revenue from the base charge would be approximately 30% in the first test
26 year, 30% in the second, and 30% in the third test year.

27
28 **c) What is the benefit of having approximately 40%, 41% and 39% of the total revenue**
29 **from customer base charges, respectively in each of the test years?**

30
31 Response:

32 The benefit of having approximately 40% of total revenue from customer base charges is that it
33 provides a measure of revenue security for the Utility while providing the customer with the ability
34 to influence their bill by reducing their consumption.

35
36
37 **Request IR-10:**

38 **The Supplemental Notes to the Worksheet C-4 states that the number of 5/8" customers is**
39 **projected to grow by 15 connections in each test year.**

40 **a) What is the basis for the projected growth in customers in the test years?**

41
42 Response:

43 The projection is based on the average historical growth in the area water service area.

44
45 **b) Which of the current water utilities is this projected growth associated with?**

1
2 Response:

3 The projected growth is all in the area served by the West Hants Water Utility.
4

5 **c) What has been the 5/8" connection growth rate over the past five years in each of**
6 **the two current utilities?**
7

8 Response:

9 West Hants Utility - The growth in 5/8" customers for the utility have been approximately 130
10 new customers in the last 5 years. Windsor Water Utility - The growth in 5/8" customers have
11 increased by approximately 2 new customers in the last 5 years.
12

13 **d) In matter M10642 (Windsor water utility, storage reservoir), the utility stated "The**
14 **region of West Hants is seeing higher than normal growth. The Municipality projects**
15 **population growth of 2.5% per year," Does the 15 new customers per year projected**
16 **in the rate study match the growth rate described in matter M10642?**

17 **i. If it doesn't match, please explain why?**
18

19 Response:

20 As a utility operator we base our projections on average recent growth and estimated future
21 growth. We are unable to know specifically or more accurately what the new number of
22 customers will be. Market conditions have varied considerably in the past few years. However,
23 the Utility is confident the sizing requirements for the new water storage are adequate based on
24 engineering studies and predicted water storage requirements.
25

26
27 **The following IRs relate to General Notes on Worksheets:**

28 **Request IR-11:**

29 **The General Notes to Worksheet B-1 states that the operating revenue for 2024/25, 2025/26**
30 **and 2026/27 is based on the utility's budget and includes no projected growth of new**
31 **customers. Why is no customer growth included, as the Supplemental Notes state that 15**
32 **new 5/8" customers are projected in each of the test years?**
33

34 Response:

35 The general notes are in error and the supplemental notes are correct.
36
37

38 **Request IR-12:**

39 **The General Notes to Worksheet B-3 states that the depreciation fund balance for 2022/23**
40 **is taken from the financial statements. Please identify the figures from the 2022/23 financial**
41 **statements that were used to calculate the 2022/23 depreciation fund balance in the rate**
42 **study.**
43

44 Response:

The total balance of the depreciation fund at March 31/23 is \$959,483 comprised of \$546,402 from the Windsor Water Utility and \$413,081 from the West Hants Water Utility from each of their Capital Fund Balance Sheets.

Request IR-13:

The General Notes to Worksheet C-6 states that the water consumption data for the current year is based on information provided by the utility, and that it is anticipated that there will be an annual reduction of 1% annually because of conservation.

a) Please provide the water consumption volumes for each of the two current water utilities for each of the last three years.

Response:

	Total Consumption		
	2020-21	2021-22	2022-23
West Hants Water Utility	89,824,782.43	94,154,959.15	87,594,902.05
Windsor Water Utility	187,813,147.00	131,575,928.75	136,221,994.92

b) Does the projected annual reduction of 1% relate to total consumption, or 5/8" meter consumption?

Response:

It relates to the 5/8" metered customers only.

c) What is the basis for the projected 1% annual reduction in water consumption?

Response:

The combined average consumption for the 5/8 "metered customers is 137 cubic meters per year. The average consumption for 5/8" metered customers served by the West Hants Utility is 129 cubic meters per year while the average for the 5/8" metered customers served by the Windsor Utility is 154 cubic meters per 5/8" connection. The approximately 1,200 customers served by the Windsor Utility have experienced a 1% decline per connection per year since 2014 while the approximately 2,600 customers served by West Hants have experienced a 2% decline per connection per year since the previous rate study. The 1% included in the current rate study is a best estimate for the combined utility based on historical rate in Windsor and the current low average consumption in West Hants (129 cubic meters per year per connection).

The following IRs relate to Worksheet B-1 of the Rate Study:

Request IR-14:

Based upon a comparison between the operating revenue in each of the two current utility's 2022/23 financial statements that were previously filed with the Board, and Worksheet B-1:

1 a) Please show the calculation to get the 2022/23 actual metered sales amount of
2 \$2,837,540 in Worksheet B-1.

3
4 Response:

5 This was calculated as follows:

6	• Windsor Revenue from Water Sales	798,374
7	• Windsor Flat Rate Water Sales	465,140
8	• LESS Windsor Sales to other Utilities	(241,903)
9	• West Hants Revenue from water sales	1,107,458
10	• West Hants Flat Rate Sales	<u>708,471</u>
11	Total	2,837,540

12
13 b) Why do the 2022/23 financial statements for each of the two utilities show flat rate
14 sales, but no flat rate sales are shown in Worksheet B-1?

15
16 Response:

17 This is how the auditors report revenue from the Base Charge.

18
19 c) What is the item, “sales to other utilities (\$241,903)” in Worksheet B-1? Where does
20 this item appear in the 2022/2023 financial statements filed with the Board?

21
22 Response:

23 This is the revenue from the West Hants Water Utility for water purchased at the wholesale rate.
24 In the 2022/23 financial statements sales to other utilities are divided between base charges
25 and consumption charges. The base charge appears in the flat rate sales while the metered
26 sales to other utilities are shown as revenue from water charges.

27
28 d) Why is interest income of \$3,860 (West Hants) and \$5,741 (Windsor), totalling \$9,601
29 shown in the 2022/23 financial statements as operating revenue, but is shown as
30 non-operating revenue in Worksheet B-1?

31
32 Response:

33 Traditionally interest income in rate studies is shown as non-operating income while for financial
34 statement presentation it can be included as operation or non-operating revenue depending on
35 the utility and auditors presentation.

36
37
38 Request IR-15:

39 With respect to Operating Revenues in Worksheet B-1:

40 a) What is Commercial revenue, and why is it \$0 in 2022/23?

41
42
43 Response:

Commercial Revenue is water sales to a private line with a 2-inch meter that customers share the water service. In 22/23 it was combined with flat rate sales for financial statement presentation.

b) The West Hants utility currently has a bulk water rate.

- i. Why were bulk water sales \$0 in 2022/23?**
- ii. Why is it budgeted that bulk water sales will increase to \$161,727 in 2023/24?**
- iii. What is the basis for the increasing bulk water sales in each of the test years?**

Response:

- i. The bulk water sales for 2022-23 were \$127,162.50. The revenue was combined with meter sales in 2022-23 it was separated out for budgeting 2023-24.
- ii. The budgeting for 2023/24 is based on recent sales and projections for 2023/24.
- iii. The growth is based on increased development/redevelopment in areas not served by the water utility but serviced by bulk water haulers.

Request IR-16:

Regarding Operating Expenditures in Worksheet B-1:

a) Why is there no power and pumping expense after 2022/23?

Response:

The expense was primarily operations labour and has been included with Water Treatment after 2022/23.

b) Why is the tax expense budgeted to increase by approximately 13% from 2022/2023 to 2023/24, prior to a 3% budgeted annual increase in each of the test years?

Response:

The estimates include potential increases in taxes to address increases in assessments and any projected increases in taxable property.

c) Please explain why the total operating expenditures are budgeted to increase by 13.6% in 2023/24 from 2022/23, compared to projected increases of between 2% and 3.6% in the test years.

Response:

The total operating expenditures and comprised on the operating expenses for operating the Utility (source of supply, power and pumping, water treatment, transmission and distribution and administration and general) in the revised rate study increased 9.7% from 2022/23 to 2023/24 (\$2,846,654 to \$3,178,576). The main areas of increase were in operational labour in water treatment and transmission and distribution, maintenance of equipment and treatment equipment, maintenance of mains and standpipes, maintenance of services which included a capitalized adjustment in 2022/23 covering previous years, maintenance of hydrants,

professional services, audit, and the rate study. In addition, there was an increase in depreciation of \$163,770 (\$639,311 to 803,081) or 25.6% representing the depreciation on the proposed capital additions in 2023/24 and an increase in taxes of \$8,127 (\$63,891 to 72,018) or 12.7%.

Request IR-17:

Regarding Non-Operating Revenues in Worksheet B-1:

a) Why is it budgeted that the interest on customer accounts revenue will decrease from 2022/23 to 2023/24?

i. What is the basis for the projected amount of interest on customer accounts revenue in each of the test years?

Response:

The projection is based on lower outstanding balances and customers timely payments have reduced the interest penalties placed on accounts.

b) What does the interest revenue relate to and why is it \$0 in 2022/23?

i. What is the basis for the projected interest revenue in each of the test years?

Response:

The interest revenue is related to bank interest on the water operating bank accounts. In 2022-23 the amount was \$2,880.16.

c) What does the special service revenue relate to and why is it \$0 in 2022/23?

i. What is the basis for the projected revenue from special service in each of the test years?

Response:

The special services are related to fees charged to customers, for work order related items (i.e. meter testing, suspension of services fees, bulk water equipment inspections, etc.). In 2022-23 the amount was \$15,110.

d) What does the other revenue relate to and why is it \$0 in 2022/23?

i. What is the basis for the projected other revenue in each of the test years?

Response:

This is where revenue would be coded for invoices to external parties for repairs, or work completed by the utility but not funded by the users. There was no such work or repairs in 2022/23. However, we continue to budget a small amount in the instance this occurs.

e) Why is the other – bank interest revenue \$0 in 2022/23?

i. What is the basis for the projected revenue from other-bank interest in each of the test years?

Response:

The interest revenue is related to bank interest on the water operating bank accounts. In 2022-23 the amount was \$2,880.16 (See response to IR – 17 b).

Request IR-18:

With respect to Non-Operating Expenditures in Worksheet B-1:

- a) Why does the existing debt principal payment decrease in each of 2023/24 and 2024/25?**

Response:

The existing debt principal payment decreased in each of 2023/24 and 2024/25 due to the fact that there were three debt issues retired in 2022/23 including a balloon payment for the Windsor Utility. The West Hants Water Utility had one debt issue that was fully retired in 2022/23. In 2023/24 one debt issue was retired for the Windsor Water Utility.

- b) Please explain the item, “transfer to sludge handling reserve”.**

- i. Why is this item \$0 in 2022/23?**
- ii. Why is it budgeted at \$20,000 in 2023/24?**
- iii. What is the basis for projected amount of \$10,000 in each of the test years?**

Response:

- i. In 2022/23 the \$10,000 transfer to the Sludge Reserve was made, however it will not show in the water utility’s financials till 2023-24.
- ii. The transfer in 2023/24 includes both the 2022/23 and the 2023/24 transfer.
- iii. The amount returned to the recommended amount of \$10,000 each of the test years.

- c) What is the basis for the projected amounts of capital out of revenue in each of the test years?**

Response:

The projected amounts of capital out of revenue in each test year are an allowance for recurring capital expenses in those years.

- d) Appendix 1 of the Rate Study, that calculates the principal and interest payments for the new debt for capital funding projected in the test years, does not include the debt proposed for 2026/27. Please provide this table.**

Response:

See revised rate study attached

The following IRs relate to Worksheet B-2a/2b/2c/2d of the Rate Study:

Request IR-19:

1 (a) Please briefly describe the budgeting process for the proposed amalgamated utility.
2 Please describe the key cost drivers, whether they are inflationary pressures,
3 increased service levels, new customers, regulatory considerations, or other
4 factors.

5
6 Response:

7 The Director of Public works and Director of Financial Services prepare the draft budgets under
8 the purview of the CAO and bring them to the Committee of the Whole for presentation and
9 review. The Committee recommends the budgets to Council for approval which in due course
10 are approved by Council.

11
12 (b) The supplemental notes state that “Expenses for the Test Years are based on a 3%
13 increase per year or other increases if known.” Are the expenses for any of the two
14 water utilities increasing at a faster or slower rate than 3%, or are the two utilities
15 increasing at the same percent rate? Please explain.

16
17 Response:

18 Many expenses in the first test year (2024/25) have been increased more than 3% to address a
19 spike in overall costs in recent years due to increase inflation and service levels. The Utility is
20 hopeful that the rate of inflation will decrease to the 3% used in the last two test years.

21
22
23 Request IR-20:

24 a) Please detail the costs that are paid from/to each of the two utilities to/from the
25 Municipality for 2022/23 and 2023/24 and for each of the test years. Please provide
26 a breakdown by category, purpose and utility including compensation,
27 maintenance costs, fuel, heat, lights, insurance, vehicle costs, information
28 technology, finance and accounting, audit, and other general administrative costs.

29
30 Response:

31 Costs attributed to the water utilities from the Municipality are percentage based in the following
32 ways:

- 33 • Compensation is a percentage of each employee, depending on their involvement with
34 utility operations.
- 35 • Maintenance costs, fuel, heat, lights, and insurance are all grouped together to create
36 “Public Works Cost Contribution” which is a percentage of how much the utility utilizes
37 the public works compound.
- 38 • Vehicle costs are a percentage of the general public works’ trucks that the utility utilizes
39 for operations.
- 40 • Information technology, finance and accounting, audit, and other general administrative
41 costs make up our “administration fee” which is based on 10% of the total operating
42 expenses of each utility less debt and depreciation, to cover the work completed by
43 individuals and costs in those other departments that directly relates to the utility.

44
45 b) How many municipal employees are assigned to the two utilities?

Response:

18.93 FTE's based on percentage of staff time allocated to water utilities activities. The remaining staff is billed through administrative fees.

c) Please explain how costs are to be allocated between the Municipality and the proposed amalgamated utility.

Response:

Costs are allocated as follows:

- Vehicle use: vehicle costs are based on percentage of vehicle deemed used between the Utility and Town with the percentage applied to vehicle costs. The percentages vary depending on the vehicle;
- Salaries allocated from General government: based on percentages per employee; Salaries allocated from Public works: based on percentages per employee;
- Public works labour costs are percentages based on time worked on the Utility;
- Employee benefits are charged to the Utility based on percentages approximate to employee benefits charges and is applied to the salary and labour costs charged to the Utility;
- General government services and computer data processing costs charged to the Utility based on percentages; Public works common services costs charged to the Utility based on percentages.

d) Will the cost allocation process between the Municipality and the proposed amalgamated utility differ from the current methodology used in the two existing utilities? Please explain.

Response:

No, the current methodology will not change with the amalgamation of the utilities.

Request IR-21:

With respect to the Source of Supply expense:

a) Why does the line item – operational labour and benefits decrease from \$44,001 in 2022/23 to \$0 in all of the other years shown?

Response:

Source of supply labour costs is now included in water treatment operational labour.

b) Why does the line item – maintenance increase from \$6,072 in 2022/23 to \$8,000 in 2023/24?

Response:

1 This was increased due to work identified in this area and estimated costs associated with the
2 work.

3
4 **c) Please explain the line item- water purchased-TMP excluding fire protection charge.**

5
6 Response:

7 This is the water purchased by the West Hants water Utility from the Windsor Water Utility not
8 including the allocation of fire protection to customers of the West Hants Water Utility serviced
9 by the Windsor Water Utility.

10
11 **d) Why does the line item – other supplies and expenses decrease from \$10,082 in**
12 **2022/23 to \$300 in 2023/24?**

13
14 Response:

15 See Response to IR 4d) i – There was an occasion on November 2, 2022 that the control
16 structure at the Dam was plugged with debris and divers (Huntley's Diving and Marine) were
17 required. The bill for this was \$10,063.60. This was an unforeseen expense, and typically this
18 account doesn't have significant costs assigned to it.

19
20 **e) Why does the line item – water withdrawal fees increase from \$5,000 in 2022/23 to**
21 **\$6,500 in 2023/24?**

22
23 Response:

24 To accommodate NSPW deposits for any work within their provincial right-of-way. Deposit is
25 returned if there are no issues.

26
27
28 **Request IR-22:**

29 **With respect to the Water Treatment expense, please explain the following differences**
30 **between the 2022/23 and 2023/24 budgeted line items:**

31 **a) Operational Labour increasing from \$328,359 to \$425,192.**

32
33 Response:

34 This would be attributed to combining line items that were previously separated.
35 Operational Labour in 2022-23 in actual for the two utilities, and \$425,192 is the 2023-24 budget
36 figure.

37
38 **b) Telephone services decreasing from \$7,665 to \$0.**

39
40 Response:

41 This item has been moved to Administration and General.

42
43 **c) Power-Eldridge Rd decreasing from \$41,456 to \$37,100.**

44
45 Response:

1 Based on projected estimates and reviewing past NSPI bills.

2
3 **d) Power- Hantsport WTP decreasing from \$21,364 to \$18,350.**

4
5 Response:

6 Based on projected estimates and reviewing past NSPI bills.

7
8 **e) Office supplies increasing from \$0 to \$200.**

9
10 Response:

11 Budget in 2022-23 was \$200 and carried forward into 2023-24. There are not significant costs
12 assigned to this cost center. In 2022-23, no costs were incurred.

13
14 **f) Training and travel decreasing from \$7,560 to \$0.**

15
16 Response:

17 This line item has been moved to administration. Estimated based on training requirements,
18 CEU's and certification requirements.

19
20 **g) Maintenance – equipment increasing from \$45,978 to \$60,500.**

21
22 Response:

23 This is based on projected maintenance of equipment needed and associated increased
24 estimated costs.

25
26 **h) Maintenance- treatment equipment increasing from \$39,925 to \$55,000.**

27
28 Response:

29 This estimate is based on equipment in treatment facilities in need of replacement due to age,
30 condition, probability of failure and consequence of failure.

31
32 **i) Maintenance-waste water lagoon increasing from \$3,754 to \$5,000.**

33
34 Response:

35 Work necessary and estimated cost to complete.

36
37 **j) Power decreasing from \$58,981 to \$54,600.**

38
39 Response:

40 The budget is based on estimated projections of usage.

41
42 **k) Fuel decreasing from \$56,620 to \$38,000.**

43
44 Response:

45 The budget is based on actuals and more accuracy related to this line item.

1
2 **l) Outside testing increasing from \$11,521 to \$14,000.**

3
4 Response:

5 The budget is based on required sampling to meet NSECC regulatory requirements and
6 estimated costs for outside lab testing, analysis and reporting.
7

8 **m) Other increasing from \$0 to \$1,000.**

9
10 Response:

11 This item is an allowance for unforeseen expenses. In 2022/23 \$332.87 was expensed.
12
13

14 **Request IR-23:**

15 **With respect to the Transmission and Distribution expense:**

16 **a) Please explain the following differences between the 2022/23 and 2023/24 budgeted**
17 **line items:**

- 18 i. **Operational Labour increasing from \$585,097 to \$647,398.**
- 19 ii. **Small tools and equipment increasing from \$8 to \$6,000.**
- 20 iii. **Structures and improvements decreasing from \$167 to \$0.**
- 21 iv. **Other distribution plants (leak detection) decreasing from \$10,118 to**
22 **\$7,500.**
- 23 v. **Rents (DMA Radio) increasing from \$0 to \$600.**
- 24 vi. **Vehicle use from public works decreasing from \$67,839 to \$55,000.**
- 25 vii. **Monitoring services increasing from \$0 to \$2,000.**
- 26 viii. **Power decreasing from \$11,434 to \$9,647.**

27
28 Response:

- 29 i. Based on estimated labour required in this area, along with including benefits in
30 this line item.
- 31 ii. This line item went from \$5000 to \$6000 based on estimated costs to provide
32 necessary small and equipment to perform job duties.
- 33 iii. This line item was removed due to inactivity and cost allocated in other line
34 item.
- 35 iv. Radio license no longer required at this time for district meters.
- 36 v. This is related to over cost savings by operating as a combined water utility
37 saving on vehicle use and maintenance.
- 38 vi. Water Utility has purchase new leak detection equipment that is shared
39 between both utilities. This has allowed staff to do more inhouse leak detection
40 and less contracted services reducing costs.
- 41 vii. In 2022-23, no costs were incurred. 2023-24 is projected to be \$0.00 at year
42 end. Budget decreased from \$4,000 in 2022-23 to \$2,000 in 2023-24.
- 43 viii. Review done on allocations in this area. This line item will fluctuate based on
44 raw water quality and weather conditions that affect treatment requirements.
45

1 **b) Why is Maintenance-services shown as -\$40,883 in 2022/23, and why does it**
2 **increase to \$55,000 in 2023/24?**

3
4 Response:

5 There was a reallocation of the replacement of services in 2022/23 that were related to
6 capitalized work for larger distribution mains, that covered previous years and were originally
7 expensed. The budget for 2023/24 is the projected amount of maintenance of services for
8 2023/24.

9
10 **c) Why is Maintenance -hydrants shown as -\$1,697 in 2022/23, and why does it**
11 **increase to \$14,500 in 2023/24?**

12
13 Response:

14 There was a negative due to an inventory adjustment entry at year end. The original budget in
15 2022-23 was \$17,500, and without this entry the balance of the account would have been
16 \$4,424.40, resulting in a reduction 2023/24.

17
18 **d) Please explain PW cost distribution and why does it increase from \$26,810 in**
19 **2022/23 to \$30,150 in 2023/24?**

20
21 Response:

22 PW cost distribution is allocation of public work compound costs based on a percentage to the
23 West Hants Water Utility. The increase is associated with increasing utilities, insurance, and
24 maintenance.

25
26 **e) Please explain PW contribution and why does it increase from \$0 in 2022/23 to**
27 **\$32,000 in 2023/24?**

28
29 Response:

30 PW cost distribution is allocation of public work compound costs based on a percentage to the
31 Windsor Water Utility. In 2022/23 this account had \$35,217 assigned to it.

32
33
34 **Request IR-24:**

35 **With respect to the Administration and General expense, please explain the following**
36 **differences between the 2022/23 and 2023/24 budgeted line items:**

37 **a) Professional services increasing from \$14,211 to \$25,000.**

38
39 Response:

40 The utility has combined two past line items in this section to include legal services.

41
42 **b) Computer and asset management increasing from \$5,426 to \$6,700.**

43
44 Response:

45 This increased due to our new Catergraph asset management/OMS system, tablets, and PC's.

1
2 **c) Auditors increasing from \$8,134 to \$18,000.**

3
4 Response:

5 There were additional audit fees added as requested by the UARB during the rate study to
6 complete stub period audits
7

8 **d) UARB increasing from \$9,058 to \$19,500.**

9
10 Response:

11 The UARB budget for 2023/24 includes that cost of the rate study.
12
13

14 **e) Professional services increasing from \$23,069 to \$45,000.**

15
16 Response:

17 Legal services are now included in this item.
18

19 **f) Computer and asset management increasing from \$6,002 to \$10,200.**

20
21 Response:

22 This increased due to our new Catergraph asset management / OMS system, tablets, and PC's.
23

24 **g) Uncollectable accounts increasing from \$0 to \$5,000.**

- 25 i. **Please describe the uncollectable accounts expense line item.**
26 ii. **Is it a new expense line item beginning in 2023/14?**
27

28 Response:

- 29 i. There has not been an expense in the uncollectable accounts in previous years,
30 this is budgets in case an account is deemed uncollectable.
31 ii. This is not a new expense, the budget from 2022-23 decreased by \$2,500 in 2023-
32 24.
33

34 **h) Administration fee decreasing from \$387,203 to \$375,867.**

35
36 Response:

37 The administration fee is a percentage charged to the utilities from the Municipality, based on
38 the actuals at year end. The percentage in 2023-24 is based on budgeted expenditures. See
39 also response to IR 20 a)
40

41 **i) General office expenses increasing from \$1,765 to \$4,000.**

42
43 Response:

44 The budget for this line was reduced from 2022-23 to 2023-24. This is where office equipment
45 (i.e. printers, etc.) and supplies would be coded.

1
2 **j) Other decreasing from \$3,384 to \$2,000.**

3
4 Response:

5 The budget for this account decreased as costs were moved to training and development.
6
7

8 **The following IRs relate to Worksheet B-3:**

9 **Request IR-25:**

10 **With respect to the 2022/23 Worksheet, please show the calculations supporting the**
11 **Depreciation Fund Balance beginning of the year amount of \$959,483. Please break down**
12 **the balance by the two water utilities, showing where in each of the utility's financial**
13 **statements that the balance came from.**
14

15 Response:

16 The Depreciation Fund Balance of \$959,483 shown on worksheet B-3 is in error and should be
17 \$800,352 based on the Mar 31/23 Financial Statement Balances of Windsor \$399,687 and West
18 Hants \$400,655. See Revised Rate Study.
19
20
21

22 **Request IR-26:**

23 **Why does the depreciation fund balance beginning of the year amount of \$959,765 in the**
24 **2023/24 worksheet not equal the end of year balance of \$1,148,974 in the previous**
25 **worksheet for 2022/23? Please provide the breakdown of the final balance in 2023/24 for**
26 **each of the two utilities.**
27

28 Response:

29 There was an error in calculating the depreciation fund balances for 2022/23 and 2023/24. The
30 correct closing balance for 2022/23 and the opening balance for 2023/24 should be \$984,754.
31 See Revised Rate Study.
32
33

34 **Request IR-27: What is the rationale for each of the following depreciation rates used**
35 **for capital additions in the B-3 Worksheets:**

36 **a) Storage reservoir (2022/23) 5%**
37

38 Response:

39 This capital expense is for corrosion control which has a projected life of 20 years.
40

41 **b) Water treatment plant (2022/23) 5%**
42

43 Response:

44 This capital expense is for upgrades to the lime storage building which has a projected life of 20
45 years.

c) Other – system report (2022/23) 10%

Response:

This capital expense is the preparation of system assessment report which has a life of 10 years before it needs to be redone.

d) Distribution mains equipment (2023/24) 5%

Response:

This capital expense is for automatic flushing station upgrades which have a projected life of 20 years.

e) Mains service repairs (2022/23) 4%

Response:

This capital expense is for the replacement of existing poly services. This expense has been moved to Services with a projected life of 50 years (depreciation rate of 2%). See also response to IR-27u) and the revised rate study attached.

f) Source of supply structures (2023/24) 1.33%

Response:

This capital expense is for sluice gate-water control structure & dam upgrades and has a projected life of 75 years.

g) Source of supply structures (2023/24) 4%

Response:

This capital expense is for the replacement of actuators which have a projected life of 25 years.

h) Water treatment plant (2023/24), (2024/25) 4%

Response:

This capital expense is for the replacement of the lagoon liner at the Hantsport WTP and has a projected life of 25 years.

i) Bulk water station (2023/24) 5%

Response:

This capital expense relates to the construction of a bulk water station which has a projected life of 20 years before upgrades/repairs will be needed.

j) Other – System assessment report/modeling 10%

Response:

This capital expense is for the preparation of a system assessment report and preparation of a computer model of the Hantsport system. These items have a projected life of 10 years before they need to be redone or have significant upgrades.

k) Purification equipment (2023/24), (2024/25) 4%

Response:

This capital expense is for the construction of additional filters at the Windsor WTP to meet the regulatory requirement for filter redundancy. The operating life of the filter is estimated to be 25 years while the structure has an estimated life of 50 years. Given this the depreciation rate in the attached revised rate study has been changed to 40 years (2.5%).

l) Purification equipment (2023/24), (2025/26), (2026/27) 5%

Response:

This capital expense is for the replacement of chemical feed and water pumps which are projected to have useful life of 20 years.

m) Tools and work equipment (2023/24) , (2024/25) 10%

Response:

This capital expense is for a benchtop turbidity meter which has a projected life of 10 years.

n) Control and monitoring equipment (2023/24) 10%

Response:

This capital expense is for an actuator/SCADA upgrade in the Falmouth system (\$70,000) and an instrumentation upgrade at the Hantsport WTP. These items have a projected life of 10 years.

o) Distribution mains equipment (2023/24), (2024/25), (2025/26), (2026/27) 5%

Response:

These capital expenses are for upgrades to the auto flushing stations and have a projected life of 20 years.

p) Source of supply structures – roads (2024/25), (2025/26), (2026/27) 4%

Response:

This capital expense relates to graveling roads in Falmouth (\$10,000) and paving the driveway to the Hantsport WTP (\$50,000) in 2024/25 and graveling roads in Falmouth in 2025/26 and 2026/27. All of these items have a projected life of 25 years.

q) Distribution reservoirs and standpipes (2024/25)4%

Response:

This capital expense relates to a yield study review and dam upgrades at Davison Lake and has a projected life of 25 years.

r) Electrical pumping (2024/25), (2025/26) 4%

Response:

This capital expense is for distribution pumping equipment in Hantsport and has a projected life of 25 years.

s) Transportation equipment (2024/25) 10%

Response:

This capital expense is for a Vacuum Truck which has a projected life of 10 years.

t) Geotubes for biosolids handling (2025/26) 33.3%

Response:

This capital expense is for geotubes which are used in the dewatering and disposal of the sludge from the WTP and have a projected life of 3 years.

u) Mains service repairs/PRV Upgrade (2024/25),(2025/26), (2026/27) 4%

Response:

This capital expense is for the replacement of existing poly services. This expense has been moved to Services with a projected life of 50 years (depreciation rate of 2%). The Utility notes that the \$300,000 expenditure for service line replacements has been carried forward to 2024/25 (See revised rate study attached).

Request IR-28:

With respect to the 2023/24 Worksheet:

a) Please briefly describe each of the following budgeted capital projects with costs more than \$250,000.

i. Source of supply structures	\$850,000
ii. Distribution mains	\$1,777,787
iii. Services	\$320,000

Response:

- i. Water control structures and intake capital work, required on dams, water intakes to meet fisheries regulations.
- ii. Replacement of services and various water mains due to upcoming road reconstruction, due to age, and condition.

iii. Service upgrades to Three Mile Plains and Tongue Hill connections and due to age, condition and leaking water services and connections.

b) Has Board approval been requested for these projects? If so, please indicate when. If not, when is it expected that approval will be sought?

Response:

Board approval has been requested for all required projects with the exception of the Panuke Road Booster station that was funded through Gas Tax. A separate letter will be sent to UARB on this item.

c) Please describe the Outside funding in the amount of \$3,060,800.

Response:

Provincial funding towards Water Storage Tank under the Municipal Capital Growth Program (MCGP) has been approved toward the Water Storage Expansion Project in the amount of \$3,074,208.

d) Is the Outside funding source secured? If not, what is an alternative source of funding?

Response:

Funding has been approved by the Province for this project under the MCGP. Other outside funding sources have not been confirmed at this time.

e) The Board approved the Distribution reservoirs and standpipes project (\$6,000,000) under matter M10642. That application assumed financing of 50% debt and 50% external funding. The Windsor water utility said that if the external funding was not received, it would reassess the project.

i. Was the 50% external funding for the project confirmed?

ii. Is any of the project being funded through the utility's depreciation fund?

Response:

i. Yes

ii. No

Request IR-29:

With respect to the 2024/25 Worksheet:

a) Please briefly describe each of the following budgeted capital projects with costs more than \$250,000:

i. Purification equipment \$3,048,000

ii. Transmission mains \$4,112,000

iii. Distribution mains \$1,708,410

iv.	Meters	\$290,800
-----	---------------	------------------

Response:

- i. 3rd Process Train at the Windsor Water Plant – application to the UARB has been submitted.
- ii. Interconnection distribution system between Falmouth and Windsor along with the Hantsport Transmission Main Replacement from HWTP to Standpipe as Identified in the OPUS Report.
- iii. Replacement of services and various water mains due to upcoming road reconstruction, due to age, and condition. In addition, various water main replacement projects on distribution mains.
- iv. Replacement of meters and installation of district meters for leak detection.

b) Please describe the Outside funding in the amount of \$2,141,800.

Response:

During the budgeting process, we anticipate and plan for up to 50% in grant funding for larger projects in the amount of \$2,081,000. In this year's forecast we include 50% funding for the Falmouth and Windsor Interconnect, and the Hantsport transmission main, Davison Lake reservoir upgrades. Outside funding sources may consist of a combination of Canada Community Building Fund, Federal ICIP funding, and/or Provincial Funding.

c) Is the Outside funding source secured? If not, what is an alternative source of funding?

Response:

Other outside funding sources have not been confirmed at this time. If outside funding is not available, the utility will reassess the project and other capital works and contact the board with any required revision.

Request IR-30:

With respect to the 2025/26 Worksheet:

a) Briefly describe the following budgeted capital project with a cost of more than \$250,000:

i.	Distribution mains	\$2,303,550
----	--------------------	-------------

Response:

It is for various distribution main replacement and interconnection between Windsor and Falmouth distribution systems.

b) Please describe the Outside funding in the amount of \$163,025.

Response:

During the budgeting process, we anticipate and plan for up to 50% in grant funding for the Wentworth Road water main in the amount of \$102,225. Outside funding sources may consist of a combination of Canada Community Building Fund, Federal ICIP funding, and/or Provincial Funding.

c) Is the Outside funding source secured? If not, what is an alternative source of funding?

Response:

Other outside funding sources have not been confirmed at this time. If outside funding is not available, the utility will reassess the project and other capital works and contact the board with any required revision.

Request IR-31:

With respect to the 2026/27 Worksheet:

a) Briefly describe the following budgeted capital project with a cost of more than \$250,000:

i. Distribution mains	\$1,747,775
-----------------------	-------------

Response:

It is for various distribution main replacements as part of street and services renewals. Watermain are identified for replacement due to age, condition, probability of failure and consequence of failure.

b) Please describe the Outside funding in the amount of \$60,800.

Response:

The outside source of funding is through the users for service laterals and meters.

c) Is the Outside funding source secured? If not, what is an alternative source of funding?

Response:

The user funded items are based on the user demands and are a secured funding source.

Request IR-32:

There are significant capital expenditures, totaling approximately \$25M, budgeted for the period of 2023/24 to 2026/27.

a) Briefly describe the key drivers for needing capital additions of this magnitude (ie., regulatory, aging infrastructure, deferred maintenance, etc.).

Response:

Major capital upgrades are necessary to continue to supply high quality drinking water and fire protection. Both utilities have an aging infrastructure that is well past its useful life span.

Continued investment is necessary to meet regulatory requirements along with maintenance / replacements that have been deferred.

b) Do one of the current two utilities require the majority of the budgeted capital upgrades and additions? Please explain.

Response:

Capital upgrades are necessary for both utilities however, by taking a consolidated approach along with an interconnection between Falmouth and Windsor water distribution systems many upgrades that would be required on both systems can be deferred and or eliminated. The capital plan invests in Windsor Water Treatment Facility and water control structures, along with a new water storage tank. This will allow the Windsor side to be able to provide additional water supply to Falmouth to meet peak demand and comply with regulated water withdrawal limits. Therefore overall, the consolidation and interconnection of utilities will result in lower capital and operational costs along with improving, system reliability, less system interruptions, greater resiliency and reduce probability of failure and increase water flow for fire protection.

c) Please segregate the proposed capital work in each of 2023/24, 2024/25, 2025/26 and 2026/27 between the Windsor water utility and the West Hants water utility.

Response:

See attached Table

d) Does the utility have the staff capacity to undertake these projects? Please elaborate.

Response:

Support will be required from consultants and outside contractors; however staff are confident we have the experience and expertise to undertake and complete these important projects necessary to continue to provide the current level of essential service.

d) Are there future operating costs associated with these projects once they are completed?

Response:

Yes, overall, there will be minor annual operational costs associated with the water storage tank, for items such as labour costs, utility costs, chemical costs and building and tank maintenance. The 3rd process train will result in additional building maintenance due to increased building footprint and ancillary system maintenance. The interconnection is estimated to have a net benefit due to efficiencies related to plant runtimes and production requirements during process upsets and reduced overtime labour costs.

e) Are there currently unfinished capital projects that are being carried forward into 2024/25?

i. How many projects and how much cost are being carried forward?

1 ii. How much debt has been approved for these projects that has not yet been
2 issued?

3
4 Response:

5 Yes

6 West Hants Water:

7 TMP Service upgrade \$300,000

8 Falmouth Water Treatment Plant upgrades - \$70,000

9 Falmouth Standpipe flow meter - \$25,000

10 Riverview Road Rehab, Hantsport - \$270,900

11
12 Windsor Water:

13 College Road Rehab, Windsor - \$390,500

14 Water Storage Facility - \$6,000,000, partial approval from the UARB for \$3,000,000 in long-term
15 borrowing (M10642).

16 Mill Lakes Water Control Intake Structures - \$850,000

17
18 ii. - Water Storage Facility - \$6,000,000, partial approval from the UARB for \$3,000,000
19 in long-term borrowing (M10642).

20
21
22 **Request IR-33:**

23 **Please comment on the adequacy of the projected depreciation fund balance (\$367,173) at**
24 **the end of test years.**

25
26 Response:

27 The Revised Rate Study attached with corrections made in the calculations of the Depreciation
28 Fund has the closing balance of \$263,772, at the end of the test years which is considered
29 adequate based on the size of the Utility and the fact that they are replacing significant aging
30 infrastructure and they will be contributing 1,400,587 annually to the fund in the final test year.
31 See Revised Rate Structure.

32
33
34
35 **The following IR relates to Worksheet B-4:**

36 **Request IR-34:**

37 **For each of years shown in this worksheet, it appears that the amounts shown in the**
38 **column, Capital Contributions to Utility Plant in Service differ from the outside funding**
39 **amounts in Worksheet B-3. Please explain and filed revised Worksheets if necessary.**

40
41 Response:

42 See revised rate study attached.

43
44
45 **The following IRs relate to Worksheet B-5:**

Request IR-35:

Why is the item in Worksheet B-5 (2023/24), Geotubes for Biosolids Handling (\$7,175) included in the utility plant in service amount for the previous year but is not carried through to 2023/24.

Response:

See revised rate study attached.

Request IR-36:

Do any of the allocations of utility plant in service to general service and fire protection in the current application differ from the allocations used in the last rate applications for each of Windsor and West Hants? If so, please identify the differences and explain the reasons for the proposed changes.

Response:

The Windsor Water Treatment Plant has been allocated 80% to General Service and 20% to Fire Protection to acknowledge the inclusion of storage at the treatment plant which supplements the fire protection service near the treatment plant. With the consolidation of the systems, since the consolidated water utility will have three treatment plants, Hantsport, Falmouth and Windsor the rate should be adjusted. The attached revised rate study includes an allocation of 85% to General Service and 15% to Fire Protection to acknowledge the inclusion of the fire protection storage and that the expenses are for the larger consolidated service area.

The following IRs relate to Worksheet C-2:

Request IR-37:

Why does the utility plant in service amount in 2022/23 in this Worksheet differ from that shown in Worksheet B-5?

Response:

See Revised Rate Study attached.

Request IR-38:

Please show how the 2022/23 (Actual) Less Accumulated Depreciation on actual cost of plant in service (\$9,353,667) was determined.

Response:

The calculation of \$9,353,667 was in error and was corrected in the Revised Rate Study Attached. The calculation based on the Mar 31/23 Financial Statements should be \$9,306,171 comprised of The Windsor Water Utility \$4,283,556 and West Hants \$5,022,615.

Request IR-39:

Please provide the calculations supporting the following line items for each of the test years:

a) Less Accumulated Depreciation on actual cost of plant in service; and

Response:

The calculation of Accumulated Depreciation for each of the test years is as follows;

Accumulated Depreciation	
Balance March 31/23	
West Hants	5,022,615
Windsor	4,283,556
	9,306,171
Depreciation 23/24	884,322
Balance March 31/24	10,190,493
Depreciation 24/25	1,331,721
Balance March 31/25	11,522,213
Depreciation 25/26	1,376,932
Balance March 31/26	12,899,145
Depreciation 26/27	1,410,587
Balance March 31/27	14,309,732

b) Less Unamortized amount of capital cost contribution for plant in service.

Response:

The calculation of the Unamortized Amount of Capital Cost Contribution for plant in service is as follows;

Unamortized Capital Cost Contribution	
Balance March 31/22	1,085,179
Additions 2022/23	0
Balance March 31/23 West Hants	1,085,179
Additions 2023/24	60,800
Amortization 2023/24	2,440
Balance March 31/24	58,360
Additions 2024/25	5,141,800
Amortization 2024/25	153,286
Balance March 31/25	5,046,874
Additions 2025/26	163,025
Amortization 2025/26	157,086
Balance March 31/26	5,052,812
Additions 2026/27	60,800
Amortization 2023/27	159,526
Balance March 31/27	4,954,086

Request IR-40:

In 2025/26, why is the Less Unamortized amount of capital cost contribution for plant in service (\$3,528,398) added and not subtracted to get the estimated return on rate base?

Response:

This was in error and corrected in the Revised Rate Study attached.

Request IR-41:

Please comment on the magnitude of the estimated return on rate base in each of the test years.

Response:

The return on rate base in the revised rate study ranges from a low of 3.08% to a high of 3.59% during the test years and is a function of the debt servicing required compared to the increase in plant in service net of accumulated depreciation and unamortized capital cost contribution. The return on rate base is stable as debt is retired and new debt is acquired and plant in service is increased dramatically from 2022/23 to 2026/27 and is relatively low at below 4%

The following IR relates to Worksheet C-3:

Request IR-42:

- a) Other than depreciation and return on rate base, discussed in the Supplemental Notes, are there any differences between the allocations used in this worksheet and

1 the allocations used in the previous rate applications of each of the two water
2 utilities proposed to be amalgamated? Please explain.

3
4 Response:

5 The allocation in the previous rate study for Windsor in 2015 allocated Depreciation 100% to
6 Base and Return on Rate Base 40% to Base, 30% to Delivery and 30% to Production in all
7 three test years. These allocations resulted in 43% revenue from the Base Charge in 2015/16,
8 43% in 2016/17, and 43% in 2017/18. The allocation in the previous rate study for West Hants
9 in 2019 allocated Depreciation 100% to Base and Return on Rate Base 40% to Base, 30% to
10 Delivery, and 30% to Production in all three test years. These allocations resulted in 38%
11 revenue from the Base Charge in 2019/20, 38% in 2020/21, and 39% in 2021/22. The
12 allocations in the current rate study have been set to have revenue from the Base Charge at
13 40% in 2024/25, 41% in 2025/26, and 39% in 2026/27. (See also response to IR-9)

14
15 **b) Are there any differences between the allocations used in this worksheet and the**
16 **allocations used in the *Accounting Handbook*? Please explain.**

17
18 Response:

19 See response to IR-42a)

20
21
22 **The following IRs relate to Worksheet C-4:**

23 **Request IR-43:**

24 **The worksheet shows that there are no unmetered customers. Why do the 2022/23 financial**
25 **statements for each of the two water utilities show flat rate sales?**

26
27 Response:

28 As reported in the response to IR-13b the base charges are reported in the audited Financial
29 Statements as flat rate sales.

30
31
32 **The following IR relates to Worksheet C-6:**

33 **Request IR-44:**

34 **Please show the calculations in support of the volume of 5/8" consumption values in each**
35 **of the test years.**

36
37 Response:

38 While undertaking the response to this IR an error was detected in the calculation for the
39 consumption. The following calculations are based on correcting this error. (See Revised Rate
40 Study attached).

41

5/8 " consumption 2023/24	525,812	cubic meters
Average annual consumption	137.8	cubic meters
15 new connections at average rate	2,066	cubic meters
subtotal	527,879	cubic meters

Estimated annual rate of decrease	1%	
Projected annual consumption	522,600	cubic meters

5/8 " consumption 2024/25	522,600	cubic meters
Average annual consumption	136.4	cubic meters
15 new connections at average rate	2,046	cubic meters
subtotal	524,645	cubic meters
Estimated annual rate of decrease	1%	
Projected annual consumption	519,399	cubic meters

5/8 " consumption 2025/26	519,399	cubic meters
Average annual consumption	135.0	cubic meters
15 new connections at average rate	2,025	cubic meters
subtotal	521,424	cubic meters
Estimated annual rate of decrease	1%	
Projected annual consumption	516,210	cubic meters

5/8 " consumption 2026/27	516,210	cubic meters
Average annual consumption	133.7	cubic meters
15 new connections at average rate	2,005	cubic meters
subtotal	518,215	cubic meters
Estimated annual rate of decrease	1%	
Projected annual consumption	513,033	cubic meters

The following IR relates to Worksheet C-7:

Request IR-45:

The tables for each of the test years state that the consumption charge is per 1000 imperial gallons. Should this be per cubic metre?

Response:

Yes. See revised rate study attached

The following IRs relate to Worksheet C-9:

Request IR-46:

Currently, only the West Hants water utility has a bulk water rate.

a) Please describe the current bulk water station(s) and any additional bulk water stations projected to be added during the test years?

Response:

There is currently only one active bulk water station in service. An additional bulk water station is to be installed in Garlands Crossing in Three Mile Plains, work has started on this and is expected to be commissioned this 2024 construction season.

b) The West Hants water utility's current bulk water rate is \$7.20 per cubic metre. It is proposed that this rate increase to \$9.43 per cubic metre in the final test year, 2026/27.

i) Comment on the proposed rate increase?

ii) Where is the nearest bulk water station to West Hants?

iii) What is the bulk water rate at the nearest bulk water station?

Response:

- i. The current approved bulk water rate is \$7.20 per cubic meter which is projected to increase to \$8.89 per cubic meter, an increase of 23%. Assuming an average water hauling truck tank size of 4.54 cubic meters (1,000 imperial gallons) this will result in an increase in cost of \$7.67 per tank.
- ii. Bulk Water is available in East Hants in Enfield at a rate of \$3.07 per cubic meter and in Bridgewater at \$3.62 per cubic meter.
- iii. See above

Request IR-47:

a) Does the methodology used to calculate the proposed bulk water rate differ from that used to calculate the current bulk water rate? If so, please describe the differences.

Response:

The methodology used is the same as the previous rate study.

b) What is the justification for the 30% operating cost and profit mark-up item?

Response:

The mark-up is to cover the cost of overheads for staff and equipment used to operate and maintain the bulk water system and to recognize the risk to the Utility providing a service to third parties.

The following IRs relate to Worksheet D-1:

Request IR-48:

a) From the 2024/25 tables it looks like the average consumption figures for the various meter sizes differs between the two utilities. This means that the quarterly water bills estimate in the test years for the two separate water utilities would not be reasonably accurate. Please comment.

Response:

The average consumption figures used in the two tables for 2024/25 are the existing average consumption for the existing separate Utilities. The results presented identify the impact on the average customer using the existing average consumption in each area served by the existing

1 separate Utilities. A table has been added to the attached revised rate study using the average
2 consumption for the combined Utility and the existing West Hants rates.

- 3
- 4 **b) The table provided for 2025/26 appears to use the proposed 2024/25 quarterly water**
5 **bills for the Windsor Water utility customers only to arrive at the percent changes**
6 **in water bills proposed in 2025/26. Please provide a separate table that shows the**
7 **proposed changes for the West Hants customers for 2025/26.**
- 8

9 Response:

10 See revised rate study attached.

11

12

13 **Request IR-49:**

- 14 **a) Please comment on the magnitude of the proposed rate increases for current**
15 **customers of the Windsor water utility in the first test year.**

16 **i. Was there any discussion of phasing-in rates? Please explain.**

17 **ii. Please describe any phase-in methodologies that were considered.**

18

19 Response:

20 The combining of the Water Utilities is proposed to happen at the same time as the combining
21 of the sewer systems charges which are based on water consumption. See attached reports

22

- 23 **b) Please comment on the proposed decrease in 2025/26 in the quarterly water bill for**
24 **5/8" meter customers (Windsor water utility), while the West Hants 5/8" meter**
25 **customers would see an increase.**
- 26

27 Response:

28 As noted in the response to IR-13c) the combined average consumption for the 5/8 "metered
29 customers is 137 cubic meters per year. The average consumption for customers served by the
30 West Hants Utility is 129 cubic meters per year while the average for the 5/8" customers served
31 by the Windsor Utility is 154 cubic meters per 5/8" connection. The decline is related to the
32 different average consumptions. The average for the combined Utility is less than the existing
33 average for West Hants Customers and more than the existing average for the Windsor
34 customers. If customers continue to consume the same amount of water they will see an
35 increase in their bills.

36

- 37 **c) Please comment on the proposed decrease in the quarterly water bill for 5/8" meter**
38 **customers in 2026/27.**
- 39

40 Response:

41 This decrease (projected to be 32 cents per quarter on the average bill) is the result of a
42 minimal change in total expenses of the Utility, increased fire protection charges and projected
43 decline in average consumption.

44

1 **d) Please comment on the proposed decrease in the quarterly bill for the 4” meter**
2 **customers (Windsor water utility) in 2025/26, while the West Hants water utility 4”**
3 **meter customers would see a significant increase (\$3,116.55 to \$7,821.70).**
4

5 Response:

6 This relates to the use of the average quarterly consumption. The customers will see an
7 increase in their bills unless they reduce their consumption.
8

9 **e) Please comment on the 508.5% increase in the 3” meter size commodity charge for**
10 **the former Windsor water utility customers in 2025/26.**
11

12 Response:

13 This relates to the use of the average quarterly consumption. The customers will see an
14 increase in their bills unless they reduce their consumption.
15

16 **f) Please comment on the proposed decrease in the base charge in 2026/27.**
17

18 Response:

19 In the Revised Rate Study the decrease in the Base Charge is related to the change in the
20 allocation of depreciation which drops from 70% to base in 2025/26 to 60% base in 2026/27.
21 This reduces the percentage of base charge revenue from 41.7% to 39.2% which allows a
22 customer to have more influence on their bill.
23
24
25

26 **Request IR-50:**

27 **(a) Please provide any communication materials that have been provided to any of the**
28 **two utility’s customers, including any larger commercial or industrial customers.**
29

30 Response:

31 As of March 27th, no communication has gone out to the utility customers, with the exception of
32 the UARB hearing notices. With the next quarterly water billing, an insert will be provided to all
33 customers. This is scheduled to go in the mail on April 19th. Additional advertising and support
34 materials will be made available the week of April 15th. These materials can be provided to the
35 UARB once compiled. The public has full access to all Committee of the Whole and Committee
36 meetings as they are streamed on-line. The rate increases and the combining of the sewer rates
37 and water rates were discussed at meetings between November and January.
38

39 **(b) Has there been any feedback from customers on the proposed rates, specifically**
40 **the current customers of the Windsor water utility? If so, please describe.**
41

42 Response:

43 Overall Windsor water customers were initially concerned by the UARB hearing notice.
44 However, once they heard the explanation around the increase, and the correlating decreases
45 in the sewer rate, many had a general level of understanding. Some were surprised to find out

they hadn't received increases since 2017; others were concerned about just the overall increase with all aspects of cost of living.

The following IR relates to Worksheet D-2:

Request IR-51:

Please provide the calculations in support of the following 2024/25 operating revenue items:

a) Metered sales \$3,429,232

Response:

The following calculation is based on the revised rate study (see attached).

Estimated Revenue in 2023/25	2,882,969	25%	720,742
Projected Revenue in 2024/25	3,756,558	75%	2,817,418
Projected total revenue in 2024/25 based on 1 July approved rates			3,538,161

b) Public Fire Protection West Hants \$1,434,006

Response:

The following calculation is based on the revised rate study (see attached).

Estimated Revenue in 2023/25	1,070,092	25%	267,523
Projected Revenue in 2024/25	1,626,426	75%	1,219,819
Projected total revenue in 2024/25 based on 1 July approved rates			1,487,342

The following IRs relate to the Proposed Schedule of Rates:

Request IR-52:

Please list the proposed changes to the Schedule of Rates, from the current Schedule for each of the two utilities and provide an explanation for the change(s).

Response:

Proposed changes in Windsor Water Utility Schedule of Rates. Please note that the item numbers are from the existing Windsor Schedule of Rates

No.	Item Name	Change
3	Rates for Sprinkler Service	Rate changed from \$200 for 6" or less in diameter to \$250. Rate changed from \$250 for 8" or more in diameter to \$300. Rate adjustment to reflect the current rates charged in the West Hants Water Utility.
5	Private Hydrant Connection Rates	Rate changed from \$200 to \$250 per hydrant. Rate adjustment to reflect the current rates charged in the West Hants Water Utility.
7	Charge for Re-establishing Water Service	After hours rate changed from \$200 to \$150. Rate adjustment to reflect the current rates charged in the West Hants Water Utility.

8	New Account Creation Fee	Name changed to "Customer Account Creation Fee". Fee description to delete the last sentence and replace it with "The Customer Account Creation Fee includes the initial turn-on of the water service to the customer's providing it happens during regular working hours. If the customer requests the initial turn-on be done outside of regular working hours the fee shall be \$150.00 including the Customer Account Creation Fee." After hours rate changed from \$200 to \$150. Rate adjustment to reflect the current rates charged in the West Hants Water Utility.
9	System Connection Fee	Name changed to "Connection Fee" Wording changed to reflect the new wording noted in Item No. 8 above. After hours rate changed from \$200 to \$150. Rate adjustment to reflect the current rates charged in the West Hants Water Utility.
10	System Disconnection Fee	Name changed to "Disconnection Fee" Wording changed to identify possible charges in cases where there is no operable shut off valve serving the dwelling as follows: "There is no charge for turning off water to a customer's premises. A connection charge, as noted in Item # 9 above, shall apply when the water is turned on. In the case where the shutting off is requested because there is no operable shut off valve serving the dwelling, an isolation valve must be installed at the customer's expense." Changes made to clarify the responsibility of the Utility and the customer.
11	Special Service Charge	After hours rate changed from \$200 to \$150. Rate adjustment to reflect the current rates charged in the West Hants Water Utility.
12	Charge for Non-negotiable Cheques	Name changed to "Dishonoured Payments". Definition changed from "non-negotiable cheques" to "dishonoured payments" to include electronic payments.

Proposed changes in West Hants Water Utility Schedule of Rates. Please note that the item numbers are from the existing West Hants Schedule of Rates.

No.	Item Name	Change
12	Charge for Non-negotiable Cheques	Name changed to "Dishonoured Payments". Definition changed from "non-negotiable cheques" to "dishonoured payments" to include electronic payments.

Request IR-53:

Each of the Schedules A, B and C, propose unmetered rates.

- a) Is it anticipated that the proposed amalgamated utility would have unmetered customers? If not, why are unmetered rates proposed?

Response:

The Utility does not anticipate any unmetered rate customers but has kept it in rate schedule in case they are requested to make a temporary connection where the meter may be subject to damage until a proper location can be identified. The Utility does not anticipate nor want any long term flat rate customers.

b) What is the reason for basing the unmetered rates on a quarterly consumption of 68 cubic metres?

Response:

The quarterly consumption rate has been used in previous rate studies. Also see the response to IR-53b) above.

Request IR-54:

The public fire protection charge for the amalgamated utility is proposed to be apportioned among the Municipality of the District of West Hants, the Municipality of the County of Kings and the Glooscap First Nation. Please describe any changes in the apportionment of the public fire protection charge from the current methodology of the two current utilities.

Response:

The number of hydrants used in the calculation will include the number of hydrants in the existing Windsor Water Utility in the future on addition to those in West Hants Water Utility.

The following IRs relate to the Proposed Schedule of Rules and Regulations:

Request IR-55:

a) Please list the proposed changes to the Schedule of Rules and Regulations for each of the current utilities and provide an explanation for the change(s).

Response:

The following are the proposed changes in the Windsor Water Utility Schedule of Rules and Regulations. Please note that the item numbers are from the existing Windsor Schedule of Rules and Regulations.

Item No.	Item	Comment
	Definitions	Revised to include Automated Meter Infrastructure, Commercial Service, Bulk Rate, Encoder Receiver Transmitter, and Fire Department
6	Payment of Bills	Expanded to include fee for dishonoured payments

7(c)	Adjustment of Bills	The maximum period for reimbursement by the water Utility has been set at 5 years if a Customer is overbilled.
8	Estimated Readings for Billing Purposes - Metered Customers	Expanded to include separate rules and regulations for Non-Commercial Customers and Commercial Customers.
9	Suspension of Service for Non-payment of Bills	Expanded starting with second sentence in the first paragraph “ the customer shall pay the reconnection.....” The expanded areas provides guidance for both the customer and the Utility in cases where suspension of service is being considered.
10	Water to be Supplied by Meter	Expanded starting with the second paragraph. The expanded areas provides guidance for both the customer and the Utility on the meters serving multi-tenant buildings, sale of unmetered water between persons, and fee for AMI meter reading services.
11	Installation and Removal of Meters	Expanded starting with third sentence “ Each meter service....” The expanded areas provides clarity for both the customer and the Utility relating to the need for shut off valves.
13	Access to Customer's Premises	Expanded starting with second sentence “ If entry to the property” The expanded areas provides guidance for both the customer and the Utility relating the procedure for access to a customer's premises.
14	Location of Meters	Expanded starting with the third paragraph. The expanded areas provides guidance for both the customer and the Utility in the case where building alterations are being done.
NEW	Master Water Meters	New rule to provide guidance about the installation of master water meters in locations served by multiple meters.
15	Damage to Water Meters	Expanded starting with fourth sentence “The costs shall be charged” The expanded areas provides guidance for both the customer and the Utility relating the procedure when a water meter is damaged.
NEW	Alternate Water Supply Prohibited	New rule to provide guidance to both the customer and the Utility about the use of alternate water supplies.
23	Service Pipes	Second paragraph changed to make the cost of the installation of service pipes from the main in the street to the property line the responsibility of the customer. The final five paragraphs are new starting the line “ Each water service connection shall be individually metered.....” The added paragraphs provide

		guidance to the customer and the utility in cases change of land use, abandonment of old service lines, provision of maintenance bonds, and replacement of services more than 30 years old.
NEW	Pipe Installation	Provides clarity of the Utility's responsibility to provide water for short term or seasonal use.
25	Extensions, Additions or Connections	Name changed to "Unauthorized Extensions, Additions or Connections' The expanded area (the last sentence) provides clarity for the customer and the utility if an unauthorized expansion occurs.
NEW	Theft of Service	Provides clarity of the penalties for theft of service.
NEW	Fire Hydrant Flow Testing	New rule to provide guidance to the customer and the Utility when a flow testing of a private hydrant is requested.
27	Private Fire Protection	Final sentence added to clearly state that the customer is responsible for the maintenance, repair and replacement of all privately owned fire protection systems.
NEW	Extensions	New rule to provide guidance for the customer and the utility in cases where extensions are requested.
NEW	Sale of Bulk Water	New rule to provide guidance for the customer and the utility for the sale of bulk water.
NEW	Water Conservation Directives	New rule to provide guidance for the customer and the utility on following water conservation directives.
NEW	Curb Stop/Control Valve Service Box	New rule to provide guidance for the customer and the utility about access to curb stop/control valves at the street line.

1
2 Proposed changes in West Hants Water Utility Schedule of Rules and Regulations. Please note
3 that the item numbers are from the existing West Hants Schedule of Rules and Regulations.
4

Item No.	Item	Comment
	Definitions	Revised to include Automated Meter Infrastructure, Commercial Service, Bulk Rate, Encoder Receiver Transmitter, and Fire Department
6	Payment of Bills	Expanded to include fee for dishonoured payments

9	Estimated Readings for Billing Purposes - Metered Customers	Expanded to include separate rules and regulations for Non-Commercial Customers and Commercial Customers.
10	Suspension of Service for Non-payment of Bills	Expanded starting with second sentence in the first paragraph “ the customer shall pay the reconnection.....” The expanded areas provides guidance for both the customer and the Utility in cases where suspension of service is being considered.
11	Water to be Supplied by Meter	Expanded starting with the second paragraph. The expanded areas provides guidance for both the customer and the Utility on the meters serving multi-tenant buildings, sale of unmetered water between persons, and fee for AMI meter reading services.
12	Installation and Removal of Meters	Expanded starting with third sentence “ Each meter service....” The expanded areas provides clarity for both the customer and the Utility relating to the need for shut off valves.
14	Access to Customer's Premises	Expanded starting with second sentence “ If entry to the property” The expanded areas provides guidance for both the customer and the Utility relating the procedure for access to a customer's premises.
15	Location of Meters	Expanded starting with the third paragraph. The expanded areas provides guidance for both the customer and the Utility in the case where building alterations are being done.
NEW	Master Water Meters	New rule to provide guidance about the installation of master water meters in locations served by multiple meters.
16	Damage to Water Meters	Expanded starting with fourth sentence “The costs shall be charged” The expanded areas provides guidance for both the customer and the Utility relating the procedure when a water meter is damaged.
25	Service Pipes	Second paragraph changed to make the cost of the installation of service pipes from the main in the street to the property line the responsibility of the customer. The final five paragraphs are new starting the line “ Each water service connection shall be individually metered.....” The added paragraphs provide guidance to the customer and the utility in cases change of land use, abandonment of old service lines, provision of maintenance bonds, and replacement of services more than 30 years old.

NEW	Pipe Installation	Provides clarity of the Utility's responsibility to provide water for short term or seasonal use.
28	Unauthorized Extensions, Additions or Connections	The expanded area (the last sentence) provides clarity for the customer and the utility if an unauthorized expansion occurs.
NEW	Theft of Service	Provides clarity of the penalties for theft of service.
32	Private Fire Protection	Final sentence added to clearly state that the customer is responsible for the maintenance, repair and replacement of all privately owned fire protection systems.
NEW	Fire Hydrant Flow Testing	New rule to provide guidance to the customer and the Utility when a flow testing of a private hydrant is requested.
NEW	Extensions	New rule to provide guidance for the customer and the utility in cases where extensions are requested.
NEW	Sale of Bulk Water	New rule to provide guidance for the customer and the utility for the sale of bulk water.

b) Was a Schedule of Rules and Regulations of one of the two current water utilities used as a basis for the proposed Schedule? If so, please identify which utility.

Response:

The West Hants Schedule of Rules and Regulations was used as the basis of the proposed Rules and Regulations. The Utility also used some sections from the Town of Bridgewater Schedule of Rules and Regulations.

Request IR-56:

Please explain the reason for the proposed addition of the following definitions:

a) Automated Meter Infrastructure (AMI)

Response:

This addition gives the Utility ability to install AMI based metering.

b) Bulk Rate

Response:

This addition is needed as the Utility has plans to build a bulk water station to allow it provide potable water to water haulers.

1
2 **c) Encoder Receiver Transmitter (ERT)**

3
4 Response:

5 This clause is needed to be able to use AMI technology.
6

7 **d) Fire Department**

8
9 Response:

10 This clause is needed to clarify who has access to fire hydrants.
11
12

13 **Request IR-57:**

14 **Please describe the seasonal customers in Regulation 3, Billing.**
15

16 Response:

17 Seasonal customers are those customers who leave their full time residence for extended
18 periods of time or for businesses that only operate seasonally.
19
20

21 **Request IR-58:**

22 **Why is Regulation 8, Estimated Readings for Billing Purposes – Metered Customers**
23 **separated into a) Non-Commercial Customers, and b) Commercial Customers?**
24

25 Response:

26 The reason for this requested change is commercial customers tend to have higher usage that
27 can vary significantly. These customers usually have larger meters that aren't always on-hand
28 and we have seen significant impacts since COVID in the supply chain of meters. To ensure
29 the Utility is supporting these customers when there is known issues; the regulation was
30 changed to give the ability to estimate more than two billing cycles in a row.
31
32

33 **Request IR-59:**

34 **Please explain the addition of the last two paragraphs in Regulation 9, Suspension of**
35 **Service for Non-Payment of Bills.**
36

37 Response:

38 The last two paragraphs provide clarity for both the customer and the utility on the steps to be
39 taken for suspension of service and consequences of these steps. These paragraphs have
40 been taken from the Bridgewater Schedule of Rules and Regulations
41
42

43 **Request IR-60:**

44 **Please explain the addition of the last three paragraphs in Regulation 10, Water to be**
45 **Supplied by Meter.**

1
2 Response:

3 The last three paragraphs provide guidance for the customer and the utility when meters are
4 requested for buildings with multiple tenants. These paragraphs have been taken from the
5 Bridgewater Schedule of Rules and Regulations
6
7

8 **Request IR-61:**

9 **Please explain the addition of Regulation 15, Master Water Meters.**
10

11 Response:

12 This is required to measure and account for private service line leaks, and or theft of water on
13 long service lines 50m or greater from the public right of way or public easement boundary to be
14 installed in a private meter chamber, on private property. This would also apply to multiple
15 service lines off one municipal connection. This will allow the water to be metered near the
16 connection and compared to the individual meters, to detect leaks and account for the
17 difference between individual meters and the master meter. The motive is to reduce
18 unaccounted for water, along with greater accountability for private customers to repair leaks on
19 their private water lines.
20
21

22 **Request IR-62:**

23 **Please explain the additional wording, including proposed charges, included in Regulation**
24 **16, Damage to Water Meters.**
25

26 Response:

27 This is warranted as we have, in the past, had repeat damage to meters and remote reading
28 equipment. The utility feels these costs should not be passed on to all utility customers. This
29 should be the responsibility of the individual customer to protect water meters and remote
30 reading equipment.
31
32

33 **Request IR-63:**

34 **Has the utility installed remote registering water meters as described in Regulation 19,**
35 **Remote Registering Water Meters?**
36

37 Response:

38 Yes, the utility has remote registering water meters, we have also upgraded our remote meter
39 reading system, the manual reading devices are being upgraded to Smartpoints as part of the
40 new Sensus / Xylem, Easy Reader System.
41
42

43 **Request IR-64:**

1 **Do the utilities each have active cross connection control and backflow prevention**
2 **programs, as set out in Regulation 20, Cross Connection Control and Backflow**
3 **Prevention? If so, please describe. If not, why not?**

4
5 Response:

6 A framework for the program was submitted to NSECC and approved. We are currently working
7 with outside agencies to help assist with the implementation of the program by the completion of
8 2024 (NSECC requirement). We also have two staff certified in Cross Connection Control.

9
10
11 **Request IR-65:**

12 **Please explain any changes proposed to Regulation 25, Service Pipes which will impact**
13 **the cost responsibility of customers in each of the current two utilities.**

14
15 Response:

16 Customers served by the Windsor Water Utility will see increased costs as the Utility currently
17 provides these services at no cost to the customer. There is no change in cost responsibility for
18 West Hants Utility customers.

19
20
21 **Request IR-66:**

22 **With respect to Regulation 30, Theft of Service:**

23 a) **What is the basis for the proposed charges?**

24
25 Response:

26 These penalties are two-fold, to discourage theft of service and to provide the Utility with cost
27 recovery of the time and expenses incurred in identifying the theft of service and the water taken
28 illegally. The penalties are consistent with other Utilities in the Province.

29
30 b) **Is theft of service an issue with the two current water utilities?**

31
32 Response:

33 Yes, we have reason to believe based on past findings that there is theft throughout the utilities.
34 More effort and staff resources are needed in this area along with a residential/commercial
35 inspection program to identify areas of potential or current water theft along with increased
36 enforcement measures.

37
38
39 **Request IR-67:**

40 a) **Please explain the addition of Regulation 38, Fire Hydrant Flow Testing.**

41
42 Response:

43 This addition to clearly identify to customers the cost of having private hydrant flow tests
44 undertaken. This rule has been taken from the Bridgewater Schedule of Rules and Regulations

1 **b) What is the basis for the proposed charges set out in Regulation 38?**

2
3 Response:

4 The charges represent the estimated cost of providing the testing service and are consistent
5 with the Bridgewater Schedule of Rules and Regulations.

6
7
8 **Request IR-68:**

9 **With respect to Regulation 41, Extensions:**

10 **a) Have there been many service extensions in the last three years in each of the**
11 **current two utilities? Please explain.**

12
13 Response:

14 There have been service extensions related to new developments/subdivisions. New or
15 expanded subdivisions in the existing serviced areas are. The Crossing development in the
16 Garland Crossing / Windsor area, Kingston Court in Three Mile Plains, The Meadows
17 Development in Falmouth. These water systems have been constructed by the developer and
18 turned over to the Municipality for ownership and operation.

19
20 **b) The current Extensions Regulation (Regulation 38) of the West Hants water utility**
21 **includes a clause that approval from the Board is required. This is not included in**
22 **the proposed Regulation. Please explain.**

23
24 Response:

25 This was an oversight. See attached revised rate study.

26
27
28 **Request IR-69:**

29 **Please explain the addition of Regulation 42, Sale of Bulk Water.**

30
31 Response:

32 This clause is requested to provide guidance for the sale of bulk water. The Utility is planning
33 on constructing a bulk water station.

34
35
36 **The following IR relates to Contingency Planning:**

37 **Request IR-70:**

38 **a) Have risk assessments for the utilities proposed to be amalgamated been prepared to**
39 **consider the types of contingencies or emergencies that could occur? Are there any**
40 **plans to mitigate identified risks?**

41
42 Response:

43 An Emergency Preparedness Plan is in place for each Dam in the Utility. Dam safety reviews
44 have been completed for both the Mill Lakes and French Mill Brook Dam's. Monthly watershed

inspections are completed and recorded on the asset management system. Plans are in place to bring the Mill Lakes Dam up to the Canadian Dam Standards.

b) Do the current utilities have contingency/emergency preparedness plans in place? How long have the plans been in place? What types of emergencies and “out of service” durations are the plans intended to address? Do the contingency plans address coordination with other service providers?

Response:

Contingency Plans continue to be developed and updated as identified. Current Contingency Plans include:

- Contamination of Raw Water Supply
- Major Water Main Breaks
- Failure of Gas Chlorination Systems
- Boil Water Advisory Notification Procedures
- Major Equipment Breakdown
- Implementation of Emergency Bypass (Windsor WTP)
- Under/Over Chlorination

c) How often are these plans reviewed and updated? Have there been any recent events/occurrences which have caused changes to be made to the plans. Please explain.

Response:

These plans are reviewed annually as part of the review of each facility’s comprehensive operations manual.

d) How are staff made aware of the plans? Describe any formal procedures in place to ensure that staff are trained/prepared in the event of an emergency. Have the current utilities conducted tabletop exercises to test the plans?

Response:

As part of the operations manual review, staff is required to review as well and sign off upon review. No tabletop exercises have been conducted.

e) Does the proposed amalgamation have an impact on any aspect of risk assessment and contingency/emergency preparedness planning of the current utilities? If so, please describe.

Response:

We currently operate as a combined integrated utility; all utility staff are cross trained in all aspects of operations. This has proven to be very successful and certainly one of the positive outcomes of the 2020 Windsor / West Hants consolidation. A consolidated utility will lower the risks by having greater staff resources, experience, and training. Our capital plan for the consolidate utility with plans for distribution interconnection, more water storage, third process

1 train addition along with water control structure upgrades, decreases risk by increasing
2 resiliency and process redundancy. Risk assessment and contingency / emergency
3 preparedness planning will be done as a consolidated utility, this will allow a consistent
4 approach with no duplication. The amalgamation would allow for the opportunity to share
5 resources to better equip the utility in the event of an emergency as well as combining
6 emergency/contingency plans to assist in the ease of preparedness and eliminate duplication.

7
8 **f) How are the utilities' customers made aware of the necessity to put the plan into**
9 **action? How are customers updated on the status and expected duration of**
10 **emergencies?**

11
12 Response:

13 Through local media, social media and website and phone calls to populations at high risk.

14
15 **g) Have the utilities had any recent expenditures related to contingency planning and**
16 **emergency preparedness? If so, please briefly describe. If not, why not?**

17
18 Response:

19 No

20
21 **h) How often are the source water protection management plans reviewed? What actions**
22 **have been taken to protect water sources? What further actions are expected to be**
23 **taken?**

24
25 Response:

26 Plans are reviewed annually, and regulations are enforced when required. Watershed
27 committee meetings are held semiannually. Watershed inspections are conducted monthly
28 (minimally). Mill Lakes Dam upgrades pending.

Calculation of Capital Breakdown Between Windsor & West Hants Utility

	2023-24			2024-25			2025-26			2026-27		
STRUCTURES AND IMPROVEMENTS	Combined	Windsor	West Hants	Combined	Windsor	West Hants	Combined	Windsor	West Hants	Combined	Windsor	West Hants
Source of Supply Structures - Roads	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Source of Supply Structures	\$ 850,000	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source of Supply Structures	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power and Pumping Structures	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Reservoirs & Standpipes	\$ -	\$ -	\$ -	\$ 6,050,000	\$ 6,000,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Treatment Plant	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bulkwater Station	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other - Future Development	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -			\$ -			\$ -			\$ -		
EQUIPMENT	\$ -			\$ -			\$ -			\$ -		
Electrical Pumping	\$ 25,000	\$ -	\$ 25,000	\$ 15,000	\$ -	\$ 15,000	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
Purification Equipment	\$ 150,000	\$ 150,000	\$ -	\$ 3,048,000	\$ 3,048,000	\$ -	\$ 85,000	\$ -	\$ 85,000	\$ 55,000	\$ -	\$ 55,000
Purification Equipment	\$ 105,000	\$ -	\$ 105,000	\$ 85,000	\$ 40,000	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Equipment	\$ -	\$ -	\$ -	\$ 170,030	\$ 95,015	\$ 75,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools and Work Equipment	\$ 9,000	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Control and Monitoring Equipment	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Mains Equipment	\$ 8,000	\$ 8,000	\$ -	\$ 8,000	\$ 8,000	\$ -	\$ 8,000	\$ 8,000	\$ -	\$ 8,000	\$ 8,000	\$ -
Metre Reading System	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Geotubes for Biosolids Handling	\$ -			\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Mains Service Repairs/PRV Upgrade	\$ 63,000	\$ -	\$ 63,000	\$ 23,000	\$ -	\$ 23,000	\$ 198,000	\$ -	\$ 198,000	\$ 198,000	\$ -	\$ 198,000
	\$ -			\$ -			\$ -			\$ -		
MAINS	\$ -			\$ -			\$ -			\$ -		
Transmission	\$ 200,000	\$ 100,000	\$ 100,000	\$ 4,112,000	\$ 1,006,000	\$ 3,106,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution	\$ 1,777,788	\$ 1,506,888	\$ 270,900	\$ 1,708,410	\$ 1,148,210	\$ 560,200	\$ 2,303,550	\$ 803,950	\$ 1,499,600	\$ 1,747,775	\$ 1,535,100	\$ 212,675
	\$ -			\$ -			\$ -			\$ -		
METRES	\$ 50,800	\$ 10,800	\$ 40,000	\$ 290,800	\$ 10,800	\$ 280,000	\$ 40,800	\$ 10,800	\$ 30,000	\$ 40,800	\$ 10,800	\$ 30,000
	\$ -			\$ -			\$ -			\$ -		
SERVICES	\$ 195,000	\$ -	\$ 195,000	\$ 195,000	\$ -	\$ 195,000	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
	\$ -			\$ -			\$ -			\$ -		
TOTAL	\$ 4,023,588	\$ 2,809,688	\$ 1,213,900	\$ 15,805,240	\$ 11,356,025	\$ 4,449,215	\$ 2,705,350	\$ 822,750	\$ 1,882,600	\$ 2,079,575	\$ 1,553,900	\$ 525,675
Windsor Total	\$ 16,542,363											
West Hants Total	\$ 8,071,390											
Total Capital	\$ 24,613,753											

WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation ☒	Decision Request ☐	Councillor Activity ☐
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To: WHRM Council

Submitted by: _____
Carlee Rochon, Director, Financial Services

Date: November 14, 2023

Subject: Water and Sewer Consolidation

LEGISLATIVE AUTHORITY

- Municipal Government Act, Part IV, Finance, 81 (1)[a] & [b]; Part XIV, Sewer, 333-343
- Public Utilities Act, 64 (1) & (2)
- Nova Scotia Utility and Review Board Orders M06739, M09013

RECOMMENDATION or DECISION REQUEST

That Council

...direct the CAO to begin the process of consolidating the Windsor and West Hants water utilities into one organization and have this work completed by July 1, 2024.

...direct the CAO to begin the process of consolidating the Windsor and West Hants sewer services into one organization and make the necessary changes to the by-laws and have this work completed by July 1, 2024.

BACKGROUND

Property ☐	Public Opinion ☐	Environment ☐	Social ☐	Economic ☒	Councillor Activity ☐
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G. A. Isenor Consulting Limited was engaged by the Municipality in 2022 to do the following:

- Complete rate studies for both water and sewer utilities.
- Look at the impacts on rates if two water and two sewer utilities were to consolidate.

Council also requested the following:

- That staff prepare a flat rate model for sewer.
- That staff investigate what a low-income assistance rebate would look like on sewer.

DISCUSSION

At the November 14, 2023, Committee of the Whole Meeting, Gerry Isenor presented the results of the study, summarized below. It was identified that the lowest cost option for the average residential customers would be to combine the four utilities into two utilities. It is important to note the numbers provided by the study are estimates based on averages of previous years' water usage and used many assumptions. When considering the results presented below, there are two things to keep in mind:

1. The numbers provided by the study are estimates for the average residential customer. There will be differences in many customers' bills as a result of the proposed changes.
2. All water rates are subject to UARB approval, which means there still could be rate adjustments due to UARB rulings.

Water

Unconsolidated:

Table 1

Projected Residential Water Rates with Two Separate Utilities

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$140.62	\$165.62	\$182.83	\$191.41
Windsor	\$125.15	\$136.36	\$172.64	\$173.94

Consolidated:

Table 2

Projected Residential Water Rates with Combined Single Utility

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$140.65	\$141.26	\$169.25	\$178.13
Windsor	\$125.15	\$155.55	\$169.25	\$178.13

All water utilities are governed by the Utility and Review Board. Currently, each of the two utilities have their own water rates and associated rules. Because they are two unique entities there are differences among the rules. These differences can create confusion for customers and staff. Should the utilities be joined, the difference in rules would be eliminated. A combined water utility would also mean uniform water and base rates for two utilities, which are currently all different.

Based on the initial data presented by G. A. Isenor Consulting Limited, staff are recommending consolidating the water utilities. In the second year of consolidating the utility the average West Hants water customers would see a decrease of \$13.58 quarterly, and Windsor sewer customers would see a decrease of \$3.39 quarterly.

There are limited anticipated savings to the water utility created by combining services, however it will eliminate in-future billings between the utilities, estimated at \$480,000. Additionally, this will save on other administrative costs over time (i.e. auditing services, etc.)

Sewer

Unconsolidated:

Table 3

Projected Residential Sewer Rates with Two Separate Sewer Systems

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$116.70	\$111.65	\$118.57	\$137.96
Windsor	\$131.86	\$128.67	\$154.29	\$194.55

Consolidated:

Table 4

Projected Residential Sewer Rates with Combined Single Sewer System

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$116.70	\$114.50	\$122.99	\$149.25
Windsor	\$131.86	\$119.01	\$122.99	\$149.25

All sewer utilities are governed by Council. Currently, each of the two utilities have their own sewer rates and associated rules. Because they are two unique entities there are differences among the rules. These differences can create confusion for customers and staff. Should the utilities be joined, the different sets of rules would be eliminated. A combined sewer utility would also mean uniform sewer and base rates for two utilities, which are currently all different.

Based on the initial data presented by G. A. Isenor Consulting Limited, staff are recommending consolidating the sewer utilities. This has successfully worked previously with West Hants' former three utilities, creating a more financially stable single utility while supporting future growth.

In the second year of consolidating the utility the average West Hants sewer customer would see an increase of \$4.42 quarterly, and Windsor sewer customer would see a decrease of \$31.3 quarterly.

Again, there are limited anticipated savings to the sewer utility created by combining services, however it will eliminate in-future billings between the utilities, estimated at \$66,000. Additionally, this will save on other administrative costs over time.

Summary

Based on the studies prepared by G. A. Isenor Consulting Limited, the average customer will see an overall reduction in their total costs for water and sewer if utilities are combined. For example, in the second year of consolidating the utilities, the average West Hants sewer customer would see a decrease of \$9.16 quarterly, and Windsor sewer customers would see a decrease of \$34.69 quarterly.

The Municipality will also benefit from having common rates and rules and regulations. It will eliminate customer confusion and inequalities between the utilities and reduce administrative costs over time.

Sewer Flat Rate Model

There are various models for charging a flat rate. For the purposes of this report the following data was used to prepare what a flat rate would look like for 2022-23 and 2023-24 based on the number of sewer utility customers:

- Actual expenditures on March 31, 2023
- Number of customers at March 31, 2023
- Estimating 3% increase in expenditures for 2023-24

Location	Existing Annual Average Rate	Estimated Flat Rate	Estimated Annual Average Rate	Estimated Flat Rate
Unconsolidated	2022-23		2023-24	
West Hants	\$466.80	\$1,096.95	\$446.60	\$1,115.48
Windsor	\$527.44	\$1,211.73	\$514.68	\$1,239.13
Consolidated	2022-23		2023-24	
West Hants	\$487.28	\$1,138.79	\$458.00	\$1,160.39
Windsor	\$527.44		\$476.04	

Advantages of the flat rate model include:

- It is easy to manage on the billing side.
- It is easy to budget for.
- Customers would know exactly what their annual sewer amount would be and this would benefit large users.

The disadvantage of the flat rate method is that it penalizes those who use sewer less often than others. For example, with a flat rate a single person living in a house pays the same sewer charge as a family of four, yet the single person would arguably use the sewer less. In addition,

it decreases the accuracy of the budget preparation, as it does not allow for fluctuations in customers. For example, if sewer customers decreased then we risk falling short to support service delivery and capital work.

After preparing these calculations, the results show that it is beneficial to stay with a quarterly billing amount, as the average customer will pay less than a flat rate. By using the current model of billing sewer, it creates a fairer pay-for-use system and a more stable financial practice.

Sewer Rebates

Staff have been preparing a sewer rebate model, as part of the sewer study. Direction is needed to determine the set up required in the background to establish this program for 2024-25. It is estimated that 46.5% of applications received for the property tax assistance program are from customers on municipal sewer. Using this estimate we have prepared the following scenarios:

Quarterly Rebate Amount	Estimated # of Rebates	Quarterly Expense	Yearly Expense
\$ 25.00	150	\$ 3,750.00	\$ 15,000.00
\$ 50.00	150	\$ 7,500.00	\$ 30,000.00
\$ 75.00	150	\$ 11,250.00	\$ 45,000.00
\$ 100.00	150	\$ 15,000.00	\$ 60,000.00

Next steps for the rebate would be as follows:

- To determine what level of support Council wishes to provide residents.
- To determine where the funding for this rebate program will come from (i.e. funding to come from the general operating or the sewer utility).

NEXT STEPS

Should Council decide to move forward with the combined services several tasks would be required:

- Finalize the rate studies for Council review and approval.
- Prepare the application to the UARB for one or more hearings pending the decision of Council.
- Review and update sewer by-laws.
- Customer communication.
- Internal financial transition.

FINANCIAL IMPLICATIONS

Communication to the public is an important component whether Council decides to consolidate the utilities or not. It is estimated that there would be roughly \$10,000 in new costs for communications around the change. In addition, there will be costs of \$7,800 to prepare rates to 2026-27 in preparation for UARB and Council's approval, and \$16,000 for the UARB.

There may be minimal staff time costs to integrate the financial information of the water and sewer services. These costs would be absorbed by the water utilities and the sewer services.

In total, it is estimated that each water utility would pay roughly \$12,450 and each sewer service would pay roughly \$4,450.

ALTERNATIVES

- Committee of the Whole could choose to reject the recommendations.
- Committee of the Whole could choose to accept one of the recommendations and not the other.

ATTACHMENTS

- Memo on combined water services

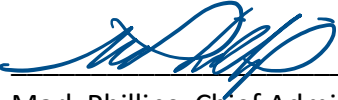
CHIEF ADMINISTRATIVE OFFICER REVIEW

The report and attachments are thorough as it relates to the forecasted rates. Consolidating sewer and water has its' benefits as well as its short-term challenges. We look forward to Council's discussions on this matter.

Staff await Council's opinion on the sewer rebate strategy and will draft policy to accompany Council's position once determined.

I support the recommendations.

Report Prepared by: _____
Carlee Rochon, Director, Financial Services

Report Approved by:  _____
Mark Phillips, Chief Administrative Officer

Memo Report

Date: November 3, 2023

To: Todd Richard, P.Eng
Director of Public Works

From: Gerry Isenor, P.Eng.
Blaine Rooney, CPA

Re: Consolidation of Water & Sewer Rates

The West Hants Regional Municipality currently owns and operates the Windsor Water Utility, the West Hants Water Utility, the Windsor Sewer System, and the West Hants Sewer System. The four systems are interconnected and share services between them as well as staff and resources. The Municipality currently maintains four separate accounting systems and charges different rates for each service.

The assignment was divided into three parts as follows:

Part 1 of this report identifies the customer rates for water services based on:

- Water rates for customers served by the Windsor Water Utility;
- Water rates for customers served by the West Hants Water Utility; and,
- Water rates for customers served by a single Windsor West Hants Water Utility.

Part 2 of this report identifies the customer rates for sewer services based on:

- Sewer rates for customers served by the Windsor Sewer System;
- Sewer rates for customers served by the West Hants Sewer System; and,
- Sewer rates for customers served by a single Windsor West Hants Sewer System.

Part 3 of this report identifies the total water and sewer rates for customers served by the Windsor West Hants Water Utility and the Windsor West Hants Sewer System.

Part 1- Water Service Customer Rate Comparison

Background

The West Hants Regional Municipality owns and operates two water utilities within the Municipality, the West Hants Water Utility and the Windsor Water Utility. The West Hants Water Utility was formed in May 27, 2019 after a public hearing. Water rates were set by the UARB

after the hearing and have been in effect since April 1, 2021. The Windsor Water Utility has a long history with a central water being noted as in use in the 1890's which is consistent with many older systems in the Province. The current water rates have been in effect since April 1, 2017.

Methodology – Part 1

The Municipality provided the study team with the most recent data available on customer counts, operating and non-operating revenue, consumption, operating and non-operating costs including debt servicing for each of the Water Utilities. The study team then prepared separate water rate studies for each stand-alone Utility and a rate study for a combined single Windsor West Hants Water Utility.

Discussion – Part 1

Based on the information provided at this time it does not appear that there will be any significant changes in total expenses as a result of the Municipality consolidating the water Utilities. The systems are currently interconnected with the Windsor Water Utility selling water to the West Hants Water Utility in the Three Miles Plains area. Based on the information provided and discussions with staff it appears that any operational savings have already been achieved since the formation of the West Hants Regional Municipality. There could be some administrative savings as presently the records for the two utilities need to be kept and reported separately including separate rate applications and reporting to the Nova Scotia Utility and Review Board (NSUARB). If the two utilities are consolidated into a single amalgamated utility then the accounts for each can be consolidated and reported as a single utility with only the separate accounts needed for management/operational purposes. There would be savings in preparing annual Financial Statements and in setting rates as only one rate study and one rate Hearing would be required.

The benefits of consolidation, in addition to potentially less administration as detailed above, would be that all customers would have a uniform rate with a single common set of Rules and Regulations.

Outcomes – Part 1

The current UARB approved base rates for single family residential customers (5/8" meters) is \$69.75 in the Windsor Water Utility and \$62.25 in the West Hants Water Utility. The approved consumption charges are \$1.47 per cubic meter in the Windsor Water Utility and \$2.45 per cubic meter in the West Hants Water Utility. If the decision to consolidate is made and approved by the NSUARB then it is our understanding that the rates will be adjusted to the blended rates on the effective date which will result in a one-time rate adjustment for all customers either up or down depending on which former utility you were serviced by.

If an application to consolidate two Utilities is made effective December 1, 2023 and is approved by the NSUARB then based on the results of the studies the following changes in current rates will be effective. The changes for the other meter sizes are in line with the 5/8" metered customers' percentages but 90% of the customers are ones having 5/8" meters.

Tables 1 provides the projected average water rates for the existing two separate water utilities.

Table 1

Projected Residential Water Rates with Two Separate Utilities

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$140.62	\$165.62	\$182.83	\$191.41
Windsor	\$125.15	\$136.36	\$172.64	\$173.94

Table 2 provides the projected average water rates for a single combined Windsor West Hants Water Utility.

Table 2

Projected Residential Water Rates with Combined Single Utility

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$140.62	\$141.26	\$169.25	\$178.13
Windsor	\$125.15	\$155.55	\$169.25	\$178.13

Combining the water utilities will result in a one-time adjustment in rates that will see some customers paying more and some less. Once the two utilities are combined the operating and capital budgets and rate adjustments are done based on one utility with one rate structure. If the two utilities remain separate the current rate structures could get further apart as operational and capital requirements for each separate utility will differ with time.

The separate background water rate studies as well as the amalgamated rate study will be provided separate from this memo report due their size (approximately 125 pages).

Part 2 – Sewer Service Customer Rate Comparison

Background – Part 2

The West Hants Regional Municipality owns and operates two separate sewer systems within the Municipality, the West Hants Sewer System serving Falmouth, Hantsport and Three Mile Plains (collection only) and the Windsor Sewer System which provides sewer collection in Windsor and Sewer Treatment for Windsor and Three Mile Plains. Sewer rates are set separately by the Municipality for each system.

Methodology – Part 2

The Municipality provided the study team with the most recent data available on customer counts, operating and non-operating revenue, customer counts, operating and non-operating costs including debt servicing for each of the sewer systems. The study team then prepared separate sewer rate studies for each stand-alone system and sewer rates for a single combined Windsor West Hants Sewer System.

Discussion – Part 2

Based on the information provided at this time it does not appear that there will be any significant changes in total expenses as a result of the Municipality consolidating the sewer systems. The systems are currently interconnected with the Windsor Sewer System selling treatment services to the West Hants Sewer System in the Three Miles Plains area. Based on the information provided and discussions with staff it appears that any operational savings have already been achieved since the formation of the West Hants Regional Municipality. There could be some administrative savings as presently the records for the two utilities need to be kept and reported separately to set separate sewer rates for each system. If the two systems are consolidated into a single amalgamated system only the accounts needed for management/operational purposes need to be maintained separately.

The benefits of consolidation, in addition to potentially less administration as detailed above, would be that all customers would have a uniform rate with a single common set of rates.

Outcomes – Part 2

The current base rates for single family residential customers (5/8" meters) is \$69.75 in the Windsor Sewer System and \$62.25 in the West Hants Sewer System. The approved consumption charges are \$1.47 per cubic meter in the Windsor Sewer System and \$2.45 per cubic meter in the West Hants Water Sewer System. If the decision to consolidate is made it will result in a one-time rate adjustment for all customers either up or down depending on which former sewer system the customer was serviced by.

If the Municipality combined the two separate sewer systems into a single Windsor West Hants Sewer System the following rates are projected for the average residential customer based on the sewer rate studies. The changes for the other meter sizes are in line with the 5/8" metered customers' percentages but 90% of the customers are ones having 5/8" meters.

Tables 3 provides the projected average sewer rates for the existing two separate sewer systems

Table 3

Projected Residential Sewer Rates with Two Separate Sewer Systems

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$116.70	\$111.65	\$118.57	\$137.96
Windsor	\$131.86	\$128.67	\$154.29	\$194.55

Table 4 provides the projected average sewer rates for a single combined Windsor West Hants Sewer System.

Table 4

Projected Residential Sewer Rates with Combined Single Sewer System

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$116.70	\$114.50	\$122.99	\$149.25
Windsor	\$131.86	\$119.01	\$122.99	\$149.25

Combining the sewer systems will result in a one-time adjustment in rates that result is some customers paying more and some less. Once the two current systems are combined the operating and capital budgets and rate adjustments are done based on one system with one rate structure. If the systems remain separate the current rate structures could get further apart as operational and capital requirements for each separate utility will differ with time.

The separate background water rate studies as well as the amalgamated rate study will be provided separate from this memo report due their size (approximately 125 pages).

Part 3 – Combined Water and Sewer Customer Rate Comparison

Table 5 provides the sum of the projected average water and sewer rates (Tables 1 and Table 3 above) for residential customers in each of the service area if the two systems remain separate.

Table 5

Total Projected Residential Water and Sewer Rates - Separate Systems

Based on maintaining separate systems/utilities

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$257.32	\$277.27	\$301.40	\$329.37
Windsor	\$257.01	\$265.03	\$326.93	\$368.49

Table 6 provides the sum of the projected average water and sewer rates (Table 2 and Table 4 above) for residential customers in each of the existing service areas if the two systems are combined into a single Windsor West Hants Sewer System.

Table 6

Total Projected Residential Water and Sewer Rates - Single Windsor West Hants Systems

Location	Existing Quarterly Average Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate	Estimated Average Quarterly Rate
	2022/23	2023/24	2024/25	2025/26
West Hants	\$257.35	\$255.76	\$292.24	\$327.38
Windsor	\$257.01	\$274.56	\$292.24	\$327.38

Findings

While either option will continue to supply the water and sewer customers with service, the lowest cost option for the average residential customer is provided by:

- combining the two water utilities into a single Utility with common rates for all customers with central water; and,
- combining the two sewer systems into a single operating unit with common rates for all customers with central sewer.

Based on the rate studies prepared at this time all customers will see an overall reduction in their total costs for water and sewer services if they are combined. The Municipality will benefit from having common rates for these services as well as having reduced accounting needs for operating staff and for the supply of repair parts and materials.

West Hants Regional Water Utility - IR's
Water Rate Study

Prepared By

G. A. Isenor Consulting Limited

in Association with

Blaine S. Rooney Consulting Limited

02-Apr-24

West Hants Regional Water Utility - IR's Comparative Statement of Operations

Fiscal Years ending March 31st

	2022/23 (Actual)	2023/24 (Budget)	Projection Using Current Rates		
			2024/25 (Test)	2025/26 (Test)	2026/27 (Test)
OPERATING REVENUES					
Metered Sales	2,837,540	2,882,969	2,882,969	2,882,969	2,882,969
Public Fire Protection - Windsor	319,208	319,208	319,208	319,208	319,208
Public Fire Protection from West Hants	155,095	155,095	155,095	155,095	155,095
Public Fire Protection West Hants	595,789	595,789	595,789	595,789	595,789
Commercial	0	2,033	2,094	2,157	2,222
Sprinkler Service/Private Hydrants	5,728	8,142	8,281	8,349	8,416
Sales to Other Utilities	241,903	250,000			
Bulk Water Sales	0	161,727	166,579	171,576	176,723
Other Income	8,361	9,695	9,828	9,958	12,945
Total	4,163,624	4,384,658	4,139,843	4,145,101	4,153,367
OPERATING EXPENDITURES					
Source of Supply	309,736	269,800	20,394	21,006	21,636
Power and Pumping	45,465	0	0	0	0
Water Treatment	898,534	1,001,742	1,036,197	1,067,283	1,099,301
Transmission and Distribution	1,122,483	1,339,222	1,379,844	1,421,239	1,463,876
Administration and General	518,114	567,812	587,311	607,766	625,999
Depreciation	800,352	884,322	1,325,721	1,370,932	1,404,587
Taxes	63,891	72,018	74,178	76,404	78,696
Total	3,758,575	4,134,916	4,423,644	4,564,629	4,694,096
OPERATING PROFIT (LOSS)	405,049	249,742	-283,801	-419,528	-540,729
		0			
NON-OPERATING REVENUES					
Interest on Customer Accounts	9,602	7,432	7,655	7,655	7,884
Interest	0	2,459	2,533	2,533	2,609
Special Service	0	17,661	18,191	18,191	18,737
Other	0	721	743	743	765
Other- Bank Interest	0	3,500	3,605	3,605	3,713
Total	9,602	31,773	32,727	32,727	33,708
NON-OPERATING EXPENDITURES					
Debt Charges - Principal	572,672	206,177	107,582	254,162	78,269
Debt Charges - Interest	45,416	33,661	29,448	22,946	17,053
New Debt - Principal	0	70,810	75,059	79,562	84,336
New Debt - Interest	0	156,287	152,039	147,535	142,761
New Debt - Principal	0	0	226,595	240,191	254,602
New Debt - Interest	0	0	500,126	486,531	472,119
New Debt - Principal	0	0		30,836	32,686
New Debt - Interest	0	0		68,060	66,209
New Debt - Principal	0	0	0	0	15,244
New Debt - Interest	0	0	0		68,060
Transfer to Sludge Handling Reserve	0	20,000	10,000	10,000	10,000
Capital out of Revenue	42,862	58,000	78,000	58,000	58,000
Earnings	0	0	0	0	0
Total	660,950	544,935	1,178,849	1,397,822	1,299,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-246,299	-263,420	-1,429,923	-1,784,624	-1,806,361
SURPLUS AT BEGINNING OF YEAR	1,459,569	1,213,270	949,850	-1,030,073	-2,814,697
CAPITAL FROM SURPLUS	0	0	550,000	0	0
ACCUMULATED SURPLUS (DEFICIT)	1,213,270	949,850	-1,030,073	-2,814,697	-4,621,058

Worksheet B-2

02-Apr-24

West Hants Regional Water Utility - IR's Statement of Operating Expenditures and Revenue Requirements					
	2022/23 (Actual)	2023/24 (Budget)	2024/25 (Test)	2025/26 (Test)	2026/27 (Test)
OPERATING EXPENDITURES					
Source of Supply	309,736	269,800	20,394	21,006	21,636
Power and Pumping	45,465				
Water Treatment	898,534	1,001,742	1,036,197	1,067,283	1,099,301
Transmission and Distribution	1,122,483	1,339,222	1,379,844	1,421,239	1,463,876
Administration and General	518,114	567,812	587,311	607,766	625,999
Depreciation	800,352	884,322	1,325,721	1,370,932	1,404,587
Taxes	63,891	72,018	74,178	76,404	78,696
Total	3,758,575	4,134,916	4,423,644	4,564,629	4,694,096
NON OPERATING EXPENSES					
Debt Charges - Principal	572,672	206,177	107,582	254,162	78,269
Debt Charges - Interest	45,416	33,661	29,448	22,946	17,053
New Debt - Principal	0	70,810	75,059	79,562	84,336
New Debt - Interest	0	156,287	152,039	147,535	142,761
New Debt - Principal	0	0	226,595	240,191	254,602
New Debt - Interest	0	0	500,126	486,531	472,119
New Debt - Principal	0	0	0	30,836	32,686
New Debt - Interest	0	0	0	68,060	66,209
New Debt - Principal				0	15,244
New Debt - Interest				0	68,060
Amortization of Debenture Discount	0	0	0	0	0
Interest Paid on consumer deposits	0	20,000	10,000	10,000	10,000
Capital out of Revenue	42,862	58,000	78,000	58,000	58,000
Earnings	0	0	0	0	0
Total	660,950	544,935	1,178,849	1,397,822	1,299,340
LESS NON-OPERATING REVENUES					
Interest on Customer Accounts	9,602	7,432	7,655	7,655	7,884
Interest	0	2,459	2,533	2,533	2,609
Special Service	0	17,661	18,191	18,191	18,737
Other	0	721	743	743	765
Bank Interest	0	3,500	3,605	3,605	3,713
Total	9,602	31,773	32,727	32,727	33,708
LESS OTHER OPERATING REVENUE					
Sundry	8,361	9,695	9,828	9,958	12,945
Sprinkler Service	5,728	8,142	8,281	8,349	8,416
Commercial	0	2,033	2,094	2,157	2,222
Bulk Water Service	0	161,727	166,579	171,576	176,723
Total	14,089	181,597	186,782	192,040	200,306
REVENUE REQUIRED FROM FIRE PROTECTION AND WATER CUSTOMERS	4,395,834	4,466,481	5,382,984	5,737,685	5,759,422

West Hants Regional Water Utility - IR's
Statement of Operating Expenditures

	2022/23 (Estimated)	2023/24 (Projected)	2024/25 (Budget)	2025/26 (Budget)	2026/27 (Budget)
SOURCE OF SUPPLY					
Professional Services	0	0	0	0	0
Operational Labour and Benefits	44,001	0	0	0	0
Maintenance - Watershed Roads	5,000	5,000	5,150	5,305	5,464
Maintenance	6,072	8,000	8,240	8,487	8,742
Water Purchased - TMP Excluding Fire Protection Charge	241,903	250,000		0	0
Other Supplies & Expenses	7,760	300	309	318	328
Water Withdrawal Fees	5,000	6,500	6,695	6,896	7,103
Other	0	0	0	0	0
TOTAL SOURCE OF SUPPLY	309,736	269,800	20,394	21,006	21,636
POWER AND PUMPING					
Operations Labour	43,358	0	0	0	0
Structures and Improvements	1,667	0	0	0	0
Pumping Equipment	107	0	0	0	0
Other	333	0	0	0	0
Power Hantsport WTP	0	0	0	0	0
Fuel/Propane-Generator	0	0	0	0	0
TOTAL POWER AND PUMPING	45,465	0	0	0	0
WATER TREATMENT					
Engineering					
Operational Labour	328,359	425,192	437,948	451,086	464,619
Telephone Services	7,665	0	0	0	0
Power - Eldridge Rd	41,456	37,100	39,697	40,888	42,115
Power - Hantsport WTP	21,364	18,350	19,635	20,224	20,831
Photocopier Expenses	450	500	515	530	546
Office Supplies	0	200	206	212	219
Computer Expenses	0	0	0	0	0
Engineering Services	1,672	0	0	0	0
Training & Travel	7,560	0	0	0	0
Chemicals	222,845	235,000	242,050	249,312	256,791
Other Supplies & Expenses	2,641	3,000	3,090	3,183	3,278
Maintenance - Plant Roadways	7,584	8,500	8,755	9,018	9,288
Maintenance - Building	23,162	26,600	27,398	28,220	29,067
Maintenance - Equipment	45,978	60,500	62,315	64,184	66,110
Maintenance - Treatment Equipment	39,925	55,000	56,650	58,350	60,100
Maintenance - Waste Water Lagoon	3,754	5,000	5,150	5,305	5,464
Power	58,981	54,600	58,422	60,175	61,980
Fuel	56,620	38,000	39,140	40,314	41,524
Telephone	0	0	0	0	0
Alarm	480	700	721	743	765
Lab Supplies	16,312	18,000	18,540	19,096	19,669
Outside Testing	11,521	14,000	14,420	14,853	15,298
All Terrain Vehicle	205	500	515	530	546
Other	0	1,000	1,030	1,061	1,093
TOTAL WATER TREATMENT	898,534	1,001,742	1,036,197	1,067,283	1,099,301

Worksheet B-2a/2b/2c/2d/2e

TRANSMISSION AND DISTRIBUTION					
Computer & Asset Management	0	0	0	0	0
Supervision	249,929	251,777	259,330	267,110	275,124
Operational Labour	585,097	647,398	666,820	686,825	707,429
Engineering Services	0	0	0	0	0
Training, Travel	0	0	0	0	0
Maintenance Standpipe Industrial Park	21,871	20,000	20,600	21,218	21,855
Small Tools & Equipment	8	6,000	6,180	6,365	6,556
Structures and Improvements	167	0	0	0	0
Safety Equipment and Clothing	0	0	0	0	0
Maintenance - Transmission Mains	0	0	0	0	0
Other Distribution Plants (Leak Detection)	10,118	7,500	7,725	7,957	8,195
Maintenance - Mains and Standpipes	138,388	150,000	154,500	159,135	163,909
Bulk Water Haul Station	0	4,500	4,635	4,774	4,917
Maintenance - Services	-40,883	55,000	56,650	58,350	60,100
Maintenance - Meters	11,914	10,500	10,815	11,139	11,474
Maintenance - Hydrants	-1,697	14,500	14,935	15,383	15,845
PW Cost Distribution	26,810	30,150	31,055	31,986	32,946
Power - Isolation Valve Chamber	1,383	1,450	1,552	1,599	1,647
PW Contribution	0	32,000	32,960	33,949	34,967
Rents (DMA Radio)	0	600	618	637	656
Vehicle Use from Public Works	67,839	55,000	56,650	58,350	60,100
Fleet Fuel	25,082	25,000	25,750	26,523	27,318
Lab Analyst	13,971	15,000	15,450	15,914	16,391
Monitoring Services	0	2,000	2,060	2,122	2,185
Power	11,434	9,647	10,323	10,633	10,952
Consumer Billing and Accounting	0	0	0	0	0
Other	1,052	1,200	1,236	1,273	1,311
TOTAL TRANSMISSION AND DISTRIBUTION	1,122,483	1,339,222	1,379,844	1,421,239	1,463,876
ADMINISTRATION AND GENERAL					
Professional Services	14,211	25,000	25,750	26,523	27,318
Computer & Asset Management	5,426	6,700	6,901	7,108	7,321
Advertising	1,859	1,700	1,751	1,804	1,858
Auditors	8,134	18,000	18,540	19,096	19,669
UARB	9,058	19,500	20,085	20,688	21,308
Professional Services	23,069	45,000	46,350	47,741	49,173
Computer & Asset Management	6,002	10,200	10,506	10,821	11,146
Mileage & Expenses	5,947	4,500	4,635	4,774	4,917
Insurance	18,279	20,545	23,626	27,170	27,985
Uncollectible Accounts	0	5,000	5,150	5,305	5,464
Training & Travel	18,857	17,000	17,510	18,035	18,576
Telephone	14,920	12,800	13,184	13,580	13,987
Administration Fee	387,203	375,867	387,143	398,758	410,721
General Office Expenses	1,765	4,000	4,120	4,244	4,371
General Property	0	0	0	0	0
Other	3,384	2,000	2,060	2,122	2,185
TOTAL ADMINISTRATION AND GENERAL	518,114	567,812	587,311	607,766	625,999

West Hants Regional Water Utility - IR's Calculation of Depreciation of Tangible Plant at Total Cost 2022/23					
	Additions to Utility Plant in Service	Capital Cost Contribution from Others	Utility Cost of Plant in Service	Depreciation Rate	Annual Depreciation
			Depreciation rate as March 31		669,430
					0
LAND AND LAND RIGHTS					
Source of Supply Land					0
Land - General					0
STRUCTURES AND IMPROVEMENTS					0
Source of Supply Structures Roads and Gates	40,000		40,000	0.04	1,600
Power and Pumping Structures	0		0	0.04	0
Electrical Upgrades & Lagoons Workshop	0		0	0.04	0
Storage Reservoir	10,000	0	10,000	0.05	500
Water Treatment Plant	50,000		50,000	0.05	2,500
Treatment Plant Gate and Security	0	0	0	0.04	0
Other- System Report	15,000		15,000	0.1	1,500
Equipment			0		0
Electrical Pumping	10,000	0	10,000	0.04	400
Purification Equipment	100,000	0	100,000	0.05	5,000
Office Furniture and Equipment	0		0	0.1	0
Transportation Equipment	0	0	0	0.1	0
Tools and Work Equipment	0		0	0.2	0
Backwash Piping	0		0	0.02	0
Distribution Mains Equipment	16,000	0	16,000	0.05	800
Flushing station and Valve replacement	23,000	0	23,000	0.04	920
Other	0	0	0	0.04	0
Mains			0		0
Transmission	0	0	0	0.0133	0
Distribution	85,125	0	85,125	0.0133	1,132
Meters	40,800	0	40,800	0.05	2,040
Hydrants	0	0	0	0.0133	0
Sprinkler Connections		0	0		0
Services	175,000	0	175,000	0.02	3,500
Other	0	0	0	0.333	0
TOTAL	564,925	0	564,925		19,892
Source of Funding					
		Depreciation Fund Balance beginning of year		800,352	
Outside Funding		0		Interest on Fund balance	
Capital out of Revenue		50,000		Fund balance before expenditures	
Depreciation fund		514,925		810,356	
Long Term Debt		0		Depreciation Payment in Current Year	
TOTAL		564,925		-514,925	
				Balance after expenditures	
				984,754	

West Hants Regional Water Utility - IR's
Calculation of Depreciation of Tangible Plant at Total Cost
2023/24

	Additions to Utility Plant in Service	Capital Cost Contribution from Others	Utility Cost of Plant in Service	Depreciation Rate	Annual Depreciation
			Depreciation rate as March 31		800,352
LAND AND LAND RIGHTS					
Source of Supply Land	0		0		0
Land - Water Storage Tank	0		0		0
STRUCTURES AND IMPROVEMENTS			0		0
Source of Supply Structures	850,000		850,000	0.0133	11,305
Source of Supply Structures	80,000		80,000	0.04	3,200
Power and Pumping Structures	25,000		25,000	0.04	1,000
Purification	0		0	0	0
Distribution Reservoirs and Standpipes	0	0	0	0.0133	0
Water Treatment Plant	40,000		40,000	0.04	1,600
Bulk Water Station	150,000	0	150,000	0.05	7,500
Other- System Assessment Report/Modeling	40,000		40,000	0.1	4,000
Equipment	0		0		0
Electrical Pumping	25,000	0	25,000	0.05	1,250
Purification Equipment	150,000	0	150,000	0.025	3,750
Purification Equipment	105,000		105,000	0.05	5,250
Office Furniture and Equipment	0		0	0.05	0
Transportation Equipment	0	0	0	0.2	0
Tools and Work Equipment	9,000		9,000	0.1	900
Control and Monitoring equipment	105,000		105,000	0.01	1,050
Distribution Mains Equipment	8,000		8,000	0.05	400
Meter Reading System	150,000	0	150,000	0.05	7,500
Mains Repairs/ PRV Upgrade	63,000		63,000	0.04	2,520
Other	0	0	0	0.05	0
Mains	0		0		0
Transmission	200,000	0	200,000	0.0133	2,660
Distribution	1,777,787	0	1,777,787	0.0133	23,645
Meters	50,800	40,800	10,000	0.05	2,540
	0	0	0	0.02	0
Services	195,000	20,000	175,000	0.02	3,900
Other	0	0	0	0.333	0
Other	0	0	0	0.333	0
TOTAL	4,023,587	60,800	3,962,787		83,970
Source of Funding					
			Depreciation Fund Balance beginning of year		984,754
Outside Funding	60,800		Interest on Fund balance		12,309
Capital out of Revenue	58,000		Fund balance before expenditures		997,063
Depreciation fund	1,300,000		Depreciation Payment in Current Year		884,322
Long Term Debt	2,604,787		Depreciation Expenditure in Current Year		-1,300,000
Capital From Surplus	0				
TOTAL	4,023,587		Balance after expenditures		581,385

West Hants Regional Water Utility - IR's Calculation of Depreciation of Tangible Plant at Total Cost 2024/25					
	Additions to Utility Plant in Service	Capital Cost Contribution from Others	Utility Cost of Plant in Service	Depreciation Rate	Annual Depreciation
			Depreciation rate as March 31		884,322
LAND AND LAND RIGHTS					
Source of Supply Land	0	0	0	0	0
Future Reservoir Land	0				0
STRUCTURES AND IMPROVEMENTS					0
Source of Supply Structures-Roads	60,000	0	60,000	0.04	2,400
Power and Pumping Structures	0	0	0	0.02	0
Purification		0	0	0.02	0
Distribution Reservoirs and Standpipes	6,050,000	3,025,000	3,025,000	0.04	242,000
Water Treatment Plant	40,000	0	40,000	0.04	1,600
General Wellfield Development	0	0	0	0.04	0
Other	0	0	0	0.05	0
Equipment		0	0		0
Electrical Pumping	15,000	0	15,000	0.04	600
Purification Equipment	3,048,000	0	3,048,000	0.025	76,200
Purification Equipment	85,000		85,000	0.05	4,250
Emergency Generator	0	0	0	0.05	0
Transportation Equipment	170,030	0	170,030	0.1	17,003
Tools and Work Equipment	0	0	0	0.1	0
GIS System		0	0	0.05	0
Distribution Mains Equipment	8,000	0	8,000	0.05	400
Meter Pit	0	0	0	0.05	0
Mains Repairs/ PRV Upgrade	23,000	0	23,000	0.04	920
Mains		0	0		0
Transmission	4,112,000	2,056,000	2,056,000	0.01333	54,813
Distribution	1,708,410	0	1,708,410	0.01333	22,773
Meters	290,800	40,800	250,000	0.05	14,540
Hydrants		0	0	0.02	0
Services	195,000	20,000	175,000	0.02	3,900
Other	0		0	0.02	0
Other	0		0	0.02	0
TOTAL	15,805,240	5,141,800	10,663,440		441,399
Source of Funding					
			Depreciation Fund Balance beginning of year		581,385
Outside Funding	5,141,800		Interest on Fund balance		7,267
Capital out of Revenue	78,000		Fund balance before expenditures		588,652
Depreciation fund	1,700,000		Depreciation Payment in Current Year		1,325,721
Long Term Debt	8,335,440		Depreciation Expenditure in Current Year		-1,700,000
Capital from Surplus	550,000		Balance after expenditures		214,372
TOTAL	15,805,240				

West Hants Regional Water Utility - IR's
Calculation of Depreciation of Tangible Plant at Total Cost
2025/26

	Additions to Utility Plant in Service	Capital Cost Contribution from Others	Utility Cost of Plant in Service	Depreciation Rate	Annual Depreciation
			Depreciation rate as March 31		1,325,721
LAND AND LAND RIGHTS					
Source of Supply Land	0		0		0
Land - General	0		0		0
STRUCTURES AND IMPROVEMENTS			0		0
Source of Supply Structures-Roads	10,000		10,000	0.04	400
Power and Pumping Structures			0	0.02	0
Purification			0	0	0
Distribution Reservoirs and Standpipes	0	0	0	0.01333	0
Water Treatment Plant	0		0	0.0133	0
General Test well	0	0	0	0.04	0
Other Water Source Structures			0	0.05	0
Equipment			0		0
Electrical Pumping	10,000		10,000	0.04	400
Purification Equipment	85,000	0	85,000	0.05	4,250
Purification Equipment			0	0.05	0
Office Furniture and Equipment	0	0	0	0.1	0
Transportation Equipment	0		0	0.1	0
Tools and Work Equipment			0	0.05	0
Control and Monitoring equipment	0		0	0.05	0
Distribution Mains Equipment	8,000	0	8,000	0.333	2,664
Geotubes for Sludge Handling	30,000				
Mains Repairs/ PRV Upgrade	23,000		23,000	0.04	920
Mains			0		0
Transmission	0		0	0.0133	0
Distribution	2,303,550	102,225	2,201,325	0.0133	30,637
Meters	40,800	40,800	0	0.05	2,040
Hydrants	0		0	0.02	0
Services	195,000	20,000	175,000	0.02	3,900
Other					0
Other					0
TOTAL	2,705,350	163,025	2,512,325	1	45,211
Source of Funding					
			Depreciation Fund Balance beginning of year		214,372
Outside Funding	163,025		Interest on Fund balance		2,680
Capital out of Revenue	58,000		Fund balance before expenditures		217,052
Depreciation fund	1,350,000		Depreciation Payment in Current Year		1,370,932
Long Term Debt	1,134,325		Depreciation Expenditure in Current Year		-1,350,000
			Balance after expenditures		237,984
TOTAL	2,705,350				

West Hants Regional Water Utility - IR's
Calculation of Depreciation of Tangible Plant at Total Cost
2026/27

	Additions to Utility Plant in Service	Capital Cost Contribution from Others	Utility Cost of Plant in Service	Depreciation Rate	Annual Depreciation
			Depreciation rate as March 31		1,370,932
LAND AND LAND RIGHTS					
Source of Supply Land	0		0		0
Land - General	0		0		0
STRUCTURES AND IMPROVEMENTS			0		0
Source of Supply Structures-Roads	10,000		10,000	0.04	400
Power and Pumping Structures			0	0.02	0
Purification			0	0	0
Distribution Reservoirs and Standpipes	0	0	0	0.01333	0
Water Treatment Plant	0		0	0.0133	0
General Test well	0	0	0	0.04	0
Other Water Source Structures			0	0.05	0
Equipment			0		0
Electrical Pumping	0		0	0.04	0
Purification Equipment	55,000	0	55,000	0.05	2,750
Office Furniture and Equipment			0	0.05	0
Transportation Equipment	0	0	0	0.1	0
Tools and Work Equipment	0		0	0.1	0
GIS System			0	0.05	0
Distribution Mains Equipment	8,000		8,000	0.05	400
Geotubes for Biosolids Handling	0	0	0	0.333	0
Mains Repairs/ PRV Upgrade	23,000		23,000	0.04	920
Mains			0		0
Transmission	0		0	0.0133	0
Distribution	1,747,775	0	1,747,775	0.0133	23,245
Meters	40,800	40,800	0	0.05	2,040
Hydrants	0	0	0	0.02	0
Services	195,000	20,000	175,000	0.02	3,900
Other					0
Other					0
TOTAL	2,079,575	60,800	2,018,775	1	33,655
Source of Funding					
		Depreciation Fund Balance beginning of year		237,984	
Outside Funding		60,800	Interest on Fund balance		2,975
Capital out of Revenue		58,000	Fund balance before expenditures		240,959
Depreciation fund		1,400,000	Depreciation Payment in Current Year		1,404,587
Long Term Debt		560,775	Depreciation Expenditure in Current Year		-1,400,000
Capital from Surplus		0	Balance after expenditures		245,546
TOTAL		2,079,575			

02-Apr-24

West Hants Regional Water Utility - IR's
Calculation of Amortization on Capital Contributions (to Plant)
2023/24

	Capital Contributions to Utility Plant in Service	Amortization Rate	Annual Amortization
LAND AND LAND RIGHTS			
Source of Supply Land	0	0.00	0
Land - General	0	0.00	0
STRUCTURES AND IMPROVEMENTS	0	0.00	0
Source of Supply Structures	0	0.0133	0
Source of Supply Structures	0	0.04	0
Power and Pumping Structures	0	0.04	0
Purification	0	0	0
Distribution Reservoirs and Standpipes	0	0.0133	0
Water Treatment Plant	0	0.04	0
Bulk Water Station	0	0.05	0
Other- System Assessment Report/Modeling	0	0.1	0
Equipment	0		0
Electrical Pumping	0	0.05	0
Purification Equipment	0	0.025	0
Purification Equipment	0	0.05	0
Office Furniture and Equipment	0	0.05	0
Transportation Equipment	0	0.2	0
Tools and Work Equipment	0	0.1	0
Control and Monitoring equipment	0	0.01	0
Distribution Mains Equipment	0	0.05	0
Meter Reading System	0	0.05	
Mains Service Repairs/ PRV Upgrade	0	0.04	
Other	0	0.05	
Mains	0		0
Transmission	0	0.0133	0
Distribution	0	0.0133	0
Meters	40,800	0.05	2,040
Hydrants	0	0.02	0
Services	20,000	0.02	400
Other		0.333	0
Other	0	0.333	0
TOTAL	60,800		2,440

West Hants Regional Water Utility - IR's
Calculation of Amortization on Capital Contributions (to Plant)
2024/25

	Capital Contributions to Utility Plant in Service	Amortization Rate	Annual Amortization
LAND AND LAND RIGHTS			
Source of Supply Land	0	0.00	0
Land - General	0	0.00	0
STRUCTURES AND IMPROVEMENTS	0	0.00	0
Source of Supply Structures-Roads	0	0.04	0
Power and Pumping Structures	0	0.02	0
Purification	0	0.02	0
Distribution Reservoirs and Standpipes	3,025,000	0.04	121,000
Water Treatment Plant	0	0.04	
General Wellfield Development	0	0.04	
Other - Future Development Capital Require	0	0.05	
Equipment	0		0
Electrical Pumping	0	0.04	0
Purification Equipment	0	0.025	0
Purification Equipment	0	0.05	0
Emergency Generator	0	0.05	
Transportation Equipment	0	0.1	
Tools and Work Equipment	0	0.1	
GIS System	0	0.05	0
Distribution Mains Equipment	0	0.05	0
Meter Pit	0	0.05	0
Mains Service Repairs/ PRV Upgrade	0	0.04	0
Mains	0		0
Transmission	2,056,000	0.01333	27,406
Distribution	0	0.01333	0
Meters	40,800	0.05	2,040
Hydrants	0	0.02	0
Services	20,000	0.02	400
Other	0	0.02	0
Other	0	0.02	0
TOTAL	5,141,800		150,846

West Hants Regional Water Utility - IR's
Calculation of Amortization on Capital Contributions (to Plant)
2025/26

	Capital Contributions to Utility Plant in Service	Amortization Rate	Annual Amortization
LAND AND LAND RIGHTS			
Source of Supply Land	0	0.00	0
Land - General	0	0.00	0
STRUCTURES AND IMPROVEMENTS	0	0	0
Source of Supply Structures-Roads	0	0.04	0
Power and Pumping Structures	0	0.02	0
Purification	0	0	0
Distribution Reservoirs and Standpipes	0	0.01333	0
Water Treatment Plant	0	0.0133	0
General Test well	0	0.04	0
Other Water Source Structures	0	0.05	0
Equipment	0		0
Electrical Pumping	0	0.04	0
Purification Equipment	0	0.05	0
Office Furniture and Equipment	0	0.05	0
Transportation Equipment	0	0.1	
Tools and Work Equipment	0	0.1	
GIS System	0	0.05	
Distribution Mains Equipment	0	0.05	
Geotubes for Biosolids Handling	0	0.333	
Mains Service Repairs/ PRV Upgrade	0	0.04	0
Mains	0		0
Transmission	0	0.0133	0
Distribution	102,225	0.0133	1,360
Meters	40,800	0.05	2,040
Hydrants	0	0.02	0
Services	20,000	0.02	400
Other			0
Other	0		0
TOTAL	163,025		3,800

West Hants Regional Water Utility - IR's
Calculation of Amortization on Capital Contributions (to Plant)
2026/27

	Capital Contributions to Utility Plant in Service	Amortization Rate	Annual Amortization
LAND AND LAND RIGHTS			
Source of Supply Land	0	0.00	0
Land - General	0	0.00	0
STRUCTURES AND IMPROVEMENTS	0	0.00	0
Source of Supply Structures-Roads	0	0.04	0
Power and Pumping Structures	0	0.02	0
Purification	0	0	0
Distribution Reservoirs and Standpipes	0	0.01333	0
Water Treatment Plant	0	0.0133	0
General Test well	0	0.04	0
Other Water Source Structures	0	0.05	0
Equipment	0		0
Electrical Pumping	0	0.04	0
Purification Equipment	0	0.05	0
Office Furniture and Equipment	0	0.05	0
Transportation Equipment	0	0.1	0
Tools and Work Equipment	0	0.1	0
GIS System	0	0.05	0
Distribution Mains Equipment	0	0.05	0
Geotubes for Biosolids Handling	0	0.333	0
Mains Service Repairs/ PRV Upgrade	0	0.04	
Mains	0		0
Transmission	0	0.0133	0
Distribution	0	0.0133	0
Meters	40,800	0.05	2,040
Hydrants	0	0.02	0
Services	20,000	0.02	400
Other	0		0
Other	0		0
TOTAL	60,800		2,440

West Hants Regional Water Utility - IR's Allocation of the Total Cost of Utility Plant in Service Between General Service and Fire Protection 2023/24							
	Utility Plant in Service Previous Year	Additions	Utility Plant in Service	Percent	General Service	Percent	Fire Protection
Organization and Working Capital	1,293		1,293	100.0%	1,293	0.0%	0
Tangible Plant	-	-					
LAND AND LAND RIGHTS	-	-	-				
Source of Supply Land	-	-	-	90.0%	0	10.0%	0
Land - General	694,591	-	694,591	90.0%	625,132	10.0%	69,459
STRUCTURES AND IMPROVEMENTS	-	-	-		0		0
Source of Supply Structures	988,990	930,000	1,918,990	90.0%	1,727,091	10.0%	191,899
Power and Pumping Structures	626,059	25,000	651,059	90.0%	585,953	10.0%	65,106
Purification Building	2,172,409	-	2,172,409	90.0%	1,955,168	10.0%	217,241
Distribution Reservoirs and Standpipes	1,467,771	-	1,467,771	40.0%	587,108	60.0%	880,663
Water Treatment Plant	2,572,115	40,000	2,612,115	85.0%	2,220,298	15.0%	391,817
Bulk Water Station	88,943	150,000	238,943	90.0%	215,049	10.0%	23,894
Other	-	40,000	40,000	90.0%	36,000	10.0%	4,000
Equipment	-	-	-		0		0
Electrical Pumping	160,471	25,000	185,471	90.0%	166,924	10.0%	18,547
Purification Equipment	4,011,450	255,000	4,266,450	90.0%	3,839,805	10.0%	426,645
Office Furniture and Equipment	-	-	-	90.0%	0	10.0%	0
Transportation Equipment	285,118	-	285,118	90.0%	256,606	10.0%	28,512
Tools and Work Equipment	21,834	9,000	30,834	90.0%	27,750	10.0%	3,083
Control and Monitoring equipment	3,293	105,000	108,293	90.0%	97,463	10.0%	10,829
Distribution Mains Equipment	-	8,000	8,000	90.0%	7,200	10.0%	800
Meter Reading System	-	150,000	150,000	40.0%	60,000	60.0%	90,000
Mains Service Repairs/ PRV Upgrade	-	63,000	63,000	90.0%	56,700	10.0%	6,300
Other - Geotubes	7,175	-	7,175	90.0%	6,458	10.0%	718
Mains		-					
Transmission	2,975,134	200,000	3,175,134	40.0%	1,270,054	60.0%	1,905,081
Distribution	7,408,328	1,777,787	9,186,115	40.0%	3,674,446	60.0%	5,511,669
Meters	1,289,833	50,800	1,340,633	100.0%	1,340,633	0.0%	0
Hydrants	513,147	-	513,147	0.0%	0	100.0%	513,147
Services	971,144	195,000	1,166,144	100.0%	1,166,144	0.0%	0
Other -Donated Assets	2,087,143	-	2,087,143	50.0%	1,043,572	50.0%	1,043,572
Other	133,925	-	133,925	90.0%	120,533	10.0%	13,393
TOTAL	28,480,167	4,023,587	32,503,754	64.9%	21,087,380	35.1%	11,416,374

West Hants Regional Water Utility - IR's Allocation of the Total Cost of Utility Plant in Service Between General Service and Fire Protection 2024/25							
	Utility Plant in Service Previous Year	Additions	Utility Plant in Service	Percent	General Service	Percent	Fire Protection
Intangible Plant							
Organization and Working Capital	1,293		1,293	100.0%	1,293	0.0%	0
Tangible Plant	-						
LAND AND LAND RIGHTS	-		-				
Source of Supply Land	-	0	-	90.0%	0	10.0%	0
Land - General	694,591	0	694,591	90.0%	625,132	10.0%	69,459
STRUCTURES AND IMPROVEMENTS	-	0	-		0		0
Source of Supply Structures	1,918,990	60,000	1,978,990	90.0%	1,781,091	10.0%	197,899
Power and Pumping Structures	651,059	0	651,059	90.0%	585,953	10.0%	65,106
Purification Building	2,172,409	0	2,172,409	90.0%	1,955,168	10.0%	217,241
Distribution Reservoirs and Standpipes	1,467,771	6,050,000	7,517,771	40.0%	3,007,108	60.0%	4,510,663
Water Treatment Plant	2,612,115	40,000	2,652,115	85.0%	2,254,298	15.0%	397,817
Bulk Water Station	238,943	0	238,943	90.0%	215,049	10.0%	23,894
Other	40,000	0	40,000	90.0%	36,000	10.0%	4,000
Equipment					0		
Electrical Pumping	185,471	15,000	200,471	90.0%	180,424	10.0%	20,047
Purification Equipment	4,266,450	3,048,000	7,314,450	90.0%	6,583,005	10.0%	731,445
Office Furniture and Equipment	-	85,000	85,000	90.0%	76,500	10.0%	8,500
Transportation Equipment	285,118	0	285,118	90.0%	256,606	10.0%	28,512
Tools and Work Equipment	30,834	170,030	200,864	90.0%	180,777	10.0%	20,086
Control and Monitoring equipment	108,293	0	108,293	90.0%	97,463	10.0%	10,829
Distribution Mains Equipment	8,000	0	8,000	90.0%	7,200	10.0%	800
Meter Reading System	150,000	8,000	158,000	40.0%	63,200	60.0%	94,800
Mains Service Repairs/ PRV Upgrade	63,000	0	63,000	90.0%	56,700	10.0%	6,300
Other	7,175	23,000	30,175	90.0%	27,158	10.0%	3,018
Mains	-	0	-				0
Transmission	3,175,134	4,112,000	7,287,134	40.0%	2,914,854	60.0%	4,372,281
Distribution	9,186,115	1,708,410	10,894,525	40.0%	4,357,810	60.0%	6,536,715
Meters	1,340,633	290,800	1,631,433	100.0%	1,631,433	0.0%	0
Hydrants	513,147	0	513,147	0.0%	0	100.0%	513,147
Services	1,166,144	195,000	1,361,144	100.0%	1,361,144	0.0%	0
Other - Donated Assets	2,087,143	0	2,087,143	50.0%	1,043,572	50.0%	1,043,572
Other	133,925	0	133,925	90.0%	120,533	10.0%	13,393
TOTAL	32,503,754	15,805,240	48,308,994	60.9%	29,419,471	39.1%	18,889,523

West Hants Regional Water Utility - IR's Allocation of the Total Cost of Utility Plant in Service Between General Service and Fire Protection 2025/26							
	Utility Plant in Service Previous Year	Additions	Utility Plant in Service	Percent	General Service	Percent	Fire Protection
Intangible Plant							
Organization and Working Capital	1,293		1,293	100.0%	1,293	0.0%	0
Tangible Plant							
LAND AND LAND RIGHTS	-		-				
Source of Supply Land	-	0	-	90.0%	0	10.0%	0
Land - General	694,591	0	694,591	90.0%	625,132	10.0%	69,459
STRUCTURES AND IMPROVEMENTS	-	0	-		0		0
Source of Supply Structures	1,978,990	10,000	1,988,990	90.0%	1,790,091	10.0%	198,899
Power and Pumping Structures	651,059	0	651,059	90.0%	585,953	10.0%	65,106
Purification Building	2,172,409	0	2,172,409	90.0%	1,955,168	10.0%	217,241
Distribution Reservoirs and Standpipes	7,517,771	0	7,517,771	40.0%	3,007,108	60.0%	4,510,663
Water Treatment Plant	2,652,115	0	2,652,115	85.0%	2,254,298	15.0%	397,817
Bulk Water Station	238,943	0	238,943	90.0%	215,049	10.0%	23,894
Other	40,000	0	40,000	90.0%	36,000	10.0%	4,000
Equipment	-	0	-		0		0
Electrical Pumping	200,471	10,000	210,471	90.0%	189,424	10.0%	21,047
Purification Equipment	7,314,450	85,000	7,399,450	90.0%	6,659,505	10.0%	739,945
Purification Equipment	85,000	0	85,000	90.0%	76,500	10.0%	8,500
Office Furniture and Equipment	285,118	0	285,118	90.0%	256,606	10.0%	28,512
Transportation Equipment	200,864	0	200,864	90.0%	180,777	10.0%	20,086
Tools and Work Equipment	108,293	0	108,293	90.0%	97,463	10.0%	10,829
Control and Monitoring equipment	8,000	0	8,000	90.0%	7,200	10.0%	800
Distribution Mains Equipment	158,000	8,000	166,000	40.0%	66,400	60.0%	99,600
Geotubes for Sludge Handling	63,000	30,000	93,000	90.0%	83,700	10.0%	9,300
Mains Service Repairs/ PRV Upgrade	30,175	23,000	53,175	90.0%	47,858	10.0%	5,318
Mains	-	0	-				0
Transmission	7,287,134	0	7,287,134	40.0%	2,914,854	60.0%	4,372,281
Distribution	10,894,525	2,303,550	13,198,075	40.0%	5,279,230	60.0%	7,918,845
Meters	1,631,433	40,800	1,672,233	100.0%	1,672,233	0.0%	0
Hydrants	513,147	0	513,147	0.0%	0	100.0%	513,147
Services	1,361,144	195,000	1,556,144	100.0%	1,556,144	0.0%	0
Other - Donated Assets	2,087,143	0	2,087,143	50.0%	1,043,572	50.0%	1,043,572
Other	133,925	0	133,925	90.0%	120,533	10.0%	13,393
TOTAL	48,308,994	2,705,350	51,014,344	60.2%	30,722,091	39.8%	20,292,253

West Hants Regional Water Utility - IR's
Allocation of the Total Cost of Utility Plant in Service
Between General Service and Fire Protection
2026/27

	Utility Plant in Service Previous Year	Additions	Utility Plant in Service	Percent	General Service	Percent	Fire Protection
Intangible Plant							
Organization and Working Capital	1,293		1,293	100.0%	1,293	0.0%	0
Tangible Plant	-						
LAND AND LAND RIGHTS	-		-				
Source of Supply Land	-	0	-	90.0%	0	10.0%	0
Land - General	694,591	0	694,591	90.0%	625,132	10.0%	69,459
STRUCTURES AND IMPROVEMENTS	-	0	-		0		0
Source of Supply Structures	1,988,990	10,000	1,998,990	90.0%	1,799,091	10.0%	199,899
Power and Pumping Structures	651,059	0	651,059	90.0%	585,953	10.0%	65,106
Purification Building	2,172,409	0	2,172,409	90.0%	1,955,168	10.0%	217,241
Distribution Reservoirs and Standpipes	7,517,771	0	7,517,771	40.0%	3,007,108	60.0%	4,510,663
Water Treatment Plant	2,652,115	0	2,652,115	80.0%	2,121,692	20.0%	530,423
Bulk Water Station	238,943	0	238,943	90.0%	215,049	10.0%	23,894
Other	40,000	0	40,000	90.0%	36,000	10.0%	4,000
Equipment	-	0	-		0		0
Electrical Pumping	210,471	0	210,471	90.0%	189,424	10.0%	21,047
Purification Equipment	7,399,450	55,000	7,454,450	90.0%	6,709,005	10.0%	745,445
Purification Equipment	85,000	0	85,000	90.0%	76,500	10.0%	8,500
Office Furniture and Equipment	285,118	0	285,118	90.0%	256,606	10.0%	28,512
Transportation Equipment	200,864	0	200,864	90.0%	180,777	10.0%	20,086
Tools and Work Equipment	108,293	0	108,293	90.0%	97,463	10.0%	10,829
Control and Monitoring equipment	8,000	0	8,000	90.0%	7,200	10.0%	800
Distribution Mains Equipment	166,000	8,000	174,000	40.0%	69,600	60.0%	104,400
Geotubes for Sludge Handling	93,000	0	93,000	90.0%	83,700	10.0%	9,300
Mains Service Repairs/ PRV Upgrade	53,175	23,000	76,175	90.0%	68,558	10.0%	7,618
Mains	-	0	-				0
Transmission	7,287,134	0	7,287,134	40.0%	2,914,854	60.0%	4,372,281
Distribution	13,198,075	1,747,775	14,945,850	40.0%	5,978,340	60.0%	8,967,510
Meters	1,672,233	40,800	1,713,033	100.0%	1,713,033	0.0%	0
Hydrants	513,147	0	513,147	0.0%	0	100.0%	513,147
Services	2,087,143	195,000	2,282,143	100.0%	2,282,143	0.0%	0
Other - Donated Assets	1,556,144	0	1,556,144	50.0%	778,072	50.0%	778,072
Other	133,925	0	133,925	90.0%	120,533	10.0%	13,393
TOTAL	51,014,344	2,079,575	53,093,919	60.0%	31,872,295	40.0%	21,221,624

West Hants Regional Water Utility - IR's
Allocation of Fire Protection Charges
Projected Expenses for Year 2024/25

	Estimated Expenses	PerCent Allocation to fire Protection	Fire Protection Charge
Source of Supply	20,394	10.0%	2,039
Water Treatment	1,036,197	10.0%	103,620
Transmission and Distribution	1,379,844	39.1%	539,539
Adminstration and General	587,311	10.0%	58,731
Depreciation	1,325,721	39.1%	518,376
Taxes	74,178	39.1%	29,005
Return on Rate Base	959,340	39.1%	375,116
Total	5,382,984	30.2%	1,626,426

West Hants Regional Water Utility - IR's
Allocation of Fire Protection Charges
Projected Expenses for Year 2025/26

	Estimated Expenses	PerCent Allocation to fire Protection	Fire Protection Charge
Source of Supply	21,006	10.0%	2,101
Water Treatment	1,067,283	10.0%	106,728
Transmission and Distribution	1,421,239	39.8%	565,334
Adminstration and General	607,766	10.0%	60,777
Depreciation	1,370,932	39.8%	545,323
Taxes	76,404	39.8%	30,392
Return on Rate Base	1,173,055	39.8%	466,613
Total	5,737,685	31.0%	1,777,267

West Hants Regional Water Utility - IR's
Allocation of Fire Protection Charges
Projected Expenses for Year 2026/27

	Estimated Expenses	PerCent Allocation to fire Protection	Fire Protection Charge
Source of Supply	21,636	10.0%	2,164
Water Treatment	1,099,301	10.0%	109,930
Transmission and Distribution	1,463,876	40.0%	585,111
Adminstration and General	625,999	10.0%	62,600
Depreciation	1,404,587	40.0%	561,413
Taxes	78,696	40.0%	31,455
Return on Rate Base	1,065,326	40.0%	425,811
Total	5,759,422	30.9%	1,778,483

West Hants Regional Water Utility - IR's					
Calculation of rate Base and required Return on rate Base					
Years Ending March 31st					
	2022/23	2023/24	2024/25	2025/26	2026/27
	(Actual)	(Estimate)	(Estimate)	(Estimate)	(Estimate)
RATE BASE					
Utility plant in Service March 31st	28,480,167	32,503,754	48,308,994	51,014,344	53,093,919
Less Accumulated Depreciaton on actual cost of plant in service (Estimated)	(9,306,171)	(10,190,493)	(11,516,213)	(12,887,145)	(14,291,732)
Less unamortized amount of capital contribution for plant in service	(1,085,179)	(58,360)	(5,046,874)	(5,052,812)	(4,954,086)
Estimated Rate Base at Year End	18,088,817	22,254,901	31,745,907	33,074,386	33,848,100
REQUIRED RETURN					
Non-operating Expenditures (B-2)	660,950	544,935	1,178,849	1,397,822	1,299,340
Less Non-operating Revenue	(9,602)	(31,773)	(32,727)	(32,727)	(33,708)
Less Other Non-operating Revenue (B-2)	(14,089)	(181,597)	(186,782)	(192,040)	(200,306)
Return on Rate Base	637,259	331,565	959,340	1,173,055	1,065,326
Required Rate of Return (Req'd Return/Est Rate Base)	3.52%	1.49%	3.02%	3.55%	3.15%

West Hants Regional Water Utility - IR's
Calculation of Revenue Required for Each Billing/Cost Category
2024/25

	Total Revenue Required	Fire Protection Revenue	Revenue Required from Metered Rates	Charge				Commodity Charge			
				Customer		Base		Delivery		Production	
Source of Supply	20,394	2,039	18,355							100%	18,355
Water Treatment	1,036,197	103,620	932,577							100%	932,577
Transmission and Distribution	1,379,844	539,539	840,305			0%	0	100%	840,305		
Administration and General	587,311	58,731	528,580	10%	52,858	90%	475,722				
Depreciation	1,325,721	518,376	807,344			70%	565,141	15%	121,102	15%	121,102
Taxes	74,178	29,005	45,173			100%	45,173				
Return on Rate Base	959,340	375,116	584,224			70%	408,957	15%	87,634	15%	87,634
SUBTOTAL	5,382,984	1,626,426	3,756,558		52,858		1,494,993		1,049,040		1,159,667
TOTAL	5,382,984	1,626,426	3,756,558		52,858		1,494,993		1,049,040		1,159,667

West Hants Regional Water Utility - IR's
Calculation of Revenue Required for Each Billing/Cost Category
2025/26

	Total Revenue Required	Fire Protection Revenue	Revenue Required from Metered Rates	Charge				Commodity Charge			
				Customer		Base		Delivery		Production	
Source of Supply	21,006	2,101	18,905							100%	18,905
Water Treatment	1,067,283	106,728	960,554							100%	960,554
Transmission and Distribution	1,421,239	565,334	855,905			0%	0	100%	855,905		
Administration and General	607,766	60,777	546,989	10%	54,699	90%	492,290				
Depreciation	1,370,932	545,323	825,609			60%	495,365	20%	165,122	20%	165,122
Taxes	76,404	30,392	46,012			100%	46,012				
Return on Rate Base	1,173,055	466,613	706,443			70%	494,510	15%	105,966	15%	105,966
SUBTOTAL	5,737,685	1,777,267	3,960,418		54,699		1,528,178		1,126,993		1,250,548
TOTAL	5,737,685	1,777,267	3,960,418		54,699		1,528,178		1,126,993		1,250,548

West Hants Regional Water Utility - IR's
Calculation of Revenue Required for Each Billing/Cost Category
2026/27

	Total Revenue Required	Fire Protection Revenue	Revenue Required from Metered Rates	Charge				Commodity Charge			
				Customer		Base		Delivery		Production	
Source of Supply	21,636	2,164	19,472							100%	19,472
Water Treatment	1,099,301	109,930	989,371							100%	989,371
Transmission and Distribution	1,463,876	585,111	878,765			0%	0	100%	878,765		
Administration and General	625,999	62,600	563,399	10%	56,340	90%	507,059				
Depreciation	1,404,587	561,413	843,174			60%	505,904	20%	168,635	20%	168,635
Taxes	78,696	31,455	47,241			100%	47,241				
Return on Rate Base	1,065,326	425,811	639,516			70%	447,661	15%	95,927	15%	95,927
SUBTOTAL	5,759,422	1,778,483	3,980,939		56,340		1,507,866		1,143,328		1,273,406
TOTAL	5,759,422	1,778,483	3,980,939		56,340		1,507,866		1,143,328		1,273,406

Worksheet C-4

02-Apr-24

West Hants Regional Water Utility - IR's Service Connections and Equivalents 2023/24			
Meter Size	Number of Services	Capacity Ratio	System Equivalents
Unmetered	0	1	0
5/8"	3832	1	3,832
3/4"	55	1.5	83
1"	48	2.5	120
1.5"	19	5	95
2"	35	8	280
3"	6	16	96
4"	4	25	100
6"	0	50	0
8"	0	90	0
TOTAL	3999		4,606

West Hants Regional Water Utility - IR's Service Connections and Equivalents 2024/25			
Meter Size	Number of Services	Capacity Ratio	System Equivalents
Unmetered	0	1	0
5/8"	3847	1	3,847
3/4"	55	1.5	83
1"	48	2.5	120
1.5"	19	5	95
2"	35	8	280
3"	6	16	96
4"	4	25	100
6"	0	50	0
8"	0	90	0
TOTAL	4014		4,621

West Hants Regional Water Utility - IR's Service Connections and Equivalents 2025/26			
Meter Size	Number of Services	Capacity Ratio	System Equivalents
Unmetered	0	1	0
5/8"	3862	1	3,862
3/4"	55	1.5	83
1"	48	2.5	120
1.5"	19	5	95
2"	35	8	280
3"	6	16	96
4"	4	25	100
6"	0	50	0
8"	0	90	0
TOTAL	4029		4,636

West Hants Regional Water Utility - IR's Service Connections and Equivalents 2026/27			
Meter Size	Number of Services	Capacity Ratio	System Equivalents
Unmetered	0	1	0
5/8"	3877	1	3,877
3/4"	55	1.5	83
1"	48	2.5	120
1.5"	19	5	95
2"	35	8	280
3"	6	16	96
4"	4	25	100
6"	0	50	0
8"	0	90	0
TOTAL	4044		4,651

Worksheet C-5

02-Apr-24

West Hants Regional Water Utility - IR's
Service Connections and Equivalents
2024/25

Meter Size	Capacity Ratio	Base Charge	Customer Charge	Total Base Charge	
				Annual	Quarterly
Unmetered	1	323.56	13.17	336.72	84.18
5/8"	1	323.56	13.17	336.72	84.18
3/4"	1.5	485.33	13.17	498.50	124.63
1"	2.5	808.89	13.17	822.06	205.51
1.5"	5	1,617.78	13.17	1,630.95	407.74
2"	8	2,588.45	13.17	2,601.62	650.41
3"	16	5,176.90	13.17	5,190.07	1,297.52
4"	25	8,088.91	13.17	8,102.08	2,025.52
6"	50	16,177.83	13.17	16,191.00	4,047.75
8"	90	29,120.09	13.17	29,133.26	7,283.31
TOTAL					

West Hants Regional Water Utility - IR's
Service Connections and Equivalents
2025/26

Meter Size	Capacity Ratio	Base Charge	Customer Charge	Total Base Charge	
				Annual	Quarterly
Unmetered	1	329.67	13.58	343.24	85.81
5/8"	1	329.67	13.58	343.24	85.81
3/4"	1.5	494.50	13.58	508.08	127.02
1"	2.5	824.17	13.58	837.75	209.44
1.5"	5	1,648.34	13.58	1,661.92	415.48
2"	8	2,637.35	13.58	2,650.92	662.73
3"	16	5,274.70	13.58	5,288.27	1,322.07
4"	25	8,241.71	13.58	8,255.29	2,063.82
6"	50	16,483.42	13.58	16,497.00	4,124.25
8"	90	29,670.16	13.58	29,683.74	7,420.93
TOTAL					

West Hants Regional Water Utility - IR's
Service Connections and Equivalents
2026/27

Meter Size	Capacity Ratio	Base Charge	Customer Charge	Total Base Charge	
				Annual	Quarterly
Unmetered	1	324.24	13.93	338.17	84.54
5/8"	1	324.24	13.93	338.17	84.54
3/4"	1.5	486.36	13.93	500.29	125.07
1"	2.5	810.59	13.93	824.53	206.13
1.5"	5	1,621.19	13.93	1,635.12	408.78
2"	8	2,593.90	13.93	2,607.83	651.96
3"	16	5,187.80	13.93	5,201.73	1,300.43
4"	25	8,105.93	13.93	8,119.87	2,029.97
6"	50	16,211.87	13.93	16,225.80	4,056.45
8"	90	29,181.36	13.93	29,195.30	7,298.82
TOTAL					

Worksheet C-6

02-Apr-24

West Hants Regional Water Utility - IR's Water Consumption by Block		
Meter Size	Actual Current Consumption	2023/24 Consumption
	1st Block Cubic Meters	1st Block Cubic Meters
Unmetered	0	0
5/8"	525,812	522,600
3/4"	26,680	26,680
1"	32,694	32,694
1.5"	30,080	30,080
2"	157,997	157,997
3"	27,066	27,066
4"	30,068	30,068
6"	0	0
8"	0	0
TOTAL	830,397	827,184

West Hants Regional Water Utility - IR's Water Consumption by Block		
Meter Size	2024/25 Current Consumption	2025/26 Consumption
	1st Block Cubic Meters	1st Block Cubic Meters
Unmetered	0	0
5/8"	519,399	516,210
3/4"	26,680	26,680
1"	32,694	32,694
1.5"	30,080	30,080
2"	157,997	157,997
3"	27,066	27,066
4"	30,068	30,068
6"	0	0
8"	0	0
TOTAL	823,984	820,795

West Hants Regional Water Utility - IR's Water Consumption by Block		
Meter Size	2026/27 Current Consumption	0 Consumption
	1st Block Cubic Meters	1st Block Cubic Meters
Unmetered	0	0
5/8"	513,033	0
3/4"	26,680	0
1"	32,694	0
1.5"	30,080	0
2"	157,997	0
3"	27,066	0
4"	30,068	0
6"	0	0
8"	0	0
TOTAL	817,617	0

Worksheet C-7

02-Apr-24

West Hants Regional Water Utility - IR's Calculation of Consumption Charge 2024/25	
NET PRODUCTION EXPENSE	BLOCK 1
<u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6	1.41
NET DELIVERY EXPENSES	
<u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6	1.27
TOTAL CONSUMPTION CHARGE PER Cubic Meter	
2.68	

West Hants Regional Water Utility - IR's Calculation of Consumption Charge 2025/26	
NET PRODUCTION EXPENSE	BLOCK 1
<u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6	1.52
NET DELIVERY EXPENSES	
<u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6	1.37
TOTAL CONSUMPTION CHARGE PER Cubic Meter	
2.90	

West Hants Regional Water Utility - IR's Calculation of Consumption Charge 2026/27	
NET PRODUCTION EXPENSE	BLOCK 1
<u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6	1.56
NET DELIVERY EXPENSES	
<u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6	1.40
TOTAL CONSUMPTION CHARGE PER Cubic Meter	
2.96	

Worksheet C-8

02-Apr-24

West Hants Regional Water Utility - IR's
Water Consumption by Block
2024/25

BASE CHARGE

<u>Meter Size</u>	<u>Number</u>	<u>Base Rate</u>	<u>Dollar Revenue</u>
Unmetered	0	336.72	0
5/8"	3,847	336.72	1,295,381
3/4"	55	498.50	27,418
1"	48	822.06	39,459
1.5"	19	1,630.95	30,988
2"	35	2,601.62	91,057
3"	6	5,190.07	31,140
4"	4	8,102.08	32,408
6"	0	16,191.00	0
8"	0	29,133.26	0

TOTAL BASE REVENUE 1,547,851

CONSUMPTION CHARGE

	<u>Quantity</u>	<u>\$/ Cubic Meter</u>	
1st Block	823,984	2.68	2,208,707

TOTAL CONSUMPTION REVENUE 2,208,707

TOTAL OPERATING REVENUES FOR YEAR (BASE + CONSUMPTION) 3,756,558

West Hants Regional Water Utility - IR's
Water Consumption by Block
2025/26

BASE CHARGE

<u>Meter Size</u>	<u>Number</u>	<u>Base Rate</u>	<u>Dollar Revenue</u>
Unmetered	0	343.24	0
5/8"	3,862	343.24	1,325,611
3/4"	55	508.08	27,944
1"	48	837.75	40,212
1.5"	19	1,661.92	31,576
2"	35	2,650.92	92,782
3"	6	5,288.27	31,730
4"	4	8,255.29	33,021
6"	0	16,497.00	0
8"	0	29,683.74	0

TOTAL BASE REVENUE 1,582,877

CONSUMPTION CHARGE

	<u>Quantity</u>	<u>\$/ Cubic Meter</u>	
1st Block	820,795	2.90	2,377,541

TOTAL CONSUMPTION REVENUE 2,377,541

TOTAL OPERATING REVENUES FOR YEAR (BASE + CONSUMPTION) 3,960,418

West Hants Regional Water Utility - IR's
Water Consumption by Block
2026/27

BASE CHARGE

<u>Meter Size</u>	<u>Number</u>	<u>Base Rate</u>	<u>Dollar Revenue</u>
Unmetered	0	338.17	0
5/8"	3,877	338.17	1,311,082
3/4"	55	500.29	27,516
1"	48	824.53	39,577
1.5"	19	1,635.12	31,067
2"	35	2,607.83	91,274
3"	6	5,201.73	31,210
4"	4	8,119.87	32,479
6"	0	16,225.80	0
8"	0	29,195.30	0

TOTAL BASE REVENUE 1,564,206

CONSUMPTION CHARGE

	<u>Quantity</u>	<u>\$/ Cubic Meter</u>	
1st Block	817,617	2.96	2,416,733

TOTAL CONSUMPTION REVENUE 2,416,733

TOTAL OPERATING REVENUES FOR YEAR (BASE + CONSUMPTION) 3,980,939

West Hants Regional Water Utility - IR's Calculation of Bulk Water Rate Years Ending March 31st				
Cost Base	2023/24	2024/25	2025/26	2026/27
Total Operating Expenses (Worksheet B-2)	4,134,916	4,423,644	4,564,629	4,694,096
Total Non Operating Expenses (Worksheet B-2)	544,935	1,178,849	1,397,822	1,299,340
Total Expenses	4,679,851	5,602,493	5,962,452	5,993,436
Water Consumption in Cubic Meters	827,184	823,984	820,795	817,617
Unit Calculations				
Unit cost per cubic metre	5.66	6.80	7.26	7.33
Operating cost and profit mark-up	30%	30%	30%	30%
Bulk rate per cubic metre	7.35	8.84	9.44	9.53

WEST HANTS UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2024/25										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	32	62.25	84.18	35.2%	78.40	85.78	9.4%	140.65	169.96	20.8%
3/4"	65	92.42	124.63	34.8%	159.25	174.23	9.4%	251.67	298.86	18.8%
1"	167	152.74	205.51	34.6%	409.15	447.65	9.4%	561.89	653.16	16.2%
1.5"	335	303.56	407.74	34.3%	820.75	897.98	9.4%	1,124.31	1,305.71	16.1%
2"	567	484.53	650.41	34.2%	1,389.15	1,519.86	9.4%	1,873.68	2,170.26	15.8%
3"	2,061	967.14	1,297.52	34.2%	5,049.45	5,524.56	9.4%	6,016.59	6,822.08	13.4%
4"	459	1,510.07	2,025.52	34.1%	1,124.55	1,230.36	9.4%	2,634.62	3,255.88	23.6%
6"	-	3,018.20	4,047.75	0.0%	-	-				0.0%

WINDSOR UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2024/25										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	38	69.75	84.18	20.7%	55.40	101.02	82.3%	125.15	185.20	48.0%
3/4"	131	102.00	124.63	22.2%	192.41	350.86	82.3%	294.41	475.49	61.5%
1"	172	166.51	205.51	23.4%	252.58	460.58	82.3%	419.09	666.10	58.9%
1.5"	423	327.78	407.74	24.4%	622.12	1,134.42	82.3%	949.90	1,542.16	62.4%
2"	1,245	521.30	650.41	24.8%	1,829.81	3,336.64	82.3%	2,351.11	3,987.04	69.6%
3"	194	1,037.36	1,297.52	25.1%	285.38	520.39	82.3%	1,322.74	1,817.91	37.4%
4"	3,300	1,617.93	2,025.52	25.2%	4,850.32	8,844.48	82.3%	6,468.25	10,870.00	68.1%
6"	-	3,230.61		0.0%	-	-				0.0%

COMBINED WEST HANTS REGIONAL WATER UTILITY

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2024/25										
Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	34	62.25	84.18	35.2%	82.70	90.48	9.4%	144.95	174.66	20.5%
3/4"	121	92.42	124.63	34.8%	297.12	325.08	9.4%	389.54	449.71	15.4%
1"	170	152.74	205.51	34.6%	417.19	456.44	9.4%	569.93	661.95	16.1%
1.5"	396	303.56	407.74	34.3%	969.68	1,060.91	9.4%	1,273.24	1,468.65	15.3%
2"	1,129	484.53	650.41	34.2%	2,764.95	3,025.11	9.4%	3,249.48	3,675.52	13.1%
3"	1,128	967.14	1,297.52	34.2%	2,762.94	3,022.91	9.4%	3,730.08	4,320.43	15.8%
4"	1,879	1,510.07	2,025.52	34.1%	4,604.13	5,037.33	9.4%	6,114.20	7,062.85	15.5%
6"	-	-			-					

NOTE: Existing rates based on existing West Hants Water Utility rates

WEST HANTS UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2025/26

Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	34	84.18	85.81	1.9%	85.78	97.77	14.0%	169.96	183.58	8.0%
3/4"	121	124.63	127.02	1.9%	174.23	351.29	101.6%	298.86	478.31	60.0%
1"	170	205.51	209.44	1.9%	447.65	493.24	10.2%	653.16	702.67	7.6%
1.5"	396	407.74	415.48	1.9%	897.98	1,146.45	27.7%	1,305.71	1,561.93	19.6%
2"	1,129	650.41	662.73	1.9%	1,519.86	3,269.00	115.1%	2,170.26	3,931.73	81.2%
3"	1,128	1,297.52	1,322.07	1.9%	5,524.56	3,266.63	-40.9%	6,822.08	4,588.70	-32.7%
4"	1,879	2,025.52	2,063.82	1.9%	1,230.36	5,443.46	342.4%	3,255.88	7,507.28	130.6%
6"	-	-			-					

WINDSOR UTILITY CUSTOMERS

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2025/26

Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	34	84.18	85.81	1.9%	101.02	97.77	-3.2%	185.20	183.58	-0.9%
3/4"	121	124.63	127.02	1.9%	350.86	351.29	0.1%	475.49	478.31	0.6%
1"	170	205.51	209.44	1.9%	460.58	493.24	7.1%	666.10	702.67	5.5%
1.5"	396	407.74	415.48	1.9%	1,134.42	1,146.45	1.1%	1,542.16	1,561.93	1.3%
2"	1,129	650.41	662.73	1.9%	3,336.64	3,269.00	-2.0%	3,987.04	3,931.73	-1.4%
3"	1,128	1,297.52	1,322.07	1.9%	520.39	3,266.63	527.7%	1,817.91	4,588.70	152.4%
4"	1,879	2,025.52	2,063.82	1.9%	8,844.48	5,443.46	-38.5%	10,870.00	7,507.28	-30.9%
6"	-	-			-					

West Hants Regional Water Utility - IR's Comparison of Current Water Rates with Proposed New Rates 2026/27

Meter Size	Average Quarterly Consumption	Base Charge		Percent Change	Commodity Charge		Percent Change	Quarterly Water Bill		Percent Change
	1st Block	Current	Proposed		Current	Proposed		Current	Proposed	
Unmetered										
5/8"	33	85.81	84.54	-1.5%	97.77	97.78	0.0%	183.58	182.33	-0.7%
3/4"	121	127.02	125.07	-1.5%	351.29	358.47	2.0%	478.31	483.54	1.1%
1"	170	209.44	206.13	-1.6%	493.24	503.32	2.0%	702.67	709.45	1.0%
1.5"	396	415.48	408.78	-1.6%	1,146.45	1,169.87	2.0%	1,561.93	1,578.65	1.1%
2"	1,129	662.73	651.96	-1.6%	3,269.00	3,335.80	2.0%	3,931.73	3,987.76	1.4%
3"	1,128	1,322.07	1,300.43	-1.6%	3,266.63	3,333.38	2.0%	4,588.70	4,633.81	1.0%
4"	1,879	2,063.82	2,029.97	-1.6%	5,443.46	5,554.69	2.0%	7,507.28	7,584.65	1.0%
6"										

Worksheet D-2

02-Apr-24

West Hants Regional Water Utility - IR's Comparative Statement of Operations

Fiscal Years ending March 31st

	2022/23 (Actual)	2023/24 (Budget)	Projection Using Proposed Rates		
			2024/25 Test Yr 2	2025/26 Test Yr 3	2026/27 Test Yr 3
OPERATING REVENUES					
Metered Sales	2,837,540	2,882,969	3,538,161	3,960,418	3,980,939
Public Fire Protection - Windsor	319,208	319,208			
Public Fire Protection from West Hants	155,095	155,095			
Public Fire Protection West Hants	595,789	595,789	1,487,342	1,777,267	1,778,483
Commercial	0	2,033	2,094	2,157	2,222
Sprinkler Service/Private Hydrants	5,728	8,142	8,281	8,349	8,416
Sales to Other Utilities	241,903	250,000	62,500	0	0
Bulk Water Sales	0	161,727	166,579	171,576	176,723
Other Income	8,361	9,695	9,828	9,958	12,945
Total	4,163,624	4,384,658	5,274,785	5,929,725	5,959,728
OPERATING EXPENDITURES					
Source of Supply	309,736	269,800	82,894	21,006	21,636
Power and Pumping	45,465	0			
Water Treatment	898,534	1,001,742	1,036,197	1,067,283	1,099,301
Transmission and Distribution	1,122,483	1,339,222	1,379,844	1,421,239	1,463,876
Administration and General	518,114	567,812	587,311	607,766	625,999
Depreciation	800,352	884,322	1,325,721	1,370,932	1,404,587
Taxes	63,891	72,018	74,178	76,404	78,696
Total	3,758,575	4,134,916	4,486,144	4,564,629	4,694,096
OPERATING PROFIT (LOSS)	405,049	249,742	788,641	1,365,095	1,265,632
NON-OPERATING REVENUES					
Interest on Customer Accounts	9,602	7,432	7,655	7,655	7,884
Interest	0	2,459	2,533	2,533	2,609
Special Service	0	17,661	18,191	18,191	18,737
Other	0	721	743	743	765
Bank Interest	0	3,500	3,605	3,605	3,713
Total	9,602	31,773	32,727	32,727	33,708
NON-OPERATING EXPENDITURES					
Debt Charges - Principal	572,672	206,177	107,582	254,162	78,269
Debt Charges - Interest	45,416	33,661	29,448	22,946	17,053
New Debt - Principal	0	70,810	75,059	79,562	84,336
New Debt - Interest	0	156,287	152,039	147,535	142,761
New Debt - Principal	0	0	226,595	240,191	254,602
New Debt - Interest	0	0	500,126	486,531	472,119
New Debt - Principal	0	0	0	30,836	32,686
New Debt - Interest	0	0	0	68,060	66,209
New Debt - Principal	0	0	0	0	68,060
New Debt - Interest	0	0	0	0	15,244
Interest Paid on consumer deposits	0	20,000	10,000	10,000	10,000
Capital out of Revenue	42,862	58,000	78,000	58,000	58,000
Earnings	0	0	0	0	0
Total	660,950	544,935	1,178,849	1,397,822	1,299,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-246,299	-263,420	-357,481	0	0
SURPLUS AT BEGINNING OF YEAR	1,459,569	1,213,270	949,850	42,369	42,369
CAPITAL FROM SURPLUS	0	0	550,000	0	0
ACCUMULATED SURPLUS (DEFICIT)	1,213,270	949,850	42,369	42,369	42,369

Appendix 1**Loan Calculator
Long Term Debt
2022/23**

Interest Rate	6.0%
Term in years	20
Capital \$	-

Payment Schedule

	Principal	Interest	Total	Balance
Year				
1	\$0.00	-	-	-
2	\$0.00	-	-	-
3	\$0.00	-	-	-
4	\$0.00	-	-	-
5	\$0.00	-	-	-
6	\$0.00	-	-	-
7	\$0.00	-	-	-
8	\$0.00	-	-	-
9	\$0.00	-	-	-
10	\$0.00	-	-	-
11	\$0.00	-	-	-
12	\$0.00	-	-	-
13	\$0.00	-	-	-
14	\$0.00	-	-	-
15	\$0.00	-	-	-
16	\$0.00	-	-	-
17	\$0.00	-	-	-
18	\$0.00	-	-	-
19	\$0.00	-	-	-
20	\$0.00	-	-	-

**Loan Calculator
Long Term Debt
2023/24**

Interest Rate	6.0%
Term in years	20
Capital \$	2,604,787

Payment Schedule

	Principal	Interest	Total	Balance
Year				
1	\$70,809.98	156,287.22	227,097.20	2,533,977.02
2	\$75,058.58	152,038.62	227,097.20	2,458,918.44
3	\$79,562.09	147,535.11	227,097.20	2,379,356.35
4	\$84,335.82	142,761.38	227,097.20	2,295,020.53
5	\$89,395.97	137,701.23	227,097.20	2,205,624.56
6	\$94,759.73	132,337.47	227,097.20	2,110,864.83
7	\$100,445.31	126,651.89	227,097.20	2,010,419.52
8	\$106,472.03	120,625.17	227,097.20	1,903,947.49
9	\$112,860.35	114,236.85	227,097.20	1,791,087.14
10	\$119,631.97	107,465.23	227,097.20	1,671,455.17
11	\$126,809.89	100,287.31	227,097.20	1,544,645.27
12	\$134,418.48	92,678.72	227,097.20	1,410,226.79
13	\$142,483.59	84,613.61	227,097.20	1,267,743.20
14	\$151,032.61	76,064.59	227,097.20	1,116,710.59
15	\$160,094.57	67,002.64	227,097.20	956,616.02
16	\$169,700.24	57,396.96	227,097.20	786,915.78
17	\$179,882.25	47,214.95	227,097.20	607,033.53
18	\$190,675.19	36,422.01	227,097.20	416,358.34
19	\$202,115.70	24,981.50	227,097.20	214,242.64
20	\$214,242.64	12,854.56	227,097.20	0.00

Loan Calculator
Long Term Debt
2024/25

Interest Rate	6.0%
Term in years	20
Capital \$	8,335,440

Payment Schedule for Capital Works

	Principal	Interest	Total	Balance
Year				
1	\$226,595.24	\$500,126.40	726,721.64	8,108,844.76
2	\$240,190.96	\$486,530.69	726,721.64	7,868,653.80
3	\$254,602.42	\$472,119.23	726,721.64	7,614,051.38
4	\$269,878.56	\$456,843.08	726,721.64	7,344,172.82
5	\$286,071.27	\$440,650.37	726,721.64	7,058,101.55
6	\$303,235.55	\$423,486.09	726,721.64	6,754,866.00
7	\$321,429.68	\$405,291.96	726,721.64	6,433,436.31
8	\$340,715.46	\$386,006.18	726,721.64	6,092,720.85
9	\$361,158.39	\$365,563.25	726,721.64	5,731,562.46
10	\$382,827.90	\$343,893.75	726,721.64	5,348,734.56
11	\$405,797.57	\$320,924.07	726,721.64	4,942,936.99
12	\$430,145.42	\$296,576.22	726,721.64	4,512,791.56
13	\$455,954.15	\$270,767.49	726,721.64	4,056,837.42
14	\$483,311.40	\$243,410.24	726,721.64	3,573,526.02
15	\$512,310.08	\$214,411.56	726,721.64	3,061,215.93
16	\$543,048.69	\$183,672.96	726,721.64	2,518,167.25
17	\$575,631.61	\$151,090.03	726,721.64	1,942,535.64
18	\$610,169.51	\$116,552.14	726,721.64	1,332,366.13
19	\$646,779.68	\$79,941.97	726,721.64	685,586.46
20	\$685,586.46	\$41,135.19	726,721.64	(0.00)

Loan Calculator
Long Term Debt
2025/26

Interest Rate	6.0%
Term in years	20
Capital \$	1,134,325

Payment Schedule for Capital Works

	Principal	Interest	Total	Balance
Year				
1	\$30,836.12	\$68,059.50	98,895.62	1,103,488.88
2	\$32,686.29	\$66,209.33	98,895.62	1,070,802.59
3	\$34,647.47	\$64,248.16	98,895.62	1,036,155.12
4	\$36,726.32	\$62,169.31	98,895.62	999,428.80
5	\$38,929.89	\$59,965.73	98,895.62	960,498.91
6	\$41,265.69	\$57,629.93	98,895.62	919,233.22
7	\$43,741.63	\$55,153.99	98,895.62	875,491.59
8	\$46,366.13	\$52,529.50	98,895.62	829,125.47
9	\$49,148.09	\$49,747.53	98,895.62	779,977.37
10	\$52,096.98	\$46,798.64	98,895.62	727,880.39
11	\$55,222.80	\$43,672.82	98,895.62	672,657.59
12	\$58,536.17	\$40,359.46	98,895.62	614,121.43
13	\$62,048.34	\$36,847.29	98,895.62	552,073.09
14	\$65,771.24	\$33,124.39	98,895.62	486,301.85
15	\$69,717.51	\$29,178.11	98,895.62	416,584.34
16	\$73,900.56	\$24,995.06	98,895.62	342,683.78
17	\$78,334.60	\$20,561.03	98,895.62	264,349.18
18	\$83,034.67	\$15,860.95	98,895.62	181,314.51
19	\$88,016.75	\$10,878.87	98,895.62	93,297.76
20	\$93,297.76	\$5,597.87	98,895.62	-

Loan Calculator
Long Term Debt
2026/27

Interest Rate	6.0%
Term in years	20
Capital \$	560,775

Payment Schedule for Capital Works

	Principal	Interest	Total	Balance
Year				
1	\$15,244.42	\$68,059.50	83,303.92	545,530.58
2	\$32,686.29	\$66,209.33	98,895.62	512,844.29
3	\$34,647.47	\$64,248.16	98,895.62	478,196.82
4	\$36,726.32	\$62,169.31	98,895.62	441,470.51
5	\$38,929.89	\$59,965.73	98,895.62	402,540.61
6	\$41,265.69	\$57,629.93	98,895.62	361,274.93
7	\$43,741.63	\$55,153.99	98,895.62	317,533.30
8	\$46,366.13	\$52,529.50	98,895.62	271,167.17
9	\$49,148.09	\$49,747.53	98,895.62	222,019.07
10	\$52,096.98	\$46,798.64	98,895.62	169,922.09
11	\$55,222.80	\$43,672.82	98,895.62	114,699.29
12	\$58,536.17	\$40,359.46	98,895.62	56,163.13
13	\$62,048.34	\$36,847.29	98,895.62	(5,885.21)
14	\$65,771.24	\$33,124.39	98,895.62	(71,656.45)
15	\$69,717.51	\$29,178.11	98,895.62	(141,373.96)
16	\$73,900.56	\$24,995.06	98,895.62	(215,274.52)
17	\$78,334.60	\$20,561.03	98,895.62	(293,609.12)
18	\$83,034.67	\$15,860.95	98,895.62	(376,643.79)
19	\$88,016.75	\$10,878.87	98,895.62	(464,660.54)
20	\$93,297.76	\$5,597.87	98,895.62	(557,958.30)

SCHEDULES A, B, AND C
RATES AND CHARGES

SCHEDULE "A"
WEST REGIONAL HANTS WATER UTILITY

SCHEDULE OF RATES AND CHARGES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after 1 July 2024)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25 % per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the word "Utility" means the West Hants Water Utility of the Municipality of the District of West Hants.

1. **RATES:**

(a) **Base Charges**

Quarterly

Unmetered (based on 68 cm per quarter)	266.46
Size of Meter	
5/8"	84.18
3/4"	124.63
1"	205.51
1.5"	407.74
2"	650.41
3"	1,297.52
4"	2,025.52
6"	4,047.75
8"	7,283.31

(b) Consumption Rate \$ 2.68 per cubic meter

c) **Minimum Bill**

The minimum bill shall be the Base Charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the District of West Hants, the Municipality of the County of Kings, and the Glooscap First Nation shall pay annually to the Utility for fire protection on or before September 30, 2024 the sum of \$1,487,342. The rate is based on 3 months at the existing rate and 9 months at the proposed rate.

The fire protection charge shall be apportioned among the Municipality of the District of West Hants, the Municipality of the County Kings, and the Glooscap First Nation based on the number of hydrants owned and operated by the Utility as of April 1, 2024 in each location.

3. RATES FOR SPRINKLER SERVICE

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building serviced by a sprinkler service pipe of 6" or less in diameter	\$250.00
Each building serviced by a sprinkler service pipe of 8" or more in diameter	\$300.00

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to any water service or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the water service box, the meter and of testing the same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. PRIVATE HYDRANT CONNECTION RATES

Per hydrant per year \$250.00.

6. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant, and a service charge for commercial consumers of \$60.00 for connection and disconnection and a consumption charge for the amount of water used, as estimated by the water Utility, at meter consumption rates.

7. CHARGE FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$150.00.

8. CUSTOMER ACCOUNT CREATION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred. The Customer Account Creation Fee includes the initial turn-on of the water service to the customer's providing it happens during regular working hours. If the customer requests the initial turn-on be done outside of regular working hours the fee shall be \$150.00 including the Customer Account Creation Fee.

9. CONNECTION FEE

The Utility shall charge a \$50.00 connection fee for turning water on at a customer's premises. If connection is outside of regular working hours, the charge is \$150.00.

10. DISCONNECTION FEE

There is no charge for turning off water to a customer's premises. A connection charge, as noted in Item # 9 above, shall apply when the water is turned on. In the case where the shutting off is requested because there is no operable shut off valve serving the dwelling, an isolation valve must be installed at the customer's expense.

11. SPECIAL SERVICE CHARGE:

A minimum special service charge of \$50.00 (\$150.00 if such work is performed after regular working hours) shall be made to each customer receiving a requested service not provided for elsewhere in the schedules or the rules and regulations except for water service repairs requested by the Utility. The exact charge will be calculated based on the time and materials used by the Utility plus 30% for overhead and profit. The customer shall be informed if the charge will exceed the \$50.00 minimum prior to the service being provided.

12. DISHONOURED PAYMENTS

The Utility shall charge a \$25.00 administration fee plus any additional bank charges for cheques or pre-authorized payments that have been dishonoured by the Customer's bank or other financial institution.

13. CHARGE FOR MISSED APPOINTMENT BY CUSTOMERS

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to a property, or other visits to the property for the inception or maintenance of water service to the property, and the customer fails to

A

keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$50.00 for each visit if, in the judgment of the Utility, it is required.

14. CHARGE FOR REVIEW OF DRAWINGS AND SPECIFICATIONS

The Utility shall levy a charge with any person requesting a review of Design Drawings and specifications for additions and or extensions to the Utility's system. The charge shall be \$1.00 per lineal foot (\$3.28 per lineal metre) for reviews undertaken by Utility Staff. If the services of an external Consulting Engineer is deemed necessary by the Utility the charge shall be the total amount paid to the Consulting Engineer plus 25% for the Utility to coordinate the review. Payment is due when the Design Drawings are approved by the Utility.

The Utility will undertake audit inspections of the water system including the building service connections. The applicant shall pay 2% of the construction cost estimate for inspection fees.

15. BULK WATER

Bulk water will be provided to water haulers who have been approved by the Utility at the designated location at a cost of \$8.84 per cubic metre or part thereof with a minimum charge of \$40.00. Such charge shall be rendered for each loading.

SCHEDULE "B"

WEST HANTS REGIONAL WATER UTILITY

SCHEDULE OF RATES AND CHARGES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after 1 April 2025)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25 % per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the word "Utility" means the West Hants Water Utility of the Municipality of the District of West Hants.

1. **RATES:**

(a) <u>Base Charges</u>		<u>Quarterly</u>
Unmetered (based on 68 cm per quarter)		282.78
Size of Meter		
5/8"		85.81
3/4"		127.02
1"		209.44
1.5"		415.48
2"		662.73
3"		1,322.07
4"		2,063.82
6"		4,124.25
8"		7,420.93

(b) Consumption Rate \$ 2.90 per cubic meter

(c) **Minimum Bill**

The minimum bill shall be the Base Charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the District of West Hants, the Municipality of the County of Kings, and the Glooscap First Nation shall pay annually to the Utility for fire protection on or before September 30, 2025 the sum of \$1,777,267.

The fire protection charge shall be apportioned among the Municipality of the District of West Hants, the Municipality of the County Kings, and the Glooscap First Nation based on the number of hydrants owned and operated by the Utility as of April 1, 2025 in each location.

3. RATES FOR SPRINKLER SERVICE

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building serviced by a sprinkler service pipe of 6" or less in diameter	\$250.00
Each building serviced by a sprinkler service pipe of 8" or more in diameter	\$300.00

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to any water service or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the water service box, the meter and of testing the same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. PRIVATE CONNECTION HYDRANT RATES

Per hydrant per year \$250.00.

6. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant, and a service charge for commercial consumers of \$60.00 for connection and disconnection and a consumption charge for the amount of water used, as estimated by the water Utility, at meter consumption rates.

7. CHARGE FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$150.00.

8. CUSTOMER ACCOUNT CREATION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred. The Customer Account Creation Fee includes the initial turn-on of the water service to the customer's providing it happens during regular working hours. If the customer requests the initial turn-on be done outside of regular working hours the fee shall be \$150.00 including the Customer Account Creation Fee.

9. CONNECTION FEE

The Utility shall charge a \$50.00 connection fee for turning water on at a customer's premises. If connection is outside of regular working hours, the charge is \$150.00.

10. DISCONNECTION FEE

There is no charge for turning off water to a customer's premises. A connection charge, as noted in Item # 9 above, shall apply when the water is turned on. In the case where the shutting off is requested because there is no operable shut off valve serving the dwelling, an isolation valve must be installed at the customer's expense.

11. SPECIAL SERVICE CHARGE:

A minimum special service charge of \$50.00 (\$150.00 if such work is performed after regular working hours) shall be made to each customer receiving a requested service not provided for elsewhere in the schedules or the rules and regulations except for water service repairs requested by the Utility. The exact charge will be calculated based on the time and materials used by the Utility plus 30% for overhead and profit. The customer shall be informed if the charge will exceed the \$50.00 minimum prior to the service being provided.

12. DISHONOURED PAYMENTS

The Utility shall charge a \$25.00 administration fee plus any additional bank charges for cheques or pre-authorized payments that have been dishonoured by the Customer's bank or other financial institution.

13. CHARGE FOR MISSED APPOINTMENT BY CUSTOMERS

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to a property, or other visits to the property for the inception or maintenance of water service to the property, and the customer fails to

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keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$50.00 for each visit if, in the judgment of the Utility, it is required.

14. CHARGE FOR REVIEW OF DRAWINGS AND SPECIFICATIONS

The Utility shall levy a charge with any person requesting a review of Design Drawings and specifications for additions and or extensions to the Utility's system. The charge shall be \$1.00 per lineal foot (\$3.28 per lineal metre) for reviews undertaken by Utility Staff. If the services of an external Consulting Engineer is deemed necessary by the Utility the charge shall be the total amount paid to the Consulting Engineer plus 25% for the Utility to coordinate the review. Payment is due when the Design Drawings are approved by the Utility.

The Utility will undertake audit inspections of the water system including the building service connections. The applicant shall pay 2% of the construction cost estimate for inspection fees.

15. BULK WATER

Bulk water will be provided to water haulers who have been approved by the Utility at the designated location at a cost of \$9.44 per cubic metre or part thereof with a minimum charge of \$40.00. Such charge shall be rendered for each loading.

SCHEDULE "C"

WEST HANTS REGIONAL WATER UTILITY

SCHEDULE OF RATES AND CHARGES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after 1 April 2026)

RATES

The rates set out below are the rates approved by the Board for water and water services when payment is made within 30 days from the date rendered as shown on the bill.

When payment is made after 30 days from the date rendered as shown on the bill, the rates will include interest charges of 1.25 % per month, or part thereof.

Each bill shall show the amount payable within 30 days from the date rendered as shown on the bill.

In this Schedule, the word "Utility" means the West Hants Water Utility of the Municipality of the District of West Hants.

1. RATES:

(a) Base Charges

Quarterly

Unmetered (based on 68 cm per quarter)	285.54
Size of Meter	
5/8"	84.54
3/4"	125.07
1"	206.13
1.5"	408.78
2"	651.96
3"	1,300.43
4"	2,029.97
6"	4,056.45
8"	7,298.82

(b) Consumption Rate \$ 2.96 per cubic meter

(c) Minimum Bill

The minimum bill shall be the Base Charge.

2. PUBLIC FIRE PROTECTION RATE

The Municipality of the District of West Hants, the Municipality of the County of Kings, and the Glooscap First Nation shall pay annually to the Utility for fire protection on or before September 30, 2026 the sum of \$1,778,483.

The fire protection charge shall be apportioned among the Municipality of the District of West Hants, the Municipality of the County Kings, and the Glooscap First Nation based on the number of hydrants owned and operated by the Utility as of the April 1, 2026 in each location.

For subsequent years, the annual public fire protection rate shall be based on the above or:

- a) the sum of 40.0% of Transmission and Distribution, Taxes and Depreciation expenses of the Utility, and 40.0% of the sum of the (Non-Operating Expenditures less the Non-Operating Revenue less Other Operating Revenue of the immediately preceding year), plus 10 % of all other expenses;
- b) whichever is the greater; and,
- c) the fire protection charge shall be apportioned among the Municipality of the District of West Hants, the Municipality of the County Kings, and the Glooscap First Nation based on the number of hydrants owned and operated by the Utility as of the April 1 of the year of the calculation.

3. RATES FOR SPRINKLER SERVICE

Each building having a sprinkler system installed shall pay annually for the service as follows:

Each building serviced by a sprinkler service pipe of 6" or less in diameter	\$250.00
Each building serviced by a sprinkler service pipe of 8" or more in diameter	\$300.00

4. WATER FOR BUILDINGS OR WORKS UNDER CONSTRUCTION

The Utility may furnish water to any person requiring a supply thereof for the construction of a building or other works. This person shall deposit with the Utility such sum as may be determined by the Utility as is sufficient to defray the cost of making the necessary connection to any water service or main together with the cost of the meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, a refund will be made after deducting the cost, if any, of repairing the water service box, the meter and of testing the same and payment of the base and connection charges and the consumption rates in respect to such installation.

5. PRIVATE CONNECTION HYDRANT RATES

Per hydrant per year \$250.00

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6. RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS

Whenever the use of any fire hydrant is desired for supplying water for any purpose, excepting those of the Fire Department for fire use, the Utility may grant a permit containing such terms and conditions as it may provide, including arrangements regarding supervision of the opening and closing of the hydrant, and a service charge for commercial consumers of \$60.00 for connection and disconnection and a consumption charge for the amount of water used, as estimated by the water Utility, at meter consumption rates.

7. CHARGE FOR RE-ESTABLISHING WATER SERVICE

When water service has been suspended for any violation of the Rules and Regulations of the Utility, such water service shall not be re-established until a reconnection charge of \$50.00 has been paid to the Utility. If reconnection is outside of regular working hours, the charge is \$150.00.

8. CUSTOMER ACCOUNT CREATION FEE

The Utility shall charge a \$50.00 fee for the creation of a water account, notwithstanding the fact that no physical disconnection of the system may have occurred. The Customer Account Creation Fee includes the initial turn-on of the water service to the customer's providing it happens during regular working hours. If the customer requests the initial turn-on be done outside of regular working hours the fee shall be \$150.00 including the Customer Account Creation Fee.

9. CONNECTION FEE

The Utility shall charge a \$50.00 connection fee for turning water on at a customer's premises. If connection is outside of regular working hours, the charge is \$150.00.

10. DISCONNECTION FEE

There is no charge for turning off water to a customer's premises. A connection charge, as noted in Item # 9 above, shall apply when the water is turned on. In the case where the shutting off is requested because there is no operable shut off valve serving the dwelling, an isolation valve must be installed at the customer's expense.

11. SPECIAL SERVICE CHARGE:

A minimum special service charge of \$50.00 (\$150.00 if such work is performed after regular working hours) shall be made to each customer receiving a requested service not provided for elsewhere in the schedules or the rules and regulations except for water service repairs requested by the Utility. The exact charge will be calculated based on the time and materials used by the Utility plus 30% for overhead and profit. The customer shall be informed if the charge will exceed the \$50.00 minimum prior to the service being provided.

12. DISHONoured PAYMENTS

The Utility shall charge a \$25.00 administration fee plus any additional bank charges for cheques or pre-authorized payments that have been dishonoured by the Customer's bank or other financial institution.

13. CHARGE FOR MISSED APPOINTMENT BY CUSTOMERS

Where an appointment has been made by a customer to have a water service hooked up or a meter inspected, or water turned on to a property, or other visits to the property for the inception or maintenance of water service to the property, and the customer fails to keep the appointment or the plumbing is not completed to allow for installation of a water meter and the Utility's staff have to return to the property, there may be a charge of \$50.00 for each visit if, in the judgment of the Utility, it is required.

14. CHARGE FOR REVIEW OF DRAWINGS AND SPECIFICATIONS

The Utility shall levy a charge with any person requesting a review of Design Drawings and specifications for additions and or extensions to the Utility's system. The charge shall be \$1.00 per lineal foot (\$3.28 per lineal metre) for reviews undertaken by Utility Staff. If the services of an external Consulting Engineer is deemed necessary by the Utility the charge shall be the total amount paid to the Consulting Engineer plus 25% for the Utility to coordinate the review. Payment is due when the Design Drawings are approved by the Utility.

The Utility will undertake audit inspections of the water system including the building service connections. The applicant shall pay 2% of the construction cost estimate for inspection fees.

15. BULK WATER

Bulk water will be provided to water haulers who have been approved by the Utility at the designated location at a cost of \$9.53 per cubic metre or part thereof with a minimum charge of \$40.00. Such charge shall be rendered for each loading.

SCHEDULE D
RULES AND REGULATIONS

SCHEDULE “D”

WEST HANTS REGIONAL WATER UTILITY

SCHEDULE OF RULES AND REGULATIONS GOVERNING THE SUPPLY OF WATER AND WATER SERVICES (1 July 2024)

In these Rules and Regulations, unless the context otherwise requires, the expression:

“Municipality” means the West Hants Regional Municipality

“Utility” means the West Hants Regional Water Utility

“Customer” means a person, firm or corporation who, or which, contracts to be supplied with water at a specific location or locations.

“Domestic Service” means the type of service supplied to the owner or their authorized agent or to the occupant or tenant of any space or area occupied for the distinct purpose of a dwelling house, rooming house, apartment, flat, etc.

“Automated Meter Infrastructure (AMI)” means a system which uses radio frequency transmission technology for measuring individual customer’s water consumption at intervals of an hour or less and communicating such information at frequent intervals to the Utility.

“Commercial Service” means any service other than a domestic service as herein defined.

“Metered Rate Service” means that type of service charged for at metered rates and is supplied to all customers. All new customers shall be metered.

“Bulk Rate” means a metered or unmetered service charge based on a Schedule of Rates for Bulk Water Sales from a designated fill station.

“Encoder Receiver Transmitter (ERT)” means a device used to transmit data from a water meter to the Utility and is deemed to be part of such meter.

“Fire Department” means any fire department, as described in the Municipal Government Act, whose service area includes a portion of the Utility’s distribution system or any fire department responding under a mutual aid agreement and under the direction of a fire department whose service area they are in.

1. **LIABILITY FOR PAYMENT OF WATER BILL:** An agreement is deemed to exist between a customer and the Utility for the supply of water service at such rates and in accordance with these Regulations by virtue of:

- a) the customer applying for and receiving approval for water service

- b) the customer consuming or paying for water service from the date that the customer who is a party to an agreement pursuant to clause (a) (the customer of record) moves out of the premises, in which case the customer of record shall remain jointly and severally liable for the water service account up to the date the Utility is notified that the customer of record wishes to terminate the supply of water service.

A property owner who rents or leases a property or self-contained unit to a tenant or lessee shall be required to open an account for the provision of water at the property rented or leased;

- c) any person, business or corporation that receives water service without the consent of the Utility, shall be liable for the cost of such water service which cost shall be determined in the sole discretion of the Utility based upon its reasonable estimate of the amount of water utilized; and,
 - d) where service is supplied to a condominium unit, the Condominium Corporation in which the unit is situated, shall be deemed to be the customer of record and shall be liable for payment of the service bill for the condominium unit.
2. **DEPOSITS:** An applicant for service shall deposit with the Utility a sum of \$100.00. This deposit shall be held by the Utility as collateral security for the payment of the customer's bills but is not to be considered as a payment on account thereof. When the customer ceases to use the service and discharges all their liability to the Utility in respect of such service, the deposit shall be returned to them with interest based on the rate of interest obtained by the West Hants Regional Municipality on its surplus cash balances on deposit with its banker as of March 31 of each fiscal year.
3. **BILLING:** If an agreement/contract is entered into or terminated at any time other than a regular billing date, the amount to be charged to the customer shall be the pro rata proportion to the next billing date, of the regular service charge for the billing period, plus the consumption charge, if any.

The Utility charges the base rate for the entire year for seasonal customers. The quarterly base rate charge will apply for each quarter regardless of water turn-offs.

4. **REFUSAL OF SERVICE:** Service may be refused or suspended to any customer who has failed to discharge all of his liabilities to the Utility.
5. **PAYMENT OF BILLS:** Bills shall be rendered to each customer at intervals of approximately three months (quarterly) and shall be payable within 30 days after the date rendered. Bills are due on the billing date and bills not paid within 30 days after the billing date shall be subject to the interest charge as set out in the Schedule of Rates and Charges. The Utility shall charge a \$25.00 fee plus bank charges for cheques or pre-authorized payments that have been dishonored by the customer's bank or other financial institution.

6. **ADJUSTMENT OF BILLS:**

- (a) Where meters exist - If the seal of a meter is broken or if a meter does not register correctly, the bill for that water service shall be estimated in accordance with the best data available. Any customer desiring to question a water bill must do so in writing within 30 days of the bill being rendered.
- (b) Customer under billed - Should it be necessary for the Utility to make a billing adjustment as a result of a customer being under billed for any reason, such adjustment shall be retroactive for a maximum of four billing periods or one year, whichever is the longest. Notwithstanding the above, in the event that a billing adjustment is the result of the customer's illegal connection to the water system or willful interference or damage of metering equipment (where they exist), the billing adjustment in such circumstances will not be limited to one year or four billing periods, but rather the customer shall be responsible for all payments of such accounts from the date such illegal connection or interference to meter equipment took place.
- (c) Customer overbilled - In the event a customer has been billed in error for a service they did not receive, the Utility will reimburse such customer the amount billed to and paid by the customer, together with interest calculated as simple interest paid on savings accounts by the Utility's bank, respecting the period during which the customer was incorrectly billed by the Utility, such period not to exceed five years.

7. **METER READING:** In the case of metered service customers who are billed quarterly, meters shall be read in at least two of the four quarters annually, normally, the second and fourth, and, subject to Regulation 8, each billing for these quarters shall be based upon the meter reading with adjustment for any earlier estimated reading. The Utility may, at its option, estimate the readings in the alternate quarters based on the actual consumption from the previous quarter. In the case of metered service customers who are billed monthly, meters shall be read monthly.

8. **ESTIMATED READINGS FOR BILLING PURPOSES - METERED CUSTOMERS:**

- (a) Non-Commercial Customers: If the Utility is unable to obtain a meter reading for billing purposes, after exercising due diligence in the usual practice of meter reading, the bill for that service shall be estimated in accordance with the best data available, subject, however, to the provision that in no circumstance will an estimated reading be used for more than two consecutive billing periods. If an estimated bill is rendered for two consecutive billing periods, the Utility shall notify the customer that arrangements must be made for the Utility to obtain a reading and failing such arrangements, the Utility may suspend service until such arrangements are made. When such meter reading has been obtained the previous estimated bill or bills shall be adjusted accordingly.
- (b) Commercial Customers: If the Utility is unable to obtain a meter reading for billing purposes, after exercising due diligence in the usual practice of meter reading, the bill for that service shall be estimated in accordance with the best data available

until the issue is resolved. The Utility shall notify the customer that arrangements must be made for the Utility to obtain a reading and failing such arrangements, the Utility may suspend service until such arrangements are made. When such meter reading has been obtained the previous estimated bill or bills shall be adjusted accordingly.

9. **SUSPENSION OF SERVICE FOR NON PAYMENT OF BILLS:** The Utility shall have the right to enter onto customers' premises within reasonable hours to suspend service to customers whose bills remain unpaid for more than forty calendar days after the date rendered. The customer shall pay the reconnection fee as set out in the Charges for Re-establishing Water Service in the Schedule of Rates and Charges when the suspension order is created. Service suspension can be delayed if approved payment arrangements have been made and the customer is in compliance with arrangements. Customers who fail to comply with the payment arrangements will not be approved for future arrangements.

In the event of a violation of these Regulations by a person or customer, including liabilities and obligations owed to the utility by any person or customer under a private contract for services entered into between the Utility and such person or customer, the Utility may refuse or immediately suspend service to such person or customer and may continue such refusal or suspension until the violation has been cured.

The Utility may, in considering the circumstances respecting a request to reconnect service, decline to reconnect such service outside Regular Working Hours where the service was disconnected as a result of a violation of these Regulations.

10. **WATER TO BE SUPPLIED BY METER:** Except where water is used for construction purposes from a hydrant under the supervision of the Utility and except as in these Regulations otherwise provided, all services other than those used exclusively for fire protection shall be metered. The Utility shall determine the size and type of meter to be installed in each case. All meters shall be the property of the Utility.

Any building occupied by more than one tenant may have a separate meter with appropriate isolation valves for each tenant. With the Utility's approval, such a building shall be serviced by one meter, provided the landlord is the customer. The additional meters for individual tenants will only be allowed if in the landlord (building owner's) name, therefore the landlord is the customer of record (as per section 1.b).

A customer shall not sell unmetered water to any person without the written approval of the Utility.

When AMI becomes available to a customer, the Utility is authorized to require such customer to have an AMI meter installed for the metering of service. Where AMI is the standard meter in use, and an AMI meter is not installed, such customer will be subject to a charge of \$50.00 per read for the measurement of service by a meter which is required to be read manually and such meter will be read on a quarterly basis. Where a customer has water service measured by a meter using radio frequency technology to report meter reading to a receiving device, such customer cannot refuse replacement of such meter

with an AMI meter.

11. **INSTALLATION AND REMOVAL OF METERS:** Meters shall be installed and removed only by employees or duly authorized representatives of the Utility and no other person shall install, alter, change or remove a meter without the written permission of the Utility. The plumbing and connections shall be properly prepared to receive the installation of such meters to the approval of and without expense to the Utility. Each metered service shall have a stop device located at the property line or outside the building foundation wall of a premise where service is provided, as determined by the Utility, to permit control of such service. Each water service line shall be metered individually. A service connection to a meter shall be installed with a shut off valve on both sides of the meter, inside the building, to the satisfaction of and without expense to the Utility and as prescribed by the Utility.
12. **METER READERS:** Each meter reader shall be provided with an official identification, which they shall exhibit on request.
13. **ACCESS TO CUSTOMER'S PREMISES:** Representatives of the Utility shall have right of access to all parts of a customer's property or premises at all reasonable hours for the purpose of inspecting any water pipes or fittings, or appliances, or discontinuing service, or for the purpose of installing, removing, repairing, reading or inspecting meters. If entry to the property on which such meter is located is required, the Utility shall notify the customer by registered mail and undertake its reasonable efforts to obtain a reading, and failing such arrangements being made despite its reasonable efforts, the Utility shall have the right to suspend service to any customer who refuses such access.
14. **LOCATION OF METERS:** The Utility shall have the right to refuse service to, or suspend the service of, any customer who does not provide a place which, in the opinion of the Utility, is suitable for the meter and a related reading device. It should be in the building served, at or near the point of entry of the service pipe, in a place where it can be easily read and replaced and where it will not be exposed to freezing temperatures.

Where the premises of a customer are of such a nature that a meter cannot be properly installed in a building or if the building is not sufficiently frost-proof as to guarantee the safety of the meter, the Utility may order the construction of a suitable frost-proof box in which the meter can be installed. Service to such premises may be refused or suspended until such a frost-proof box approved by the Utility is installed.

In the event of an alteration to a building to which water service is provided, the Customer shall be responsible, as required by the Utility, to relocate the meter inside the building and a meter reading device located on the exterior of the building, at the Customers expense to a location approved by the Utility.
15. **MASTER WATER METERS:** In circumstances where a customer or customers is or are, as the case may be, provided service by the Utility with multiple water meters, the Utility may supply, at its expense, a master meter and install such master meter in a location on such customer's premises in a manner approved by the Utility. A customer is liable to pay for water which passes through the meter measuring service to such customer, provided, however, that if the aggregate of the amounts of water passing through the meters of

individual customers is less than the amount of water passing through the master meter associated with the meters of such individual customers, the difference in cost of service obtained by subtracting the aggregate cost of metered water service measured by the meters of individual customers from the cost of metered water service measured by the master meter shall be shared equally among such individual customers. The Utility may suspend water service without notice to those individual customers who fail to pay their respective portion of the difference in cost of water service described therein. Customers receiving water service where there is a master meter providing service as described in this section are jointly and severally liable for all water passing through such master meter and for the minimum charges therefore as provided herein. The customer, or group of individual customers referred to in this section, as the case may be, is responsible for the distribution of water from the Utility's master meter to the properties of a customer or customers, and the Utility shall be under no obligation to install, maintain or replace any pipes, appliances, fixtures or other apparatus connected therewith.

16. **DAMAGE TO WATER METERS:** Each customer shall be responsible for the condition of the ERT and water meter installed on their service and shall protect it. They shall be liable for any damage to the water meter, ERT and related equipment, providing service to such customer's premises, resulting from carelessness, hot water or steam, or the action of frost or from any other cause not the fault of the Utility or its employees. The cost to the Utility occasioned by such damage to the meter or the replacement of a meter seal either broken or removed illegally shall be paid by the customer. The cost shall be charged to the customer in the form of a bill consisting of the amount of the actual costs incurred (a \$50.00 minimum charge shall apply). If after the rendering of a bill by the Utility to the customer for such cost the same is not paid within 40 days from the date rendered, the supply of water to the customer concerned may be suspended until all charges are paid. Repetitive occurrences of damage to the meter or the illegal breaking or removal of the seal of the meter may result in the suspension of water services to that customer by the Utility. Where the Utility determines a customer is liable for damage, such customer shall pay to the Utility:

- | | |
|---------------------------|----------------------------|
| (i) Damaged ERT | \$80.00 |
| (ii) Wire to ERT cut | \$80.00 |
| (iii) Damaged water meter | market price/cost recovery |

17. **METER TESTING:** On the request to have their meter tested, the Utility may charge the sum of \$100.00 to defray, in part, the cost of making the test for meters up to one inch (1") in size. In the case of meters one-and-one-half inches (1 ½") and larger, the actual cost of the test will be paid by the customer. If the test shows that the meter is over registering by more than one-and-one-half percent (1 ½%) for positive displacement meters and three percent (3%) for turbine or compound meters, the sum so deposited will be refunded to the customer.

18. **PLUMBING TO BE SATISFACTORY:** All plumbing, pipes and fittings, fixtures, and other devices for conveying, distributing, controlling, or utilizing water which are used by a customer and are not the property of the Utility, shall be installed in the manner provided by the Building Code Act (Nova Scotia) and regulations of and be approved by the proper official of the Municipality and/or the operators of the Utility. The water shall not be turned on (except for construction or testing purposes) until the applicant for service has satisfied

the Utility that these requirements have been met. The supply of water may be discontinued to any customer at any time if, in the opinion of the proper official of the Municipality and/or the operator of the Utility, the plumbing, pipes, fittings, fixtures, or other devices as hereinbefore mentioned, or any of them, fail to comply with the above requirements, or if any part of the water system of such customer or the meter is in any unsuitable, dirty, unsanitary or inaccessible place. Service shall not be re-established until such condition is corrected to the satisfaction of the Utility. Water service to a customer may be discontinued at any time if, in the opinion of the Utility, the water meter measuring such service is in a dirty, unsanitary or inaccessible place.

19. **REMOTE REGISTERING WATER METERS:** When a remote registering water meter is installed on a customer's premises under a general outside register installation program of the Utility, then the cost of the meter and its installation shall be paid by the Utility. The meter shall become the property of the Utility which shall become responsible for its operation, maintenance and replacement. Any damage to the meter caused by the negligence or wrongful acts or omissions by the customer, their agents or members of their family, shall be paid for by the customer, and the failure by the customer to make the payment shall entitle the Utility, after making a 40-day written demand for the payment, to disconnect the water service to the customer.
20. **CROSS CONNECTION CONTROL AND BACKFLOW PREVENTION:**
 - (a) No owner, consumer, customer or other person hereinafter collectively referred to in this rule and regulation as "person" shall connect, cause to be connected, or allow to remain connected to the water system, or plumbing installation, without the express written consent of the Utility, any piping fixtures, fittings container or appliance in a manner which, under any circumstances, may allow water, wastewater, or any other liquid, chemical or substance, to ingress or egress the water system.
 - (b) Where, in the opinion of the Utility, there may be a risk of contamination to the potable water system, notwithstanding the provisions of subparagraph (a), the Utility may require the customer, at the customers sole cost and expense, to install at any point on the customer's water service connection or water service pipe, one or more backflow prevention (BFP) devices, which devices shall be of a quality and type approved by the Utility.
 - (c) All BFP devices shall be maintained in good working order. Such devices must be inspected and tested by a certified tester, approved by the Utility, at the expense of the customer. Such inspections shall take place upon installation, and thereafter annually, or more often if required by the Utility. The customer shall submit a report in a form approved by the Utility on any or all tests performed on a BFP device within 30 days of a test. A record card shall be displayed on or adjacent to the BFP device on which the tester shall record the name and address of the owner of the device; the location, type, manufacturer, serial number and size of the device; and the test date, the tester's initials, the tester's name, the name of their employer, and the tester's license number.
 - (d) Installation, maintenance, field-testing and selection of all BFP devices shall fully

conform to the latest revision of CSA B64.10 and CSA B64 series

(e) In the event of any breach, contravention or non-compliance by a person of any of the provision and regulations in a sub-paragraphs (a),(b),(c) or (d) the Utility may:

(i) suspend water service to such person, or

(ii) give notice to the person to correct the breach, contravention or non-compliance within 96 hours, or a specified lesser period. If the person fails to comply with such notice, the Utility may immediately thereafter suspend water service to such person.

21. **ALTERNATE WATER SUPPLY PROHIBITED:** Connection of any customer's installation served by the Utility to any other source of water supply is prohibited. Failure to comply with this regulation shall entitle the Utility to suspend the service.

22. **DANGEROUS CONNECTIONS:** No connection shall be permitted to any installation; equipment or source in such a manner as may allow any contamination to pass from such installation, equipment or source into the Utility's water supply system. If any such connection exists the Utility may discontinue the supply of water to such customer.

23. **PROHIBITED DEVICES:** Service may be refused or suspended by the Utility to any customer who installs or uses any device or appurtenance, as, for example, booster pumps, quick-opening or quick-closing valves, flushometers, water operated pumps or siphons, standpipes, or large outlets for supplying ships, etc., which may occasion sudden large demands of short or long duration, thereby requiring oversize meters and pipe lines, or affect the stability or regulation of water pressure in the Utility's system. Permission to install or use any such device or appurtenance must be obtained from the Utility, which permission shall specify what special arrangements, such as elevated storage tanks, surge tanks or equalizing tanks, etc., must be provided by the customer.

24. **IMPROPER USE OR WASTE OF WATER:** No customer shall permit the improper use or waste of water, such as providing water to more than one single family dwelling and /or apartment building from a single service, nor shall customer sell or give water to any person except upon such conditions and for such purposes as may be approved in writing by the Utility.

25. **SERVICE PIPES:** Upon receipt of an application for service to any premises located on any portion of a street through which portion a main water pipe is laid and which premises are not already provided with water service, the Utility shall install a service pipe which it considers to be of suitable size and capacity from the water main to the street line. No pipe smaller than three-quarter inch (3/4") in diameter shall be laid for any service.

The installation of the service pipe from the main in the street to the right of way including all required fittings, tapping into the water main, excavation for the laying of the service pipe, backfilling and replacement of the street and sidewalk surfaces shall be paid for by the Applicant.

The excavation may be the same excavation as is used for the sewer service pipe

providing the minimum horizontal and vertical separation between the water and sewer pipes can be obtained. If the separation distances cannot be obtained a separate excavation for the water service pipe shall be provided. In either case the excavation and backfilling and replacement of the street and sidewalk surfaces is to be provided by the applicant without cost to the Utility.

The cost of the complete construction from the street line to the premises shall be paid by the customer.

For services larger than three quarters (3/4") the whole cost shall be borne by the customer.

Should any person make application for more than one service to their premises, the decision as to the necessity of the additional service shall be made by the Utility, and if the additional service is installed, the total cost thereof from the main to the customer's premises shall be paid by such applicant.

All services must be installed in accordance with the Rules and Regulations of the Utility and shall be inspected by the official recognized by the Utility prior to being backfilled.

When a service has been installed without objection from the customer as to the location of the same, no subsequent removal of or alteration to the position of the pipe shall be made except at the expense of the customer requesting such removal or alteration.

Each water service connection shall be individually metered.

In the event of a change of the use of such premises, including by way of rezoning, re-subdivision, condominium conversion or otherwise, where such use would result in an increased occupancy of the premises, the owner of such premises shall apply to the Utility to request the use of the existing service connection or new connections suitably sized to provide the increased demand required, pursuant to which application:

- (i) The applicant may be required to provide a hydraulic analysis of the proposed water use and existing system to determine the suitability of the service for the new use, subject to the Utility in its sole discretion, determining whether existing service connections are not suitable;
- (ii) All such service connections shall be installed at the owner's expense, from the main water line in the public street or right of way to the applicant's premises, such installation to be in accordance with, West Hants Municipal Services Specifications Manual, the Building Code Act, R.S.N.S. 1989, c46 and regulations made under the authority of that Act and to the satisfaction of the Utility.

When a water service connection is abandoned or is to be abandoned, the Utility may require the owner of the property serviced by such water service connection to, at its expense, cap off such water service connection at the water main or as otherwise prescribed by the Utility.

The Utility may require the owner referred to in this section to provide either a maintenance bond in the amount of \$10,000 per residential Water Service Connection

and \$20,000 per Industrial, Commercial or Institutional (ICI) Water Service Connection, or a certified cheque payable to the Utility to ensure performance of such abandonment.

Where an owner fails to carry out an abandonment referred to in section within six months of notice to the Utility, the Utility shall be entitled to negotiate the maintenance bond or certified cheque, as the case may be, without notice to the owner, and apply the proceeds to the cost of completing such abandonment, together with other costs related thereto, and the balance of the proceeds, if any shall be returned to the owner without interest.

Where an application for a service connection is submitted to the Utility with a building permit for a construction project with a value greater than \$100,000, or where a property is being redeveloped, and the service connection is 30 years of age or older, the owner shall install a replacement or new service connection at the owner's expense and in accordance with the Utility's design specifications.

26. **REPAIRS TO SERVICES:** If a leak or other trouble occurs in the service line, it shall be repaired as soon as possible. If the leak or trouble occurs in a service line providing non-fire protection water supplies between the main and the property line it shall be repaired by the Utility at its expense. If the leak or trouble occurs elsewhere in a service line providing non-fire protection water supplies, it shall be repaired by the customer at their expense.

If the leak or trouble occurs in a service line which provides private fire protection services (sprinkler or hydrant) it shall be repaired by the customer at their expense.

The Utility may make such repairs for any customer provided the customer agrees to pay the cost of same. When required, each customer desiring the Utility to do such work shall deposit with the Utility a sum equal to the estimated cost of the work.

If a leak occurs on the customer's portion of their service pipe and, after being notified of same, they refuse or unduly delay to have repairs made, the Utility may discontinue the supply of water to such service pipe if, in its opinion, such action is necessary in order to prevent wastage of water. The Utility shall notify the customer affected of its intention to discontinue such supply.

27. **DEPOSITS IN ADVANCE:** Whenever a customer requests the Utility to do work for which they are required to pay and the Utility agrees to do the work, they shall deposit with the Utility, before the work is started, a sum of money equal to the Utility's estimate of the probable cost of said work or execute an agreement to pay the actual cost. When the actual cost is determined, an adjustment in the payment shall be made. Regular service shall not be established by the Utility until all charges are paid in full. Installations shall be made in accordance with the West Hants Regional Water Utility specifications and be subject to inspection by the Utility's engineer or Utility's employees prior to water service being made available.

28. **PIPE INSTALLATION:** The Utility shall not be required to install pipe in any short term or seasonal conditions which, in its opinion, are not suitable for such installations and under which the Utility cannot guarantee a free flow of water and or water quality, in service pipes.

29. **UNAUTHORIZED EXTENSIONS, ADDITIONS OR CONNECTIONS:** No person shall, without the written consent of the Utility, make or cause to be made any connections to any pipe or main or any part of the water system or in any way obtain or use water therefrom in any manner other than as set out in these Regulations. Any unauthorized connection shall be subject to removal by the Utility. The cost of the removal, including labour and materials and an estimate of the water used together with a \$400 service charge shall be paid by those who made the unauthorized connection.
30. **THEFT OF SERVICE:** The Utility may impose penalties in addition to charges for service approved by these Regulations for each unauthorized Water Service Connection, as follows:
- | | |
|--|----------|
| (i) First incident | \$300.00 |
| (ii) Second incident, and each incident thereafter | \$750.00 |
31. **SEASON FOR LAYING PIPES:** The Utility shall not be required to lay any pipe at any season of the year or at any time which, in its opinion, is not suitable.
32. **PRIVATE FIRE PROTECTION:** Fire protection lines within buildings shall be installed so that all pipes will be open and readily accessible for inspection at any time, and no connection for any purpose other than fire protection shall be made thereto. Unless approved by the Utility in writing, no fire protection line shall be connected in any way to a metered service. A customer is solely responsible for the maintenance, repair and replacement of all privately owned fire protection systems, including fire protection plumbing, valves, sprinklers, hydrants and related appurtenances.
33. **LIABILITY OF UTILITY:** The Utility shall not be deemed to guarantee an uninterrupted supply or a sufficient or uniform pressure and shall not be liable for any damage or injury caused or done by reason of the interruption of supply, variation of pressure or on account of the turning off or turning on of the water for any purpose.
34. **INTERFERENCE WITH UTILITY PROPERTY:** No person, unless authorized by the Utility in writing, shall draw water from, open, close, cut, break, or in any way injure or interfere with any fire hydrant, water main, water pipe, or any property of the Utility or obstruct the free access to any hydrant, stop cock, meter, building, etc., provided, however, that nothing in this paragraph contained shall be deemed to prevent an officer or member of the fire department engaged in the work of such department, from using any hydrant or other source of water supply designated by the Utility for fire protection purposes.
35. **SUSPENDING SERVICE FOR VIOLATION:** Whenever, in the opinion of the Utility, violation of any of these Rules and Regulations is existing or has occurred, the Utility may cause the water service to be suspended from the premises where such violation has occurred or is existing and may keep the same so suspended until satisfied that the cause for such action has been removed.
36. **RESUMPTION OF SERVICE:** In all cases where water service has been suspended for violation of any of these rules, service shall not be restored until the cause for violation

has been removed.

37. **SPRINKLER SERVICE MAINS AND HYDRANT SYSTEM:** The customer shall be responsible for the cost of installing and maintaining a sprinkler service pipe from the main in the street to the building. It shall include a proper size control valve so that the service may be shut off if necessary. If requested by the applicant, a domestic service pipe may be connected to the sprinkler service pipe, but only if it is connected outside the building foundation wall and is provided with an approved shutoff valve located outside the building to permit control of the domestic service pipe without the necessity to enter the building. Before any domestic service pipe is connected to a sprinkler service pipe, the applicant must obtain approval from the appropriate authority and provide the Utility with a certified copy of such approval. The Utility shall supervise the installation of same. If requested by an applicant and subject to the applicant having applied for and received all approvals, a metered service pipe may be connected to the fire protection service pipe outside the serviced premises provided such metered service pipe is fitted with a shutoff valve approved by the Utility. Discharge of water from fire protection systems for maintenance purposes shall be in accordance with these Regulations. When the private fire protection system includes private hydrants, these hydrants must be flushed during the Utility's regular flushing periods, under the supervision of the Utility's personnel. These hydrants shall be maintained in a manner, or on a regular basis as approved by the Utility. Fire protection lines within buildings shall be so installed that all pipes will be open and readily accessible for inspection at any time and no connection other than for fire protection shall be made thereto.

The location and spacing of hydrants in new construction shall be installed in accordance with the latest edition of the West Hants Regional Municipality's Design and Construction Standards pursuant to the West Hants Regional Municipality's Subdivision By-law.

38. **FIRE HYDRANT FLOW TESTING:** The Utility may, upon request, attend a site to operate the Water System for the purpose of facilitating fire hydrant flow testing. Where a person or company has made a request and the Utility grants approval pursuant to this section such person or company shall:

(a) Pay for all traffic control expenses, as deemed necessary by the Utility; and

(b) Pay the Utility the cost of having Utility staff attend as follows:

- | | |
|--|---------------------|
| (i) One Utility staff attending: | \$300 |
| (ii) Two Utility staff attending: | \$600 |
| (iii) More than two Utility staff attending: | cost-recovery basis |

(c) The Utility is not obligated to provide equipment or materials required for testing it is solely the responsibility of the person/company requesting the service.

39. **PRESSURE REDUCING VALVES:** Where, in the opinion of the Utility, it is necessary for proper water service, a customer shall install on the service pipe, between the meter and the shut off valve on the customer's side of the meter, a pressure reducing valve of a type satisfactory to the Utility. The customer shall be responsible for the cost of installing and maintaining the pressure reducing valve at all time.

40. **PRESSURE RELIEF VALVES:** Whenever a pressure reducing valve has been installed by a customer in accordance with Regulation 39, the customer shall, for their own safety and protection, install on their hot water boiler and any other hot water heating device connected to the building's plumbing system, a pressure relief valve of an approved type, as well as an approved temperature limiting device. It shall be the customer's responsibility to maintain and keep in service the pressure relief valve at all times.
41. **EXTENSIONS:** When the provisions of the Municipal Government Act SNS 1998, c18 and the regulations made thereunder apply, the Utility may, at the request of the subdivider or owner, accept any water line constructed in accordance with the latest revision of the West Hants Regional Municipality's Design and Construction Standards / Specifications and in accordance with the applicable Subdivision By-law of the West Hants Regional Municipality and with the approval of the Nova Scotia Utility and Review Board without charge to the Utility or payment to the subdivider or owner, if:
- (a) the Utility has made periodic inspections during construction;
 - (b) the water line meets the standards and specifications of the Utility;
 - (c) the water line had passed all tests required by the Utility; and
 - (d) the owner has tendered to the Utility a conveyance of the same together with an easement when the water line is not located on the public street of the Municipality.
42. **SALE OF BULK WATER:** The Utility may allow a person to have access to bulk fill water stations in accordance with the fees, consumption rates and access card use as follows:
- (a) The first set-up fee is \$60.00 with an annual inspection fee of \$50.00 that will be charged for each vehicle equipped for access to the bulk fill stations.
 - (b) Vehicles accessing a designated bulk fill station shall be inspected and approved by the Utility on an annual basis, beginning April 1, as part of its permitting process.
 - (c) Consumption rates for water accessed through the bulk fill stations are in accordance with the Schedule of Rates and Charges.
 - (i) Bulk fill station account:
 - i. Bulk fill station accounts will be pre-loaded in specific dollar amounts and will be recorded as deferred revenue.
 - ii. Individual accounts and personal identification numbers (PIN) will be assigned to each vehicle and a key fob to use the station to access water.
 - iii. When an account is closed by an authorized user any outstanding balance will be refunded to such user.
 - iv. Consumption charges will be deducted from an account based on the volume of water sold by the rate structure authorized by these Regulations.
 - (d) Designated bulk fill station procedures in the Utility shall be adhered to at all times by authorized users as a condition of retaining such permit.

- (i) Failure to follow the permitting requirements set out in this section shall result in termination of a designated bulk fill station permit.

(e) The Utility reserves the right to control flow rates at each designated fill station.

- 43. **WATER CONSERVATION DIRECTIVES:** The Utility may issue conservation of water directives to its customers, if in the opinion of the Utility, such directives are required to permit the Utility to provide reliable continuous water service to all customers served by the Utility. During such times as these directives are in force, customers who do not comply with the directives may have their water service suspended until such time as they agree to comply with the directive or upon suspension of the water conservation directive, whichever occurs first. Such customers shall be required to pay the Charge for Re-establishing Water Service as laid out in the approved Schedule of Rates for the Utility.
- 44. **CURB STOP/CONTROL VALVE SERVICE BOX:** The curb stop/control valve service box housing the customer's control valve shall be exposed for access by the Utility at all times. The Utility requires all curb stop/control valve service boxes and/or valves to be fully exposed and adjusted to final landscape grade before the installation of a customer's water meter. Any adjustment of the service box or valve box is the responsibility of the customer.

The customer shall ensure the curb stop/control valve service box and/or the valve box is exposed at all times. In the event that the curb stop/control valve service box is buried, paved over, backfilled or damaged as a result of carelessness, willful obstruction or any other occurrence that, in the opinion of the Utility, results in the requirement for the Utility to expose, re-expose, adjust or repair the curb stop /control valve service box, it shall be at the customer's expense. The Utility may undertake such activities as it deems necessary to gain access to the premises curb stop/control valve service box without expense to the Utility. When such action is undertaken, the reinstatement of the road, right-of-way, driveway, sidewalk, curb or landscape will be charged back to the customer if such activity is undertaken by the Utility.