



**Q: Why is the municipality proposing a water rate increase?**

**A:** The municipality last completed a water rate study in 2016, with the last water rate increase occurring on April 1, 2018. However, due to various factors, the utility delayed moving forward with a new rate study and proposed increases. The utility has been drawing from its accumulated surplus to cover revenue shortfalls over expenses. However, this surplus has significantly diminished, necessitating new rates to avoid ongoing losses within the utility.

**Q: What are the reasons behind the need for these proposed rate increases?**

- A:** Several factors contribute to the need for proposed rate increases, including:
- Increased operating costs due to treatment upgrades to meet regulatory requirements.
  - Inflationary cost pressures affecting the cost of chemicals, parts, laboratory services, fuel, electricity, and labour.
  - Rising capital and operating costs to maintain aging infrastructure.
  - Budgeted capital expenditures of approximately \$1.25 million from 2024/25 to 2026/27, including work for the renewal of aging infrastructure and necessary treatment upgrades.
  - Increased depreciation expenses related to new or upgraded infrastructure, such as the Louisdale / Evanston / Whiteside Water Treatment Plant completed in 2019 and upgrades to the Arichat Water Treatment Plant in 2020/2021.

**Q: How were the proposed increases determined?**

**A:** Unlike increases to other municipal services, water rate increases must undergo a rigorous process. The Water Utility, which operates separately from regular municipal operations, requires approval from the NSUARB (Nova Scotia Utility and Review Board). To support the application for increases, a rate study must be performed. The recent rate study concluded in January 2024 highlighted that current rates were insufficient to cover costs, resulting in significant operating deficits in recent years.

**Q: What are the financial implications of not increasing rates?**

**A:** Operating deficits have been incurred in recent years, resulting in a steady erosion of the utility's surplus. If current rates are maintained, it is projected that the reserve will be depleted by fiscal year 2025/26 and the Utility will be unable to cover its operating expenses. Depleting reserves would also leave the utility financially vulnerable and unable to fund necessary infrastructure projects in the future.

**Q: What are the proposed rates for residential water usage?**

**A:** The proposed rates are based on projected revenue and costs to the utility. For an average residential water consumption of 31 cubic meters, the quarterly bills would increase gradually over the next few years. While these increases may pose challenges, they are essential to cover the operating costs of the utility and address infrastructure deficits and ensure the long-term sustainability of water services in our communities.

**The proposed rates for residential water usage are as follows:**

Consumption Rate (per cubic meter):	Base Charge for Residential 5/8" Meter (per quarter):
• Present: \$1.67	• Present: \$38.31
• 2024-25: \$1.76	• 2024-25: \$49.25
• 2025-26: \$2.03	• 2025-26: \$56.45
• 2026-27: \$2.23	• 2026-27: \$61.09

**Q: How will these proposed rates impact residential water bills?**

**A:** Using a residential 5/8” water meter with an average consumption of approximately 31 cubic meters per quarter, the impact on total water billing, including the proposed consumption rates and base charges, is as follows:

Quarterly Water Bill – 5/8” Residential Meter @ ~31m<sup>3</sup> / quarter:

- Present: \$90.71
- 2024-25: \$104.58
- 2025-26: \$119.54
- 2026-27: \$129.89

**Q: How do the proposed rates compare to other utilities in the Province?**

**A:** Average residential bills are expected to remain at or below the Provincial average.

**Q: How can residents provide feedback on the proposed increases?**

**A:** The NSUARB holds Public Hearings to allow residents an opportunity to provide feedback and comments. The Hearing is scheduled for May 29 at 1 pm at the Municipal Office. Residents wishing to speak at the hearing must advise the NSUARB by Friday, May 17. Additionally, written comments can be submitted by sending a letter to the Clerk of the NSUARB.

**Mail:** Clerk of the Board, P.O. Box 1692, Unit “M”, Halifax, NS B3J 3S3.

**Email:** [board@novascotia.ca](mailto:board@novascotia.ca).

**By Fax:** 902-424-3919.

Further details, including the Notice of Public Hearing, can be found on the NSUARB website, visit: [M11583 - Notice of Hearing.pdf \(novascotia.ca\)](#).