



On November 24, 2014 Halifax Water filed a 2 year rate application with the Nova Scotia Utility and Review Board (NSUARB). The rate application included a request for an increase in water and wastewater rates. The rate application did not include an increase in stormwater rates. A public hearing before the NSUARB took place February 23, 2015. On April 21, 2015 the NSUARB released its final rate decision.

**BELOW ARE SOME QUESTIONS AND ANSWERS TO PROVIDE MORE INSIGHT INTO THE VARIOUS CHALLENGES FACING HALIFAX WATER AND THE NEED FOR AN INCREASE IN RATES.**

### **1. What do these increases mean for homeowners?**

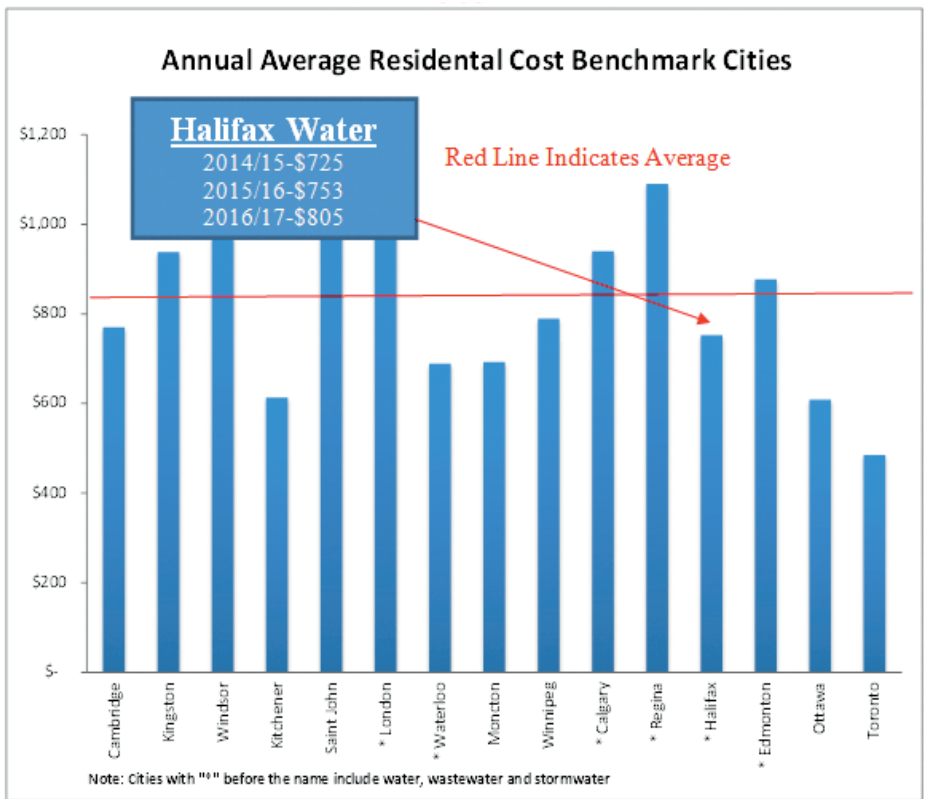
While increases will vary based on usage, we have projected cost increases for the average homeowner. With the rates approved by the NSUARB on April 21, 2015, the average household in the Halifax municipality will see rates rise by \$6.84/quarter, \$2.28/month or \$0.075 cents/day effective May 1, 2015. Effective April 1, 2016 rates will increase by \$13.08/quarter, \$4.36/month or \$0.14 cents/day. On an annual basis these charges increase rates by 3.8% in 2015/16 and 7.0% in 2016/17.

### **2. Why must the rates increase?**

Halifax Water faces a number of challenges that create the need for an increase in rates to maintain the current high level of service to customers, and continue investing in water and wastewater infrastructure. These challenges include depreciation and debt servicing costs with new facilities coming online; declining consumption; a significant infrastructure deficit; and stricter federal wastewater regulations. Through operational efficiencies, improvements in procurement, and energy reduction initiatives, Halifax Water has been able to maintain stable operating costs that are tracking at or below the Consumer Price Index.

### **3. How do these rates compare to other cities across Canada?**

Halifax Water's rates compare very favourably. As of November 2014, the average residential bill for combined water, wastewater and stormwater service for the 15 cities Halifax Water benchmarks against (see chart below) is \$822 but their rates are increasing also. Even with the new rates approved by the NSUARB, Halifax Water's rates will continue to be among the lowest in Canada.



**The average annual cost for these cities is \$822 as of November 2014.**

#### 4. Will there be an increase in stormwater rates?

No. Halifax Water has not applied for an increase in stormwater rates in this two year rate application as the projected revenue from current stormwater rates should be sufficient to match expenses.

#### 5. What has Halifax Water done to try and cut its expenses?

Halifax Water has always pushed for efficiency in service delivery. Formal cost containment initiatives in 2013/2014 resulted in cost savings of \$2.2 million. Cost containment continues to be a focus at Halifax Water.

#### 6. How much do water, wastewater and stormwater rates impact household budgets?

Median household income in the Halifax Census Metropolitan Area is \$80,490 based on 2012 Statistics Canada data. The average family currently pays \$725.20 for Water, Wastewater and Stormwater service. That equates to 0.9% of median household income, putting Halifax Water's rates well within the affordability range compared to other utility charges.

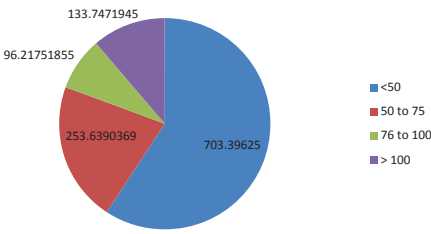
#### 7. What about those who simply can't afford these rate increases?

Halifax Water has established a third-party managed fund through the Salvation Army to assist those that may not be able to afford this vital service as a result of the rate increase. Details on the H2O(Help to Others) Fund can be found on our website at [www.halifaxwater.ca](http://www.halifaxwater.ca) and at [www.salvationarmy.ca/maritime](http://www.salvationarmy.ca/maritime). There are also water conservation measures customers can take to reduce consumption and lower their water/wastewater/ stormwater bill. For water conservation tips please visit our website at [www.halifaxwater.ca](http://www.halifaxwater.ca) and click on the "Halifax Water-Rate Application" front page icon.

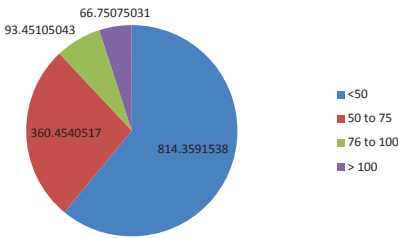
#### 8. How old are the pipes in the ground?

Maintaining our critical water, wastewater, and stormwater infrastructure is essential to the health of residents and our environment, as well as the economic well-being of our municipality. The graphs below outline the age range of Halifax Water's water, wastewater, and stormwater distribution/ collection pipes. The useful life of these pipe systems is 60-100 years.

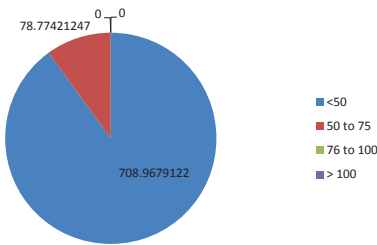
### Asset Age Profile- Watermains (km of pipe by age range)



### Asset Age Profile- Wastewater Mains (km of pipe by age range)



### Asset Age Profile- Stormwater Pipes (km of pipe by age range)



## 9. How long will the rehabilitation of our wastewater and stormwater system take?

The condition of our underground wastewater and stormwater infrastructure has deteriorated over the course of a century. A rehabilitation process of this size will not be an overnight fix. Upgrading the infrastructure to today's standards and beyond will take time and require significant investment. Estimates from the Integrated Resource Plan (IRP), filed with the NSUARB in October 2012, project \$2.6 billion over 30 years, much of which is funded under the current rate structure. The work will take some time, but the time to act is now. Over the next five years, Halifax Water intends to invest \$59.4 to \$82 million in capital annually which is still below the projections contained within the IRP. Halifax Water is proposing a more gradual increase in capital spending compared to the IRP to avoid rate shock and ensure affordability.

For more information please visit <http://www.halifax.ca/hrwc/rate-application.php>

## Understanding Stormwater

Stormwater fees, distinct from taxation, have existed since 1997. A wastewater/stormwater management charge was initially levied by HRM in 1997. At that time only customers with wastewater service (ie. customers on the piped system) received a bill with the charge based on water

consumption. Residents serviced by ditches did not receive a water bill, but were still provided a service by HRM through funds collected by Halifax Water on HRM's behalf from customers with wastewater service. In 2007, Halifax Water assumed responsibility for wastewater and stormwater service delivery, with regulatory oversight by the NSUARB. As there is no correlation between water consumption and stormwater, Halifax Water reviewed these charges in 2010 against the Public Utilities Act which mandates that charges be based on cost causation (user pay) principles, as enforced by the NSUARB. As part of this review, the inequitable treatment of customers, as noted above, was also acknowledged and the current rate structure, approved by the NSUARB in July 2013, provides for fair and equitable treatment of all customers. Below are a few questions and answers to help better understand stormwater.

## 1. Why did my taxes not go down when the responsibility for stormwater systems went over to Halifax Water?

Your taxes did not go down when stormwater service went over to Halifax Water because storm-

water service was not paid for through municipal property taxes. It was paid for through a combined Wastewater/Stormwater Management fee levied to wastewater customers on the basis of water consumption.

Residents in the rural areas that are not on central wastewater were not paying for stormwater service. It was essentially subsidized by residents connected to the wastewater system.



When the separate stormwater charges were created, all residents receiving service were charged, and the wastewater volumetric rate decreased.

## 2. What are the components of stormwater infrastructure?

Manholes, culverts, ditches, storm sewer (piped), catchbasins, some drainage swales and retention ponds.



## 3. Do other cities have charges for stormwater service?

Yes. There are many cities throughout North America and Europe that have stormwater charges.

## 4. Is there a different level of service depending upon where you live? (ie: if you are on the piped system or ditch and culvert system)

Service is delivered to ensure systems are operating in all areas. For areas not on the piped system, there is a significant cost because Halifax Water does ditch cleaning, and culvert replacements. Halifax Water spends approximately \$10 million dollars annually operating and maintaining stormwater service. In 2015/16 Halifax Water has a capital budget of \$3.9 million dollars for stormwater service.

For more information on Stormwater please visit [www.halifax.ca/hrwc/stormwater-billing-update.php](http://www.halifax.ca/hrwc/stormwater-billing-update.php)

## Get Your Water Bill Online!



Halifax Water has teamed up with Canada Post to offer customers the ability to receive their water bill online. With Canada Post's epost, you can manage your bills online in one safe, secure place, online. Anytime, anywhere!

For information on how you can sign up please visit <http://www.halifax.ca/hrwc/halifax-water-online-billing.php>

*Water*talk



Water talk is an information communication between Halifax Water and its customers. Water talk covers topics relevant to the operation of the water utility as well as other matters of interest. Your comments on this and any other Halifax Water publications are welcome. Please email [campbej@halifaxwater.ca](mailto:campbej@halifaxwater.ca) or [cust\\_inq@hrwc.ca](mailto:cust_inq@hrwc.ca). Please also visit our website at [www.halifaxwater.ca](http://www.halifaxwater.ca) for a full range of information related to Halifax Water. You can also follow us [Twitter @HalifaxWater](#)