



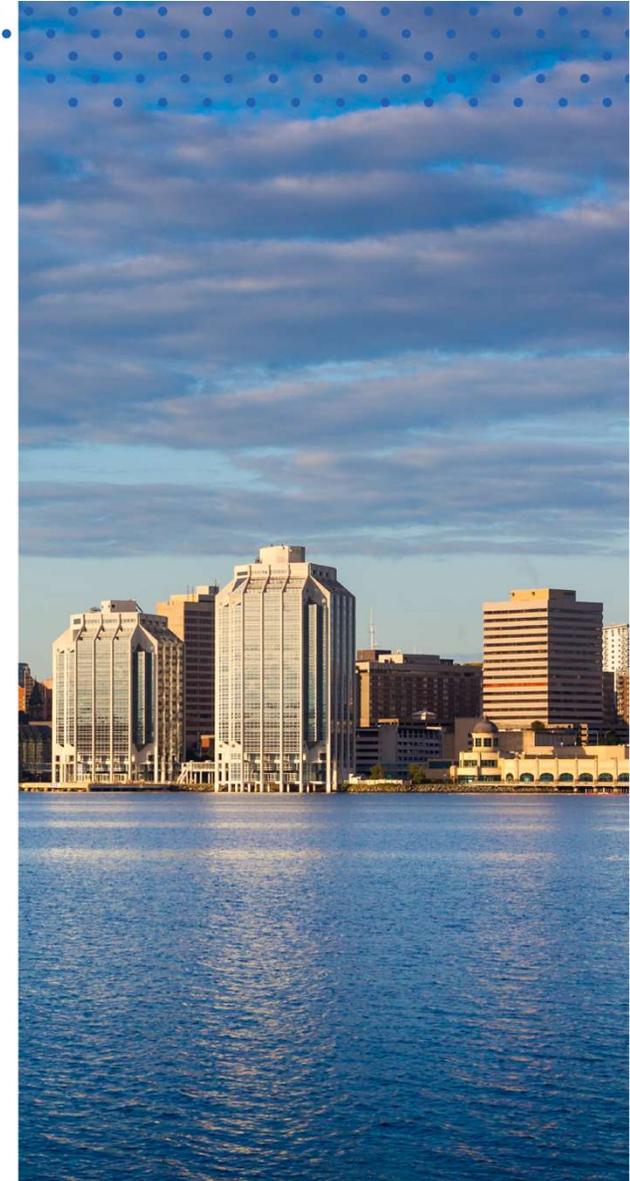
Halifax Water 2030

5-Year Strategic Plan 2025-2030 &
2025/26 Annual Business Plan

HRM Regional Council, March 18, 2025

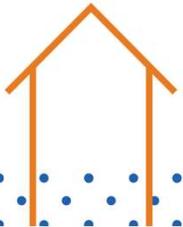
Kenda MacKenzie, P.Eng., General Manager & CEO

**STRAIGHT from
the SOURCE**

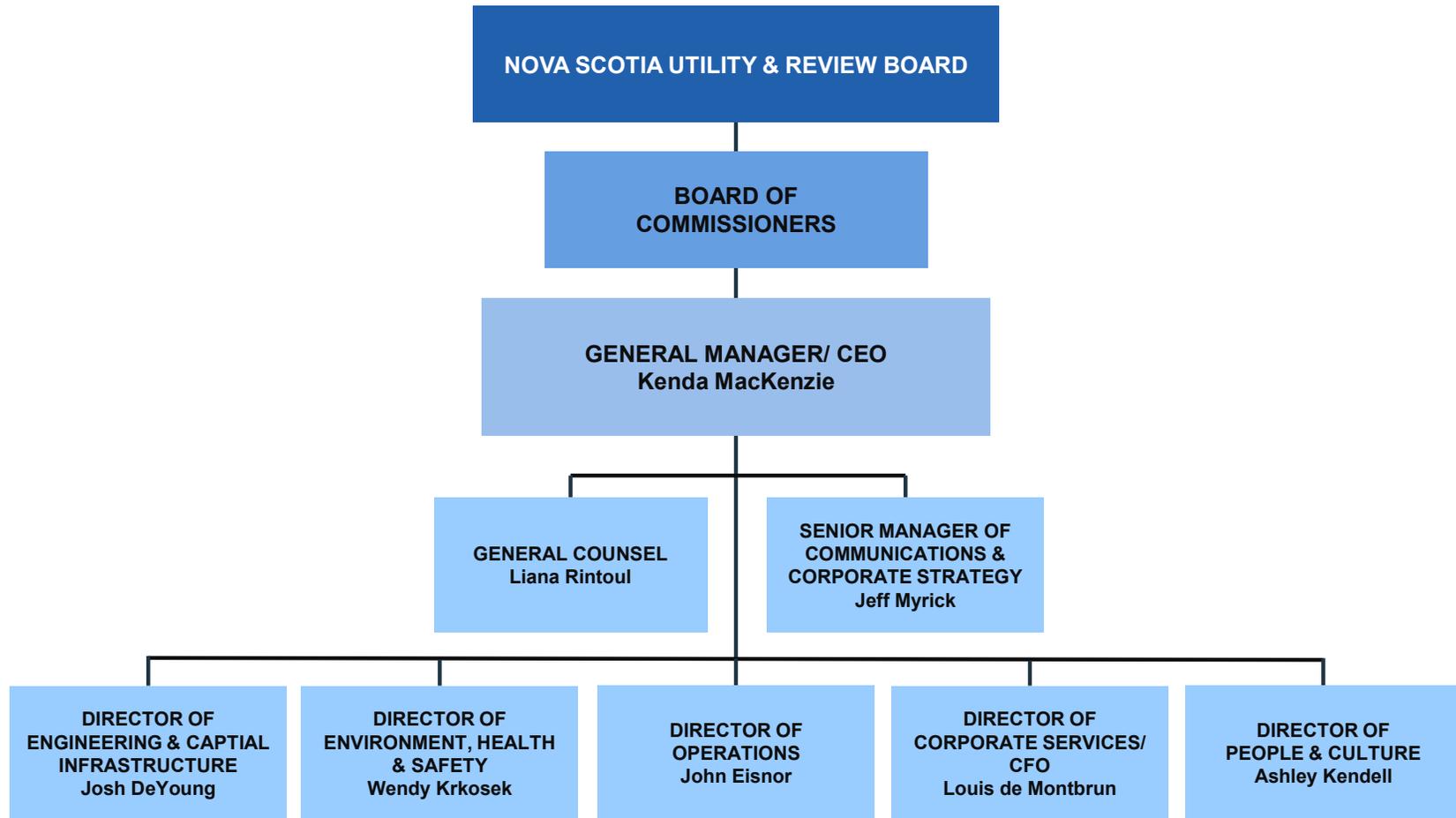


Halifax Water

- First regulated, integrated water, wastewater & stormwater utility in Canada
- Operates in accordance with HRWC Act and Public Utilities Act with rates, rules and regulations approved by the Nova Scotia Utility and Review Board [NSUARB]
- Self financed utility; capital and operating budgets are funded directly from user fees based on cost causation principles
- Body Corporate Utility owned by Halifax Municipality (Administrative Order 2018-001-ADM)
- Governed by an 8 member Board of Commissioners consisting of 7 voting members (Mayor or Mayor's Designate, 3 Councillors, 3 Private Citizens) and 1 non-voting member Halifax CAO or CAO's designate



Halifax Water Governance



OUR PURPOSE

To supply and safeguard sustainable, high-quality water services.

VISION

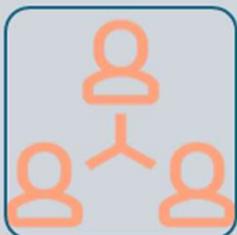
We will provide our customers with high-quality water, wastewater, and stormwater services. Through adoption of best practices, we will place the highest value on public health, customer service, fiscal responsibility, workplace safety and security, asset management, regulatory compliance, and stewardship of the environment. We will fully engage employees through teamwork, innovation, and professional development.

Current Situation

- The plan for 2025/26 will see a focus:
 - Improving the organization's financial position
 - Empowering our people
 - Leadership
 - Accountability
 - Operational resiliency
 - Commitment to safety
 - Risk mitigation
 - Organizational capacity and capital delivery
 - Meeting regulatory obligations
 - Maintaining focus on strategic initiatives.



Four Pillars



People

- Our employees are vital to our success. We are committed to being an employer of choice, attracting and retaining high-quality team members in an inclusive and respectful work environment.



Environment, Health, Safety and Social Responsibility

- Our safety-first work culture and respect for the environment enable us to provide our customers with safe, reliable, and sustainable services.



Financial and Regulatory Accountability

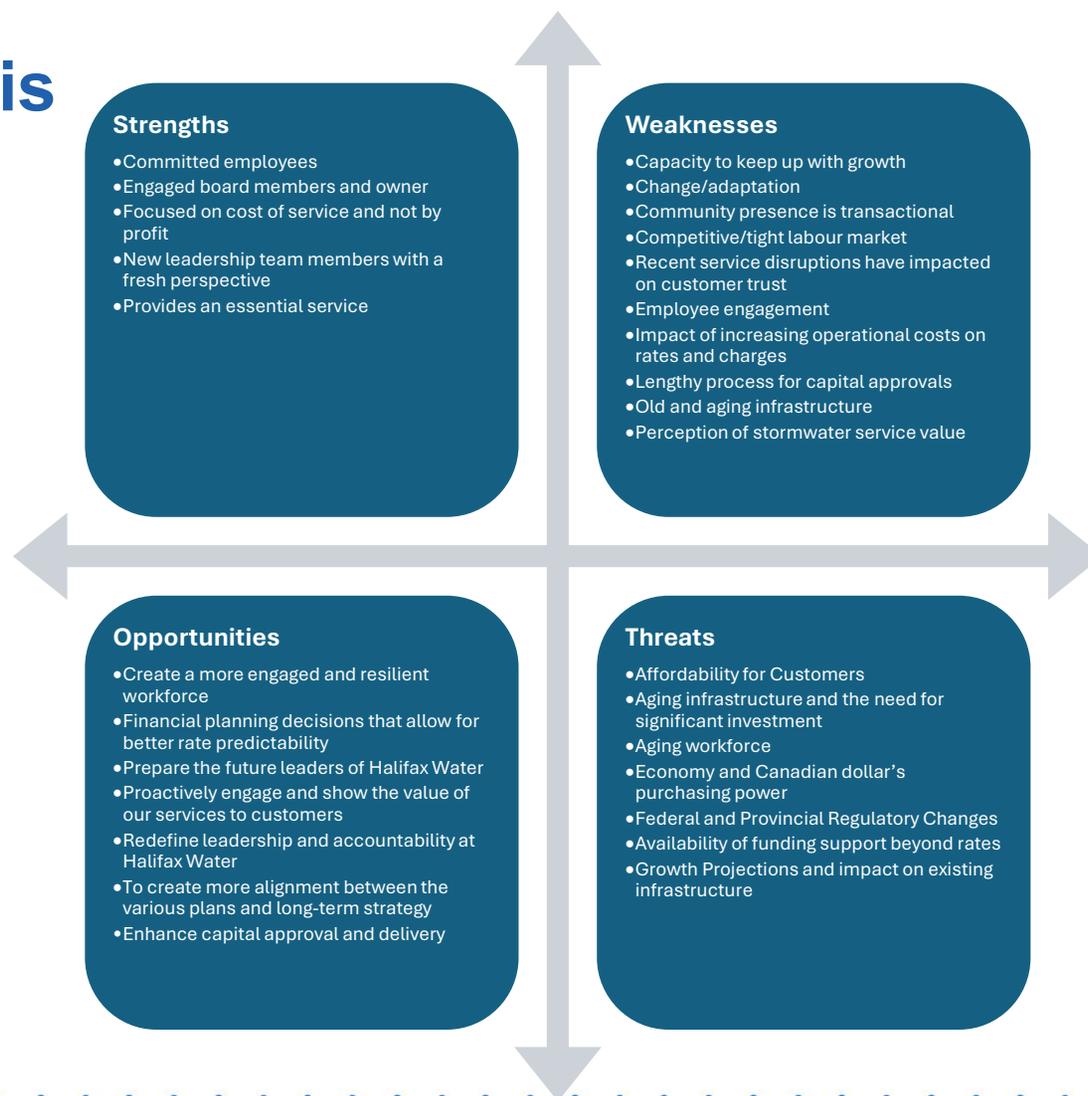
- It is fundamental to ensure that Halifax Water can fund existing and future infrastructure. We prudently manage assets and operate our business by balancing costs and the needs of the customers today and long into the future.



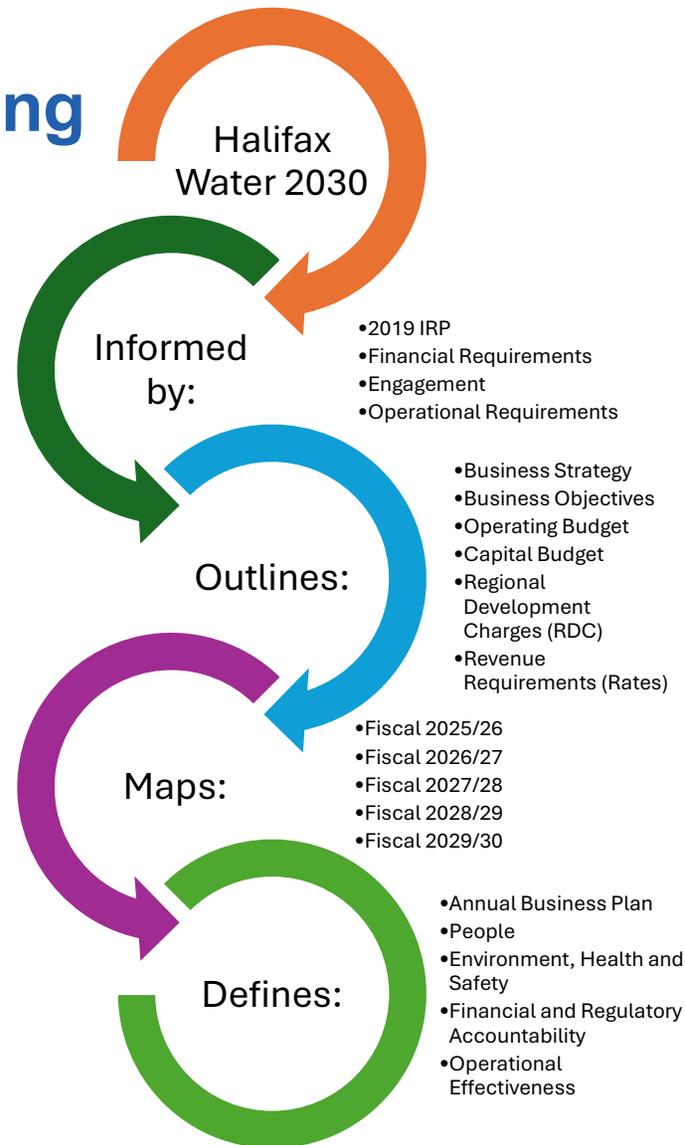
Operational Effectiveness

- We are focused on safety and resiliency. We efficiently build, operate, and maintain our critical infrastructure to support a more sustainable and prosperous community.

SWOT Analysis



Integrated Planning Approach



Halifax Water 2030 - Empowering People, Transforming Services

5-year strategy

5-year objectives

Annual Business Plans

2025/26

2026/27

2027/28

2028/29

2029/30

Strategic Pillars

5-year Strategic Initiatives

Annual Goals

Rationale

Impact

Timing

People

Objective

To create a thriving and inclusive workplace culture by fostering strong leadership and collaborative talent management and enhancing every step of our employees' career journey together over the next five years.

Strategic Initiatives

- Build a psychologically safe and engaged workplace culture that attracts, develops, and retains talent.
- Implement an effective leadership framework that defines and guides all employees at Halifax Water.
- Execute the talent management strategy through collaborative partnerships with organizational leaders.
- Enhance the employee experience by improving engagement throughout an employee's career.



Environment, Health, Safety and Social Responsibility

Objective

To establish disciplined processes and effectively manage risks to create a safer, more resilient future for our water resources and communities.

Strategic Initiatives

- Strengthen our safety policies and procedures to ensure a safe working environment for all employees.
- Implement an emergency management program that ensures business continuity to safeguard water supply, public health and the environment.
- Launch sustainability programs that recognize climate impacts and address the long-term viability of water resources, infrastructure, and environmental impacts.
- Increase customer compliance through education and enforcement of the appropriate use of water, wastewater and stormwater systems.



Financial and Regulatory Accountability

Objective

To enhance our internal processes for regulatory oversight, financial management and corporate governance.

Strategic Initiatives

- Deliver the next Integrated Resource Plan (IRP) that will inform the organization's next five-year strategy, future annual plans, and the long-term financial framework for operating and capital requirements.
- Implement an enhanced project management framework to effectively plan and deliver projects.
- Adopt more effective internal processes and tools to support regulatory oversight.
- Adapt organizational processes to enhance financial management, accountability and corporate governance.



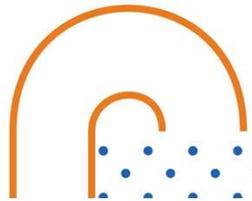
Operational Effectiveness

Objective

Improve customer experience and build trust and confidence by focusing on service reliability.

Strategic Initiatives

- Make prudent investments to improve system resiliency and reliability.
- Create a disciplined culture of accountability, continuous improvement, and risk mitigation.
- Improve and support our relationships with customers.
- Enhance our organizational decision-making processes to deliver more financially prudent and effective services.





2025 / 2026 Annual Business Plan

People

Build a psychologically safe and engaged workplace culture that attracts, develops, and retains talent.

- Launch the Psychological Health and Safety 3-year strategic plan by Q1.
- Renew the Diversity, Equity and Inclusion (DE&I) plan by Q2.
- Develop a strategic recruitment and attraction plan by Q4.
- Conceptualize an enhanced training and development plan to explore the possibility of building a Halifax Water learning academy by Q4.



People



Implement an effective leadership framework that defines and guides all employees at Halifax Water

- Develop and launch a Leadership Accountability framework by Q3.
- Create a communication and change plan to roll out leadership behaviours to the organization by Q3.
- Define leadership objectives and expectations by Q4.



People

Execute the talent management strategy through collaborative partnerships with organizational leaders.

- Launch a succession planning framework focused on critical roles and skills by Q2.
- By Q3, fully integrate succession planning discussions into the business.
- Consider high-potential talent pathways by Q3.
- Launch a talent assessment process by Q3.
- Incorporate an annual talent review process by Q4.



People



Enhance the employee experience by improving touchpoints throughout an employee's career.

- Increase the annual Employee Survey participation rate by the end of Q4.
- Establish an Employee Engagement Council to help develop accountability and empowerment within the organization, by the end of Q1.
- Incorporate the Council's and employee feedback and recommendations into an action plan by the end of Q2.



Environment, Health, Safety & Social Responsibility

Strengthen our safety policies and procedures to ensure a safe working environment for all employees.

- Complete the review of the existing Occupational Health Safety Manual and develop a gap closure plan to meet regulatory and current practices by the end of Q3.
- Complete Fire Safety Plans for all Halifax Water facilities by the end of Q4
- Develop a framework for the Halifax Water Security Plan by the end of Q4.
- Complete and operationalize the first iteration of a comprehensive organizational electrical safety program by the end of Q4.
- Improve the quality of incident reporting, investigation, root cause analysis, corrective/preventive action process, and verifications/closure process by the end of Q4.
- Develop an action plan to reduce at-fault motor vehicle accidents by the end of Q3.



Environment, Health, Safety & Social Responsibility

Implement an emergency management program that ensures business continuity to safeguard water supply, public health and the environment.



- By the end of Q4, complete a three-phase emergency management project to include:
 1. Benchmarking the current state of Halifax Water's emergency management program compared to best practices.
 2. Develop a strategic plan for the Comprehensive Emergency Management Program.
 3. Formalize an action plan for the emergency management program to meet Emergency Management Accreditation Program requirements.
- Establish training and emergency response exercise plan by the end of Q4.



Environment, Health, Safety & Social Responsibility

Launch sustainability programs that recognize climate impacts and address the long-term viability of water resources, infrastructure, and environmental impacts.

- Develop an action plan for determining the safe yield for all surface water supplies in support of the Integrated Resource Plan and for future water withdrawal approval requirements by the end of Q4.
- Building on existing methodologies, develop a multi-year strategy to reduce the amount of water produced but not billed (water loss) by the end of Q4.



Environment, Health, Safety & Social Responsibility

Increase customer compliance through education and enforcement of the appropriate use of water, wastewater and stormwater systems.



- Review programs for opportunities to increase customer education and awareness by the end of Q4.
- Conduct engagement with interested parties specific to the proposed New Service Account Compliance Program by the end of Q4.
- Define the scope and requirements for software tools to support customer compliance with pollution prevention programs by the end of Q4.
- Complete scan of customer programs of other utilities to reduce private side inflow and infiltration (I&I) by the end of Q4.



Financial & Regulatory Compliance

Deliver the next Integrated Resource Plan (IRP) that will inform the organization's next five-year strategy, future annual plans, and long-term financial framework for operating and capital requirements.

- Obtain regulatory approval and launch the IRP update project to the organization by the end of Q1.
- Develop engagement and communications plans, including identification of feedback and engagement sessions with staff (to be delivered over the life of the project) by the end of Q2.
- Work with the HRM to confirm population projections by the end of Q3.



Financial & Regulatory Compliance

Implement an enhanced project management framework to effectively plan and deliver projects.

- Complete the first phase of the Engineering Processes Project (EPP) 's target state, focusing on financial reporting and scheduling, by the end of Q2.
- Establish the level of organizational oversight for all capital projects by the end of Q4.



Financial & Regulatory Compliance

Adopt more effective internal processes and tools to support regulatory oversight.

- Identify internal regulatory process gaps by the end of Q3.
- Create a process framework for addressing identified regulatory gaps by the end of Q4.



Financial & Regulatory Compliance



Adapt organizational processes to enhance financial management, accountability and corporate governance.

- Establish the process to regularly update infrastructure projects in the long-term financial model by the end of Q1.
- Seek regulatory approval to establish rates that fund the operating and capital requirement by the end of Q1.
- Support Regional Development Charges application to fund the capital requirements for growth by the end of Q3.
- Outline the impact of rate increases and review options to make rates more affordable for lower-income customers by the end of Q2.
- Complete the energy center concept design and establish a plan for rate design for the District Energy System by the end of Q4.
- Identify key financial controls and confirm that all are operating effectively by the end of Q3.
- Work with Halifax Water Board to review corporate governance and oversight by the end of Q4.

Operational Effectiveness

Make prudent investments to improve system resiliency and reliability.

- Formalize an operational water supply resilience plan for the 5-to-10-year horizon by the end of Q4.
 - This includes addressing near-term corrective measures that have been identified in accordance with timelines outlined in the Boil Water Advisory Reports.
- Develop a plan to address water quality, quantity and system redundancy within the distribution system by the end of Q4.
- Develop a project delivery strategy for the Water Supply Enhancement Program (WSEP) by the end of Q4.
- Seek approval for capital investment for the upgraded Biosolids Processing Facility by the end of Q4.



Operational Effectiveness



Create a disciplined culture of accountability, continuous improvement, and risk mitigation.

- Establish an Integrated Management System (IMS) committee that will harmonize the structure and components of well-established management systems within Halifax Water and to create greater efficiencies and strengthen the utility's risk mitigation culture as other systems are added by the end of Q1.
- Develop an IMS roadmap by the end of Q4.
- Develop a structure that aligns all risks into a single register for the organization by the end of Q3.



Operational Effectiveness

Improve and support our relationships with customers.

- Implement new bill design and launch, including communication of changes and benefits to customers, by the end of Q2.
- Review options to promote the use of online services by the end of Q3.
- Estimate the net savings of increasing the number of customers using online services by the end of Q3.
- Map future process flow for stormwater inquiries and appeals, establish customer service levels, and develop a plan to implement efficiencies by the end of Q3.
- Implement a process to address the backlog of stormwater inquiries and appeals by the end of Q4.
- Final Draft of Integrated Stormwater Management Policy with HRM by the end of Q4.



Operational Effectiveness

Enhance our organizational decision-making processes to deliver more financially prudent and effective services.



- Review and update strategy for document management by the end of Q4.
- Review the existing data analytics program to ensure focus on key priorities by the end of Q2.
- Establish a clear go-forward strategy and implementation plan for data analytics by the end of Q3.
- Complete a review of the existing operational structure (water, wastewater and stormwater) and prepare an options analysis and implementation plan by Q3.
- Begin implementing the plan by the end of Q4 in advance of the Burnside Operations Centre coming online.
- Develop a strategy to align with municipal development intensification and the mid to long-term impacts on infrastructure by the end of Q3.



Financial – Approved 2025/26 Capital Budget

2025/26 Capital Budget Funding Sources (in 000's)					
Funding Source	Water	Wastewater	Stormwater	District Energy	Totals
Debt and Depreciation	\$49,380	\$48,681	\$25,753	\$0	\$123,814
Regional Development Charges	\$3,062	\$2,486	\$0	\$0	\$5,548
External Funding	\$0	\$242	\$ 3,391	\$0	\$3,634
Capital Cost Contributions	\$0	\$0	\$0	\$0	\$0
SUB-TOTAL	\$52,442	\$51,409	\$29,144	\$0	\$132,996



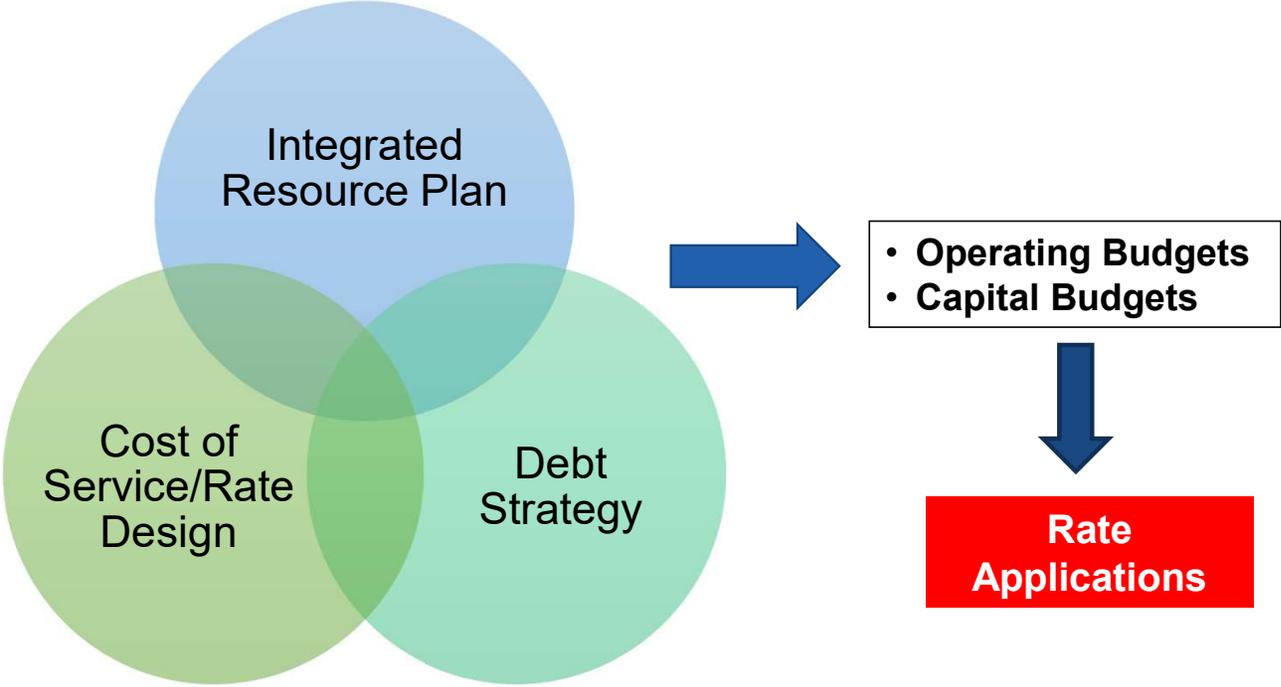
Financial – Approved 2025/26 Operating Budget

Summarized Statement of Earnings

	Budget	Budget	From 2024/25 Budget	
	2024/25 '000	2025/26 '000	\$ Change	% Change
Operating revenues	172,059	174,618	2,559	1.49%
Operating expenditures	150,835	169,005	18,170	12.05%
Earnings from operations before financial and other revenues and expenditures	21,224	5,613	(15,612)	(278.16%)
Financial and other revenues				
Interest	511	468	(43)	(8.44%)
Other	615	617	2	0.41%
	1,126	1,085	(41)	(3.61%)
Financial and other expenditures				
Interest	128	323	195	152.23%
Interest on long term debt	9,375	12,291	2,916	31.10%
Repayment on long term debt	24,078	20,514	(3,564)	(14.80%)
Amortization of debt discount	245	279	34	13.87%
Dividend/grant in lieu of taxes	7,031	7,236	205	2.91%
Other	175	130	(45)	(25.68%)
	41,033	40,773	(260)	(0.63%)
Loss for the year	\$ (18,683)	\$ (34,075)	\$ (15,393)	82.39%



The Sustainability Framework



An aerial photograph of a city, likely New York City, showing a wide river (the Hudson River) and a suspension bridge (the George Washington Bridge). The city buildings and infrastructure are visible on both sides of the river. The entire image is overlaid with a semi-transparent blue filter.

Questions or Comments?