TATAMAGOUCHE WATER UTILITY COMMITTEE

A meeting of the Tatamagouche Water Utility Committee was held at the County Ford Boardroom on August 27, 2025 at 10:00am.

Present:	Sherry Martell, Area Councillor, Chair Mayor Christine Blair Laurie Sandeson, Deputy Mayor Matt Kenny, Citizen Representative and Co-Owner of Tatamagouche Brewery Joe Ebbett, Citizen Representative and Owner of Ebbett's Farm Market and Country Kitchen Dan Troke, CAO Scott Fraser, Director of Corporate Services Michelle Boudreau, Director of Public Works Regrets: Vacancy, Citizen Representative
Approval of Agenda:	Moved by Councillor Sandeson, Seconded by Joe Ebbett. "That the agenda be approved as presented". Carried unanimously.
Approval of Minutes:	Moved by Mayor Blair, Seconded by Joe Ebbett. "That the Minutes of the meeting held on August 27, 2024, be approved as presented". Carried Unanimously.
Terms of Reference:	A summary of a proposed committee Terms of Refence was reviewed by Michelle Boudreau. The committee has been operating for several years, without a Terms of Reference. To be consistent with other standing committees of Council, a Terms of Reference has been drafted for the committee's consideration. The committee's main role is to review finances, policies and operation of the utility and to make related recommendations to Council. The committee is not assigned a budget and does not have spending authority, but it does review the finances of the utility annually to provide feedback and comment as needed. Moved by Matt Kenny, Seconded by Mayor Blair. "That the Tatamagouche Water Utility Committee recommends to Council that the draft Terms of Reference be adopted as presented. Carried unanimously. The committee currently has one (1) vacancy and is seeking to appoint a new member. Anyone interested should contact the CAOs office, and their name would be forwarded to the Nominating Committee for consideration.
Water Rate Study:	Scott Fraser provided a verbal update on the Water Rate Study. A public meeting for proposed new water rates was held at the Tatamagouche Library on June 23, 2025. The Utility and Review Board facilitated the meeting and reviewed the water rate document with municipal staff and our consultant. A decision on new rates is expected within the next 30 days. The numbers presented to the board are usually approved as submitted. Once in place, rates

	will be approved for 3 years and will not change. Prior to the filing of the Rate Study, the previous deficit was eliminated through a $218,000 grant from the Municipality to the Utility. This measure mitigated the rate increase and allows the utility to move forward from a stable baseline. Matt Kenny questioned how many years the utility has been in a deficit. Scott Fraser noted that the utility had operated in a deficit since his date of hire in 2014. Two (2) rate increases have been requested since 2014, but a deficit still remained in place. Matt Kenny asked for the proposed rate increase over the next 3 years. Scott Fraser will provide this information in a follow-up.
Operating Budgets:	Scott Fraser reviewed the utility budget. **2024/25 Fiscal Year** Details of the operating budget were reviewed by Scott Fraser. The committee was provided a copy of the draft audited statements in the meeting package. Revenue actuals such as sale of water, public fire protection, and the $218,000 grant from the County for 2025 were reviewed by Scott. He then reviewed expense categories, such as source of supply, power and pumping, water treatment, transmission/distribution, administrative costs, filter replacement reserve, depreciation, and taxes to the County. Noted were the transmission/distribution costs being higher than budget due to unexpected repairs. The filter reserve contribution is an annual line item used to fund the purchase of filters every few years. Scott provided an explanation on depreciation and how it is funded. In previous years, we did not fund full depreciation, however, going forward, full depreciation is included in the new rates. **Three Year Budget** The proposed 3-year operating budget was reviewed with the Committee. It is based on the rate review details as filed with the board. As is typical in Nova Scotia, staff have prepared a 3 year operating budget. New rates will be applied in October once approved by the board, and revenue from water will increase over 3 years as a result of the new rates. Non operating revenue was reviewed, including funding sources such as municipal taxes, municipal reserves, and federal/provincial funding programs. These amounts represent grants, and not loans. Examples include the $100,000 for the hydrogeological study and $1.3M for a new water tower. This approach allows capital to be funded without increasing the rates with loans and interest payments. The utility will continue to incur a small deficit with new rates only being approved part way through the current fiscal year; however, this deficit should shrink slightly each year. Matt Kenny asked for the explanation of fire protection monies. Scott explained that the fire protection funding is collected through an area rate on district residents, and the funds are paid to the utility. All utilities are responsible to provide fire protection, and utilities are then allowed to recover costs from their respective Municipality.

	Capital projects were reviewed, including the following: **<u>Year 1:</u>** Hydrogeological study to find alternate sources of water, funds to replace valves and hydrants, conduit repairs and PLC/surge protection. Nano filters are due to be replaced, and this work will be funded via the filter reserve. **<u>Year 2:</u>** New water tower (pending results of the hydrogeological study), 50% for a new truck, funds to replace valves and hydrants, and funds for water plant improvements. **<u>Year 3:</u>** Funds to replace valves and hydrants. Councillor Martell questioned if we could apply for funding to support some of these capital projects. Dan noted that staff typically make these applications on a regular basis as part of regular operations. Moved by Matt Kenny, Seconded by Joe Ebbett. "That staff explore possible funding programs to support planned capital projects". Carried unanimously. Deputy Sandeson asked if the water tower construction would be a public tender. Michelle noted yes, and that the construction of a tower is contingent on finding extra sources of water to support growth in the utility. Moved by Joe Ebbett, Seconded by Matt Kenny. "That the Tatamagouche Water Utility Committee recommends to Council that the draft operating budget for fiscal 2025/26, 2026/27 and 2027/28 be approved as presented". Carried unanimously.
New Business	No new business
Next Meeting:	TBD
Adjournment:	Motion to adjourn by Joe Ebbett at 11:00am Michelle Boudreau, Recording Secretary