

Annapolis Royal Water Utility
Water Rate Study

Prepared By

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in Association with

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**ANNAPOLIS ROYAL WATER UTILITY
NOTES ON WORKSHEETS
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WORKSHEET B-1

The rate study includes \$2,000 in Earnings of in 2028/29 (see Non-Operating Expenditures on Worksheet B-1). Earnings are requested to pay down the projected deficit of \$3,820 at the end of the current year, 2025/26.

WORKSHEET C-3

The Transmission and Distribution is allocated 30% to Base and 70% to Delivery in 2026/27, 20% to Base and 80% to Delivery in 2027/28 and, 0% to Base in 2028/29 to smooth the decline from its current level over the three test years. The requested allocations result in a 5/8" Base Charge of \$95.16 in 2026/27, \$94.90 in 2027/28 and, \$92.36 in 2028/29. If the allocations in the Handbook are used (0% to base and 100% to Delivery) the Base Charge would be \$87.45 in 2026/27, \$89.62 in 2027/28 and, \$92.36 in 2028/29. The allocations in the Rate Study result in 51.9% of the revenue from the Base Charge in 2026/27, 46.2% in 2027/28, and 43.6% in 2028/29.

WORKSHEET C-4

The total number of 5/8" customers is projected to increase by 6 new customer in 2027/28. There is no projected growth in 2026/27 or 2028/29.

WORKSHEET C-6

The average consumption for 5/8-inch customers is not projected to change during the test years.

GENERAL NOTES ON WORKSHEETS

Worksheet B-1

This worksheet includes a summary of the operating revenues, operating expenditures, non-operating revenues and non-operating expenditures for the years 24/25 (Draft Financial Statements) and 25/26 (Projected) as provided by the Utility.

Operating Revenues - The operating revenue for 26/27, 27/28 and 28/29 is based on the Utility's budget. The revenue includes an increase in revenue based on projected growth in customers. The fire protection rate is based on rate calculated by the Utility.

Operating Expenditures - The projection of expenses for the test years is as derived from Worksheet B-2a/2b/2c/2d/2e. The Depreciation has been calculated based on the addition of the planned infrastructure as contained in Worksheet B-3.

Non-operating Revenues – There is non-operating revenue projected during the test years based on the Utility's budget for interest and other non-operating revenue.

Non-operating Expenditures – The non-operating expenditures include interest and principal on the existing debt and earnings.

Accumulated Surplus (Deficit) The Utility has a projected deficit in all test years.

Worksheet B-2

This worksheet takes the information from Worksheet B-1 to develop revenue requirements for the years for 26/27, 27/28 and 28/29.

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

This worksheet provides the breakdown of the estimated operating expenditures as provided by the Utility for the year 25/26. The projected expenditures for the years for 26/27, 27/28 and 28/29 are taken from information provided by the Utility and are based on projections prepared by the Utility.

Worksheet B-3

This worksheet calculates the depreciation rate per year and the depreciation fund balance based on the proposed capital works for the years 25/26, 26/27, 27/28 and 28/29. The depreciation fund balance for the year 24/25 is taken from the Financial Statements.

Worksheet B-4

This worksheet is used for the projected capital contribution.

Worksheet B-5

This worksheet allocates the assets of the Utility between general service and fire protection. Each year includes the addition of the proposed capital works identified in Worksheet B-3. Production assets are allocated 90% general service and 10% fire protection. Demand assets are allocated 40% general service and 60% fire protection.

Worksheet C-1

This worksheet uses the percentage of total assets allocated to fire protection from Worksheet B-5 to determine the allocation of transmission and distribution; depreciation, taxes and return on rate base to the fire protection charge. The remaining expenses are allocated at 10% to fire protection.

Worksheet C-2

This worksheet calculates the return on rate base

Worksheet C-3

This worksheet allocates expenses among customer charge, base charge, delivery and production.

Worksheet C-4

This worksheet sets out the number and size of meters in the Utility and by use of the capacity ratio establishes the system equivalents.

Worksheet C-5

This worksheet uses the information from Worksheet's C-3 and C-4 to calculate quarterly base charge for each size of meter.

Worksheet C-6

This worksheet sets out the water consumption by meter size. The data for current year is based on information provided by the Utility.

Worksheet C-7

This worksheet uses information from Worksheet's C-3 and C-6 to calculate the consumption charge for years 26/27, 27/28 and 28/29.

Worksheet C-8

This worksheet is used as a check to determine that the potential revenues will be the same as the requirements on Worksheet C-3.

Worksheet D-1

This worksheet is a comparison of existing and proposed rates.

Worksheet D-2

This worksheet provides a comparative statement of Operations for the current year as well as the test years.

Annapolis Royal Water Utility
Comparative Statement of Operations
Fiscal Years ending March 31st

| | 2024/25 (Audited) | 2025/26 (Budget) | Projection Using Current Rates | | |
|--|----------------------|---------------------|--------------------------------|-------------------|-------------------|
| | | | 2026/27 Budget | 2027/28 Budget | 2028/29 Budget |
| OPERATING REVENUES | | | | | |
| Metered Sales | 271,524 | 273,000 | 285,390 | 285,390 | 285,390 |
| Public Fire Protection | 110,130 | 110,130 | 110,130 | 110,130 | 110,130 |
| Sprinkler Service | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 |
| Interest on Accounts | 1,596 | 1,600 | 1,500 | 1,500 | 1,500 |
| Wheeling Charge to Annapolis Co. | 0 | 0 | 1,000 | 1,000 | 1,000 |
| Total | 384,850 | 386,330 | 399,620 | 399,620 | 399,620 |
| OPERATING EXPENDITURES | | | | | |
| Source of Supply | 113,283 | 113,694 | 135,805 | 178,919 | 184,036 |
| Power and Pumping | 2,662 | 2,750 | 2,742 | 2,825 | 2,909 |
| Water Treatment | 16,197 | 15,900 | 16,650 | 17,150 | 17,664 |
| Transmission and Distribution | 105,290 | 103,260 | 106,252 | 109,408 | 112,659 |
| Administration and General | 139,658 | 147,622 | 151,227 | 155,764 | 160,437 |
| Depreciation | 64,383 | 65,983 | 76,182 | 80,332 | 81,781 |
| Other | | 0 | 0 | 0 | 0 |
| Total | 441,474 | 449,208 | 488,858 | 544,396 | 559,486 |
| OPERATING PROFIT (LOSS) | -56,624 | -62,878 | -89,238 | -144,776 | -159,866 |
| NON-OPERATING REVENUES | | | | | |
| Non-Operating Revenue | 1,507 | 1,500 | 1,500 | 1,500 | 1,500 |
| Interest | 7,865 | 8,000 | 4,700 | 4,700 | 4,700 |
| Other | | | | | |
| Total | 9,372 | 9,500 | 6,200 | 6,200 | 6,200 |
| NON-OPERATING EXPENDITURES | | | | | |
| Debt Charges - Principal | 7,541 | 7,854 | - | - | |
| Debt Charges - Interest | 639 | 326 | - | - | |
| New Debt - Principal | | | - | - | - |
| New Debt - Interest | | | - | - | - |
| New Debt - Principal | | | - | - | - |
| New Debt - Interest | | | - | - | - |
| New Debt - Principal | | | - | - | - |
| New Debt - Interest | | | - | - | - |
| Interest on Short Term borrowings | - | - | - | - | - |
| Discount on Debenture Issue | - | - | - | - | - |
| Capital out of Revenue | - | - | - | - | - |
| Earnings | - | - | | - | 2,000 |
| Total | 8,180 | 8,180 | 0 | 0 | 2,000 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (55,432) | (61,558) | (83,038) | (138,576) | (155,666) |
| SURPLUS AT BEGINNING OF YEAR * | 113,170 | 57,738 | (3,820) | (86,858) | (225,435) |
| ACCUMULATED SURPLUS (DEFICIT) | 57,738 | (3,820) | (86,858) | (225,435) | (381,101) |

| Annapolis Royal Water Utility Statement of Operating Expenditures and Revenue Requirements | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2025/26 Budget | 2026/27 Budget | 2027/28 Budget | 2028/29 Budget |
| OPERATING EXPENDITURES | | | | |
| Source of Supply | 113,694 | 135,805 | 178,919 | 184,036 |
| Power and Pumping | 2,750 | 2,742 | 2,825 | 2,909 |
| Water Treatment | 15,900 | 16,650 | 17,150 | 17,664 |
| Transmission and Distribution | 103,260 | 106,252 | 109,408 | 112,659 |
| Administration and General | 147,622 | 151,227 | 155,764 | 160,437 |
| Depreciation | 65,983 | 76,182 | 80,332 | 81,781 |
| Taxes | 0 | 0 | 0 | 0 |
| Total | 449,208 | 488,858 | 544,396 | 559,486 |
| NON OPERATING EXPENSES | | | | |
| Debt Charges - Principal | 7,854 | 0 | 0 | 0 |
| Debt Charges - Interest | 326 | 0 | 0 | 0 |
| New Debt - Principal | 0 | 0 | 0 | 0 |
| New Debt - Interest | 0 | 0 | 0 | 0 |
| New Debt - Principal | 0 | 0 | 0 | 0 |
| New Debt - Interest | 0 | 0 | 0 | 0 |
| New Debt - Principal | 0 | 0 | 0 | 0 |
| New Debt - Interest | 0 | 0 | 0 | 0 |
| Interest on Short Term borrowings | 0 | 0 | 0 | 0 |
| Discount on Debenture Issue | 0 | 0 | 0 | 0 |
| Capital out of Revenue | 0 | 0 | 0 | 0 |
| Earnings | 0 | 0 | 0 | 2,000 |
| Total | 8,180 | 0 | 0 | 2,000 |
| LESS NON-OPERATING REVENUES | | | | |
| Non-Operating Revenue | 1,500 | 1,500 | 1,500 | 1,500 |
| Interest | 8,000 | 4,700 | 4,700 | 4,700 |
| Other | 0 | 0 | 0 | 0 |
| Total | 9,500 | 6,200 | 6,200 | 6,200 |
| LESS OTHER OPERATING REVENUE | | | | |
| Sprinkler Service | 1,600 | 1,600 | 1,600 | 1,600 |
| Interest on Accounts | 1,600 | 1,600 | 1,600 | 1,600 |
| Wheeling Charge to Annapolis Co. | 0 | 1,000 | 1,000 | 1,000 |
| Total | 3,200 | 4,200 | 4,200 | 4,200 |
| REVENUE REQUIRED FROM FIRE PROTECTION AND WATER CUSTOMERS | 444,688 | 478,458 | 533,996 | 551,086 |

| Annapolis Royal Water Utility Statement of Operating Expenditures | | | | |
|--|---------------------|-------------------|-------------------|-------------------|
| | 2025/26 (Budget) | 2026/27 Budget | 2027/28 Budget | 2028/29 Budget |
| SOURCE OF SUPPLY | | | | |
| Main Source of Supply | 3,694 | 3,805 | 3,919 | 4,036 |
| Share Oper. Maint Costs (Well Field) | 110,000 | 132,000 | 175,000 | 180,000 |
| Other | 0 | 0 | 0 | 0 |
| TOTAL SOURCE OF SUPPLY | 113,694 | 135,805 | 178,919 | 184,036 |
| POWER AND PUMPING | | | | |
| Power | 2,500 | 2,492 | 2,566 | 2,643 |
| Other | 250 | 251 | 258 | 266 |
| Other | 0 | 0 | 0 | 0 |
| TOTAL POWER AND PUMPING | 2,750 | 2,742 | 2,825 | 2,909 |
| WATER TREATMENT | | | | |
| Salaries and Wages | 0 | 0 | 0 | 0 |
| Water Treatment Chemicals | 500 | 500 | 515 | 530 |
| Chlorine Plant Repairs | 250 | 1,000 | 1,030 | 1,061 |
| Water Treatment Plant Building Repairs | 650 | 650 | 670 | 690 |
| Water Testing Expenses | 14,500 | 14,500 | 14,935 | 15,383 |
| Other | 0 | 0 | 0 | 0 |
| TOTAL WATER TREATMENT | 15,900 | 16,650 | 17,150 | 17,664 |
| TRANSMISSION AND DISTRIBUTION | | | | |
| Public Works Salary Expense | 57,444 | 59,167 | 60,942 | 62,771 |
| Public Works - EI | 1,000 | 1,030 | 1,061 | 1,093 |
| Public Works - CPP | 3,000 | 3,090 | 3,183 | 3,278 |
| Public Works - Medical | 2,300 | 2,300 | 2,369 | 2,440 |
| Public Works - Pension | 2,802 | 3,550 | 3,657 | 3,766 |
| Public Works - Life/LTD | 650 | 670 | 690 | 710 |
| Public Works - WCB | 1,600 | 1,648 | 1,697 | 1,748 |
| Public Works - Training Expense | 3,250 | 3,348 | 3,448 | 3,551 |
| Customer Meter Repairs/Replacement | 500 | 500 | 515 | 530 |
| Water Safety Regulations | 750 | 350 | 350 | 350 |
| Lequille Water Storage Tower | 0 | 0 | 0 | 0 |
| Water Lines Maintenance Expense | 7,500 | 8,000 | 8,240 | 8,487 |
| Fire Hydrant Maintenance | 1,200 | 1,200 | 1,236 | 1,273 |
| SCADA Water Treatment Monitoring | 1,000 | 1,000 | 1,030 | 1,061 |
| Tools/Equipment Purchase and Repair | 700 | 700 | 700 | 700 |
| Public Works - Gen Office Expense (35%) | 1,838 | 1,838 | 1,893 | 1,950 |
| Public Works - Equipment Expense (35%) | 1,965 | 2,000 | 2,060 | 2,122 |
| Public Works - General Shop Expense (35%) | 9,835 | 9,835 | 10,130 | 10,434 |
| Public Works - Truck Expense (35%) | 4,929 | 5,000 | 5,150 | 5,305 |
| Public Works - Building Insurance | 166 | 171 | 176 | 181 |
| Public Works - Tank Insurance | 831 | 856 | 882 | 908 |
| Other | 0 | 0 | 0 | 0 |
| TOTAL TRANSMISSION AND DISTRIBUTION | 103,260 | 106,252 | 109,408 | 112,659 |

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

| | | | | |
|--|----------------|----------------|----------------|----------------|
| | | | | |
| ADMINISTRATION AND GENERAL | | | | |
| Admin - Salaries | 87,778 | 90,411 | 93,123 | 95,917 |
| Admin - EI | 1,313 | 1,467 | 1,511 | 1,556 |
| Admin - CPP | 3,623 | 4,180 | 4,305 | 4,434 |
| Admin - Life/LTD | 1,223 | 1,300 | 1,339 | 1,379 |
| Admin - Pension | 6,168 | 6,353 | 6,543 | 6,740 |
| Admin - Medical | 1,100 | 1,133 | 1,167 | 1,202 |
| Admin - WCB | 2,100 | 2,163 | 2,228 | 2,295 |
| Admin - General Office Expense (35%) | 14,271 | 14,271 | 14,699 | 15,140 |
| Admin - Other Expense Building (35%) | 25,346 | 25,346 | 26,106 | 26,890 |
| Auditor Expense | 3,330 | 3,233 | 3,330 | 3,430 |
| Legal Expense | 500 | 500 | 515 | 530 |
| Professional Services | | - | 0 | 0 |
| Board of Public Utilities Regulatory Exp | 870 | 870 | 896 | 923 |
| Other | 0 | 0 | 0 | 0 |
| TOTAL ADMINISTRATION AND GENERAL | 147,622 | 151,227 | 155,764 | 160,437 |

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Annapolis Royal Water Utility
Calculation of Depreciation of Tangible Plant at Total Cost
2025/26

| | Additions to Utility Plant in Service | Capital Cost Contribution from Others | Depreciation Rate | Annual Depreciation |
|---|--|---|------------------------------------|------------------------|
| | | | Depreciation Rate in Previous Year | 64,383 |
| Land and Land Rights | | | | |
| Source of Supply Land | 0 | | | 0 |
| Land - General | | | | 0 |
| Structures and Improvements | | | | 0 |
| Source of Supply Structures Well Piping | 0 | | 0.02 | 0 |
| Power and Pumping Structures | 0 | | 0.04 | 0 |
| Purification | 0 | | 0.05 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0 | 0.04 | 0 |
| Water Treatment Plant | | | | 0 |
| Test Well | 0 | 0 | 0.04 | 0 |
| Other | 0 | | 0.05 | 0 |
| Equipment | | | | 0 |
| Electrical Pumping | 0 | 0 | 0.05 | 0 |
| Purification Equipment | 0 | 0 | 0.05 | 0 |
| Office Furniture and Equipment | 0 | | | 0 |
| Transportation Equipment | 0 | 0 | 0.1 | 0 |
| Tools and Work Equipment | 0 | | 0.1 | 0 |
| Software / computers | 0 | | 0.02 | 0 |
| Control and Monitoring equipment | | | | 0 |
| Digital Mapping | 0 | 0 | 0 | 0 |
| Generator | 0 | 0 | 0.1 | 0 |
| Mains | | | | 0 |
| Transmission | 0 | 0 | 0.0133 | 0 |
| Distribution | 0 | 0 | 0.0133 | 0 |
| Meters | 32,000 | 32,000 | 0.05 | 1,600 |
| Hydrants | 0 | 0 | 0.0133 | 0 |
| Sprinkler Connections | | 0 | | 0 |
| Services | 0 | 0 | 0.02 | 0 |
| Other | 0 | 0 | 0.333 | 0 |
| TOTAL | 32,000 | | | 1,600 |
| Source of Funding | | | | |
| Outside Sources | 32,000 | Depreciation Fund Balance beginning of year | | 711,943 |
| Depreciation fund | 0 | Interest on Fund balance | | 8,899 |
| Long Term Debt | 0 | Fund balance before expenditures | | 720,842 |
| Capital out of revenue | 0 | Depreciation Contribution for the Year | | 65,983 |
| TOTAL | 32,000 | Depreciation Spent During the Year | | 0 |
| | | Balance after expenditures and transfer | | 786,825 |

| Annapolis Royal Water Utility Calculation of Depreciation of Tangible Plant at Total Cost 2026/27 | | | | |
|--|--|--|---|------------------------|
| | Additions to Utility Plant in Service | Capital Cost Contribution from Others | Depreciation Rate | Annual Depreciation |
| | | | Depreciation Rate in Previous Year | 65,983 |
| | | | | |
| | | | | |
| Land and Land Rights | | | | |
| Source of Supply Land | 0 | | | 0 |
| Land - General | | | | 0 |
| Structures and Improvements | | | | 0 |
| Source of Supply Structures Pipework | 0 | | 0.01333 | 0 |
| Power and Pumping Structures | 0 | | 0.05 | 0 |
| Purification | 0 | | 0.05 | 0 |
| Distribution Reservoirs and Standpipes | 15,000 | 0 | 0.1 | 1,500 |
| Water Treatment Plant | 0 | | | 0 |
| Other - Well Replacement | 0 | 0 | 0.0333 | 0 |
| Other - Fire Pump Replacement | 0 | | 0.04 | 0 |
| Equipment | | | | 0 |
| Electrical Pumping | 0 | 0 | 0.05 | 0 |
| Purification Equipment | 10,000 | 0 | 0.1 | 1,000 |
| Office Furniture and Equipment | 0 | | | 0 |
| Transportation Equipment | 0 | 0 | 0.1 | 0 |
| Tools and Work Equipment | 15,000 | | 0.1 | 1,500 |
| Software / computers | 0 | | 0.2 | 0 |
| Control and Monitoring equipment | 0 | 0 | 0.1 | 0 |
| Digital Mapping | 0 | 0 | 0.1 | 0 |
| Other | 0 | | 0.05 | 0 |
| Mains | | | | |
| Transmission | 0 | 0 | 0.0133 | 0 |
| Distribution | 0 | 0 | 0.0133 | 0 |
| Meters | 20,000 | 0 | 0.05 | 1,000 |
| Hydrants | 15,000 | 0 | 0.0133 | 200 |
| Sprinkler Connections | | 0 | | 0 |
| Services | | 0 | 0.02 | 0 |
| Other - Water Rate Study/Hearing | 15,000 | 0 | 0.3333 | 5,000 |
| TOTAL | 90,000 | 0 | 2 | 10,199 |
| | | | | |
| Source of Funding | | | Depreciation Fund Balance beginning of year | 786,825 |
| Outside Sources | 0 | | Interest on Fund balance | 9,835 |
| Depreciation fund | 90,000 | | Fund balance before expenditures | 796,661 |
| Long Term Debt | 0 | | Depreciation Contribution for the Year | 76,182 |
| Capital out of revenue | 0 | | Depreciation Spent During the Year | -90,000 |
| TOTAL | 90,000 | | Balance after expenditures and transfer | 782,843 |

| Annapolis Royal Water Utility Calculation of Depreciation of Tangible Plant at Total Cost 2027/28 | | | | |
|--|--|---|------------------------------------|------------------------|
| | Additions to Utility Plant in Service | Capital Cost Contribution from Others | Depreciation Rate | Annual Depreciation |
| | | | Depreciation Rate in Previous Year | 76,182 |
| Land and Land Rights | | | | |
| Source of Supply Land | 0 | 0 | 0 | 0 |
| Land - General | | | | 0 |
| Structures and Improvements | | | | 0 |
| Source of Supply Structures Flood Study | 0 | 0 | 0.01333 | 0 |
| Power and Pumping Structures | 0 | 0 | 0.02 | 0 |
| Purification | 0 | 0 | 0 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0 | 0.02 | 0 |
| Water Treatment Plant | 0 | 0 | 0.02 | 0 |
| Other - Cap Wells 1B and 2B | 0 | 0 | 0.04 | 0 |
| Other - Shed at end of line in Lequille | 12,000 | 0 | 0.1 | 1,200 |
| Equipment | | | | 0 |
| Electrical Pumping | 0 | 0 | 0.05 | 0 |
| Purification Equipment | 15,000 | 0 | 0.1 | 1,500 |
| Office Furniture and Equipment | 0 | 0 | 0.05 | 0 |
| Transportation Equipment | 0 | 0 | 0.2 | 0 |
| Tools and Work Equipment - Generator | 0 | 0 | 0.1 | 0 |
| Software / computers | 0 | 0 | 0.1 | 0 |
| Control and Monitoring equipment | | 0 | | 0 |
| Digital Mapping | 0 | 0 | 0 | 0 |
| Auto Flusher | 0 | 0 | 0.04 | 0 |
| Mains | | 0 | | 0 |
| Transmission | 0 | | 0.01333 | 0 |
| Distribution | 0 | 0 | 0.01333 | 0 |
| Meters | 25,000 | 0 | 0.05 | 1,250 |
| Hydrants | 15,000 | 0 | 0.0133 | 200 |
| Sprinkler Connections | | 0 | | 0 |
| Services | | 0 | 0.02 | 0 |
| Other | 0 | | 0.02 | 0 |
| TOTAL | 67,000 | 0 | | 4,150 |
| Source of Funding | | | | |
| | | Depreciation Fund Balance beginning of year | | 782,843 |
| Outside Sources | 0 | Interest on Fund balance | | 9,786 |
| Depreciation fund | 67,000 | Fund balance before expenditures | | 792,628 |
| Long Term Debt | 0 | Depreciation Contribution for the Year | | 80,332 |
| Capital out of revenue | 0 | Depreciation Spent During the Year | | -67,000 |
| TOTAL | 67,000 | Balance after expenditures and transfer | | 805,960 |

Annapolis Royal Water Utility
Calculation of Depreciation of Tangible Plant at Total Cost
2028/29

| | Additions to Utility Plant in Service | Capital Cost Contribution from Others | Depreciation Rate | Annual Depreciation |
|---|--|---|------------------------------------|------------------------|
| | | | Depreciation Rate in Previous Year | 80,332 |
| Land and Land Rights | | | | |
| Source of Supply Land | 0 | | | 0 |
| Land - General | | | | 0 |
| Structures and Improvements | | | | 0 |
| Source of Supply Structures Flood Study | 0 | | 0.01333 | 0 |
| Power and Pumping Structures | | | | 0 |
| Purification | | | 0.05 | 0 |
| Distribution Reservoirs and Standpipes | | 0 | 0.1 | 0 |
| Water Treatment Plant | 0 | | 0.02 | 0 |
| Other | 0 | 0 | 0.04 | 0 |
| Other | | | | 0 |
| Equipment | | | | 0 |
| Electrical Pumping | | 0 | 0.05 | 0 |
| Purification Equipment | 0 | 0 | 0.05 | 0 |
| Office Furniture and Equipment | | | | 0 |
| Transportation Equipment | 0 | 0 | 0.1 | 0 |
| Tools and Work Equipment | 0 | | 0.1 | 0 |
| Software / computers | 0 | | 0.2 | 0 |
| Control and Monitoring equipment | | | | 0 |
| Digital Mapping | | 0 | 0.05 | 0 |
| Auto Flusher | 0 | | 0.04 | 0 |
| Mains | | | | 0 |
| Transmission | 0 | | 0.0133 | 0 |
| Distribution | 0 | | 0.01333 | 0 |
| Meters | 25,000 | 0 | 0.05 | 1,250 |
| Hydrants | 15,000 | 0 | 0.0133 | 200 |
| Sprinkler Connections | | 0 | | 0 |
| Services | | 0 | 0.02 | 0 |
| Other | | | | 0 |
| TOTAL | 40,000 | 0 | 1 | 1,450 |
| Source of Funding | | | | |
| | | Depreciation Fund Balance beginning of year | | 805,960 |
| Outside Sources | 0 | Interest on Fund balance | | 10,075 |
| Depreciation fund | 40,000 | Fund balance before expenditures | | 816,035 |
| Long Term Debt | 0 | Depreciation Contribution for the Year | | 81,781 |
| Capital out of revenue | 0 | Depreciation Spent During the Year | | -40,000 |
| TOTAL | 40,000 | Balance after expenditures and transfer | | 857,816 |

| Annapolis Royal Water Utility Calculation of Amoritization 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 | 0.00 | 0 |
| Source of Supply Structures Flood Study | 0 | 0.02 | 0 |
| Power and Pumping Structures | 0 | 0.04 | 0 |
| Purification | 0 | 0.05 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0.04 | 0 |
| Water Treatment Plant | 0 | 0.00 | 0 |
| Test Well | 0 | 0.04 | 0 |
| Other | 0 | 0.05 | 0 |
| Equipment | 0 | 0.00 | 0 |
| Electrical Pumping | 0 | 0.05 | 0 |
| Purification Equipment | 0 | 0.05 | 0 |
| Office Furniture and Equipment | 0 | 0.00 | 0 |
| Transportation Equipment | 0 | 0.10 | 0 |
| Tools and Work Equipment | 0 | 0.10 | 0 |
| Software / computers | 0 | 0.02 | 0 |
| Control and Monitoring equipment | 0 | 0.00 | 0 |
| Digital Mapping | 0 | 0.00 | 0 |
| Generator | 0 | 0.10 | 0 |
| Mains | 0 | 0.00 | 0 |
| Transmission | 0 | 0.01 | 0 |
| Distribution | 0 | 0.01 | 0 |
| Meters | 32,000 | 0.05 | 1,600 |
| Hydrants | 0 | 0.01 | 0 |
| Sprinkler Connections | 0 | 0.00 | 0 |
| Services | 0 | 0.02 | 0 |
| Other | 0 | 0.33 | 0 |
| TOTAL | 32,000 | | 1,600 |

| Annapolis Royal Water Utility Calculation of Amoritization 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 Flood Study | 0 | 0.01 | 0 |
| Power and Pumping Structures | 0 | 0.05 | 0 |
| Purification | 0 | 0.05 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0.10 | 0 |
| Water Treatment Plant | 0 | 0.00 | 0 |
| Test Well | 0 | 0.03 | 0 |
| Other | 0 | 0.04 | 0 |
| Equipment | 0 | 0.00 | 0 |
| Electrical Pumping | 0 | 0.05 | 0 |
| Purification Equipment | 0 | 0.10 | 0 |
| Office Furniture and Equipment | 0 | 0.00 | 0 |
| Transportation Equipment | 0 | 0.1000 | 0 |
| Tools and Work Equipment | 0 | 0.10 | 0 |
| Software / computers | 0 | 0.20 | 0 |
| Control and Monitoring equipment | 0 | 0.20 | 0 |
| Digital Mapping | 0 | 0.10 | 0 |
| Generator | 0 | 0.10 | 0 |
| Mains | 0 | 0.05 | 0 |
| Transmission | 0 | 0.0133 | 0 |
| Distribution | 0 | 0.0133 | 0 |
| Meters | 0 | 0.050 | 0 |
| Hydrants | 0 | 0.0133 | 0 |
| Sprinkler Connections | 0 | 0.00 | 0 |
| Services | 0 | 0.02 | 0 |
| Other | | 0.00 | 0 |
| TOTAL | 0 | | 0 |

| Annapolis Royal Water Utility Calculation of Amoritization on Capital Contributions (to Plant) 2027/28 | | | |
|---|--|-------------------|---------------------|
| | 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 Flood Study | 0 | 0.01 | 0 |
| Power and Pumping Structures | 0 | 0.02 | 0 |
| Purification | 0 | 0.00 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0.0200 | 0 |
| Water Treatment Plant | 0 | 0.02 | 0 |
| Test Well | 0 | 0.04 | 0 |
| Other | 0 | 0.10 | 0 |
| Equipment | 0 | 0.00 | 0 |
| Electrical Pumping | 0 | 0.05 | 0 |
| Purification Equipment | 0 | 0.10 | 0 |
| Office Furniture and Equipment | 0 | 0.05 | 0 |
| Transportation Equipment | 0 | 0.20 | 0 |
| Tools and Work Equipment | 0 | 0.10 | 0 |
| Software / computers | 0 | 0.10 | 0 |
| Control and Monitoring equipment | 0 | 0.00 | 0 |
| Digital Mapping | 0 | 0.00 | 0 |
| Generator | 0 | 0.04 | 0 |
| Mains | 0 | 0.00 | 0 |
| Transmission | 0 | 0.0133 | 0 |
| Distribution | 0 | 0.01 | 0 |
| Meters | 0 | 0.05 | 0 |
| Hydrants | 0 | 0.01 | 0 |
| Sprinkler Connections | 0 | 0.00 | 0 |
| Services | 0 | 0.02 | 0 |
| Other | 0 | 0.02 | 0 |
| TOTAL | 0 | | 0 |

| Annapolis Royal Water Utility Calculation of Amortization on Capital Contributions (to Plant) 2028/29 | | | |
|--|--|-------------------|---------------------|
| | 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 Flood Study | 0 | 0.01 | 0 |
| Power and Pumping Structures | 0 | 0.00 | 0 |
| Purification | 0 | 0.05 | 0 |
| Distribution Reservoirs and Standpipes | 0 | 0.10 | 0 |
| Water Treatment Plant | 0 | 0.02 | 0 |
| Test Well | 0 | 0.04 | 0 |
| Other | 0 | 0.00 | 0 |
| Equipment | 0 | 0.00 | 0 |
| Electrical Pumping | 0 | 0.05 | 0 |
| Purification Equipment | 0 | 0.05 | 0 |
| Office Furniture and Equipment | 0 | 0.00 | 0 |
| Transportation Equipment | 0 | 0.10 | 0 |
| Tools and Work Equipment | 0 | 0.10 | 0 |
| Software / computers | 0 | 0.20 | 0 |
| Control and Monitoring equipment | 0 | 0.00 | 0 |
| Digital Mapping | 0 | 0.05 | 0 |
| Generator | 0 | 0.04 | 0 |
| Mains | 0 | 0.00 | 0 |
| Transmission | 0 | 0.01 | 0 |
| Distribution | 0 | 0.01 | 0 |
| Meters | 0 | 0.05 | 0 |
| Hydrants | 0 | 0.01 | 0 |
| Sprinkler Connections | 0 | 0.00 | 0 |
| Services | 0 | 0.02 | 0 |
| Other | 0 | 0.00 | 0 |
| TOTAL | 0 | | 0 |

Annapolis Royal Water Utility
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 | - | | - | 100.0% | 0 | 0.0% | 0 |
| Tangible Plant | | | | | | | |
| Land and Land Rights | - | - | - | | | | |
| Source of Supply Land | | - | - | 90.0% | 0 | 10.0% | 0 |
| Land - General | 9,838 | - | 9,838 | 40.0% | 3,935 | 60.0% | 5,903 |
| Structures and Improvements | - | - | - | | 0 | | 0 |
| Source of Supply Structures | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Power and Pumping Structures | 95,010 | - | 95,010 | 90.0% | 85,509 | 10.0% | 9,501 |
| Purification | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Distribution Reservoirs and Standpipes | 597,343 | - | 597,343 | 40.0% | 238,937 | 60.0% | 358,406 |
| Water Treatment Plant | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Other - Wells | 59,527 | - | 59,527 | 90.0% | 53,574 | 10.0% | 5,953 |
| Other - Water Study | 30,764 | - | 30,764 | 90.0% | 27,688 | 10.0% | 3,076 |
| study | | - | - | | 0 | | 0 |
| Electrical Pumping | 100,992 | - | 100,992 | 90.0% | 90,893 | 10.0% | 10,099 |
| Purification Equipment | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Office Furniture and Equipment | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Transportation Equipment | 36,320 | - | 36,320 | 90.0% | 32,688 | 10.0% | 3,632 |
| Tools and Work Equipment | | - | - | 90.0% | 0 | 10.0% | 0 |
| Software / computers | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Control and Monitoring equipment | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Digital Mapping | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Generator | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Mains | | - | - | | 0 | | 0 |
| Transmission | 1,112,517 | - | 1,112,517 | 40.0% | 445,007 | 60.0% | 667,510 |
| Distribution | 1,350,921 | - | 1,350,921 | 40.0% | 540,368 | 60.0% | 810,553 |
| Meters | 41,650 | 32,000 | 73,650 | 100.0% | 73,650 | 0.0% | 0 |
| Hydrants | 30,252 | - | 30,252 | 0.0% | 0 | 100.0% | 30,252 |
| Sprinkler Connections | - | - | - | 0.0% | 0 | 100.0% | 0 |
| Services | 140,594 | - | 140,594 | 100.0% | 140,594 | 0.0% | 0 |
| Other | - | - | - | 90.0% | 0 | 10.0% | 0 |
| TOTAL | 3,605,728 | 32,000 | 3,637,728 | 47.6% | 1,732,843 | 52.4% | 1,904,885 |

| Annapolis Royal Water Utility 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 | - | | - | 100.0% | 0 | 0.0% | 0 |
| Tangible Plant | - | - | | | | | |
| Land and Land Rights | - | - | - | | | | |
| Source of Supply Land | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Land - General | 9,838 | - | 9,838 | 40.0% | 3,935 | 60.0% | 5,903 |
| Structures and Improvements | - | - | - | | 0 | | 0 |
| Source of Supply Structures Pipework | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Power and Pumping Structures | 95,010 | - | 95,010 | 90.0% | 85,509 | 10.0% | 9,501 |
| Purification | | - | - | 90.0% | 0 | 10.0% | 0 |
| Distribution Reservoirs and Standpipes | 597,343 | 15,000 | 612,343 | 40.0% | 244,937 | 60.0% | 367,406 |
| Water Treatment Plant | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Other - Wells | 59,527 | - | 59,527 | 90.0% | 53,574 | 10.0% | 5,953 |
| Other - Water Study | 30,764 | - | 30,764 | 90.0% | 27,688 | 10.0% | 3,076 |
| Equipment | - | - | - | | 0 | | 0 |
| Electrical Pumping | 100,992 | - | 100,992 | 90.0% | 90,893 | 10.0% | 10,099 |
| Purification Equipment | - | 10,000 | 10,000 | 90.0% | 9,000 | 10.0% | 1,000 |
| Office Furniture and Equipment | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Transportation Equipment | 36,320 | - | 36,320 | 90.0% | 32,688 | 10.0% | 3,632 |
| Tools and Work Equipment | - | 15,000 | 15,000 | 90.0% | 13,500 | 10.0% | 1,500 |
| Software / computers | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Control and Monitoring equipment | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Digital Mapping | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Auto Flushers | - | - | - | 90.0% | 0 | 10.0% | 0 |
| Mains | - | - | - | | 0 | | 0 |
| Transmission | 1,112,517 | - | 1,112,517 | 40.0% | 445,007 | 60.0% | 667,510 |
| Distribution | 1,350,921 | - | 1,350,921 | 40.0% | 540,368 | 60.0% | 810,553 |
| Meters | 73,650 | 20,000 | 93,650 | 100.0% | 93,650 | 0.0% | 0 |
| Hydrants | 30,252 | 15,000 | 45,252 | 0.0% | 0 | 100.0% | 45,252 |
| Sprinkler Connections | - | - | - | 0.0% | 0 | 100.0% | 0 |
| Services | 140,594 | - | 140,594 | 100.0% | 140,594 | 0.0% | 0 |
| Other - Water Rate Study/Hearing | - | 15,000 | 15,000 | 90.0% | 13,500 | 10.0% | 1,500 |
| TOTAL | 3,637,728 | 90,000 | 3,727,728 | 48.1% | 1,794,843 | 51.9% | 1,932,885 |

Annapolis Royal Water Utility
Allocation of the Total Cost of Utility Plant in Service
Between General Service and Fire Protection
2027/28

| | Utility Plant in Service Previous Year | Additions | Utility Plant in Service | Percent | General Service | Percent | Fire Protection |
|---|--|---------------|-----------------------------|--------------|--------------------|--------------|------------------|
| Intangible Plant | | | | | | | |
| Organization and Working Capital | - | | - | 100.0% | 0 | 0.0% | 0 |
| Tangible Plant | - | | | | | | |
| Land and Land Rights | - | | - | | | | |
| Source of Supply Land | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Land - General | 9,838 | 0 | 9,838 | 40.0% | 3,935 | 60.0% | 5,903 |
| Structures and Improvements | - | 0 | - | | 0 | | 0 |
| Source of Supply Structures Flood Study | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Power and Pumping Structures | 95,010 | 0 | 95,010 | 90.0% | 85,509 | 10.0% | 9,501 |
| Purification | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Distribution Reservoirs and Standpipes | 612,343 | 0 | 612,343 | 40.0% | 244,937 | 60.0% | 367,406 |
| Water Treatment Plant | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Other Wells | 59,527 | 0 | 59,527 | 90.0% | 53,574 | 10.0% | 5,953 |
| Other - Shed at end of line in Lequille | 30,764 | 12,000 | 42,764 | 90.0% | 38,488 | 10.0% | 4,276 |
| Equipment | - | 0 | - | | 0 | | 0 |
| Electrical Pumping | 100,992 | 0 | 100,992 | 90.0% | 90,893 | 10.0% | 10,099 |
| Purification Equipment | 10,000 | 15,000 | 25,000 | 90.0% | 22,500 | 10.0% | 2,500 |
| Office Furniture and Equipment | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Transportation Equipment | 36,320 | 0 | 36,320 | 90.0% | 32,688 | 10.0% | 3,632 |
| Tools and Work Equipment | 15,000 | 0 | 15,000 | 90.0% | 13,500 | 10.0% | 1,500 |
| Software / computers | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Control and Monitoring equipment | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Digital Mapping | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Auto Flushers | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Mains | - | 0 | - | | 0 | | 0 |
| Transmission | 1,112,517 | 0 | 1,112,517 | 40.0% | 445,007 | 60.0% | 667,510 |
| Distribution | 1,350,921 | 0 | 1,350,921 | 40.0% | 540,368 | 60.0% | 810,553 |
| Meters | 93,650 | 25,000 | 118,650 | 100.0% | 118,650 | 0.0% | 0 |
| Hydrants | 45,252 | 15,000 | 60,252 | 0.0% | 0 | 100.0% | 60,252 |
| Sprinkler Connections | - | 0 | - | 0.0% | 0 | 100.0% | 0 |
| Services | 140,594 | 0 | 140,594 | 100.0% | 140,594 | 0.0% | 0 |
| Other - Water Rate Study/Hearing | 15,000 | 0 | 15,000 | 90.0% | 13,500 | 10.0% | 1,500 |
| TOTAL | 3,727,728 | 67,000 | 3,794,728 | 48.6% | 1,844,143 | 51.4% | 1,950,585 |

Annapolis Royal Water Utility
Allocation of the Total Cost of Utility Plant in Service
Between General Service and Fire Protection
2028/29

| | Utility Plant in Service Previous Year | Additions | Utility Plant in Service | Percent | General Service | Percent | Fire Protection |
|---|--|---------------|-----------------------------|--------------|--------------------|--------------|------------------|
| Intangible Plant | | | | | | | |
| Organization and Working Capital | | | - | 100.0% | 0 | 0.0% | 0 |
| Tangible Plant | | | | | | | |
| Land and Land Rights | | | - | | | | |
| Source of Supply Land | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Land - General | 9,838 | 0 | 9,838 | 40.0% | 3,935 | 60.0% | 5,903 |
| Structures and Improvements | - | 0 | - | | 0 | | 0 |
| Source of Supply Structures Flood Study | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Power and Pumping Structures | 95,010 | 0 | 95,010 | 90.0% | 85,509 | 10.0% | 9,501 |
| Purification | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Distribution Reservoirs and Standpipes | 612,343 | 0 | 612,343 | 40.0% | 244,937 | 60.0% | 367,406 |
| Water Treatment Plant | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Other Wells | 59,527 | 0 | 59,527 | 90.0% | 53,574 | 10.0% | 5,953 |
| Other - Shed at end of line in Lequille | 42,764 | | 42,764 | 90.0% | 38,488 | 10.0% | 4,276 |
| Equipment | - | 0 | - | | | | |
| Electrical Pumping | 100,992 | 0 | 100,992 | 90.0% | 90,893 | 10.0% | 10,099 |
| Purification Equipment | 25,000 | 0 | 25,000 | 90.0% | 22,500 | 10.0% | 2,500 |
| Office Furniture and Equipment | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Transportation Equipment | 36,320 | 0 | 36,320 | 90.0% | 32,688 | 10.0% | 3,632 |
| Tools and Work Equipment | 15,000 | 0 | 15,000 | 90.0% | 13,500 | 10.0% | 1,500 |
| Software / computers | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Control and Monitoring equipment | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Digital Mapping | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Auto Flushers | - | 0 | - | 90.0% | 0 | 10.0% | 0 |
| Mains | - | 0 | - | | 0 | | 0 |
| Transmission | 1,112,517 | 0 | 1,112,517 | 40.0% | 445,007 | 60.0% | 667,510 |
| Distribution | 1,350,921 | 0 | 1,350,921 | 40.0% | 540,368 | 60.0% | 810,553 |
| Meters | 118,650 | 25,000 | 143,650 | 100.0% | 143,650 | 0.0% | 0 |
| Hydrants | 60,252 | 15,000 | 75,252 | 0.0% | 0 | 100.0% | 75,252 |
| Sprinkler Connections | - | 0 | - | 0.0% | 0 | 100.0% | 0 |
| Services | 140,594 | 0 | 140,594 | 100.0% | 140,594 | 0.0% | 0 |
| Other - Water Rate Study/Hearing | 15,000 | 0 | 15,000 | 90.0% | 13,500 | 10.0% | 1,500 |
| TOTAL | 3,794,728 | 40,000 | 3,834,728 | 48.7% | 1,869,143 | 51.3% | 1,965,585 |

Worksheet C-1

07-Dec-25

| Annapolis Royal Water Utility Allocation of Fire Protection Charges Projected Expenses for 2026/27 | | | |
|---|---------------------------|--|-------------------------------|
| | Estimated Expenses | PerCent Allocation to fire Protection | Fire Protection Charge |
| Source of Supply | 135,805 | 10.0% | 13,580 |
| Power and Pumping | 2,742 | 10.0% | 274 |
| Water Treatment | 16,650 | 10.0% | 1,665 |
| Transmission and Distribution | 106,252 | 51.9% | 55,093 |
| Adminstration and General | 151,227 | 10.0% | 15,123 |
| Depreciation | 76,182 | 51.9% | 39,502 |
| Taxes | 0 | 51.9% | 0 |
| Return on Rate Base | (10,400) | 51.9% | -5,393 |
| Total | 478,458 | 25.0% | 119,845 |

| Annapolis Royal Water Utility Allocation of Fire Protection Charges Projected Expenses for Year 2027/28 | | | |
|--|---------------------------|--|-------------------------------|
| | Estimated Expenses | PerCent Allocation to fire Protection | Fire Protection Charge |
| Source of Supply | 178,919 | 10.0% | 17,892 |
| Power and Pumping | 2,825 | 10.0% | 282 |
| Water Treatment | 17,150 | 10.0% | 1,715 |
| Transmission and Distribution | 109,408 | 51.4% | 56,239 |
| Adminstration and General | 155,764 | 10.0% | 15,576 |
| Depreciation | 80,332 | 51.4% | 41,292 |
| Taxes | 0 | 51.4% | 0 |
| Return on Rate Base | (10,400) | 51.4% | -5,346 |
| Total | 533,996 | 23.9% | 127,651 |

| Annapolis Royal Water Utility Allocation of Fire Protection Charges Projected Expenses for Year 2028/29 | | | |
|--|---------------------------|--|-------------------------------|
| | Estimated Expenses | PerCent Allocation to fire Protection | Fire Protection Charge |
| Source of Supply | 184,036 | 10.0% | 18,404 |
| Power and Pumping | 2,909 | 10.0% | 291 |
| Water Treatment | 17,664 | 10.0% | 1,766 |
| Transmission and Distribution | 112,659 | 51.3% | 57,746 |
| Adminstration and General | 160,437 | 10.0% | 16,044 |
| Depreciation | 81,781 | 51.3% | 41,919 |
| Taxes | 0 | 51.3% | 0 |
| Return on Rate Base | (8,400) | 51.3% | -4,306 |
| Total | 551,086 | 23.9% | 131,864 |

| Annapolis Royal Water Utility | | | | |
|--|------------------|-------------------|-------------------|-------------------|
| Calculation of rate Base and required Return on rate Base | | | | |
| Years Ending March 31st | | | | |
| | | | | |
| | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| | (Actual) | (Estimate) | (Estimate) | (Estimate) |
| RATE BASE | | | | |
| Utility plant in Service March 31st | 3,637,728 | 3,727,728 | 3,794,728 | 3,834,728 |
| Less Accumulated Depreciaiton on actual cost of plant in service (Estimated) | (1,431,889) | (1,508,071) | (1,588,403) | (1,670,184) |
| Less unamortized amount of capital contribution for plant in service | (620,711) | (608,383) | (596,055) | (583,727) |
| Estimated Rate Base at Year End | 1,585,128 | 1,611,274 | 1,610,270 | 1,580,817 |
| REQUIRED RETURN | | | | |
| Non-operating Expenditures (B-2) | 8,180 | - | - | 2,000 |
| Less Non-operating Revenue | (9,500) | (6,200) | (6,200) | (6,200) |
| Less Other Non-operating Revenue (B-2) | (3,200) | (4,200) | (4,200) | (4,200) |
| Return on Rate Base | (4,520) | (10,400) | (10,400) | (8,400) |
| Required Rate of Return (Req'd Return/Est Rate Base) | 0.00% | 0.00% | 0.00% | 0.00% |

Annapolis Royal Water Utility
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 | 135,805 | 13,580 | 122,224 | | | | | | | 100% | 122,224 |
| Power and Pumping | 2,742 | 274 | 2,468 | | | | | | | 100% | 2,468 |
| Water Treatment | 16,650 | 1,665 | 14,985 | | | | | | | 100% | 14,985 |
| Transmission and Distribution | 106,252 | 55,093 | 51,159 | | | 30% | 15,348 | 70% | 35,811 | | 0 |
| Administration and General | 151,227 | 15,123 | 136,104 | 10% | 13,610 | 90% | 122,494 | 0% | 0 | | 0 |
| Depreciation | 76,182 | 39,502 | 36,681 | | | 100% | 36,681 | 0% | 0 | 0% | 0 |
| Taxes | 0 | 0 | 0 | | | 100% | 0 | | 0 | | 0 |
| Return on Rate Base | -10,400 | -5,393 | -5,007 | | | 40% | -2,003 | 30% | -1,502 | 30% | -1,502 |
| SUBTOTAL | 478,458 | 119,845 | 358,613 | | 13,610 | | 172,519 | | 34,309 | | 138,175 |
| | | | | | | | - | | | | - |
| TOTAL | 478,458 | 119,845 | 358,613 | | 13,610 | | 172,519 | | 34,309 | | 138,175 |

Annapolis Royal Water Utility
Calculation of Revenue Required for Each Billing/Cost Category
2027/28

| | Total Revenue Required | Fire Protection Revenue | Revenue Required from Metered Rates | Charge | | | | Commodity Charge | | | |
|-------------------------------|------------------------------|-------------------------------|---|----------|---------------|------|----------------|------------------|---------------|------------|----------------|
| | | | | Customer | | Base | | Delivery | | Production | |
| Source of Supply | 178,919 | 17,892 | 161,027 | | | | | | | 100% | 161,027 |
| Power and Pumping | 2,825 | 282 | 2,542 | | | | | | | 100% | 2,542 |
| Water Treatment | 17,150 | 1,715 | 15,435 | | | | | | | 100% | 15,435 |
| Transmission and Distribution | 109,408 | 56,239 | 53,170 | | | 20% | 10,634 | 80% | 42,536 | | |
| Administration and General | 155,764 | 15,576 | 140,187 | 10% | 14,019 | 90% | 126,169 | 0% | 0 | | |
| Depreciation | 80,332 | 41,292 | 39,039 | | | 100% | 39,039 | 0% | 0 | 0% | 0 |
| Taxes | 0 | 0 | 0 | | | 100% | 0 | | 0 | | 0 |
| Return on Rate Base | -10,400 | -5,346 | -5,054 | | | 40% | -2,022 | 30% | -1,516 | 30% | -1,516 |
| SUBTOTAL | 533,996 | 127,651 | 406,346 | | 14,019 | | 173,820 | | 41,020 | | 177,487 |
| | | | | | | | | | | | |
| TOTAL | 533,996 | 127,651 | 406,346 | | 14,019 | | 173,820 | | 41,020 | | 177,487 |

Annapolis Royal Water Utility
Calculation of Revenue Required for Each Billing/Cost Category
2028/29

| | Total Revenue Required | Fire Protection Revenue | Revenue Required from Metered Rates | Charge | | | | Commodity Charge | | | |
|-------------------------------|------------------------------|-------------------------------|---|----------|---------------|------|----------------|------------------|---------------|------------|----------------|
| | | | | Customer | | Base | | Delivery | | Production | |
| Source of Supply | 184,036 | 18,404 | 165,633 | | | | | | | 100% | 165,633 |
| Power and Pumping | 2,909 | 291 | 2,618 | | | | | | | 100% | 2,618 |
| Water Treatment | 17,664 | 1,766 | 15,898 | | | | | | | 100% | 15,898 |
| Transmission and Distribution | 112,659 | 57,746 | 54,913 | | | 0% | 0 | 100% | 54,913 | | |
| Administration and General | 160,437 | 16,044 | 144,393 | 10% | 14,439 | 90% | 129,954 | 0% | 0 | | |
| Depreciation | 81,781 | 41,919 | 39,862 | | | 100% | 39,862 | 0% | 0 | 0% | 0 |
| Taxes | 0 | 0 | 0 | | | 100% | 0 | | 0 | | 0 |
| Return on Rate Base | -8,400 | -4,306 | -4,094 | | | 40% | -1,638 | 30% | -1,228 | 30% | -1,228 |
| SUBTOTAL | 551,086 | 131,864 | 419,222 | | 14,439 | | 168,178 | | 53,685 | | 182,920 |
| | | | | | | | | | | | |
| TOTAL | 551,086 | 131,864 | 419,222 | | 14,439 | | 168,178 | | 53,685 | | 182,920 |

Worksheet C-4

07-Dec-25

| Annapolis Royal Water Utility Service Connections and Equivalents 2026/27 | | | |
|--|--------------------|----------------|--------------------|
| Meter Size | Number of Services | Capacity Ratio | System Equivalents |
| 5/8" | 368 | 1 | 368 |
| 3/4" | 7 | 1.5 | 11 |
| 1" | 11 | 2.5 | 28 |
| 1.5" | 4 | 5 | 20 |
| 2" | 7 | 8 | 56 |
| 3" | 1 | 16 | 16 |
| 4" | 0 | 25 | 0 |
| 6" | 0 | 50 | 0 |
| TOTAL | 398 | | 498 |

| Annapolis Royal Water Utility Service Connections and Equivalents 2027/28 | | | |
|--|--------------------|----------------|--------------------|
| Meter Size | Number of Services | Capacity Ratio | System Equivalents |
| 5/8" | 374 | 1 | 374 |
| 3/4" | 7 | 1.5 | 11 |
| 1" | 11 | 2.5 | 28 |
| 1.5" | 4 | 5 | 20 |
| 2" | 7 | 8 | 56 |
| 3" | 1 | 16 | 16 |
| 4" | 0 | 25 | 0 |
| 6" | 0 | 50 | 0 |
| TOTAL | 404 | | 504 |

| Annapolis Royal Water Utility Service Connections and Equivalents 2028/29 | | | |
|--|--------------------|----------------|--------------------|
| Meter Size | Number of Services | Capacity Ratio | System Equivalents |
| 5/8" | 374 | 1 | 374 |
| 3/4" | 7 | 1.5 | 11 |
| 1" | 11 | 2.5 | 28 |
| 1.5" | 4 | 5 | 20 |
| 2" | 7 | 8 | 56 |
| 3" | 1 | 16 | 16 |
| 4" | 0 | 25 | 0 |
| 6" | 0 | 50 | 0 |
| TOTAL | 404 | | 504 |

Annapolis Royal Water Utility
Service Connections and Equivalents
2026/27

| Meter Size | Capacity Ratio | Base Charge | Customer Charge | Total Base Charge | |
|------------|----------------|-------------|-----------------|-------------------|-----------|
| | | | | Annual | Quarterly |
| 5/8" | 1 | 346.42 | 34.20 | 380.62 | 95.16 |
| 3/4" | 1.5 | 519.64 | 34.20 | 553.83 | 138.46 |
| 1" | 2.5 | 866.06 | 34.20 | 900.26 | 225.06 |
| 1.5" | 5 | 1,732.12 | 34.20 | 1,766.31 | 441.58 |
| 2" | 8 | 2,771.39 | 34.20 | 2,805.59 | 701.40 |
| 3" | 16 | 5,542.78 | 34.20 | 5,576.97 | 1,394.24 |
| 4" | 25 | 8,660.59 | 34.20 | 8,694.79 | 2,173.70 |
| 6" | 50 | 17,321.18 | 34.20 | 17,355.37 | 4,338.84 |
| | | | | | |

Annapolis Royal Water Utility
Service Connections and Equivalents
2027/28

| Meter Size | Capacity Ratio | Base Charge | Customer Charge | Total Base Charge | |
|------------|----------------|-------------|-----------------|-------------------|-----------|
| | | | | Annual | Quarterly |
| 5/8" | 1 | 344.88 | 34.70 | 379.58 | 94.90 |
| 3/4" | 1.5 | 517.32 | 34.70 | 552.02 | 138.01 |
| 1" | 2.5 | 862.20 | 34.70 | 896.90 | 224.23 |
| 1.5" | 5 | 1,724.40 | 34.70 | 1,759.10 | 439.78 |
| 2" | 8 | 2,759.05 | 34.70 | 2,793.75 | 698.44 |
| 3" | 16 | 5,518.10 | 34.70 | 5,552.80 | 1,388.20 |
| 4" | 25 | 8,622.02 | 34.70 | 8,656.72 | 2,164.18 |
| 6" | 50 | 17,244.05 | 34.70 | 17,278.75 | 4,319.69 |
| | | | | | |

Annapolis Royal Water Utility
Service Connections and Equivalents
2028/29

| Meter Size | Capacity Ratio | Base Charge | Customer Charge | Total Base Charge | |
|------------|----------------|-------------|-----------------|-------------------|-----------|
| | | | | Annual | Quarterly |
| 5/8" | 1 | 333.69 | 35.74 | 369.43 | 92.36 |
| 3/4" | 1.5 | 500.53 | 35.74 | 536.27 | 134.07 |
| 1" | 2.5 | 834.22 | 35.74 | 869.96 | 217.49 |
| 1.5" | 5 | 1,668.43 | 35.74 | 1,704.17 | 426.04 |
| 2" | 8 | 2,669.49 | 35.74 | 2,705.23 | 676.31 |
| 3" | 16 | 5,338.99 | 35.74 | 5,374.73 | 1,343.68 |
| 4" | 25 | 8,342.16 | 35.74 | 8,377.91 | 2,094.48 |
| 6" | 50 | 16,684.33 | 35.74 | 16,720.07 | 4,180.02 |
| | | | | | |

Worksheet C-6

07-Dec-25

| Annapolis Royal Water Utility Water Consumption by Block | | |
|---|----------------------------------|----------------------------------|
| Meter Size | 2025/26 Consumption | 2026/27 Consumption |
| | 1st Block Cubic Meter | 1st Block Cubic Meter |
| Unmetered | | |
| 5/8" | 54,104 | 54,104 |
| 3/4" | 2,160 | 2,160 |
| 1" | 6,341 | 6,341 |
| 1.5" | 14,598 | 13,625 |
| 2" | 14,756 | 14,756 |
| 3" | 1,184 | 1,184 |
| 4" | - | 0 |
| 6" | - | 0 |
| TOTAL | 93,141 | 92,168 |

| Annapolis Royal Water Utility Water Consumption by Block | | |
|---|--|----------------------------------|
| Meter Size | 2027/28 Current Consumption | 2028/29 Consumption |
| | 1st Block Cubic Meter | 1st Block Cubic Meter |
| Unmetered | | |
| 5/8" | 54,986 | 54,986 |
| 3/4" | 2,160 | 2,160 |
| 1" | 6,341 | 6,341 |
| 1.5" | 13,625 | 13,625 |
| 2" | 14,756 | 14,756 |
| 3" | 1,184 | 1,184 |
| 4" | 0 | 0 |
| 6" | 0 | 0 |
| TOTAL | 93,050 | 93,050 |

Worksheet C-7

07-Dec-25

| Annapolis Royal Water Utility Calculation of Consumption Charge 2026/27 | |
|--|----------------|
| NET PRODUCTION EXPENSE | BLOCK 1 |
| <u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6 | 1.50 |
| NET DELIVERY EXPENSES | |
| <u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6 | 0.37 |
| TOTAL CONSUMPTION CHARGE PER CUBIC METER | 1.87 |

| Annapolis Royal Water Utility Calculation of Consumption Charge 2027/28 | |
|--|----------------|
| NET PRODUCTION EXPENSE | BLOCK 1 |
| <u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6 | 1.91 |
| NET DELIVERY EXPENSES | |
| <u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6 | 0.44 |
| TOTAL CONSUMPTION CHARGE PER CUBIC METER | 2.35 |

| Annapolis Royal Water Utility Calculation of Consumption Charge 2028/29 | |
|--|----------------|
| NET PRODUCTION EXPENSE | BLOCK 1 |
| <u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6 | 1.97 |
| NET DELIVERY EXPENSES | |
| <u>Total Charge Worksheet C-3</u> Quantity Worksheet C-6 | 0.58 |
| TOTAL CONSUMPTION CHARGE PER CUBIC METER | 2.54 |

Worksheet C-8

07-Dec-25

Annapolis Royal Water Utility
Water Consumption by Block
2026/27

BASE CHARGE

| <u>Meter Size</u> | <u>Number</u> | <u>Base Rate</u> | <u>Dollar Revenue</u> |
|-------------------|---------------|------------------|-----------------------|
| 5/8" | 368 | 380.62 | 140,068 |
| 3/4" | 7 | 553.83 | 3,877 |
| 1" | 11 | 900.26 | 9,903 |
| 1.5" | 4 | 1,766.31 | 7,065 |
| 2" | 7 | 2,805.59 | 19,639 |
| 3" | 1 | 5,576.97 | 5,577 |
| 4" | 0 | 8,694.79 | 0 |
| 6" | 0 | 17,355.37 | 0 |

TOTAL BASE REVENUE 186,129

CONSUMPTION CHARGE

| | <u>Quantity</u> | <u>\$/Cubic Meter</u> | |
|-----------|-----------------|-----------------------|---------|
| 1st Block | 92,168 | 1.87 | 172,484 |

TOTAL CONSUMPTION REVENUE 172,484

TOTAL OPERATING REVENUES FOR YEAR (BASE + CONSUMPTION) 358,613

Annapolis Royal Water Utility
Water Consumption by Block
2027/28

BASE CHARGE

| <u>Meter Size</u> | <u>Number</u> | <u>Base Rate</u> | <u>Dollar Revenue</u> |
|-------------------|---------------|------------------|-----------------------|
| 5/8" | 374 | 379.58 | 141,963 |
| 3/4" | 7 | 552.02 | 3,864 |
| 1" | 11 | 896.90 | 9,866 |
| 1.5" | 4 | 1,759.10 | 7,036 |
| 2" | 7 | 2,793.75 | 19,556 |
| 3" | 1 | 5,552.80 | 5,553 |
| 4" | 0 | 8,656.72 | 0 |
| 6" | 0 | 17,278.75 | 0 |

TOTAL BASE REVENUE 187,839

CONSUMPTION CHARGE

| | <u>Quantity</u> | <u>\$/Cubic Meter</u> | |
|-----------|-----------------|-----------------------|---------|
| 1st Block | 93,050 | 2.35 | 218,507 |

TOTAL CONSUMPTION REVENUE 218,507

TOTAL OPERATING REVENUES FOR YEAR (BASE + CONSUMPTION) 406,346

Annapolis Royal Water Utility
Water Consumption by Block
2028/29

BASE CHARGE

| <u>Meter Size</u> | <u>Number</u> | <u>Base Rate</u> | <u>Dollar Revenue</u> |
|-------------------|---------------|------------------|-----------------------|
| 5/8" | 374 | 369.43 | 138,166 |
| 3/4" | 7 | 536.27 | 3,754 |
| 1" | 11 | 869.96 | 9,570 |
| 1.5" | 4 | 1,704.17 | 6,817 |
| 2" | 7 | 2,705.23 | 18,937 |
| 3" | 1 | 5,374.73 | 5,375 |
| 4" | 0 | 8,377.91 | 0 |
| 6" | 0 | 16,720.07 | 0 |

TOTAL BASE REVENUE 182,617

CONSUMPTION CHARGE

| | <u>Quantity</u> | <u>\$/Cubic Meter</u> | |
|-----------|-----------------|-----------------------|---------|
| 1st Block | 93,050 | 2.54 | 236,605 |

TOTAL CONSUMPTION REVENUE 236,605

TOTAL OPERATING REVENUES FOR YEAR (BASE + CONSUMPTION) 419,222

Annapolis Royal Water Utility
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 | | Quarterly Charge | Percent Change |
|------------|-------------------------------|-------------|----------|----------------|------------------|----------|----------------|----------------------|----------|------------------|----------------|
| | 1st Block | Current | Proposed | | Current | Proposed | | Current | Proposed | Change | |
| 5/8" | 37 | 97.95 | 95.16 | -2.9% | 33.08 | 68.78 | 107.9% | 131.03 | 163.94 | 32.91 | 25.1% |
| 3/4" | 77 | 143.18 | 138.46 | -3.3% | 69.43 | 144.37 | 107.9% | 212.61 | 282.82 | 70.21 | 33.0% |
| 1" | 144 | 233.65 | 225.06 | -3.7% | 129.69 | 269.67 | 107.9% | 363.34 | 494.74 | 131.40 | 36.2% |
| 1.5" | 852 | 459.81 | 441.58 | -4.0% | 766.42 | 1,593.65 | 107.9% | 1,226.23 | 2,035.23 | 808.99 | 66.0% |
| 2" | 527 | 731.20 | 701.40 | -4.1% | 474.28 | 986.20 | 107.9% | 1,205.48 | 1,687.59 | 482.11 | 40.0% |
| 3" | 296 | 1,454.92 | 1,394.24 | -4.2% | 266.29 | 553.70 | 107.9% | 1,721.21 | 1,947.94 | 226.74 | 13.2% |
| 4" | - | - | 2,173.70 | | - | - | 0.0% | - | 2,173.70 | - | 0.0% |
| 6" | - | - | 4,338.84 | | - | - | 0.0% | - | - | - | 0.0% |

Annapolis Royal Water Utility
Comparison of Current Water Rates with Proposed New Rates
2027/28

| Meter Size | Average Quarterly Consumption | Base Charge | | Percent Change | Commodity Charge | | Percent Change | Quarterly Water Bill | | Quarterly Charge | Percent Change |
|------------|-------------------------------|-------------|----------|----------------|------------------|----------|----------------|----------------------|----------|------------------|----------------|
| | 1st Block | Current | Proposed | | Current | Proposed | | Current | Proposed | Change | |
| 5/8" | 37 | 95.16 | 94.90 | -0.3% | 68.78 | 86.31 | 25.5% | 163.94 | 181.21 | 17.27 | 10.5% |
| 3/4" | 77 | 138.46 | 138.01 | -0.3% | 144.37 | 181.15 | 25.5% | 282.82 | 319.16 | 36.33 | 12.8% |
| 1" | 144 | 225.06 | 224.23 | -0.4% | 269.67 | 338.39 | 25.5% | 494.74 | 562.62 | 67.88 | 13.7% |
| 1.5" | 852 | 441.58 | 439.78 | -0.4% | 1,593.65 | 1,999.73 | 25.5% | 2,035.23 | 2,439.51 | 404.28 | 19.9% |
| 2" | 527 | 701.40 | 698.44 | -0.4% | 986.20 | 1,237.49 | 25.5% | 1,687.59 | 1,935.93 | 248.34 | 14.7% |
| 3" | 296 | 1,394.24 | 1,388.20 | -0.4% | 553.70 | 694.79 | 25.5% | 1,947.94 | 2,082.99 | 135.05 | 6.9% |
| 4" | - | 2,173.70 | 2,164.18 | -0.4% | - | - | 0.0% | 2,173.70 | 2,164.18 | - | 0.0% |
| 6" | - | 4,338.84 | 4,319.69 | -0.4% | - | - | 0.0% | 4,338.84 | 4,319.69 | - | 0.0% |

Annapolis Royal Water Utility
Comparison of Current Water Rates with Proposed New Rates
2028/29

| Meter Size | Average Quarterly Consumption | Base Charge | | Percent Change | Commodity Charge | | Percent Change | Quarterly Water Bill | | Quarterly Charge | Percent Change |
|------------|-------------------------------|-------------|----------|----------------|------------------|----------|----------------|----------------------|----------|------------------|----------------|
| | 1st Block | Current | Proposed | | Current | Proposed | | Current | Proposed | Change | |
| 5/8" | 37 | 94.90 | 92.36 | -2.7% | 86.31 | 93.46 | 8.3% | 181.21 | 185.82 | 4.61 | 2.5% |
| 3/4" | 77 | 138.01 | 134.07 | -2.9% | 181.15 | 196.16 | 8.3% | 319.16 | 330.22 | 11.07 | 3.5% |
| 1" | 144 | 224.23 | 217.49 | -3.0% | 338.39 | 366.42 | 8.3% | 562.62 | 583.91 | 21.29 | 3.8% |
| 1.5" | 852 | 439.78 | 426.04 | -3.1% | 1,999.73 | 2,165.36 | 8.3% | 2,439.51 | 2,591.41 | 151.90 | 6.2% |
| 2" | 527 | 698.44 | 676.31 | -3.2% | 1,237.49 | 1,339.99 | 8.3% | 1,935.93 | 2,016.30 | 80.37 | 4.2% |
| 3" | 296 | 1,388.20 | 1,343.68 | -3.2% | 694.79 | 752.34 | 8.3% | 2,082.99 | 2,096.02 | 13.03 | 0.6% |
| 4" | - | 2,164.18 | 2,094.48 | -3.2% | - | - | 0.0% | 2,164.18 | 2,094.48 | - | 0.0% |
| 6" | - | 4,319.69 | 4,180.02 | -3.2% | - | - | 0.0% | 4,319.69 | 4,180.02 | - | 0.0% |

Annapolis Royal Water Utility Comparative Statement of Operations

Fiscal Years ending March 31st

| | 2025/26 Budget | Projection Using Proposed Rates | | |
|--|-------------------|---------------------------------|----------------------|----------------------|
| | | 2026/27 Test Yr 1 | 2027/28 Test Yr 2 | 2028/29 Test Yr 3 |
| OPERATING REVENUES | | | | |
| Metered Sales | 273,000 | 358,613 | 406,346 | 419,222 |
| Public Fire Protection | 110,130 | 119,845 | 127,651 | 131,864 |
| Total | 383,130 | 478,458 | 533,996 | 551,086 |
| OPERATING EXPENDITURES | | | | |
| Source of Supply | 113,694 | 135,805 | 178,919 | 184,036 |
| Power and Pumping | 2,750 | 2,742 | 2,825 | 2,909 |
| Water Treatment | 15,900 | 16,650 | 17,150 | 17,664 |
| Transmission and Distribution | 103,260 | 106,252 | 109,408 | 112,659 |
| Administration and General | 147,622 | 151,227 | 155,764 | 160,437 |
| Depreciation | 65,983 | 76,182 | 80,332 | 81,781 |
| Taxes | 0 | 0 | 0 | 0 |
| Total | 449,208 | 488,858 | 544,396 | 559,486 |
| OPERATING PROFIT (LOSS) | | | | |
| LESS NON-OPERATING REVENUES | | | | |
| Non-Operating Revenue | 0 | 0 | 0 | 0 |
| Interest | 1,500 | 1,500 | 1,500 | 1,500 |
| Other | 8,000 | 4,700 | 4,700 | 4,700 |
| Total | 9,500 | 6,200 | 6,200 | 6,200 |
| OTHER OPERATING REVENUES | | | | |
| Sprinkler Service | 1,600 | 1,600 | 1,600 | 1,600 |
| Interest on Accounts | 1,600 | 1,600 | 1,600 | 1,600 |
| Wheeling Charge to Annapolis Co. | 0 | 1,000 | 1,000 | 1,000 |
| Total | 3,200 | 4,200 | 4,200 | 4,200 |
| NON-OPERATING EXPENDITURES | | | | |
| Debt Charges - Principal | 7,854 | 0 | 0 | 0 |
| Debt Charges - Interest | 326 | 0 | 0 | 0 |
| New Debt - Principal | 0 | 0 | 0 | 0 |
| New Debt - Interest | 0 | 0 | 0 | 0 |
| New Debt - Principal | 0 | 0 | 0 | 0 |
| New Debt - Interest | 0 | 0 | 0 | 0 |
| New Debt - Principal | 0 | 0 | 0 | 0 |
| New Debt - Interest | 0 | 0 | 0 | 0 |
| Interest on Short Term borrowings | 0 | 0 | 0 | 0 |
| Discount on Debenture Issue | 0 | 0 | 0 | 0 |
| Capital out of Revenue | 0 | 0 | 0 | 0 |
| Earnings | 0 | 0 | 0 | 0 |
| Total | 8,180 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues Over Expenses | (61,558) | 0 | (0) | 2,000 |
| Surplus Beginning of the Year | 57,738 | (3,820) | (3,820) | (3,820) |
| Surplus (Deficit) End of Year | (3,820) | (3,820) | (3,820) | (1,820) |

Appendix 1
Loan Calculator
Long Term Debt
2025/26

| | |
|---------------|------|
| 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
2026/27

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

Payment Schedule for Capital Works

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

Loan Calculator
Long Term Debt
2027/28

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

Payment Schedule for Capital Works

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

Loan Calculator
Long Term Debt
2028/29

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

Payment Schedule for Capital Works

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

SCHEDULES A, B, AND C
RATES AND CHARGES

SCHEDULE "A"
TOWN OF ANNAPOLIS ROYAL WATER UTILITY
SCHEDULE OF RATES 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 1.5 % 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 Town of Annapolis Royal Water Utility.

1. **RATES:**

(a) **Base Charges**

Quarterly

Size of Meter

| | |
|------|----------|
| 5/8" | 95.16 |
| 3/4" | 138.46 |
| 1" | 225.06 |
| 1.5" | 441.58 |
| 2" | 701.40 |
| 3" | 1,394.24 |
| 4" | 2,173.70 |
| 6" | 4,338.84 |

(b) **Consumption Rate (per cubic meter)**

Consumption Rate \$ 1.87 per cubic meter

(c) **Minimum Bill**

The minimum bill shall be the Base Charge

2. PUBLIC FIRE PROTECTION RATE

The Town of Annapolis Royal shall pay the Utility annually for fire protection the amount of \$119,845 on or before 30 September of 2026.

3. RATES FOR SPRINKLER SERVICE

Each building having a sprinkler system installed shall pay for each twelve-month period, \$350.00 for each building served by a sprinkler service pipe.

4. PRIVATE HYDRANT CONNECTION RATES

Per hydrant per year \$250.00.

5. 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 \$50.00 for connection and disconnection and a consumption charge for the amount of water used, as estimated by the water Utility, at meter consumption rates.

6. 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.

7. INSTALLATION OF A WATER METER

The Utility shall charge a \$50.00 fee for the installation of a water meter. If the installation of a water meter is requested after the regular working hours of the Utility the fee shall be \$150.00.

8. ON/OFF CHARGES

A service charge of \$50.00 (\$150.00 if such work is performed after regular working hours) shall be made to each customer receiving a necessary or requested service, such as the shutting off or turning on of water service or other special services not provided for elsewhere in the schedules or the rules and regulations except for water service repairs requested by the Utility. 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.

9. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility shall charge a \$25.00 administration fee plus any additional bank charges for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

SCHEDULE "B"
TOWN OF ANNAPOLIS ROYAL WATER UTILITY
SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after 1 April 2027)

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 1.5 % 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 Town of Annapolis Royal Water Utility.

1. **RATES:**

(a) **Base Charges**

Quarterly

Size of Meter

| | |
|------|----------|
| 5/8" | 94.90 |
| 3/4" | 138.01 |
| 1" | 224.23 |
| 1.5" | 439.78 |
| 2" | 698.44 |
| 3" | 1,388.20 |
| 4" | 2,164.18 |
| 6" | 4,319.69 |

(b) **Consumption Rate (per cubic meter)**

Consumption Rate \$ 2.35 per cubic meter

(c) **Minimum Bill**

The minimum bill shall be the Base Charge

2. PUBLIC FIRE PROTECTION RATE

The Town of Annapolis Royal shall pay the Utility annually for fire protection the amount of \$127,651 on or before 30 September 2027.

3. RATES FOR SPRINKLER SERVICE

Each building having a sprinkler system installed shall pay for each twelve-month period, \$350.00 for each building served by a sprinkler service pipe.

4. PRIVATE HYDRANT CONNECTION RATES

Per hydrant per year \$250.00.

5. 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 \$50.00 for connection and disconnection and a consumption charge for the amount of water used, as estimated by the water Utility, at meter consumption rates.

6. CHARGE 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.

7. INSTALLATION OR RE-CONNECTION OF A WATER METER CHARGE

The Utility shall charge a \$50.00 fee for the reconnection of a water meter or for the installation of a water meter. If the reconnection of a water meter or the installation of a water meter is requested after the regular working hours of the Utility the fee shall be \$150.00.

8. SPECIAL SERVICE CHARGE

A 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 necessary or requested service, such as the shutting off or turning on of water service or other special services not provided for elsewhere in the schedules or the rules and regulations except for water service repairs requested by the Utility. 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.

9. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility shall charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

SCHEDULE "C"
TOWN OF ANNAPOLIS ROYAL WATER UTILITY
SCHEDULE OF RATES FOR WATER AND WATER SERVICES

(Effective for water supplied on and after 1 April 2028)

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 1.5 % 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 Town of Annapolis Royal Water Utility.

1. **RATES:**

| (a) <u>Base Charges</u> | | <u>Quarterly</u> |
|--------------------------------|--|-------------------------|
| Size of Meter | | |
| 5/8" | | 92.36 |
| 3/4" | | 134.07 |
| 1" | | 217.49 |
| 1.5" | | 426.04 |
| 2" | | 676.31 |
| 3" | | 1,343.68 |
| 4" | | 2,094.48 |
| 6" | | 4,180.02 |

(b) **Consumption Rate (per cubic meter)**

Consumption Rate \$ 2.54 per cubic meter

(c) **Minimum Bill**

The minimum bill shall be the Base Charge

2. PUBLIC FIRE PROTECTION RATE

The Town of Annapolis Royal shall pay the Utility annually for fire protection the amount of \$131,864 on or before 30 September 2028.

For subsequent years, the annual public fire protection rate shall be based on the above or:

- a) the sum of 51.3% of Transmission and Distribution, Taxes and Depreciation expenses of the Utility, and 51.3% of the sum of the (Non-Operating Expenditures less the Non-Operating Revenue less Other Operating Revenue of the immediately preceding year), plus
- b) 10 % of all other expenses, whichever is the greater.
- c) The fire protection charge shall be paid on or before 30 September of the subsequent year.

3. RATES FOR SPRINKLER SERVICE

Each building having a sprinkler system installed shall pay for each twelve-month period, \$350.00 for each building served by a sprinkler service pipe.

4. PRIVATE HYDRANT CONNECTION RATES

Per hydrant per year \$250.00.

5. 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 \$50.00 for connection and disconnection and a consumption charge for the amount of water used, as estimated by the water Utility, at meter consumption rates.

6. 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.

7. INSTALLATION OR RE-CONNECTION OF A WATER METER

The Utility shall charge a \$50.00 fee for the reconnection of a water meter or for the installation of a water meter. If the reconnection of a water meter or the installation of a water meter is requested after the regular working hours of the Utility the fee shall be \$150.00.

8. SPECIAL SERVICE CHARGE

A 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 necessary or requested service, such as the shutting off or turning on of water service or other special services not provided for elsewhere in the schedules or the rules and regulations except for water service repairs requested by the Utility. 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.

9. CHARGE FOR NON-NEGOTIABLE CHEQUES

The Utility shall charge a \$25.00 administration fee for cheques that, due to non-negotiability, have been rejected by the Utility's bank.

SCHEDULE D
RULES AND REGULATIONS

TOWN OF ANNAPOLIS ROYAL
WATER UTILITY

SCHEDULE OF RULES AND REGULATIONS
GOVERNING THE SUPPLY OF WATER AND WATER SERVICES
(Effective 1 April 2026)

1. In these Rules and regulations, unless the context otherwise requires, the expression:

"Town" means the Town of Annapolis Royal;

"Utility" means the Water Utility of the Town of Annapolis Royal;

"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 his 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.;

"Domestic Service" means any service other than a domestic service as herein defined;

"Unmetered Service" means the type of unmetered service charged at flat rates; and,

"Metered Rate Service" means that type of service charged for at metered rates and is supplied to customers other than those supplied by fixture and flat rate service. Metered rate service is required for all new services.

2. **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.

At the discretion of the Utility, a property owner who rents or leases a property or self-contained unit to a tenant or lessee may 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.

3. **REFUSAL OF SERVICE:** Service may be refused or suspended to any customer who has failed to discharge all of their liabilities to the Utility.

4. **BILLING:** If a 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.

5. **PAYMENT OF BILLS:** Bills shall be rendered to each customer at intervals of approximately three months and are due and payable when rendered. Bills not paid within 30 days of the date rendered, shall incur an interest charge at the prescribed monthly rate for each month or part thereof.

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) Customers 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 Over billed - 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. **ESTIMATED READINGS FOR BILLING PURPOSES - METERED 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 (2) consecutive billing periods. If an estimated bill is rendered for two (2) consecutive billing periods, the Utility shall notify the customer by regular mail that arrangement 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.
8. **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.
9. **WATER TO BE SUPPLIED BY METER:** The Utility may at any time install a meter on the premises of any customer. 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. 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 after each suspension. Service suspension can be delayed if approved payment arrangements have been made and the customer is in compliance with arrangements.
10. **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.
11. **METER READERS:** Each meter reader shall be provided with an official identification, which they shall exhibit on request.
12. **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. The Utility shall have the right to suspend service to any customer who refuses such access.
13. **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. 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 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.

14. **DAMAGE TO WATER METERS:** Each customer shall be responsible for the meter equipment installed on his service and shall protect it. The Customer shall be liable for any damage to the meter 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 shall be paid by the customer. 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.
15. **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 1 ½ inch in size. In the case of meters 1-1/2 inches 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.
16. **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 Regulations of and be approved by the proper official of the Town of Annapolis Royal as set out in the Town's By-Laws. 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 Town of Annapolis Royal representing 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.
17. **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, his agents or members of his 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 forty day written demand for the payment, to disconnect the water service to the customer.
18. **CROSS CONNECTION CONTROL & 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 customers 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 his 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) The owner, consumer, customer or other person hereinafter collectively referred to in this rules and regulation as “person” shall immediately notify the Utility of any failure of the Cross Connection Control & Backflow Prevention Devise as soon as they are aware of such a failure whether or not it resulted in a backflow to the Utility’s water system.

(f) 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.

19. **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.

20. **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.
21. **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 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.
22. **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 they sell or give water to any person except upon such conditions and for such purposes as may be approved in writing by the Utility.
23. **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 3/4" in diameter shall be laid for any service.

The cost of supplying and laying a 3/4" service pipe and fittings between the main pipe and the street line in a trench provided by applicant shall be paid for by the Utility. From the street line to the premises the cost shall be paid for by the applicant. The necessary excavation for the laying of the service pipe, backfilling and replacement of the street and sidewalk surfaces from the water main in the street to the premise shall be the responsibility of the applicant for all water service and all such work shall be performed without cost to the Utility.

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.

For services larger than 3/4" the whole cost shall be borne by the customer, less the cost of a 3/4" service from the main to the street line.

Should any person make application for more than one service to his 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 Town and to the satisfaction of the Utility.

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.

No Customer shall turn off the water supply which would effect the supply to another user.

24. **REPAIRS TO SERVICES:** If a leak or other trouble occurs 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 his/her 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 his 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 his service pipe and, after being notified of same, he refuses or unduly delays 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.

25. **DEPOSITS IN ADVANCE:** When a customer requests the Utility to do work for which they are required to pay and the Utility agrees to do the work, the Utility may require, before the work is started, a sum of money equal to the Utility's estimate of the probable cost of said work. 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.

26. **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 \$150.00 service

charge shall be paid by those who made the unauthorized connection.

27. **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.
28. **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. Responsibility for the installation and maintenance of all privately owned fire protection systems, including fire protection lines, sprinkler systems and hydrants shall be the responsibility of the owner. The Utility must be notified three weeks in advance by the property owner of any testing of the fire protection lines or sprinkler system or private hydrant, and the Utility may require the owner to pay for the insertion of an advertisement in a local newspaper notifying the public of such testing.
29. **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.
30. **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 of the Utility for such purpose.
31. **RESELLING OF WATER:** It is prohibited for a customer of the Utility to resell water to others, without the express written consent of the Utility. In the event that a customer is reselling water to others, without prior approval by the Utility, the Utility may suspend service to the premises or the customer until such time as the activity ceases or approval to resell is granted.
32. **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.
33. **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 and the reconnection charge in the Schedule of Rate and Charges paid in full.

34. **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. 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 Town of Annapolis Royal's Subdivision Regulations. All hydrants in the water system, including those on transmission mains, are available for fire protection.

35. **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 supply 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.
36. **PRESSURE RELIEF VALVES:** Whenever a pressure reducing valve has been installed by a customer in accordance with Regulation 36, the customer shall, for his own safety and protection, install on his 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.
37. **EXTENSIONS:** Any owner of property situated on a street or highway in which no water main has been laid (or where the main has been laid, but has not been extended to the point opposite the owner's property), may make application to the Utility requesting permission to have such a servicing extension carried out. The Utility would review the application and either give approval in principle for the extension, or advise the property owner that the extension is not feasible, and will provide the owner with the reason for refusing permission.

After the Utility has applied for and received the approval of the NS Utility and Regulatory and Appeals Board and approval in principle has been granted, the owner may sign a contract with the Utility requesting that the Utility install the water extension at the owner's expense, or the owner may have the water line extended by a private contractor approved

by the Utility. Where the latter is done, the extension must be designed and the construction supervised by a registered professional engineer with the design being approved by the Utility.

In any event, the cost of the extension shall be paid fully by the owner and the ownership of the water line shall be turned over to the Utility before any water services are connected to the extended line.

After the water line has been turned over to the Utility, it shall become a part of the water utility and all of these regulations affecting the operation of the Utility shall apply.

38. **CURB STOP/CONTROL VALVE SERVICE BOX:** The curb stop/control valve service box housing the customers 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. The customer shall not make any adjustments to the service box. Any adjustment to the service box requested by the customer shall be carried out by the Utility and paid for by 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, back-filled 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.

39. **WATER CONSERVATION DIRECTIVES:** The Utility may enact conservation of water directives to its customers if in the opinion of the Utility such directives will permit the Utility to provide a reliable, continuous water supply to all customers served by the Utility. During such times as these directives may be enacted, customers who do not comply with the directives may have their water supply suspended until the customer agrees to comply with the directive or upon suspension of the water conservation directive, whichever occurs first. In the event that the water is temporarily suspended for non-compliance of a water conservation directive, the cost of turning on the service will be billed to the customer.

The current base rates for water meters are as follows:

| Size of Meter | Quarterly Charge |
|---------------|------------------|
| 5/8' | \$97.95 |
| 3/4" | \$143.18 |
| 1" | \$233.65 |
| 1 1/2" | \$459.81 |
| 2" | \$731.20 |
| 3" | \$1,454.92 |

Consumption Rates

\$0.90 per cubic meter