



2017/18 Business Plan Presentation to Halifax Regional Council - March 28/17

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**To Provide World Class Services for
Our Customers and Our Environment**



Context of 2017/18 Business Plan

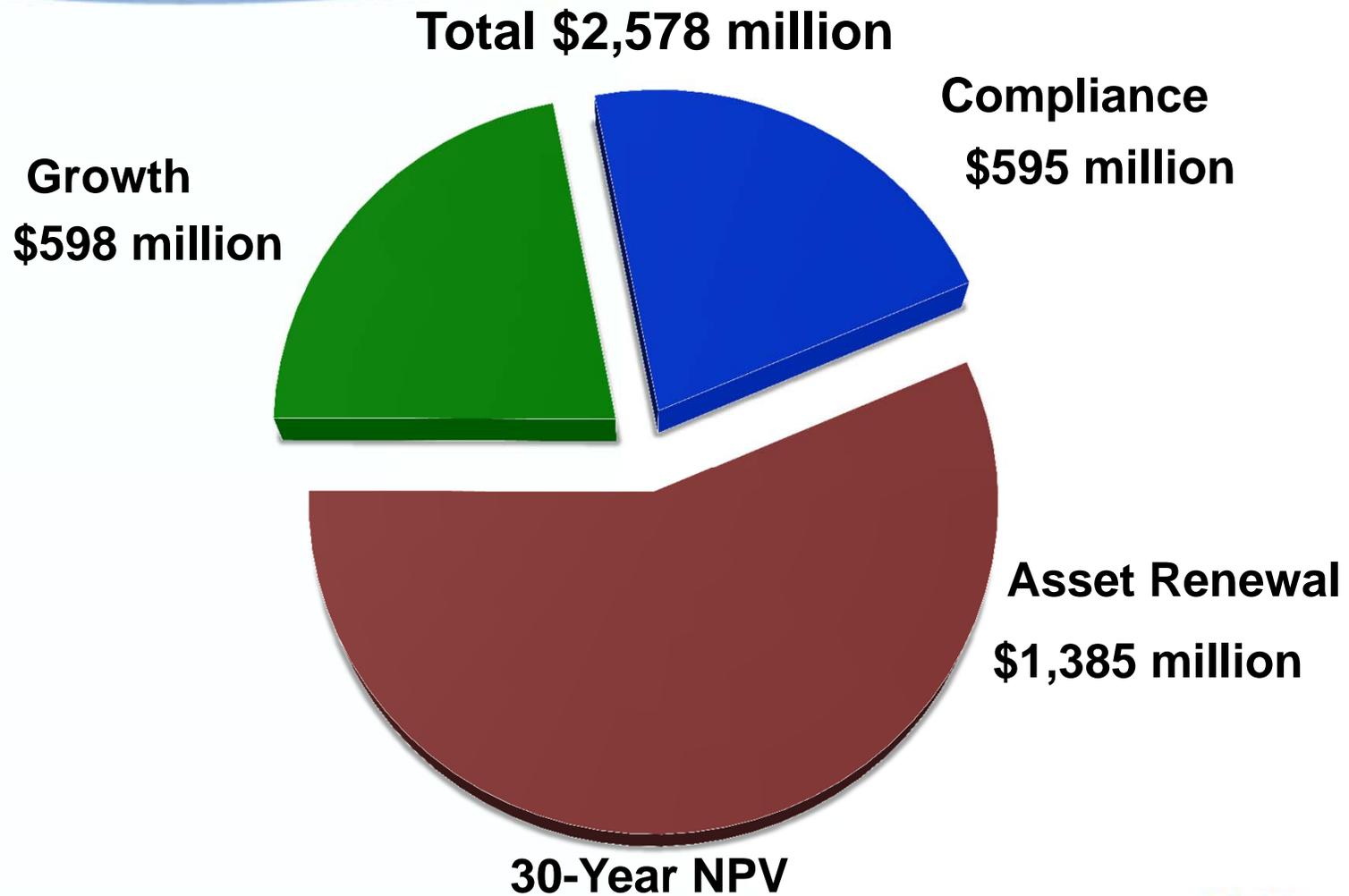
- Reflects the third year of the five year business plan approved by the Halifax Water Board in October, 2014
- Based on Favourable Operational Results over the last two years, no rate applications planned for this year
- Approved by the Halifax Water Board on February 2, 2017

The Path to Sustainability

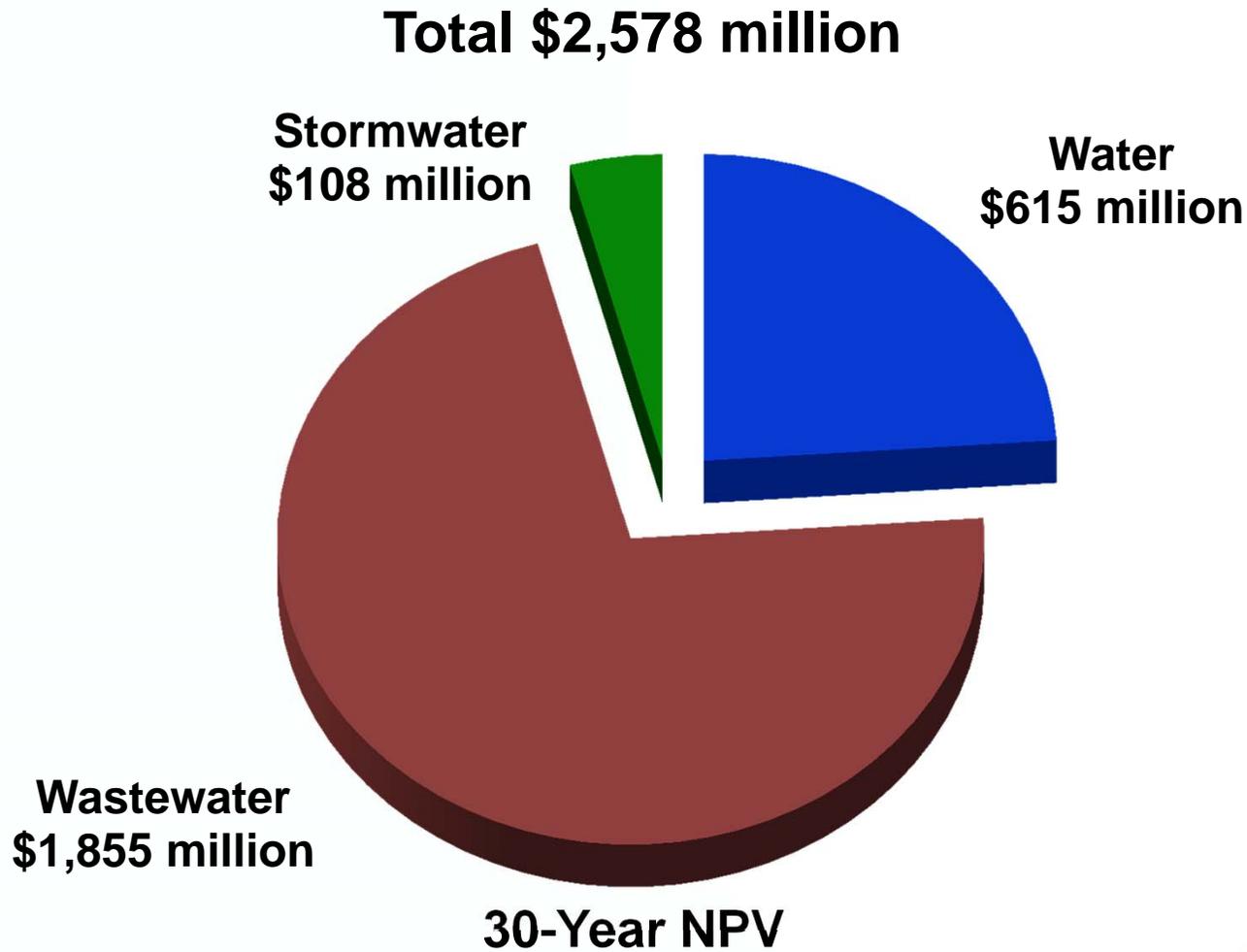
- As a regulated utility, Halifax Water must recover its capital and operating costs in conformance with the Public Utilities Act of Nova Scotia.
- Ensure a continued or enhanced level of service to customers
- Halifax Water must renew aging water, wastewater and stormwater infrastructure, achieve compliance with new federal wastewater regulations and facilitate growth.
- The Integrated Resource Plan completed in 2012 indicates investments over 30 year period in the order of \$2.6 Billion [net present value]



30-Year Expenditures by Driver

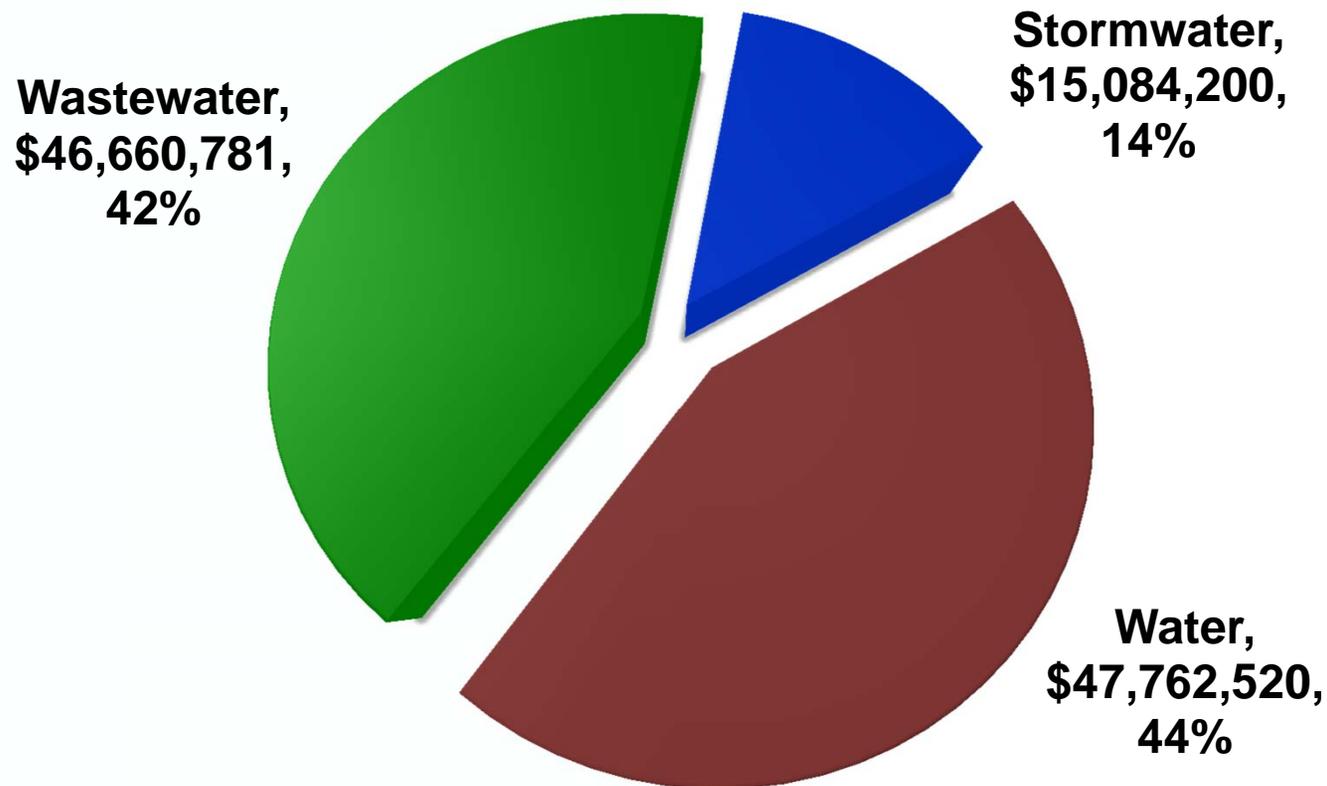


▶ 30-Year Expenditures by Asset System



▶ 2017/18 Capital Budget Summary [\$109.6M]

2017/2018 Capital Budget by Asset Class - All Divisions



Major Capital Projects [Water]

- Distribution System Main Renewal Program in conjunction with the municipality's Streets program: **\$1,900,000**
- Bedford Connector Transmission Main renewal – with New Building Canada Federal/Provincial Funding: **\$4,569,717**
- Peninsula Low South Transmission main rehabilitation – with Clean Water & Wastewater Fund (CWWF) Federal/Provincial funding: **\$7,505,000.**
- Lake Major Dam Replacement – with CWWF funding: **\$7,089,391**
- J.D. Kline Water Supply Plant Filter Media & Underdrain Replacement – with CWWF funding: **\$4,447,060**

Major Capital Projects [Wastewater]

- Collection System Renewal Projects integrated with the municipality's Streets Program: **\$1,000,000**
- Sewer Lateral Replacement Program: **\$1,900,000**
- Northwest Arm Sewer Rehabilitation – with CWWF funding: **\$19,493,168**
- Leiblin Pump Station Elimination: **\$3,495,000**

Major Capital Projects [Stormwater]

- Stormwater System Renewal Projects Integrated with the Municipality's Streets Program: **\$1,060,000**
- Culvert Renewals: **\$2,736,000**
- Sullivan's Pond Storm Sewer Replacement – with CWWF funding: **\$8,632,000**
- Ellenvale Run Retaining Wall System Replacement Phase 1: **\$1,535,000**

Major Capital Projects [Corporate]

- GIS Data Program: **\$1,000,000**
- Computer Network and Hardware Upgrades: **\$510,000**
- Computerized Maintenance Management System: **\$2,000,000**
- Corporate Fleet: **\$1,905,000**
- AMI Meter System Upgrade: **\$11,685,000**
- Asset Management Program: **\$600,000**

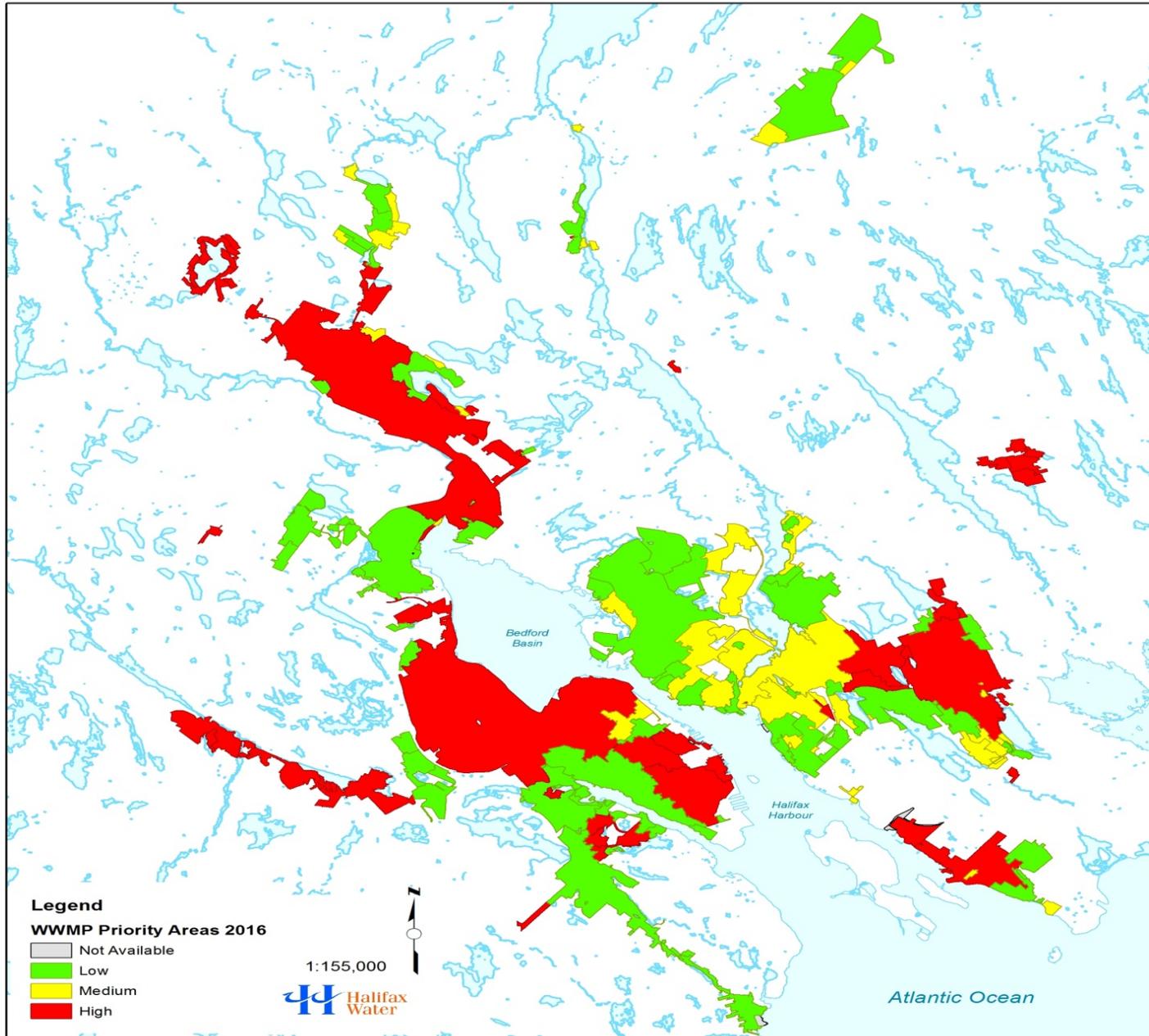
▶ 2017/18 Operations Budget Summary

	Actual 2015/16	Approved Budget 2016/17	Proposed Budget 2017/18
Operating Revenues	\$131,716	\$135,675	\$135,587
Operating Expenditures	\$96,243	\$102,425	\$106,241
Operating Profit	\$35,473	\$33,250	\$29,346
Non-Operating Revenues	\$3,370	\$3,291	\$2,787
Non-Operating Expenditures	\$33,961	\$36,386	\$38,882
Net Surplus (Deficit)	\$4,883	\$154	(\$6,750)
<i>Note:</i>			
<i>Consolidated numbers reported above include regulated and unregulated activities of the Urban Core, Satellite and Airport/AeroTech Systems.</i>			
<i>The proposed 17/18 budgeted loss of (\$6.75 m) is (\$2.4 m) when calculated under the NSUARB Accounting and Reporting Handbook which excludes accrual of some future employment expense liabilities.</i>			

Key Strategic Initiatives

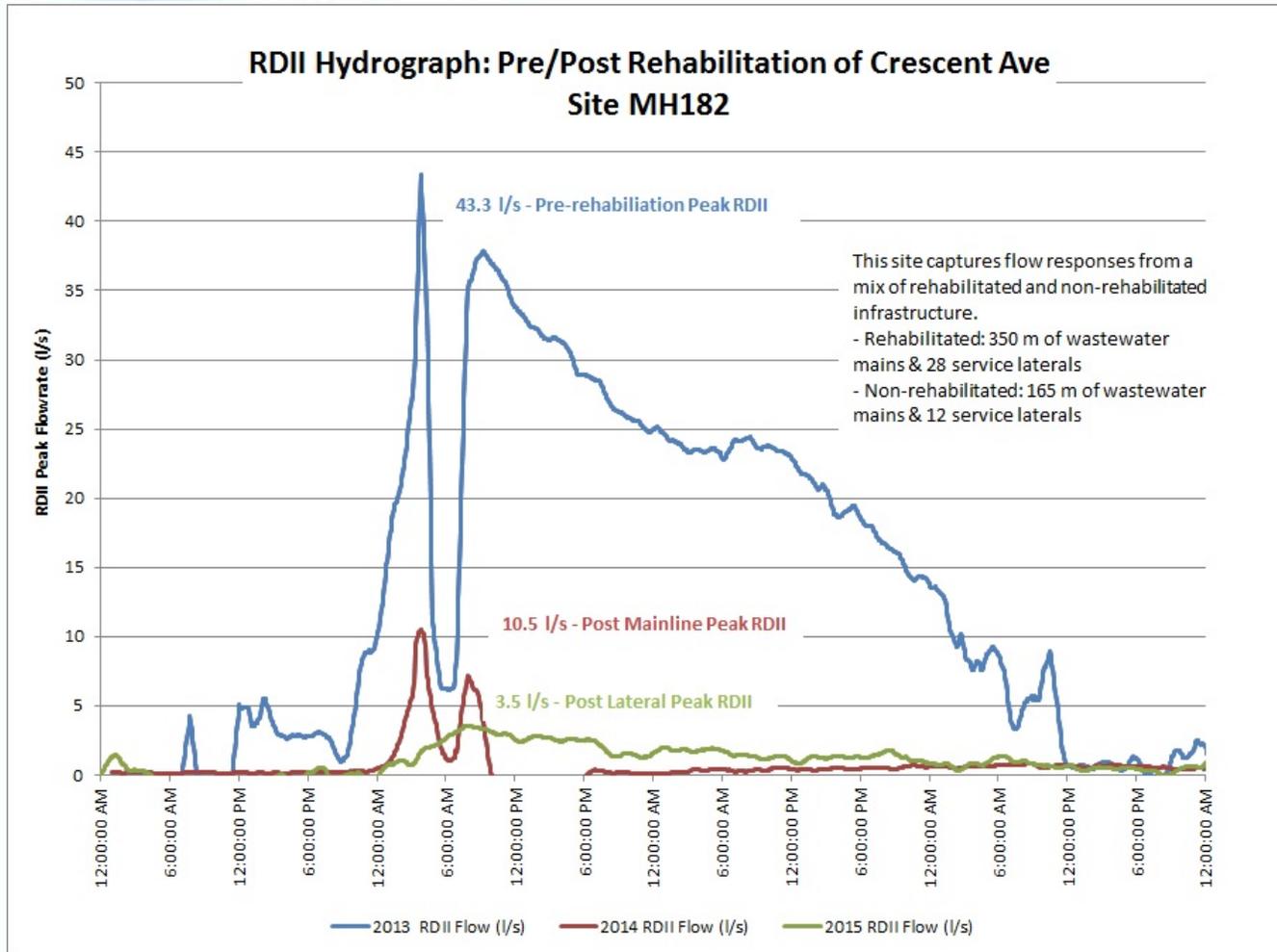
- Customer Care Centre
[Customer Relationship Management Software; Link to City Works; one stop shop through new contact # H20-WATR]
- Advanced Metering Infrastructure
[Three year program to replace or upgrade 85,000 meters]
- Operational Maintenance Management
[continued implementation of City Works, in partnership with Halifax municipality]
- Lead Service Line Replacement Program
- Wet Weather Management
[Focus on reduction of inflow and infiltration in sanitary collection system]

Priority Map Wet Weather Management Program



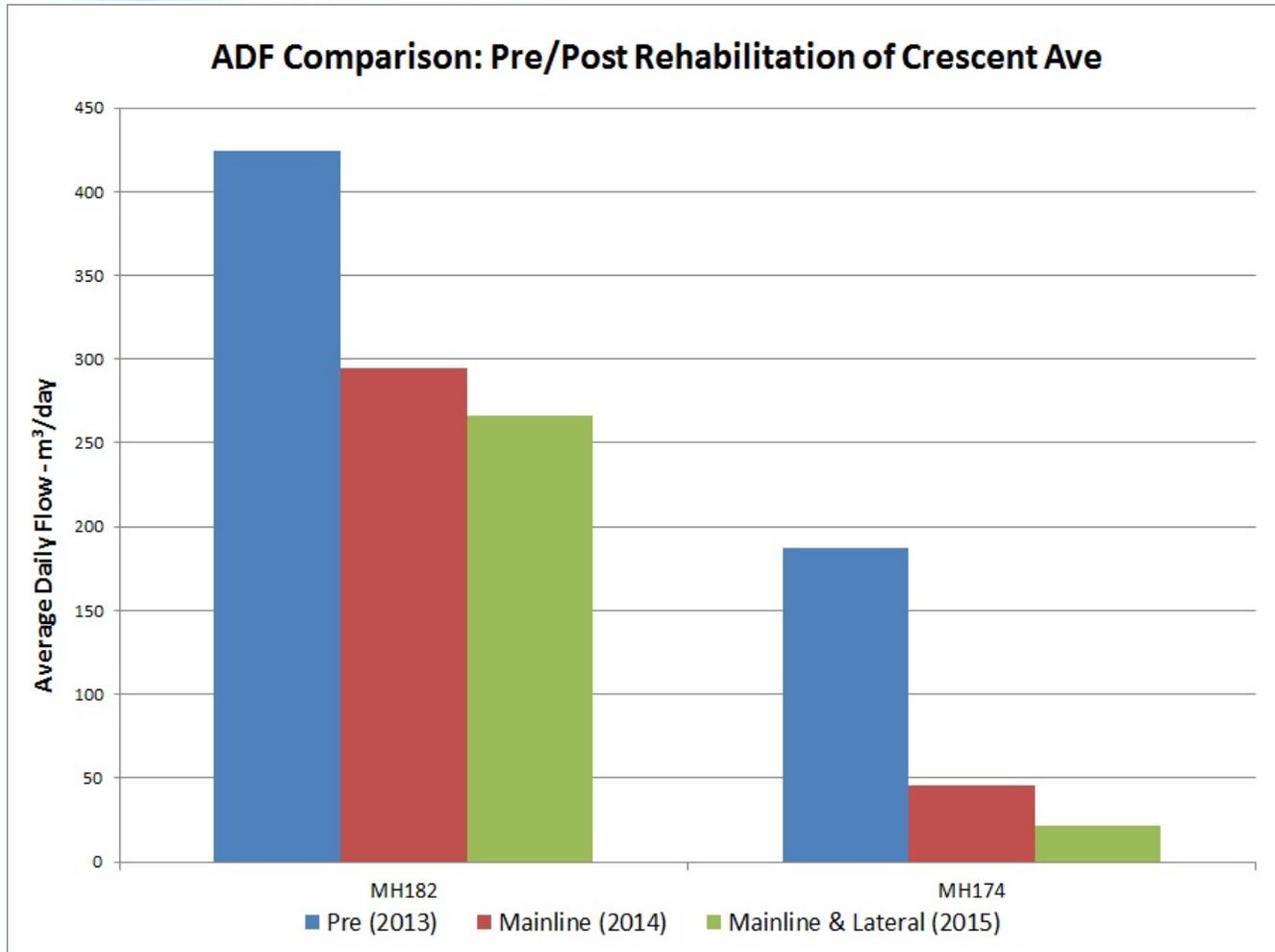


Wet Weather Management - Crescent Avenue





Wet Weather Management – Crescent Avenue



Key Strategic Initiatives

- Energy Management
[continue to reduce electricity and chemical consumption]
- Cogswell District Energy; more refined design and deeper feasibility analysis
- Implementation of Stormwater Rates in line with Cost of Service Manual; Decision from NSUARB expected in late April/early May
- Environmental Management System Expansion
- Asset Management; Finalize condition assessments for 13 distinct infrastructure categories

Infrastructure Funding Update

- August 16, 2016 – Federal/Provincial governments approved seven (7) Clean Water & Wastewater Fund (CWWF) projects endorsed by Regional Council.
- Five Halifax Water Projects:
 - **Northwest Arm Sewer Rehabilitation [\$16.3M]**
 - **Peninsula Transmission Main Rehabilitation [\$7.5M]**
 - **Lake Major Dam [\$4.5M]**
 - **Sullivan's Pond Storm Sewer Renewal – Ph. 1 [\$8.4M]**
 - **JD Kline Filter Media and Underdrain Replacement [\$4.2M]**

Infrastructure Funding Update

- Two Halifax Regional Municipality CWWF Projects:
 - **Fall River Water Servicing [\$7.9M]**
 - **Herring Cove Servicing (Water & Wastewater) – Phase 2B [\$4.6M]**
- The municipality's two CWWF projects are being implemented by Halifax Water in an agency assignment role for the municipality.
- Halifax Municipality staff and Halifax Water staff continue to monitor for future federal/provincial infrastructure funding opportunities.



**Questions or
Comments?**