



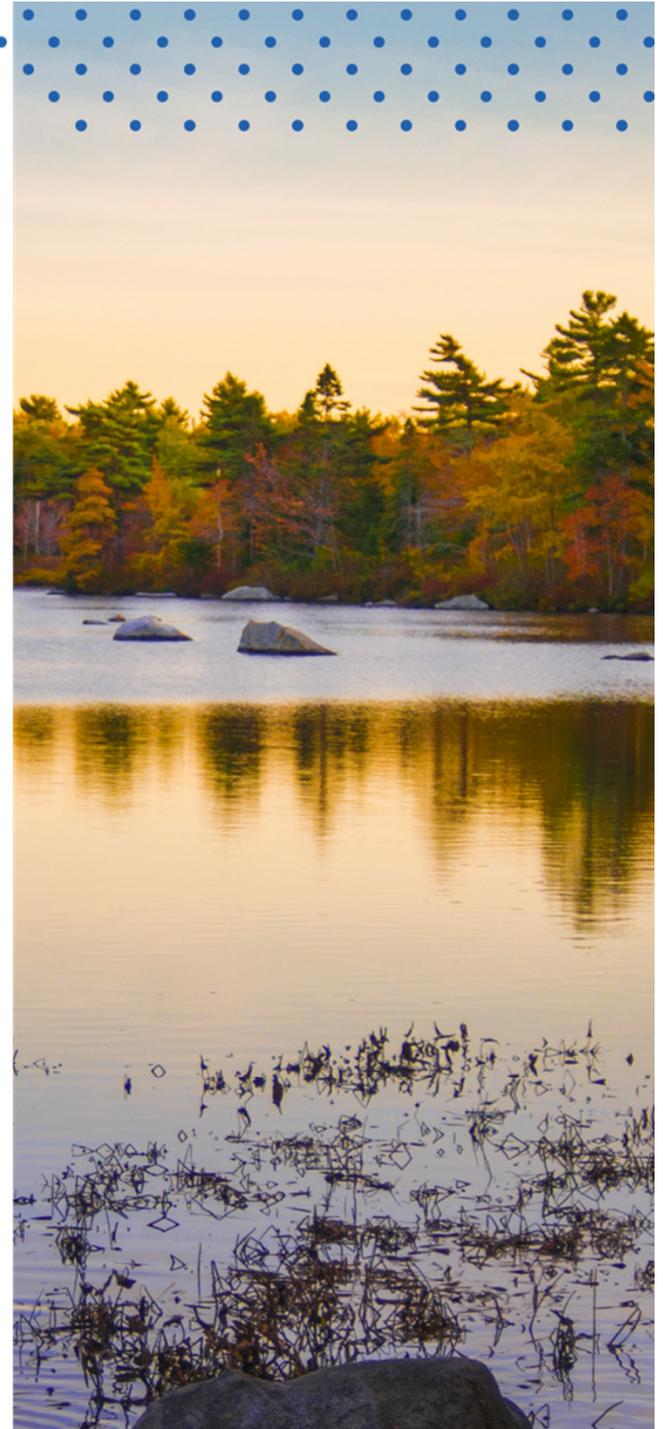
2018/19 Annual Business Plan

Presentation to Regional Council,
March 20, 2018

Carl Yates, General Manager

REVISED

**STRAIGHT from
the SOURCE**



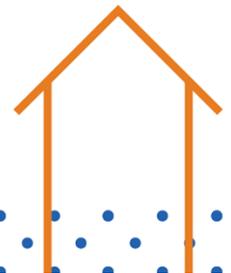
Context of 2018/19 Business Plan

- Business plan approved by the Halifax Water Board on January 25, 2018.
- Based on favourable Operational Results over the last three years, no rate applications planned for this year.

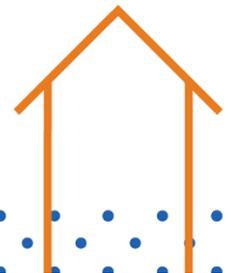
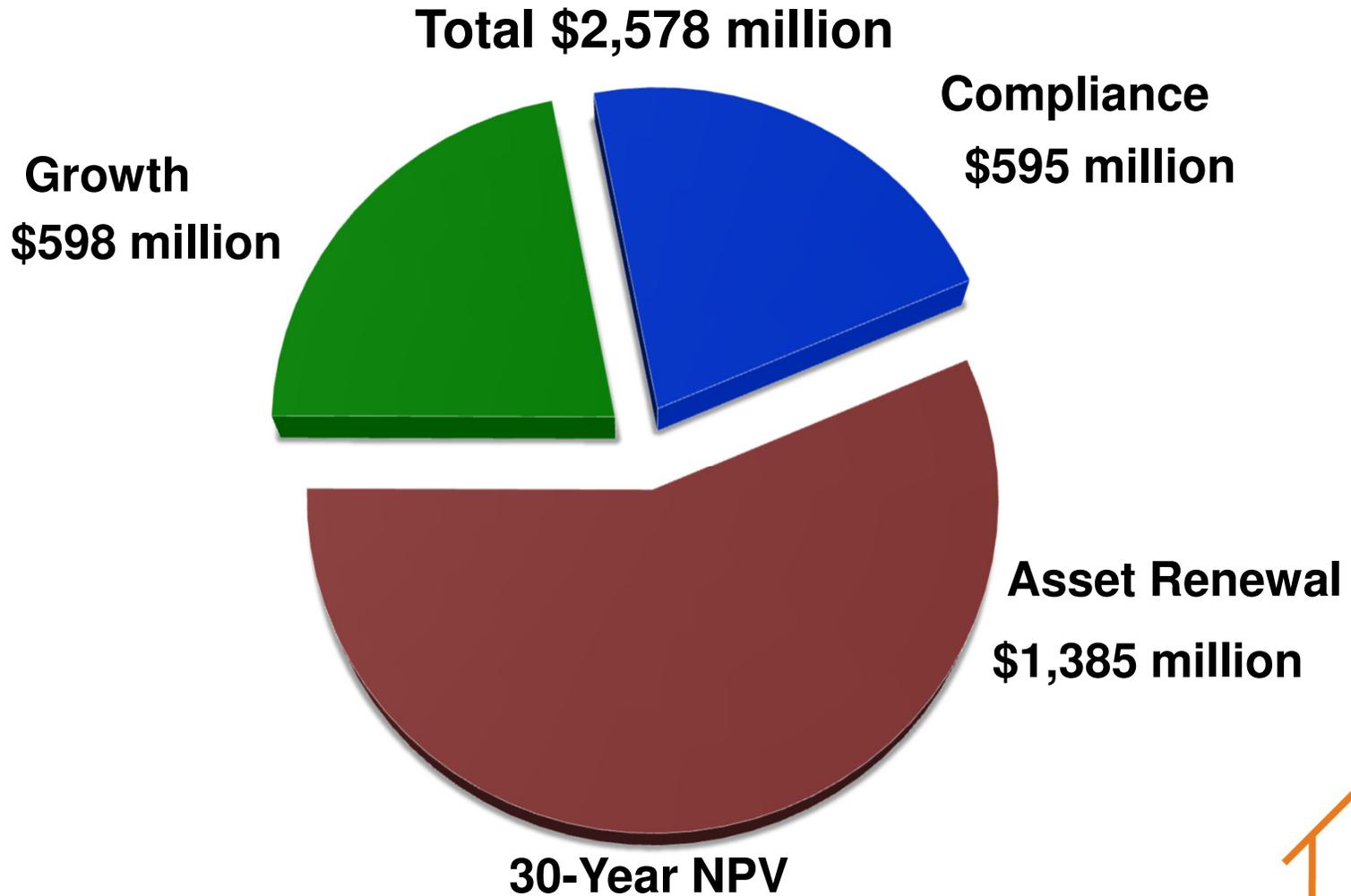


The Path to Sustainability

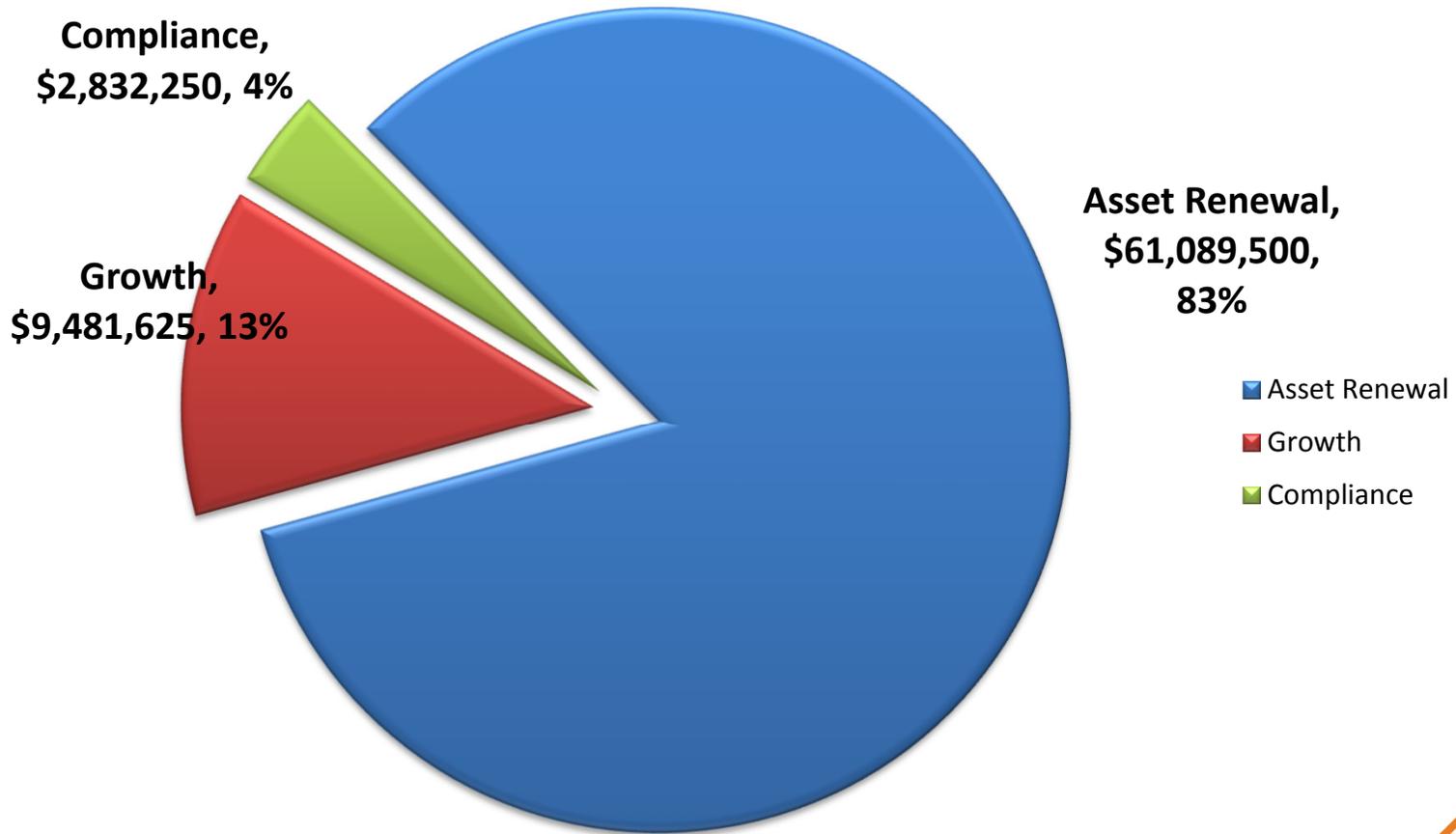
- As a regulated utility, Halifax Water must recover its capital and operating costs in conformance with the Public Utilities Act of Nova Scotia.
- Ensure a continued or enhanced level of service to customers.
- Halifax Water must renew aging water, wastewater and stormwater infrastructure, achieve compliance 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

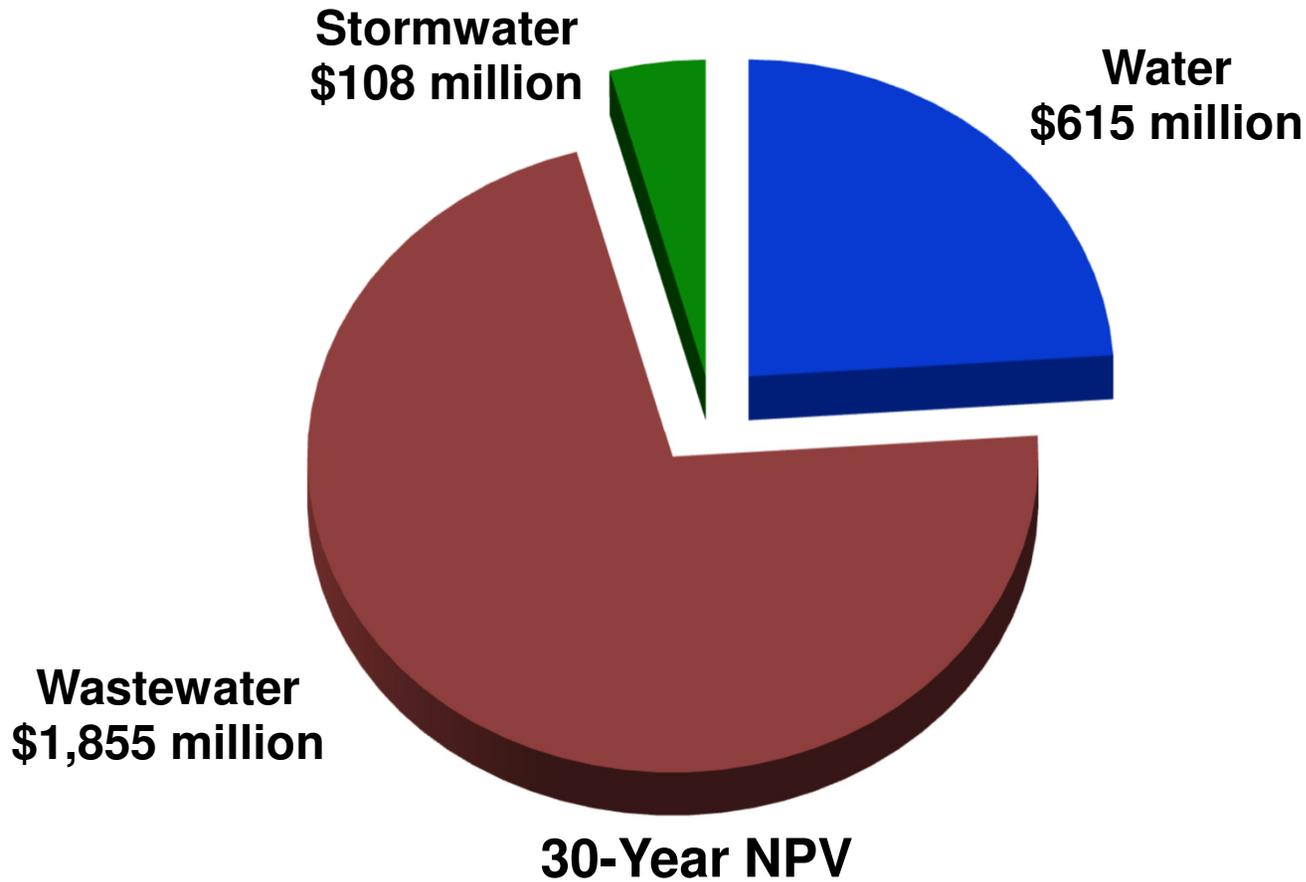


2018/19 Capital Budget by Project Drivers

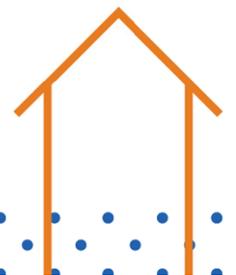


30-Year Expenditures by Asset System

Total \$2,578 million

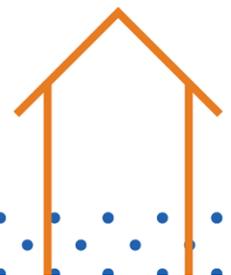
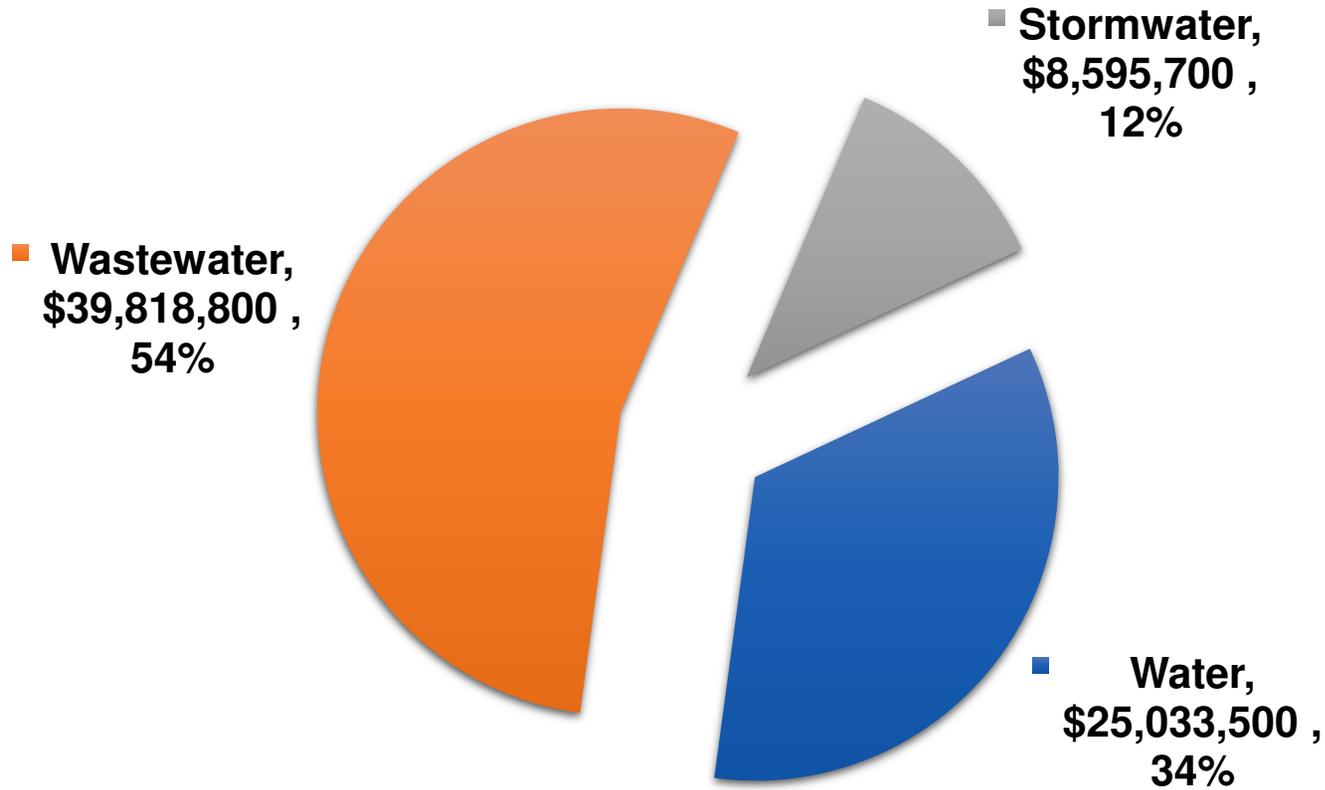


30-Year NPV



2018/19 Capital Budget Summary - \$ 73.4M

2018/2019 Capital Budget by Asset Class - All Divisions



Major Capital Projects - Water

- Distribution System Main Renewal Program in conjunction with HRM Streets program - \$3,500,000;
- Lead Service Line Replacement Program - \$600,000;
- Replacement of Lake Major Dam with CWWF funding – \$7,789,391;
- JD Kline Water Supply Plant Filter Media & Underdrain Replacement – with CWWF funding - \$9,847,060; and
- Asset Renewal Program at J.D. Kline and Lake Major WSP - \$2,861,000.



Major Capital Projects - Wastewater

- Collection System Renewal Projects integrated with the Municipality's Street Program - \$1,915,000;
- Kearney Lake Road Trunk Sewer Upgrades - \$2,453,000;
- Collection System Trenchless Rehabilitation Program - \$3,590,000 [includes \$2,880,000 for Fairview/Clayton Park/Bridgeview Inflow and Infiltration Reduction] and;
- Shipyard Road and Windmill Road Pumping Station Replacements - \$2,370,000.

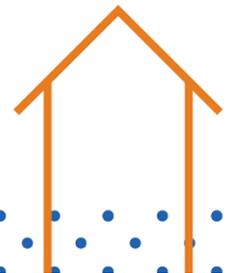
REVISED



Major Capital Projects - Stormwater

- Stormwater System Renewal Projects Integrated with HRM Streets Program - \$1,500,000;
- Culvert Renewals - \$2,725,000; and
- Ellenvale Run Retaining Wall System Replacement Phase 1- \$2,525,000.

REVISED



Major Capital Projects - Corporate

- Continuation of Advanced Metering Infrastructure System Upgrade - \$9,730,000;
- IT Strategic Plan Foundation Projects – 2,000,000;
- Computerized Maintenance Management System Enhancements - \$1,000,000;
- Asset Management Program - \$2,610,000; and
- Corporate Fleet - \$2,110,000.



2018/19 Operations Budget Summary

- The surplus of \$8.9 M currently projected for 17/18, plus the Accumulated Operating Surplus enables a deficit budget of (\$12 M) and another year without rate increases.

	Actual 2016/17	Approved Budget 2017/18	Proposed Budget 2018/19
Operating Revenues	\$137,997	\$135,587	\$135,182
Operating Expenditures	\$97,839	\$106,241	\$111,710
Operating Profit	\$40,158	\$29,346	\$23,472
Non-Operating Revenues	\$3,322	\$2,787	\$1,006
Non-Operating Expenditures	\$34,622	\$38,882	\$36,564
Net Surplus (Deficit)	\$8,858	(\$6,750)	(\$12,086)



Regulated vs Unregulated Activity

	ACTUAL	APPROVED BUDGET *	PROPOSED BUDGET
	APR 1/16	APR 1/17	APR 1/18
DESCRIPTION	MAR 31/17	MAR 31/18	MAR 31/19
REGULATED ACTIVITIES			
REVENUES	\$139,381	\$136,314	\$134,019
EXPENDITURES	\$131,494	\$143,969	\$146,818
REGULATED NET PROFIT (LOSS)	\$7,887	(\$7,655)	(\$12,799)
UNREGULATED ACTIVITIES			
REVENUES	\$1,983	\$2,060	\$2,168
EXPENDITURES	\$1,012	\$1,155	\$1,455
UNREGULATED NET PROFIT (LOSS)	\$971	\$905	\$713
TOTAL NET PROFIT (LOSS)	\$8,858	(\$6,750)	(\$12,086)
Unregulated Rev a % of Total Rev	1.4%	1.5%	1.6%

- Unregulated revenues are slowly growing



Key Strategic Initiatives

- **Update Integrated Resource Plan:**
[Last IRP completed in October, 2012; current studies underway in support including Climate Change assessment]
- **Expand Natural Sciences and Engineering Research Council:**
[NSERC] Industrial Research Chair with Dalhousie to include Wastewater focus
- **Partnership with Municipality on Cogswell Redevelopment Project:**
[Opportunity for District Energy System and Integrated Infrastructure projects]
- **Wet Weather Management:**
[Focus on reduction of inflow and infiltration in sanitary collection system to improve level of service and create system capacity]



Key Strategic Initiatives

- **Customer Care Centre:**
[Customer Relationship Management Software; Link to City Works; new telephony system; one stop shop through new contact 902-H20-WATR /902-420-9287]
- **Advanced Metering Infrastructure:**
[In second year of three year program to replace or upgrade 83,000 meters]
- **Computerized Maintenance Management:**
[Continued implementation of City Works, in partnership with Halifax municipality.]
- **Lead Service Line Replacement Program**



Key Strategic Initiatives

- **Expand Environmental Management System** to major wastewater treatment facilities [Herring Cove WWTF certified to ISO 14001 in 2017]
- **Expand Asset Management Program** to incorporate better data capture and risk analysis
- **Focus on Renewal of Aging Infrastructure:**
[all wastewater treatment facilities will be compliant in 2018 and mature processes in place to facilitate growth]



Alignment with Municipality Priorities

- Report highlights many areas of alignment in relation to Council Priority Areas for the 2017-2021 Strategic Plan

Strategic Plan 2017 - 21

VISION HRM's vision for the future is to enhance our quality of life by fostering the growth of healthy and vibrant communities, a strong and diverse economy, and sustainable environment.		MISSION We take pride in providing high-quality public service to benefit our citizens. We make a difference.		VALUES • Respect • Collaboration • Diversity & Inclusion • Integrity • Accountability • Sustainability • Evidence-Based Decision Making	
COUNCIL PRIORITY AREAS					
ECONOMIC DEVELOPMENT HRM is a sought after business destination that encourages entrepreneurial spirit and is responsive to the needs of the business community.	SERVICE DELIVERY HRM meets the needs of the people it serves, resulting in greater satisfaction with, and confidence in the municipality.	HEALTHY, LIVEABLE COMMUNITIES HRM is a safe, livable and sustainable community that encourages public engagement and participation in civic life.	SOCIAL DEVELOPMENT HRM's communities have access to social infrastructure that supports all segments of the community.	GOVERNANCE & ENGAGEMENT HRM's governance structures and communications approach provide maximum opportunity for public engagement in and enables appropriate stewardship of municipal affairs.	TRANSPORTATION Integrated, multi-modal, long range plan to move people and goods in HRM in support of neighbourhoods, communities & economic growth.
COUNCIL PRIORITY OUTCOMES					
ECONOMIC DEVELOPMENT		HEALTHY, LIVEABLE COMMUNITIES		GOVERNANCE & ENGAGEMENT	
ATTRACT & RETAIN TALENT HRM is a welcoming community where the world's talent can find great opportunities.		PUBLIC SAFETY HRM citizens and visitors are safe where they live, work, and play.		MUNICIPAL GOVERNANCE HRM citizens have confidence in the governance structures of the municipality.	
PROMOTE & MAXIMIZE GROWTH HRM promotes a business climate that drives and sustains growth by improving competitiveness, minimizing barriers and leveraging our strengths.		ENERGY & ENVIRONMENT HRM builds resiliency by providing leadership in energy management, sustainability and environmental risk management both as an organization and in the community we serve.		COMMUNICATIONS HRM citizens and communities participate in open and transparent communication with the municipality.	
RURAL ECONOMIC DEVELOPMENT The economic viability of rural communities is included as an integral aim of regional economic growth strategies and their implementation.		RECREATION & LEISURE HRM citizens have access to facilities and natural assets that enable a range of choices for structured and unstructured leisure and recreation activities.		PUBLIC ENGAGEMENT HRM citizens and communities are engaged in the development of public policy and plans.	
FOCUS ON THE REGIONAL CENTRE HRM has a vibrant, animated and economically healthy Regional Centre that is a cultural, business and education hub with a growing population.		COMMUNITY HEALTH HRM shall be an active partner in supporting community health program such as food security initiatives.		FISCAL RESPONSIBILITY HRM manages municipal resources with integrity and considers the impact on taxpayers when making decisions.	
SUPPLY OF INDUSTRIAL, COMMERCIAL & INSTITUTIONAL LANDS Ensure that there are sufficient industrial, commercial and institutional lands available to provide economic opportunities.		SOCIAL DEVELOPMENT		TRANSPORTATION	
MAKE HALIFAX A BETTER PLACE TO LIVE AND WORK Recognize and support heritage, cultural activities, and arts to bolster the creative economy and the vitality of the region.		SOCIAL INFRASTRUCTURE HRM communities, families, youth and seniors have access to social infrastructure that enables them to participate fully in their community.		INTERCONNECTED & STRATEGIC GROWTH HRM will implement an integrated mobility strategy that supports growth, development and the transportation of goods and people of all ages and abilities, using all modes including walking, cycling, transit, and motor vehicles, consistent with the Regional Plan.	
SERVICE DELIVERY		ACCESSIBLE COMMUNITY HRM is a leader in building an accessible community where everyone can participate fully in life, including persons with disabilities and seniors.		A WELL MAINTAINED TRANSPORTATION NETWORK The Halifax Transportation Network is comprised of well-maintained assets.	
SERVICE TO OUR BUSINESS HRM simplifies processes and delivers service to promote and encourage a vibrant business environment.		HOUSING & NEIGHBOURHOOD HRM is a leader in fostering partnerships that provide access to a full range of quality, affordable housing options in safe and vibrant neighborhoods.		A SAFE & ACCESSIBLE TRANSPORTATION NETWORK The Halifax Transportation Network is designed to be operated to be safe, accessible and supportive of enhanced user experience and focused on service improvements.	
SERVICE TO OUR PEOPLE HRM understands the needs and perspectives of the people they serve, and provides quality service through a person focused approach.		EQUITY & INCLUSION HRM is a diverse and inclusive community that supports everybody.		PEDESTRIAN SAFETY Drivers, cyclists and pedestrians all-share responsibility for travelling safely together. Through education, enforcement, and improved infrastructure (engineering), engagement and evaluation, pedestrians in Halifax are provided with a safe environment in which to walk.	
INNOVATION HRM will foster a corporate culture that values innovation and bold ideas and supports the rapid deployment of experimental pilot projects and civic innovation project teams.					

Questions or
Comments?

