

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 17.1**  
**Halifax Regional Council**  
**May 22, 2018**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** May 17, 2018

**SUBJECT:** Provincial Contribution Agreement: Fall River Phase 2 Water Servicing

---

## **ORIGIN**

March 20, 2018 motion that Halifax Regional Council:

1. Approve the transfer of \$2,381,250 in Clean Water & Wastewater Funds from Herring Cove Water Servicing, CS000001, to Fall River Water Servicing, CS000002, and increase the Local Improvement Charge component of the Fall River Water Servicing project by \$793,750;
2. Approve a budget increase to CS000002, Fall River Water Servicing in the amount of \$3,175,000;
3. Expand the project scope as approved on April 25, 2017, thereby extending the water service area in Fall River and adjoining lots along Fall River Road and Highway #2 to the Hwy 102 Overpass, Lockview Road to the Lockview School access, and McPherson Road and a portion of Ingram Drive for a total length of 6.6 km; and
4. Direct staff to prepare amendments to By-law L-100, Respecting Charges for Local Improvements, to change provisions of the Fall River Water Service Extension section to include the expanded scope of the project, the estimated total project cost, the funding from the Clean Water & Wastewater Fund and the interim Local Improvement Charges.

September 5, 2017 motion that That Halifax Regional Council authorize and direct the Chief Administrative Officer to sign an agreement substantially similar as the attached Contribution Agreement (Attachment 1 of the staff report dated September 1, 2017) with Halifax Water, allowing HRM to transfer up to \$8,625,000 to Halifax Water to construct the Fall River Water Servicing Project.

August 15, 2017 motion that Halifax Regional Council:

1. Approve amendments to the Regional Subdivision By-law to extend the Water Service Area in Fall River, as set out in Attachment B of the staff report dated March 10, 2017;
2. Adopt By-law L-137, respecting an amendment of By-law L-100, the Local Improvement By-law, as provided in Attachment 2 of the supplementary staff report dated July 6, 2017, to set the charges for the installation of water servicing in Fall River and adjoining lots along Fall River Road to the Fall River Village Centre, Lockview Road to the Lockview School access, and McPherson Road;
3. Direct the Chief Administrative Officer (CAO) to negotiate a Contribution Agreement with Halifax Water for the transfer of the required project funds and to return to Council with the resulting Contribution Agreement for approval; and
4. Direct the Chief Administrative Officer (CAO) to apply for funding for federal/provincial funding respecting the expansion of water services in Fall River, including the addition of services along Highway #2, from near Fall River Road to the Highway 102 Overpass, and connect the existing system at Ingram Drive to Fall River Road.

April 25, 2017, motion that Halifax Regional Council:

1. Give First Reading to amendments to the Regional Subdivision By-law to extend the Water Service Area in Fall River, as set out in Attachment B of this report, and schedule a Public Hearing;
2. Adopt By-law L-137, respecting an amendment of By-law L-100, the Local Improvement By-law, as provided in Attachment C of this report, to set the charges for the installation of water servicing in Fall River and adjoining lots along Fall River Road and Highway #2 to the Hwy 102 Overpass, Lockview Road to the Lockview School access, and McPherson Road and a portion of Ingram Drive, and schedule a Public Hearing;
3. Approve the project budget for the Water Servicing Project in the amount of \$7,925,740 including net HST with the net municipal amount funded from a Local Improvement Charge, as described in the Financial Implications section of this report, and approve the transfer of the required project funds to Halifax Water for the installation of the water service; and
4. Direct Staff to negotiate a Contribution Agreement with Halifax Water for the transfer of the required project funds and to return to Council with the resulting Contribution Agreement for approval.

November 8, 2016 motion that Halifax Regional Council approval to authorize a sole source award and reimbursement of an amount up to \$800,000 to the Halifax Regional Water Commission for the preliminary and detailed design and cost estimation for central water services to the Fall River Village Centre Designation.

### **LEGISLATIVE AUTHORITY**

Section 74(1) of the Halifax Regional Municipality Charter provides that: "The Municipality may agree with...the Government of the Province or of Canada or a department or agency of either of them...to provide or administer municipal or village services."

Section 79(1) of the Halifax Regional Municipality Charter provides that: "The Council may expend money required by the Municipality for:

... (al) wastewater facilities and stormwater systems;

... (am) water systems;"

Administrative Order #58, section 16(1) provides that revenue generating agreements for the municipality must be approved by Council when HRM is receiving more than \$500,000.

### **RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Approve entering into a Contribution Agreement with the Province of Nova Scotia to receive up to an additional \$3,421,464 in Clean Water and Wastewater Funding (CWWF) to be used towards expansion of the Fall River Water Servicing Project.
2. Subject to execution of the CWWF Contribution Agreement with the Province, authorize the CAO to amend HRM's Contribution Agreement with Halifax Water for the Fall River Water Servicing Project to reflect the expanded scope, extended completion date and increase in HRM's total financial commitment by \$3,175,000.

## **BACKGROUND**

In June 2016, Halifax Regional Council submitted a funding application for the Fall River water servicing project to the federal/provincial Clean Water and Wastewater Fund (CWWF). This original application was for a \$7.9 million project to install 3.5 km of central water services from Windsor Junction Rd to Fall River Centre via Fall River Road. Under the CWWF the federal government provided 50% of project costs and the provincial government 25% with the municipality covering the remaining 25%. In August 2016, the federal government and provincial governments announced the project was approved. It received \$5,944,304 in funding (\$3.95 million federal and 1.975 million provincial). HRM's share is being financed by a Local Improvement Charge (LIC) levied on the 183 property owners being connected to the system.

In November 2016, Council directed staff to investigate the possibility of extending water service along Highway 2. Early estimates indicated that water services could be extended along Highway #2, from the Village Centre to the Highway 102 overpass, within the \$7.93 million approved budget. In April 2017, Council approved a public hearing for the installation of water servicing in Fall River and adjoining lots along Fall River Road and Highway #2 to the Hwy 102 Overpass, Lockview Road to the Lockview School access, and McPherson Road and a portion of Ingram Drive, at a cost of \$7.93M. This expanded water servicing project now totaled 6.6 km. A request to expand the project was submitted to the federal and provincial governments and subsequently approved.

A tender for the expanded scope of work was issued in April 2017. When the bids were received and evaluated in early May, it was seen that the engineering cost estimates had underestimated the market. The lowest bid for the expanded project scope came in at \$11.6 million, \$3.65 million above the approved budget. In July 2017 Council opted to proceed with the original, 3.5 km project and submit a funding request to the federal and provincial governments for the expanded 6.6 km scope. At that time the CWWF was fully subscribed and no further funds were available. However on March 20, 2018, Council opted to withdraw one of its approved CWWF projects, the Herring Cove Servicing Phase 2B. The Herring Cove project had not received sufficient federal/provincial funding to proceed. HRM and Halifax Water staff investigated alternate design and scope proposals to allow a version of the project to proceed, but it was ultimately not financially feasible either for the Municipality or residents who would be paying a high LIC. When HRM withdrew the Herring Cove project, \$3.42 million became available under the CWWF (\$2.28M Federal and \$1.14M Provincial). Council then approved an application to undertake the expanded 6.6 km Fall River project.

## **DISCUSSION**

### **Federal-Provincial-Municipal Contribution Agreement**

The Federal and Provincial governments have approved the funding for the expanded Fall River water servicing project. Up to \$3.42 million is available in Federal and Provincial funds to install 3.1 km of watermain pipe along Fall River Road and Highway #2 to the Highway 102 overpass and a portion of Ingram Drive (Appendix 1: Map of expanded Fall River servicing area). The attached Contribution Agreement (Appendix 2) formalizes the funding share for the project, entitled Fall River Water Servicing – Phase 2B, and establishes all terms and conditions. It is recommended that the Mayor and Clerk sign this agreement on behalf of the Municipality to receive the funding.

### **HRM-Halifax Water Contribution Agreement**

In November 2016, Council approved a sole source award for Halifax Water to oversee the planning and design of the water system, on HRM's behalf. In August 2017, Council directed the CAO to negotiate a Contribution Agreement with Halifax Water to transfer the required project funds for the construction phase of the project. Council approved this agreement on September 5, 2017 (Appendix 3). It permits HRM to reimburse Halifax Water for 100% of project costs, up to a maximum of \$8,625,000.

The scope of the Fall River project has now changed and the project costs have increased. Clause 6.5 in the agreement states that it may be amended by written agreement of the two parties. The current

agreement was signed by the CAO and Halifax Water's Director of Engineering. Therefore it is recommended that Council direct the CAO to update the contribution agreement with Halifax Water to reflect the new scope and funding level of the Fall River project, once the Federal-Provincial Agreement is executed.

Local Improvement Charge

The municipal portion of the Fall River water service extension project will be funded by the property owners along the proposed water main through a Local Improvement Charge (LIC). Staff plan to return to Regional Council in June with amendments to By-law L-100 to reflect the expanded scope of the Fall River Water Service Extension project. The interim rate for single-family homes is expected to remain unchanged from the current rate of \$11,500 per home.

**FINANCIAL IMPLICATIONS**

There are no cost implications of this report. The contribution amount in the Contribution Agreement will reflect the gross project budget increase of \$3,175,000, approved by Halifax Regional Council on March 20, 2018. The establishment and execution of the Agreement provide a formal acceptance of the service and financial agreements required for this project. The amended Agreement with Halifax Water will reflect the updated scope and cost of the project.

**Project Budget: Fall River Water Servicing, CS000002**

Project balance at July 18, 2017 Council meeting		\$ 8,625,000
March 20, 2018, Budget increase approved by Council		<u>\$ 3,175,000</u>
Total Project Budget		\$11,800,000
CWWF funding previously approved	\$5,944,304	
CWWF funding increase approved by Council March 20/18	<u>\$2,381,250</u>	<u>(\$8,325,554)</u>

*(recommendation to receive up to \$3,421,464 of which \$2,381,250 is currently required for Fall River Water Servicing project.*

LIC funding previously approved	\$2,680,696	
LIC Funding approved by Council March 20/18	<u>\$ 793,750</u>	<u>(\$3,355,446)</u>

Reserve funding to cover LIC portion of HRM owned property		<u>(\$ 119,000)</u>
Balance of Project		\$0

**RISK CONSIDERATION**

There are no significant risks associated with the recommendations in this report as the noted funding does not require HRM to expend additional or unbudgeted funds related to this agreement.

**COMMUNITY ENGAGEMENT**

A public information meeting on the project was held on February 27, 2017 in Fall River. A public hearing on the expansion of the water service area and the LIC for the project was held on August 15, 2017.

**ENVIRONMENTAL IMPLICATIONS**

N/A

**ALTERNATIVES**

Council could choose not to approve the Contribution Agreements. This is not recommended as the federal and provincial funds will support a capital project Council has already endorsed, and an amended

agreement with Halifax Water is required to move the project ahead in a timely way.

**ATTACHMENTS**

Appendix 1: Map of expanded Fall River water servicing project

Appendix 2: Federal-Provincial-HRM Contribution Agreement: Fall River Water Servicing Phase 2B

Appendix 3: HRM-Halifax Regional Water Commission Contribution Agreement

---

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Anne Totten, Intergovernmental Affairs Advisor, 902.490.5623

Original Signed

Report Approved by:

\_\_\_\_\_  
Maggie Macdonald, Managing Director, Government Relations & External Affairs  
902-490-1742

Original Signed

Financial Approval by:

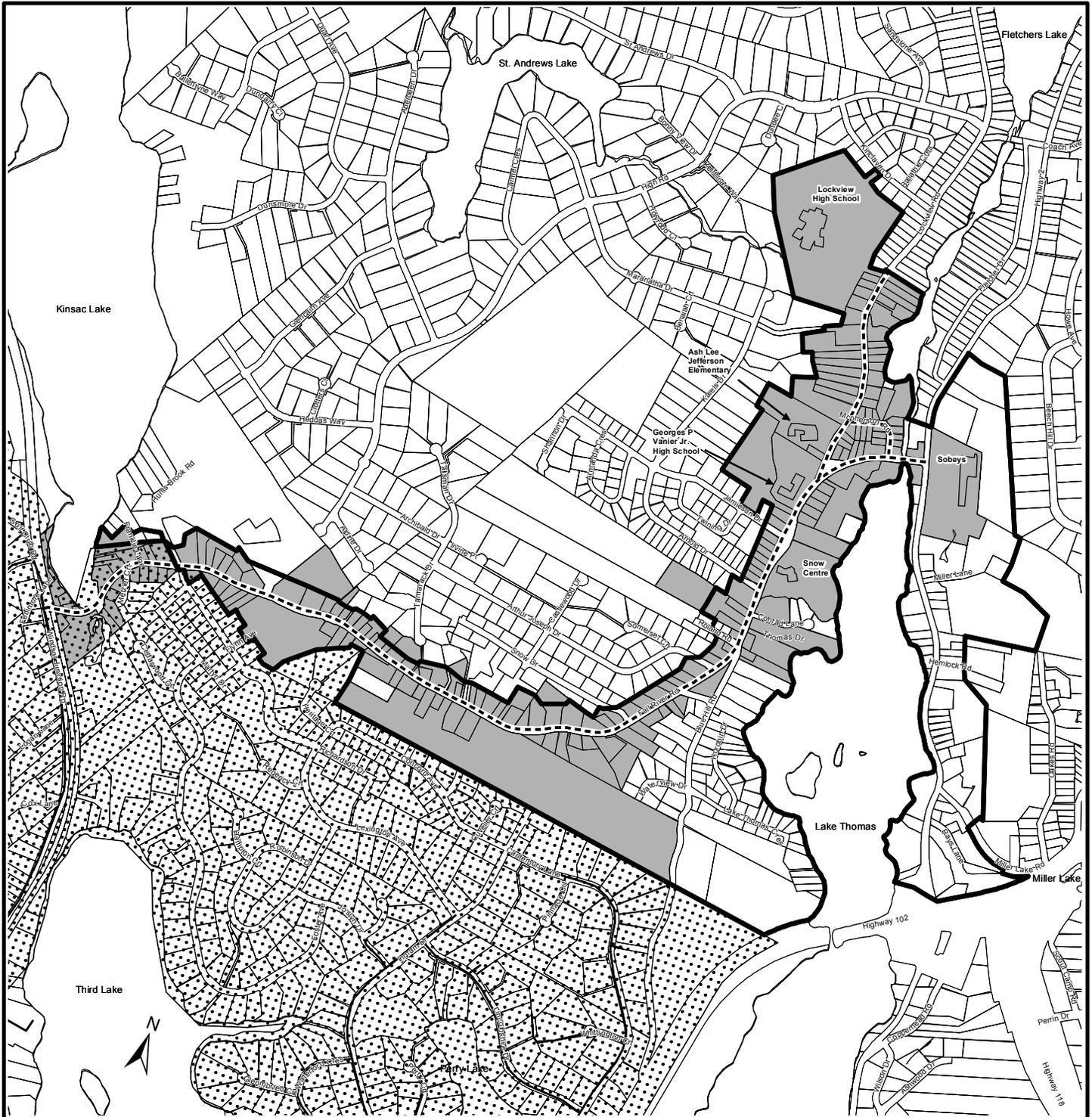
\_\_\_\_\_  
Jerry Blackwood, Acting Director of Finance and Asset Management/CFO, 902.490.6308

Original Signed

Legal Approval by:

\_\_\_\_\_  
John Traves, Q.C., Director, Legal, Insurance & Risk Management Services  
902-490-4226

---



**Map 1**  
**Fall River Village Water Service Extension Proposed Scope**

**HALIFAX**

-  Existing Water Service Area
-  Existing Water Mains
-  Water Service Area Extension
-  New Water Mains
-  Local Improvement Charge (LIC) Area



The accuracy of any representation on this plan is not guaranteed.

**CLEAN WATER AND WASTEWATER FUND (CWWF)**  
**CONTRIBUTION AGREEMENT**  
**2016-17 to 2020-21**

**BETWEEN:**           **HER MAJESTY THE QUEEN IN RIGHT OF NOVA SCOTIA**, as represented by the Minister of Municipal Affairs (the "Province")

**AND:**               **HALIFAX REGIONAL MUNICIPALITY**, in the Province of Nova Scotia (the "Recipient"),

individually referred to as a "Party" and collectively referred to as the "Parties".

**WHEREAS** the Government of Canada announced in Budget 2016 an investment of \$120 billion in infrastructure over 10 years, including \$60 billion in new funding for public transit, green infrastructure, and social infrastructure, to better meet the needs of Canadians and to better position Canada's economy for the future;

**WHEREAS** the Government of Canada proposes to provide to all Provinces and Territories \$11.9 billion from this plan of which \$2.0 billion will be used for investments in water and wastewater projects;

**WHEREAS** the Minister of Infrastructure, Communities and Intergovernmental Affairs for Canada ("Canada") is responsible for the program entitled the "Clean Water and Wastewater Fund" ("CWWF") and has entered into a bi-lateral agreement with the Province, dated August 16, 2016 (the "CWWF Agreement"), in order to provide financial support to the Province for Projects approved under the CWWF;

**AND WHEREAS** pursuant to the CWWF Agreement, Canada and Nova Scotia have arranged that Nova Scotia shall be the contracting party to provide funds originating from both Canada and Nova Scotia to recipients;

**WHEREAS** the Recipient has applied and been approved by Canada and the Province for funding under the CWWF program for the Project as more particularly described in Schedule B (Statement of Work);

**AND WHEREAS** the Parties are desirous of entering into this Agreement in order to set out the terms and conditions of the Project funding;

**NOW THEREFORE**, in accordance with the mutual covenants and agreements herein, the Parties hereby agree as follows:

## **1. INTERPRETATION**

### **1.1 DEFINITIONS**

In addition to the terms and conditions defined in the Recitals and elsewhere in this Agreement, a capitalized term has the meaning given to it in this Section.

**"Agreement"** means this agreement and all its schedules, as may be amended from time to time.

**"Agreement End Date"** means October 31, 2020.

**"Asset"** means any real or personal property or immovable or movable asset, acquired, constructed, rehabilitated or improved, in whole or in part, with funds provided by Canada and the Province under the terms and conditions of this Agreement.

**"Communications Activities"** include, but are not limited to, public or media events or

ceremonies including key milestone events, news releases, reports, web and social media products or postings, blogs, news conferences, public notices, physical and digital signs, publications, success stories and vignettes, photos, videos, multi-media content, advertising campaigns, awareness campaigns, editorials, multi-media products and all related communication materials.

**“Contract”** means an agreement between the Recipient and a Third Party whereby the Third Party agrees to supply a product or service to a Project in return for financial consideration.

**“CWWF”** has the meaning as assigned in the preamble of this Agreement.

**“CWWF Agreement”** has the meaning as assigned in the preamble of this Agreement.

**“Effective Date”** means the date of last signature of this Agreement.

**“Eligible Expenditures”** means those costs of a Project incurred and eligible for payment by Canada and the Province as set out in Schedule A (Eligible and Ineligible Expenditures).

**“Fiscal Year”** means from April 1<sup>st</sup> of a calendar year to March 31<sup>st</sup> of the next calendar year.

**“Ineligible Expenditures”** means those costs of a Project incurred and ineligible for payment by Canada and the Province as set out in Schedule A (Eligible and Ineligible Expenditures).

**“Joint Communications”** are events, news releases, and signage that relate to the promotion of the Program and/or Projects and are collaboratively developed and approved by Canada, the Province and the Recipient, and are not operational in nature.

**“Oversight Committee”** means the committee established under the CWWF Agreement to monitor the delivery of the CWWF.

**“Program”** means the Clean Water and Wastewater Fund.

**“Project”** means the project as set out in Schedule B (Statement of Work) and as approved by Canada and the Province.

**“Project Approval Date”** is March 26, 2018.

**“Project Incrementality”** means the condition set out in Section 3.1(e) which the Project must comply with in order to be approved for and receive funding under the CWWF and this Agreement.

**“Project End Date”** means the date by which the Project is due to be completed as described in Schedule B (Statement of Work).

**“Recipient”** has the meaning as assigned in the preamble of this Agreement.

**“Substantial Completion Date”** means the date as shown on an executed Declaration of Substantial Completion, as shown in Schedule F (Declaration of Substantial Completion), submitted by the recipient for a project, marking the date on which that project can be used for the purpose for which it was intended as described in Schedule B (Statement of Work).

**“Third Party”** means a party which enters into a Contract with the Recipient in relation to the Project.

**“Total Financial Assistance”** means total Project funding from all sources, including funding from federal, provincial, territorial, and municipal sources, private sources and in-kind contributions.

## **1.2 ENTIRE AGREEMENT**

This Agreement comprises the entire agreement between the Parties in relation to the subject of the Agreement. No prior document, negotiation, provision, undertaking or agreement has legal effect, unless incorporated by reference into this Agreement. No representation or warranty express, implied or otherwise, is made by the Province to the Recipient except as expressly set out in this Agreement.

## **1.3 DURATION OF AGREEMENT**

This Agreement will be effective as of the Effective Date and will terminate on the Agreement End Date, subject to early termination in accordance with this Agreement.

## **1.4 SCHEDULES**

The following schedules are attached to, and form part of this Agreement:

Schedule A – Eligible and Ineligible Expenditures

Schedule B – Statement of Work

Schedule C – Statement of Financial Contribution

Schedule D – Reporting Requirements

Schedule E – Communications Protocol

Schedule F – Declaration of Substantial Completion

Schedule G – Attestation for Project Incrementality

## **2. PURPOSE OF THE AGREEMENT**

The purpose of this Agreement is to establish the terms and conditions whereby the Province will provide funding to the Recipient for the Project.

## **3. OBLIGATION OF THE PARTIES**

### **3.1 CONTRIBUTION BY THE PROVINCE**

- a) The Province agrees to pay a contribution to the Recipient for the Project in an amount outlined in Schedule C (Statement of Financial Contribution) in respect of that Project.
- b) A contribution by the Province for a Project will be payable in accordance with the terms and conditions of this Agreement and the Fiscal Year breakdown in Schedule C (Statement of Financial Contribution).
- c) The maximum combined federal and provincial funding to the Project, will not exceed seventy-five percent (75%) of the total Eligible Expenditures for the Project. Funding from all federal sources will not exceed 50% of the total approved Eligible Expenditures for the project.
- d) Payments made during the Project will not exceed 90% of the Contribution. All projects are subject to a financial holdback of 10% until the Project is completed to the satisfaction of both Canada and the Province.
- e) The Province will request all funding paid out to a Recipient be repaid if the Project is deemed by Canada to not meet the Project Incrementality condition.
- f) The Parties acknowledge that Canada and the Province's role in a Project is limited to making a financial contribution to the Recipient for that Project and that neither Canada nor the Province will have any involvement in the implementation of that Project or its operation. Canada and the Province are neither decision-makers nor administrators to a Project.

### **3.2 CHANGES IN PROJECT COSTS AND FUNDING**

The Province will be responsible to oversee and administer any Project amendments submitted by the Recipient in regards to the scope, timing and location of a Project provided that:

- a) Any federal or provincial funding paid for Eligible Expenditures incurred and paid for a Project will be returned to Nova Scotia should the Project be cancelled;
- b) The Recipient will inform the Province promptly of any planned changes to a Project. The Recipient agrees that any changes to that Project will require the Province's written consent; and,
- c) If, at any time during the term of this Agreement, one or all of the Parties determines that it will not be possible to complete a Project unless the Recipient expends amounts in excess of the funding available to it, the Party will immediately notify the other Party of that determination and both Canada and the Province may suspend its funding obligation. The Recipient will, within thirty (30) business days of a request from the Province, provide a summary of the measures that it proposes to remedy the shortfall. If the Province is not satisfied that the measures proposed will be adequate to remedy the shortfall, then the Province may exercise one of the remedies listed at section 12.3 (Remedies of Default).

### **3.3 APPROPRIATIONS AND FUNDING LEVELS**

Notwithstanding the Canada or the Province's obligation to make any payment under this Agreement, this obligation does not arise if, at the time when a payment under this Agreement becomes due, the Parliament of Canada or the Legislative Assembly of Nova Scotia has not passed an appropriation that is sufficient and constitutes lawful authority for making the payment. Canada or the Province may reduce or terminate any payment under this Agreement in response to the reduction of appropriations or departmental funding levels in respect of transfer payments, the program under which this Agreement was made or otherwise, as evidenced by any appropriation act or Canada or the Province's main or supplementary estimates expenditures. Neither Canada nor the Province will be liable for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, arising from any such reduction or termination of funding.

### **3.4 COMMITMENTS BY THE RECIPIENT**

- a) The Recipient will complete the Project in a diligent and timely manner, within the costs and deadlines specified in this Agreement and in accordance with the terms and conditions of this Agreement. The Recipient will be responsible for all costs of the Project including cost over runs, if any.
- b) The Applicant shall use or engage qualified project management for the duration of the Project. Only with the written approval of the Province may an Applicant manage the Project with its own staff.
- c) The Recipient acknowledges that funding that may be received from the Province for the Project is not intended to replace or displace existing sources of funding for Recipient expenditures on the Project. As such, over the term of this Agreement, the Recipient will ensure that the Eligible Expenditures on the Project complies with the condition of Project Incrementality.
- d) The Recipient will ensure that it has provided proof, in a manner acceptable to Canada and the Province, that the Project complies with the condition of Project Incrementality and the Recipient shall sign a Schedule G (Attestation for Project Incrementality) to be submitted with the final claim form.
- e) The Recipient will ensure that the Project will be completed by March 31, 2019 and will provide to the Province a duly executed Schedule F (Declaration of Substantial Completion) to be submitted with the final claim form.
- f) The Recipient will be responsible for any costs associated with a Project that are found to be in non-compliance with the definition of Project Incrementality, as well as any costs of a withdrawn or cancelled Project and agrees to repay the Province any and all such disallowed costs, surpluses, unexpended contributions, and overpayments made under and according to the terms and conditions of this Agreement.
- g) The Recipient will be responsible for ensuring the implementation, operation, maintenance, and repair of the Assets and infrastructure investment that is the subject of this Agreement, in accordance with appropriate standards, for its full lifecycle.
- h) The Recipient will inform the Province immediately of any fact or event that may compromise wholly, or in part, a Project.

- i) The Recipient will ensure that prior to the commencement of the Project and throughout the term of this Agreement, it shall have in place the insurance policies set out in Section 5.3 (Insurance).

## **4. FISCAL YEAR BUDGETING**

- a) The estimated contribution amounts payable by the Province to the Recipient for each Fiscal Year of the Project are set out in Schedule C (Statement of Financial Contribution).
- b) If the actual amount payable by the Province in respect of any Fiscal Year of a Project differs from the estimated amount in Schedule C (Statement of Financial Contribution) of that Project, the Recipient shall request in a timely manner that the Province re-allocate the difference between the two amounts to a subsequent Fiscal Year of that Project. Subject to subsection 3.3 (Appropriations and Funding Levels) and provided the Recipient has made the request, the Province agrees to make reasonable efforts to accommodate the Recipient's request. The Recipient acknowledges that requests for re-allocation of a Project's funding will require appropriation adjustments or provincial Legislative Assembly approvals.
- c) In the event that any requested re-allocation of a Project's funding is not approved, the amount of Canada and the Province's contribution payable pursuant to subsection 3.1 (Contribution by the Province) in respect of that Project may be reduced by the amount of the requested re-allocation. If the contribution payable by the Province pursuant to subsection 3.1 (Contribution by the Province) is so reduced, the Parties agree to review the effects of such reduction on the overall implementation of that Project and to adjust the terms and conditions of this Agreement as appropriate.

## **5. CONTRACT PROCEDURES**

### **5.1 AWARDING OF CONTRACTS**

- a) The Recipient agrees that an appropriate tendering process will be followed in all circumstances where more than one supplier of goods and services is available. The Recipient shall ensure that all tendering practices and transactions represent fair market value and are transparent, open, competitive, accountable, and meet the intent of the Province's procurement policy, including compliance with the Agreement on Internal Trade between the Federal, Provincial and Territorial governments.
- b) If the Province determines that the Recipient has awarded a Contract in a manner that is not in compliance with the foregoing, upon notification to the Recipients, the Province may consider the expenditures associated with the Contract to be ineligible.
- c) Any untendered costs may be deemed ineligible for cost-sharing unless approved in writing by the Province prior to the cost being incurred.
- d) The Province may in its absolute discretion require a report on any cost or expense incurred by the applicant, whether tendered or not. The Recipient shall provide such details and information as the Province may reasonably require.

### **5.2 CONTRACT PROVISIONS**

All contracts entered into by the Recipient with a Third Party for the implementation of the Project shall include the following provisions:

- a) the Third Party will keep proper and accurate financial accounts and records, including but not limited to its contracts, invoices, statements, receipts, and vouchers, in respect of each Project it participates in for at least six (6) years after the respective Substantial Completion Date and that the Province has the contractual right to audit such accounts and records;
- b) all applicable labour, environmental, and human rights legislation is respected; and
- c) the Province, Canada, the Auditor General of Canada, and their designated representatives, to the extent permitted by law, will at all times be permitted to inspect the terms and conditions of a Contract and any records and accounts respecting each Project and will have free access to each Project site and to any documentation relevant for the purpose of audit.

- d) The Third Party shall be solely responsible for and shall save harmless and indemnify Canada, Nova Scotia and their Ministers, officers, employees and agents from and against all claims, liabilities and demands of any kind with respect to any injury to persons (including, without limitation, death), damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly or indirectly from (i) the Project; (ii) the performance of the contract or the breach of any term or condition of the contract by the Third Party or its officers, employees or agents; (iii) the on-going operation, maintenance and contract or the breach of any term of condition of the contract by the Third Party or its officers, employees or agents; and/or (iv) any omission or any willful or negligent act of the Third Party or its officers, employees or agents.

### **5.3 INSURANCE**

The Recipient shall maintain adequate all-risk insurance coverage on all buildings, structures, machinery and equipment and public liability insurance of not less than two million dollars (\$2,000,000) during the term of construction and not less than eighteen (18) months thereafter. Upon request by the Province, the Recipient shall provide proof of such insurance in a form acceptable to the Province.

## **6. CLAIMS AND PAYMENTS**

### **6.1 PAYMENT CONDITIONS**

The Province will not:

- a) pay any claims in respect of the Project submitted after June 30, 2019, unless otherwise accepted in writing by the Province;
- b) pay interest for failing to make a payment under this Agreement; and,
- c) pay any claims for the Project until the requirements regarding the *Canadian Environmental Assessment Act*, 2012 and aboriginal consultation, if identified in respect of the Project are, in Nova Scotia's opinion, satisfied to the extent possible at the date the claim is submitted to the Province.

### **6.2 PROGRESS CLAIM**

- a) After eligible costs have been incurred and paid by the Recipient, payments from the program, if any, will be disbursed upon satisfactory receipt of a completed interim claim in a format as prescribed by the Province. Each progress claim must include an attestation by the Project Manager and Senior Municipal Official designated in writing by the recipient as to the accuracy of the information submitted in support of the claim.
- b) An interim claim must be accompanied by a claim details form, including cheque date and number, supplier name and invoice number, particulars and cheque amount.
- c) Where reasonable, claims should be submitted as soon as possible after the eligible cost is incurred. At the latest, claims must be received by March 31<sup>st</sup> of the year following the fiscal year in which the eligible cost is incurred and, in all circumstances, no later than June 30, 2019.
- d) The Recipient shall comply with Generally Accepted Accounting Principles (GAAP), in effect and applied in Nova Scotia, for the purpose of financial reporting on this project and to provide accurate and timely progress reports on a quarterly basis or as otherwise requested by the Province.

### **6.3 FINAL CLAIM**

The Recipient will submit a final claim to the Province for the project no later than June 30, 2019. Prior to the release of the final payment by the Province, all reporting requirements must be met as outlined in Schedule D (Reporting Requirements).

### **6.4 FINAL ADJUSTMENTS**

Upon receipt of the final claim for the Project, but before issuing the final payment for the Project, the Parties will jointly carry out a final reconciliation of all claims and payments in respect of the Project and make any adjustments required in the circumstances.

## **6.5 PROJECT DEADLINE**

The Project must be Substantially Complete by no later than March 31, 2019, and all claims for payment must be submitted to the Province for payment no later than June 30, 2019.

## **6.6 RETENTION OF CONTRIBUTION**

Payments made during the Project will not exceed 90% of the Contribution. The Project is subject to a financial holdback of 10% until the Project is completed to the satisfaction of the Province.

## **6.7 DECLARATION OF SUBSTANTIAL COMPLETION**

- a) The Declaration of Substantial Completion must be signed by an authorized official as deemed acceptable by the Province.
- b) The Declaration of Substantial Completion must be submitted to the Province when the Project can be used for the purpose for which it was intended but no later than June 30, 2019.

## **7. REPORTING**

- a) The Recipient will provide regular progress updates and an outcomes progress report, as per Schedule D (Reporting Requirements), to the Province at a timing and frequency determined by the Province and at minimum on a semi-annual basis. The first progress report under this Agreement must cover the period from the Project Approval Date.
- b) The Recipient will submit, in a format acceptable to the Province, no later than June 30, 2019:
  - i. a final project report in accordance with Schedule D (Reporting Requirements); and
  - ii. a final outcomes report on the completed Project in accordance with Schedule D (Reporting Requirements).

## **8. AUDIT**

- a) The Province may require additional assurances in the form of an independent audit opinion, carried out at the Recipient's expense and conducted by an accredited and independent auditor in accordance with the Canadian Auditing Standards to confirm that expenditures claimed to the Province for reimbursement were Eligible Expenditures.
- b) The Province reserves the right to undertake, at any time, any other audit in relation to a Project at its expense. The Province will conduct a program compliance audit which will include a financial component and the Recipient agrees to comply with requests for project information in an open and timely manner.
- c) The Recipient agrees to ensure that prompt and timely corrective action is taken in response to any audit findings and recommendations conducted in accordance with this Agreement. A report on follow-up actions taken to address recommendations and results of the audits will be submitted to the Province by the Recipient in a timely manner.
- d) The Recipient will keep proper and accurate financial accounts and records, including but not limited to its Contracts, invoices, statements, receipts, and vouchers, in respect of a Project for at least six (6) years after its Substantial Completion Date.

## **9. EVALUATION**

The Recipient agrees to provide all information related to the Project to the Province during and following the termination or expiry of the Agreement in order for Canada to conduct an evaluation of the performance of the CWWF.

## **10. ACCESS**

The Recipient will provide the Province and its designated representatives with reasonable and timely access to each Project sites, facilities, and any documentation for the purposes of audit, inspection, monitoring, evaluation, and ensuring compliance with this Agreement.

## **11. COMMUNICATION**

- a) The Parties will comply with Schedule E (Communications Protocol).
- b) The Province and Recipient acknowledge that the following may be made publicly available by Canada:
  - i. the name of the Parties, the amount awarded by Canada, and the general nature of the Project; and
  - ii. any evaluation or audit report and other reviews related to this Agreement.

## **12. DEFAULT**

### **12.1 EVENTS OF DEFAULT**

The following each constitute an “Event of Default” under this Agreement:

- a) The Recipient has not complied with one or more of the terms and conditions of this Agreement;
- b) The Recipient has submitted false or misleading information to the Province or made a false or misleading representation to the Province in respect of a Project or in this Agreement, except for an error in good faith, demonstration of which is incumbent on the Recipient, to the Province’s satisfaction.

### **12.2 DEFAULT**

The Province will not declare that an Event of Default has occurred unless the Province has given notice to the Recipient of the event which in the Province’s opinion constitutes an Event of Default and the Recipient has failed, within thirty (30) business days of receipt of the notice, either to remedy the Event of Default or to demonstrate, to the satisfaction of the Province, that it has taken such steps as are necessary to remedy the Event of Default, and has notified the Province of the rectification.

### **12.3 REMEDIES ON DEFAULT**

On the occurrence of an Event of Default under this Agreement, the Province may exercise one or more of the following remedies, without limiting any other remedy available to it at law:

- a) suspend or terminate any obligation of the Province to contribute or continue to contribute funding to a Project to which the Event of Default relates, including any obligation to pay any amount owing prior to the date of such suspension or termination;
- b) require the Recipient to reimburse the Province all or part of the contribution paid by the Province to the Recipient for the respective Project.

## **13. INDEMNIFICATION**

The Recipient will at all times indemnify and save harmless Canada and the Province, its officers, servants, employees or agents, from and against all actions, whether in contract, tort or otherwise, claims and demands, losses, costs, damages, suits or other

proceedings by whomsoever brought or prosecuted in any manner based upon or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by, in connection with or arising directly or indirectly from this Agreement, or a Project, except to the extent to which such actions, claims, demands, losses, costs, damages, suits or other proceedings relate to the negligence or breach of the Agreement by an officer, servant, employee or agent of Canada and the Province in the performance of his or her duties.

## **14. DISPOSAL OF ASSETS**

- a) Unless otherwise agreed to by Canada and the Province, the Recipient shall retain title to and ownership of an Asset for five (5) years after the Agreement End Date. At any time or times during this five (5) year period, the Province may require written confirmation from the Recipient, to the satisfaction of the Province, that the Asset is and continues to be retained by the Recipient.
- b) If at any time within five (5) years from the Agreement End Date, the Recipient sells, leases, or otherwise disposes of, directly or indirectly, any Asset purchased, acquired, constructed, rehabilitated or renovated, in whole or in part, under this Agreement, other than to Canada, the Province, a local government, or with Canada's and the Province's consent, the Recipient may be required to reimburse Canada, via the Province, and the Province any funds received from the Province under this Agreement for the Project.

## **15. ENVIRONMENTAL ASSESSMENT**

Canada's and the Province's funding for a Project is conditional upon Canada and the Province being satisfied that the responsibility of the federal authority or the responsible authority under the *Canadian Environmental Assessment Act, 2012 (CEAA, 2012)*.

## **16. ABORIGINAL CONSULTATION**

Canada's and the Province's funding for a Project is conditional upon Canada and the Province being satisfied that its obligations with respect to the legal duty to consult, and if applicable, accommodate Aboriginal groups are met.

## **17. GENERAL**

### **17.1 ACCOUNTING PRINCIPLES**

All accounting terms will have the meanings assigned to them, all calculations will be made and all financial data to be submitted will be prepared, in accordance with the Public Sector Accounting Standards (GAAP) in effect in Canada.

### **17.2 SURVIVAL**

The Parties' rights and obligations, which by their nature, extend beyond the termination of this Agreement, will survive any termination of this Agreement.

### **17.3 CONFLICT OF INTEREST**

No current or former public servant or public office holder to whom any post-employment, ethics and conflict of interest legislation, guidelines, codes or policies of either Canada or the Province applies will derive direct benefit from this Agreement unless the provision or receipt of such benefits is in compliance with such legislation, guidelines, policies or codes. The Recipient will promptly inform the Province should it become aware of the existence of any such situation.

**17.4 NO AGENCY, PARTNERSHIP, JOINT VENTURE**

- a) No provision of this Agreement and no action by the Parties will establish or be deemed to establish a partnership, joint venture, principal-agent relationship or employer-employee relationship in any way or for any purpose whatsoever between the Province and the Recipient or between the Province and a Third Party.
- b) The Recipient will not represent itself, including in any Contract, as a partner, employee or agent of Canada or the Province.

**17.5 NO AUTHORITY TO REPRESENT**

Nothing in this Agreement is to be construed as authorizing any person, including a Third Party, to contract for or to incur any obligation on behalf of a Party or to act as an agent for a Party. The Recipient will take the necessary action to ensure that any Contract contains a provision to that effect.

**17.6 INTEREST ON DEBTS DUE**

Debts due to Canada and the Province will accrue interest.

**17.7 SEVERABILITY**

If for any reason a provision of this Agreement that is not a fundamental term of this Agreement between the Parties is found to be or becomes invalid or unenforceable, in whole or in part, and if both Parties agree, it will be deemed to be severable and will be deleted from this Agreement, but all the other terms and conditions of this Agreement will continue to be valid and enforceable.

**17.8 ASSIGNMENT**

The Recipient will not transfer or assign its rights or obligations under this Agreement without the prior written consent of Canada and the Province. Any attempt by the Recipient to assign any of the rights, duties or obligations of this Agreement without Canada's and the Province's express written consent is void.

**17.9 AMENDMENTS**

This Agreement may only be amended by the execution of a written Amending Agreement between the Parties, in a form satisfactory to the Province.

**17.10 WAIVER**

Either Party may waive any of its rights under this Agreement only in writing. Any tolerance or indulgence demonstrated by the Party will not constitute a waiver.

**17.11 NOTICE**

Any notice provided under this Agreement may be delivered in person, sent by mail or facsimile, addressed to:  
for the Province:

Aileen Waller-Hebb, Director of Grants and Programs  
Department of Municipal Affairs  
Maritime Centre, 14 North  
1505 Barrington Street  
PO Box 216  
Halifax, Nova Scotia  
B3J 2M4

or to such other address or facsimile number or addressed to such other person as the Province may, from time to time, designate in writing to the Recipient; and for the Recipient:

Mr. Jacques Dubé, Chief Administrative Officer  
Halifax Regional Municipality  
PO Box 1749, 1841 Argyle St.  
Halifax, NS B3J 3A5

Such notice will be deemed to have been received, if sent by mail, when receipt is acknowledged by the other Party; by facsimile, when transmitted and receipt is confirmed; and in person, when delivered.

**17.12 COMPLIANCE WITH LAWS**

The Recipient will comply with all applicable laws, regulations and all requirements of regulatory bodies having jurisdiction over the subject matter of the Project.

**17.13 GOVERNING LAW**

This Agreement shall be interpreted and applied exclusively in accordance with the laws of Nova Scotia and the applicable federal laws of Canada. The Courts of Nova Scotia shall have exclusive jurisdiction.

**17.14 SUCCESSORS AND ASSIGNS**

This Agreement is binding upon the Parties and their respective successors and assigns.



## **SCHEDULE A – ELIGIBLE AND INELIGIBLE EXPENDITURES**

### **A.1 ELIGIBLE EXPENDITURES**

Eligible Expenditures will include only the following:

- a) All costs considered by Canada and Nova Scotia to be direct and necessary for the successful implementation of an eligible Project, excluding those identified under Schedule A.1(g), Ineligible Expenditures;
- b) The incremental costs of the Recipient's employees may be included as Eligible Expenditures under the following conditions;
  - i) the Recipient is able to demonstrate that it is not economically feasible to tender a Contract and clearly demonstrate that there is value for money in using internal employees.
  - ii) the employee or equipment is engaged directly in respect of the work that would have been the subject of the Contract; and
  - iii) the arrangement is approved in advance and in writing by Nova Scotia
- c) Costs of Aboriginal consultation, and where appropriate, accommodation; and
- d) Costs incurred between April 1, 2016 and the Project End Date;

### **A.2 INELIGIBLE EXPENDITURES**

Ineligible costs include the following:

- a) Costs incurred prior to April 1, 2016 and costs incurred after the Project End Date;
- b) Costs incurred for cancelled projects;
- c) Any overhead expenditures, including salaries and other employment benefits of any employees of the Recipient, direct or indirect operating or administrative expenditures of Recipients, and more specifically expenditures related to planning, engineering, architecture, supervision, management and other activities normally carried out by staff except in accordance with subsection A.1(b) above;
- d) Land acquisition; leasing land, buildings and other facilities; leasing equipment other than equipment directly related to the construction of the project; real estate fees and related costs;
- e) financing charges, legal fees and loan interest payments, including those related to easements (e.g. surveys);
- f) any goods and services costs which are received through donations or in kind;
- g) Provincial sales tax and Goods and Services tax/Harmonized Sale tax, for which the Ultimate Recipient is eligible for a rebate, and any other costs eligible for rebates, and;
- h) Costs associated with regularly scheduled maintenance work.

## **SCHEDULE B – STATEMENT OF WORK**

**Recipient:** Halifax Regional Municipality

**Project Name:** Fall River Water Servicing – Phase 2B

**Project Number:** 05-17-0026

**Project Description:**

Installation of approximately 3.1km of watermain pipe along Fall River Road and Highway #2 to the Highway 102 overpass and a portion of Ingram Drive.

**Project Approval Date:** March 26, 2018

**Project End Date:** March 31, 2019

## SCHEDULE C - STATEMENT OF FINANCIAL CONTRIBUTION

**Recipient:** Halifax Regional Municipality

**Project Name:** Fall River Water Servicing – Phase 2B

**Project Number:** 05-17-0026

### **Contribution by Canada and the Province:**

Canada and Nova Scotia agree to pay a contribution to the Recipient of not more than seventy-five percent (75%) of the total Shareable Cost of the Project up to a maximum of **\$3,421,464**.

### Project Cash Flow

<b>Total Estimated Costs:</b>	<b>\$13,296,470</b>	<b>Total Shareable Costs:</b>	<b>\$4,561,952</b>
-------------------------------	---------------------	-------------------------------	--------------------

<b>Estimated Expenditures</b>	<b>Forecast</b>	
<b>Estimated Total Contribution by Canada and Nova Scotia</b>	<b>Forecast of Estimated Total Contribution by Fiscal Year*</b>	
	<b>2018/19</b>	<b>2019/20</b>
<b>\$3,421,464</b>	<b>\$3,421,464</b>	<b>\$-</b>

\*Note: Unexpended commitments may carry forward to the subsequent fiscal year(s) subject to the other terms and conditions of the Contribution Agreement.

## SCHEDULE D – REPORTING REQUIREMENTS

### D.1 PROJECT PROGRESS REPORT

The Recipient will provide a progress report on the status of the Project, on a form provided by the Province. The information to be collected will include the dates around design, tender, award, construction start, anticipated completion date, any identified risks, financial information on claimed amount and anticipated claim amount. The Recipient will provide regular progress updates and an outcomes progress report to the Province at a timing and frequency determined by the Province and at minimum on a semi-annual basis.

### D.2 OUTCOMES PROGRESS REPORT

- a) The Recipient will provide relevant baseline data for the performance indicators identified below within three (3) months of the date of signature on this Agreement by the Minister of Municipal Affairs.
- b) The Recipient will be required to provide aggregated results on progress on outcomes based on relevant performance indicators identified and chosen from the lists below, D.2 c), and from the application submitted.
- c) The performance indicators for CWWF are as follows:

Outcome	CWWF Performance Indicator
Improved reliability	Average % decrease in unplanned service interruptions per month (not related to weather)
	Average % decrease in volume of water leakage and/or infiltration that can be attributed to funded investments
Improved efficiency	Total estimated kilowatt-hours saved as a result of funded investments
	Average Life Cycle Cost of applicable water treatment systems after construction
	Average Life Cycle Cost of applicable wastewater treatment and stormwater systems after construction
Improved rehabilitation	Percentage of assets that have increased their physical condition rating (as per reporting guideline) as a result of funding
	Average number of years of useful life remaining on applicable wastewater treatment and collection components, extended as a result of funded investments
	Average number of years of useful life remaining on applicable storm water components, extended as a result of funded investments
	Average number of years of useful life remaining on applicable water treatment and distribution components, extended as a result of funded investments
Funded plans are being implemented	Number of funded water treatment plans and studies that have resulted in identified capital projects that are either included in capital planning documents with associated funding or that are in the process of being implemented
	Number of funded wastewater plans and studies that have resulted in identified capital projects that are either included in capital planning documents with associated funding or that are in the process of being implemented
Safer drinking water	Number of water treatment facilities that have improved water quality as a result of funded investments
	Number of drinking water systems that have eliminated a boil water advisory as a result of funded investments
	Number of water treatment systems that have met or exceeded applicable regulations and guidelines as a result of funding
	Number of applicable wastewater systems by treatment level (no treatment, Primary, Secondary, Tertiary) after end of construction

Cleaner wastewater and stormwater	Number of systems that have improved the quality of wastewater effluent or storm water discharge as a result of funded investments
	Number of wastewater systems that have met or exceeded applicable regulations and guidelines as a result of funding
Projects are incremental	Total value of capital expenditures for water and wastewater system projects for 2016
	Total value of capital expenditures for water and wastewater system projects for 2017

**D.3 FINAL PROJECT REPORT**

The Recipient will provide a final project report to the Province no later than June 30, 2019. The final project report will include the following:

- a) All information required under section D.1 (Project Progress Report) of this Schedule;
- b) An executed Schedule F (Declaration of Substantial Completion) of the Agreement, and an executed Schedule G (Attestation for Project Incrementality)

**D.4 FINAL OUTCOMES REPORT**

The Recipient will provide a final outcomes report to the Province no later than June 30, 2019. The final outcomes report will include aggregated results on outcomes based on performance indicators identified in section D.2 c) of this Schedule against the baseline data provided in section D.2 a) of this Schedule.

## **SCHEDULE E – COMMUNICATIONS PROTOCOL**

### **E.1 Purpose**

- a) This Communications Protocol outlines the roles and responsibilities of each of Canada and the Province, as well as those of the Recipient, with respect to Communications Activities related to Projects.
- b) This Communications Protocol will guide all Communications Activity planning, development and implementation with a view to ensuring efficient, structured, continuous, consistent and coordinated communications to the Canadian public.
- c) The provisions of this Communications Protocol apply to all Communications Activities related to this Agreement.

### **E.2 Guiding Principles**

- a) Communications Activities undertaken through this Communications Protocol should ensure that Canadians are informed of infrastructure investments made to help improve their quality of life and that they receive consistent information about funded Projects and their benefits.
- b) The Communications Activities undertaken to recognize federal funding will take into account the financial value and duration of the Project(s) and the feasibility of mounting joint Communications Activities.
- c) The Province is responsible for communicating the requirements and responsibilities outlined in this Communications Protocol to Recipients and for ensuring their compliance.
- d) The Province will communicate to Recipients any deficiencies and/or corrective actions identified by Canada, the Province or by the Oversight Committee.

### **E.3 Joint Communications**

- a) Canada, the Province and the Recipient will have Joint Communications about the funding and status of the Project(s).
- b) Joint Communications related to Projects funded under this Agreement should not occur without the prior knowledge and agreement of Canada, the Province and the Recipient.
- c) All Joint Communications material will be approved by Canada and will recognize Canada's contribution under Schedule A (Program Details) and/or the Total Financial Assistance received for the Project(s).
- d) Canada, the Province or the Recipient may request Joint Communications. The requestor will provide at least 15 business days' notice to Canada, the Province or the Recipient. If the Communications Activity is an event, it will take place at a mutually agreed date and location.
- e) The requestor of the Joint Communications will provide the opportunity for Canada, the Province or the Recipient to choose to participate and choose their own designated representative (in the case of an event).
- f) Canada has an obligation to communicate in English and French. Communications products related to events must be bilingual and include the Canada word mark and other Parties' logos. In such cases, Canada will provide the translation services and final approval on products.
- g) The conduct of all Joint Communications will follow the *Table of Precedence for Canada* as applicable.

### **E.4 Individual Communications**

- a) Notwithstanding Section C.3 of this Communications Protocol (Joint Communications), Canada retains the right to meet its obligations to communicate information to Canadians about the Agreement and the use of funds through its own Communications Activities.
- b) Canada and the Province may include general Program messaging and Project examples in their own Communications Activities. Canada, Nova Scotia and the Recipient will not unreasonably restrict the use of, for their own purposes, Communications Activities related to Projects funded through the Agreement and if web- or social-media based, from linking to it.

## **E.5 Operational Communications**

The Province and the Recipient are solely responsible for operational communications with respect to Projects, including but not limited to: calls for tender, contract awards, and construction and public safety notices. Operational communications as described above are not subject to the *Official Languages Act* of Canada.

## **E.6 Media Relations**

Canada and the Province will share information promptly with the other Party should significant media inquiries be received or emerging media or stakeholder issues arise to a Project or the overall fund.

## **E.7 Signage**

- a) Canada, the Province and the Recipient may each have signage recognizing their funding contribution to the Projects.
- b) Unless otherwise agreed by Canada and the Province, the Recipient will produce and install a sign to recognize federal and provincial funding at each Project site in accordance with current federal signage guidelines. The federal sign design, content, and installation guidelines will be provided by Canada.
- c) Where the Recipient decides to install a permanent plaque or other suitable marker with respect to the Projects, it will recognize the federal and provincial contribution and be approved by Canada.
- d) The Province agrees to inform Canada of sign installations.
- e) If erected, signage recognizing the federal and provincial contribution will be installed at the Project site(s) thirty (30) days prior to the start of construction, be visible for the duration of the Project, and remain in place until thirty (30) days after construction is completed and the infrastructure is fully operational or opened for public use.
- f) If erected, signage recognizing the federal and provincial contribution will be at least equivalent in size and prominence to Project signage for contributions by other orders of government and be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.
- g) The Recipient is responsible for the production and installation of Project signage, including costs, or as otherwise agreed upon.
- h) In the case of Projects where the deliverable is a document, such as but not limited to plans, reports, studies, strategies, training material, webinars, and workshops, it will clearly recognize Canada's contribution under Schedule A (Terms and Conditions) and/or the Total Financial Assistance received for the Project(s).

## **E.8 Communicating With Recipients**

The Province agrees to facilitate, as required, communications between Canada and the Recipient for Communications Activities.

## **E.9 Advertising Campaigns**

Recognizing that advertising can be an effective means of communicating with the public, Canada and the Province may, at their own cost, organize an advertising or public information campaign related to this Agreement or eligible Projects. However, such a campaign will respect the provisions of this Agreement. In the event of such a campaign, Canada, the Province or the Recipient will inform the other of its intention no less than twenty-one (21) working days prior to the campaign launch.

**SCHEDULE F - DECLARATION OF SUBSTANTIAL COMPLETION**

In the matter of the Agreement between the Government of Nova Scotia, as represented by the Minister of Municipal Affairs, and the **Halifax Regional Municipality**, the Recipient, dated \_\_\_\_\_, pursuant to the Clean Water and Wastewater Fund Agreement (the “Agreement”):

I, \_\_\_\_\_, hold the position of \_\_\_\_\_ for the  
(Name) (Title)

**Halifax Regional Municipality**, in the Province of Nova Scotia and, as such, have knowledge of the matters set forth in this declaration and believe this declaration to be true and correct.

I declare to the best of my knowledge and belief that the Project identified as **05-17-0026 – Fall River Water Servicing – Phase 2B**, as approved on March 26, 2018 has reached Substantial Completion as defined in the Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Substantial Completion Date”).

All terms and conditions of the Agreement that are required to be met as of the date of this declaration have been met.

Declared at \_\_\_\_\_, in Nova Scotia

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Please Print Name)

## SCHEDULE G - ATTESTATION FOR PROJECT INCREMENTALITY

In the matter of the Agreement between the Government of Nova Scotia, as represented by the Minister of Municipal Affairs, and the **Halifax Regional Municipality**, the Recipient, dated \_\_\_\_\_, pursuant to the Clean Water and Wastewater Fund Agreement (the "Agreement"):

I, \_\_\_\_\_, hold the position of \_\_\_\_\_ for the  
(Name) (Title)

**Halifax Regional Municipality**, in the Province of Nova Scotia, and as such, have knowledge of the matters set forth in this declaration and believe this declaration to be true and correct.

The Project identified as **05-17-0026**, titled **Fall River Water Servicing – Phase 2B** meets the Federal Government's requirement of Project Incrementality under the Clean Water and Wastewater Fund (CWWF).

I solemnly swear that (select all that apply):

the Project would not otherwise have been undertaken in 2017/18 or 2018/19, or

the Project would not have been undertaken without federal funding.

This condition has been met as of the date of this declaration.

Declared at \_\_\_\_\_, in Nova Scotia  
(Municipality)

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**CONTRIBUTION AGREEMENT ("Agreement")**

**BETWEEN**

**HALIFAX REGIONAL WATER COMMISSION**  
(Hereinafter called "HRWC")

**AND**

**HALIFAX REGIONAL MUNICIPALITY**  
(hereinafter called the "HRM")

**SUBJECT: Fall River Water Servicing Project**

**BACKGROUND**

HRM would like to extend water services in Fall River, along Fall River Road from the Windsor Junction Road to the Fall River Village Centre, along Lockview Road to the Lockview School access and along McPherson Road (the "Project").

In 2016, HRM applied for and received approval for partial funding of the Project from the Federal and Provincial governments under the Clean Water & Wastewater Fund (the "CWWF Funding Agreement"). The remainder of the Project funding will be paid for through funds raised by HRM via a Local Improvement Charge against abutting properties.

HRWC is responsible for constructing, maintaining and operating water infrastructure in the Municipality. The parties intend for HRWC to complete the Project, with HRM reimbursing HRWC for the cost of the Project. The purpose of this agreement is to set out the mutual understanding of the parties.

HRM and HRWC therefore agree as follows:

**Article 1 – Obligations of the Parties**

**1.1 Contribution by HRM**

- a) HRM shall reimburse HRWC for 100% of the Project costs, to a maximum of \$8,625,000 including net HST (the "Contribution Amount").
- b) HRM shall pay the Contribution Amount to HRWC in progress payments in accordance with the terms and conditions of this agreement.
- c) The parties acknowledge that HRM's role in the Project is limited to making a financial contribution to HRWC for the Project and that HRM will not have any

involvement in the implementation of the Project or its operation. HRM is not a decision-maker nor administrator of the Project.

### **1.2 Changes in Project Scope**

- a) HRWC shall inform HRM promptly of any planned or required changes to the scope of the Project, and agrees that any changes to the Project scope require HRM's written consent.
- b) If, at any time during the term of this agreement, either party determines that it will not be possible to complete the Project unless HRWC expends amounts in excess of the Contribution Amount, that party will immediately notify the other party of that determination.

### **1.3 HRWC's Commitments**

- a) HRWC shall complete the Project in a diligent and timely manner, within the costs and deadlines specified in this agreement and in accordance with the terms and conditions of this agreement.
- b) HRWC understands that HRM's funding from the Federal and Provincial governments for the Project is subject to the CWWF Funding Agreement. HRWC shall complete the Project and conduct its activities in a manner consistent with HRM's obligations under the CWWF Funding Agreement.
- c) HRWC shall use or engage qualified project managers and contractors for the duration of the Project.
- d) HRWC shall provide HRM and its representatives with reasonable and timely access to each Project site and any documentation for the purpose of audit, inspection, monitoring, evaluation and ensuring compliance with this agreement.
- e) HRWC shall ensure that the Project is completed by October 31, 2018, or such later date as agreed to by HRM.
- f) HRWC shall implement, operate, maintain, and repair the assets and infrastructure that is the subject of this agreement, in accordance with appropriate standards, for its full lifecycle.
- g) HRWC shall inform HRM immediately of any fact or event that may compromise wholly, or in part, the Project.

## **Article 2 – Contracting Procedures**

### **2.1 Awarding of Contracts**

HRWC shall follow an open, fair and transparent tendering process in all circumstances and ensure that all transactions represent fair market value, and are completed in accordance with applicable legislation and trade agreements for public procurement.

### **Article 3 – Payment of Contribution Amount**

#### **3.1 Progress Payments**

- a) HRM shall pay the Contribution Amount to HRWC in progress payments upon the receipt of detailed invoices from HRWC to the satisfaction of HRM.
- b) Payments made by HRM during the Project will not exceed 90% of the Contribution Amount. Progress payments made by HRM are subject to a financial holdback of 10% until the Project is completed to the satisfaction of HRM.

### **Article 4 – Indemnification**

#### **4.1 Indemnification**

HRWC shall indemnify and save harmless HRM from and against any and all claims, costs, charges, losses, liabilities, damages, demands, legal actions, legal fees and expenses of whatever nature, source and kind in any manner, including those of third parties and injury and death, in connection with this agreement, except if same are caused by HRM's negligence.

### **Article 5 – Ownership and Disposal of Assets**

#### **5.1 Ownership of Assets**

Upon the completion of the Project, HRWC shall be the owner of all water assets and infrastructure related to the Project.

#### **5.2 Disposal of Assets**

Unless otherwise agreed to by HRM, HRWC shall retain title to and ownership of the water assets and infrastructure related to the Project for five (5) years after the completion of the Project.

### **Article 6 - General**

#### **6.1 Survival**

The parties' rights and obligations, which by their nature, extend beyond the termination of this agreement, will survive any termination of this agreement.

#### **6.2 Counterparts**

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this agreement, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

### 6.3 Governing Law

This agreement shall be governed and construed in accordance with the laws of the Province of Nova Scotia, and all applicable federal laws and regulations.

### 6.4 Assignment

Neither party may assign its rights or obligations under this agreement without the written consent of the other party.

### 6.5 Amendments

This agreement may only be amended by the execution of a written amending agreement between the parties.

We have understood, consented to and signed this Agreement in two original copies.

HALIFAX REGIONAL WATER COMMISSION		HALIFAX REGIONAL MUNICIPALITY	
Signature	Original Signed	Signature:	Original Signed
Name:	Jamie Hannon	Name:	Jacques Dubé
Title:	Director, Engineering & Information Services	Title:	CAO
Location:	Halifax, NS.	Location:	Halifax, NS
Date:	Sept 15/17	Date:	Sept 19, 2017

I have the authority to bind the corporation. I have the authority to bind the corporation.