



Annual Business Plan 2020/21

Halifax Council

February 25, 2020

**STRAIGHT from
the SOURCE**



Agenda

- Strategic goals and objectives for 2020/21
- Capital budget highlights
- Operating budget highlights



Water Services

- Water research program
 - Lake recovery
 - Geosmin
- Continue Lake Major upgrades
- Initiate Pockwock upgrades
- Assure distribution system water quality during main breaks
- Implement enhanced lead service line replacement program
- Complete lead service line renewals in conjunction with municipal street renewals
- Complete dam safety review and develop strategy to address findings



Wastewater & Stormwater Services

- Complete first year of wastewater research and evaluate
- Confirm plan for HHSP upgrades to meet 2040 environmental compliance
- Complete wet weather management projects and explore private side I&I reduction
- Develop level of service standard for odour and strategy to achieve it
- Interface with municipality on flooding issues and stormwater
- Evaluate success of doing large cross culvert work in house



Engineering & Information Services

- NSUARB acceptance of 2019 IRP
- Optimize capital project delivery and improve % of annual capital budget spent
- Obtain approvals for East/Central depot consolidation
- Support HRM Cogswell Area Redevelopment
- Water supply plant upgrades JD Kline and Lake Major
- Delivery of key IT projects (payroll, customer portal, ERP)
- GIS update of impervious area
- Implement risk based condition assessment and improved decision making tools for asset management



Regulatory Services

- NSUARB approval of updated Regional Development Charge
- Commence corporate implementation of EMS
- Maintain regulatory compliance and enhance reporting
- Ensure large water plants have NSE approvals or permission to operate
- Implement new permitting system for engineering approvals
- Evaluate ISO45001 (safety) certification and complete physical security audit
- Discuss point of sale disclosures with the NS Real Estate Commission



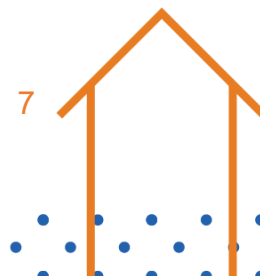
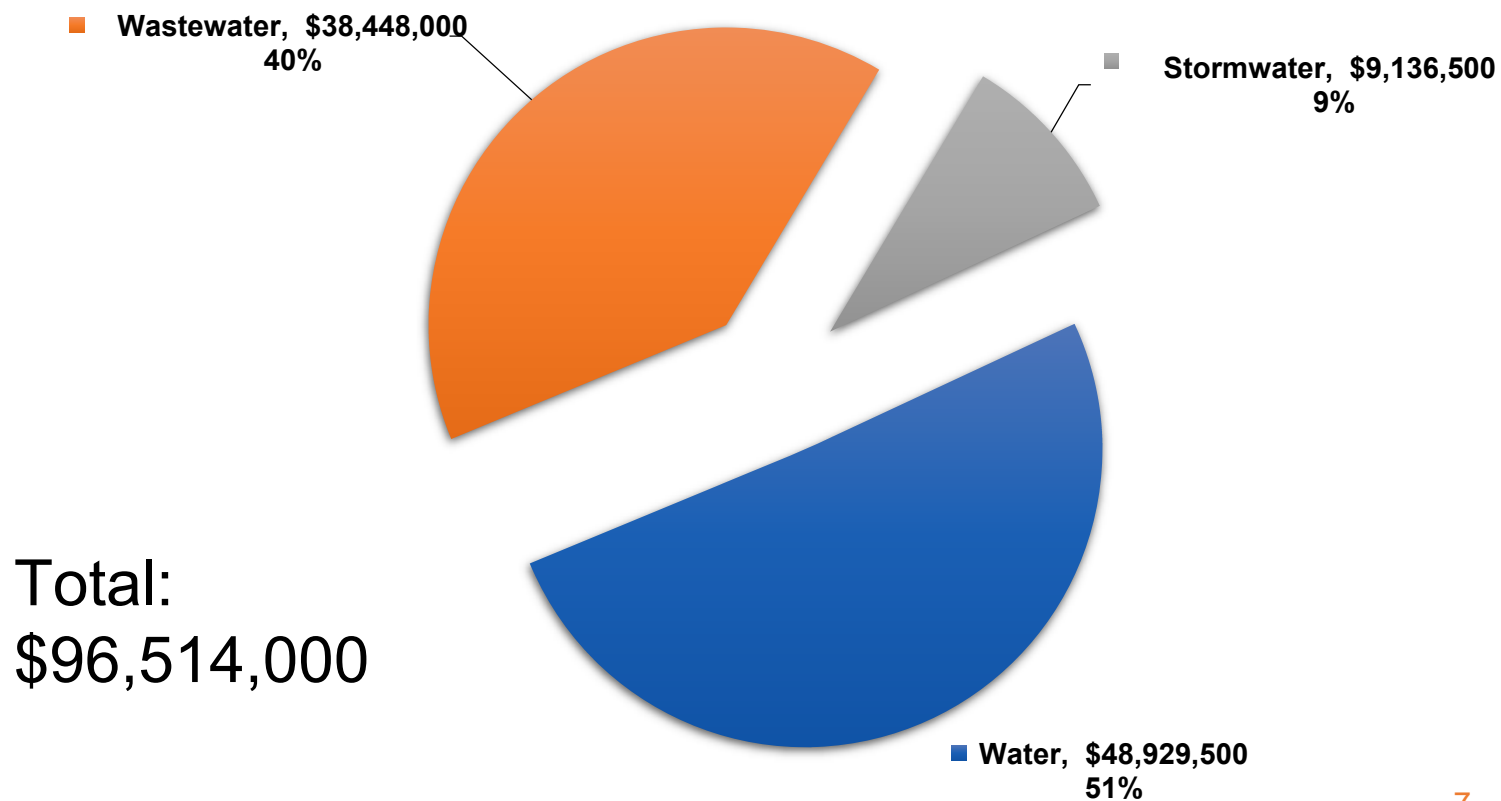
Administration

- Obtain by-law and approvals for the Cogswell District Energy System
- Operationalize enterprise risk management
- Update Governance Manual and board reporting
- Train new supervisors and develop skills for all leaders in providing feedback
- Train all employees on psychological health and safety
- Enhance customer communications – a) water and wastewater rate increases and b) stormwater service



Halifax Water 2020/21 Capital Budget

Capital Budget by Asset Class - All Divisions



Capital Project Highlights

- Main Street to Caledonia Road Water Transmission Main
- Water Distribution – Main Renewal Program
- Lead Service Line Replacement Program
- Design phase of the JD Kline and Lake Major Water Supply Plant Upgrade projects
- Construction of new Bedford South Reservoir
- Wastewater Trenchless Rehabilitation Program
- Design Phase of East/Central Operations Facility
- Integrated Wastewater Collection Projects
- Autoport/Main Road Pumping Station Replacement
- Wastewater Lateral Replacements
- Halifax North Peninsula Sewer Separation Program
- Integrated Stormwater Collection Projects
- Driveway and Cross Culvert Renewal Program
- Ellenvale Run Retaining Wall System Replacement – Phase 4
- Implement Year 3 of IT Strategic Plan
- Corporate Flow Monitoring Program
- Fleet Upgrade Program



Operating Budget (shown on a NSUARB basis)

Operating Budget Summary (in thousands)				
	Actual 2018/19	Approved Budget 2019/20	Proposed Budget 2020/21	Budget/Budget Variance (Unfavourable)
Operating Revenue	\$138,413	\$138,727	\$138,618	(\$109)
Operating Expenses	\$105,731	\$115,088	\$118,110	(\$3,022)
Operating Surplus	\$32,682	\$23,639	\$20,508	(\$3,131)
Financial Revenue	\$1,898	\$1,369	\$619	(\$750)
Financial Expenses	\$33,190	\$33,374	\$37,076	(\$3,701)
Net Surplus (Deficit)	\$1,390	(\$8,366)	(\$15,949)	(\$7,583)

- Utility rates fund operating costs, depreciation and debt servicing
- Halifax Water not applied for rate increases in 4.5 years as there was sufficient accumulated operating surplus to cover the operating deficit
- Surpluses occur due to timing of operating expenditures, completion of capital projects, and changes in the amount and timing of debt issued
- A rate application has been filed to increase rates for water and wastewater service in 2020. Changes will be proposed in late 2020 to adjust stormwater rates in 2021.



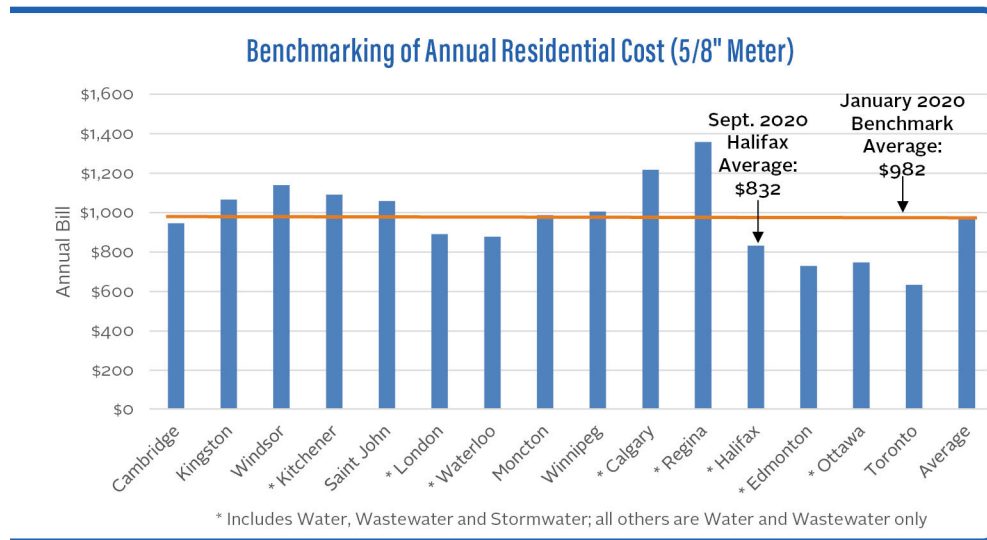
How do these rates compare to other Canadian cities?

Halifax Water's rates are amongst the lowest in the country.

If the proposed rates are approved, on September 1, 2020, the average annual cost for a Halifax Water residential customer for water, wastewater and stormwater services will be \$832.

If approved by the NSUARB, the average residential customer receiving water and wastewater services will see their rates rise by \$3.68/month effective September 1, 2020.

Effective April 1, 2021 rates would increase by \$3.91/month.



The average cost (as of January 2020) across other Canadian cities is \$982 annually.

STRAIGHT from the SOURCE



Five Year Business Plan Highlights

- Implementation of the 2019 IRP and optimizing processes to plan, procure and deliver capital projects - \$708.5 million in planned capital spending
- Enhanced customer service
- Enhanced lead line replacement program
- Wet weather management
- Employee satisfaction
- Regulatory compliance
- Environmental stewardship
- Water and wastewater research
- Technology investments



Questions or
Comments?

