

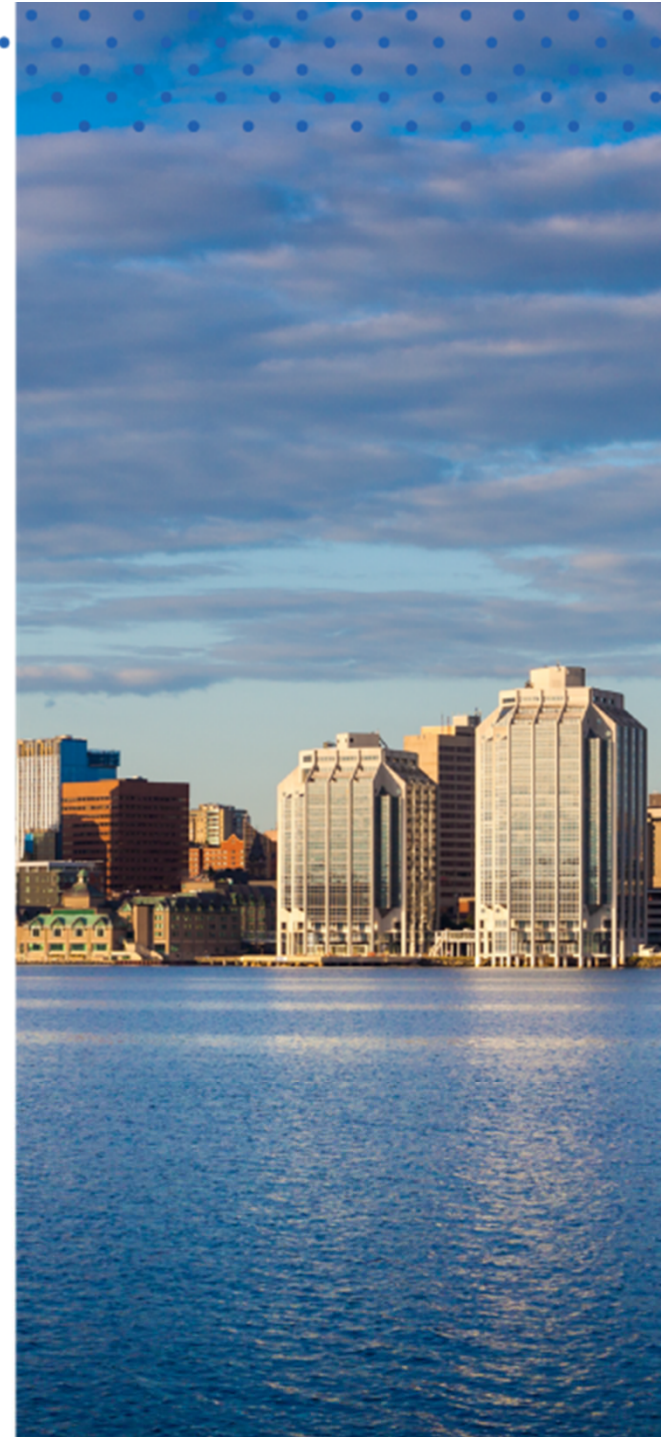


2019/2020 Accountability Report

Presented to Halifax Council
August 18, 2020

Cathie O'Toole
General Manager

**STRAIGHT from
the SOURCE**



Accountability Report Contents

- Accountability Statement
- Message from Board Chair and General Manager
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Highlights

- All HRWC Act and Public Utilities Act obligations were met in 2019/20.
- The utility was in compliance with its operating permits.
- Halifax Water completed \$94.3 million in capital projects last year and had \$18 million in capital assets under construction at the end of the year. One of the best on record for completion of capital projects.
- 2019 Employee Survey results improved from a B to a B+
- 2019 Customer Survey results 96% of customers were very or somewhat satisfied.
- There were savings of \$0.7 million as a result of Cost Containment.



Capital Project Delivery Highlights

- Advanced Metering Infrastructure - \$16.6 million
- JD Kline Filtration Replacement - \$10.3 million
- Lake Major Dam Replacement - \$9 million
- Lucasville Transmission Main Twinning - \$6.4 million
- Ellenvale Run Retaining Wall System - \$6 million
- Wanda Lane Storm Sewer - \$4.9 million
- Corporate Flow Monitoring - \$1.6 million
- \$39 million in various other smaller capital projects and programs
- Completed Capital Projects Total: \$94.3 million



Strategic Objectives 2019/20

- Implement new telephony system in the Customer Care Centre. **Complete**
- Implement a Corporate Customer Service Strategy by March 2020. **Paused to align with Customer Portal implementation**
- Customer Connect/AMI project – **98.0% complete, with 82,000 meters installed as of March 31, 2020**
- Continue to roll out and enhance use of Computerized Maintenance Management System (CMMS) **Plan for next CMMS Enhancements completed, and projects completed or underway**



Strategic Objectives 2019/20

- Data analytics – take water loss control to a new level with better data analytics and AMI data; and select a better analytics tool for asset management. Water Services are piloting artificial intelligence, and Itron Analytics was implemented in 2019/20. Selection of analytics tools for asset management deferred.
- Commence project for SAP system upgrade/ERP replacement. Business processes mapped, RFP conducted, and contract award subject to securing necessary capital approvals.
- Initiate project to select a system for Regulatory reporting. Underway.



Strategic Objectives 2019/20

- Wet Weather Management – continue advancements in wastewater management and refine the cost benefit analysis. [Focus on Fairview/Clayton Park areas - \$2.5M lining project.] Ongoing, due to a delayed NSUARB capital approval.
- Resource Recovery – initiate RFP process for Biosolids Processing or Biosolids Energy Recovery. Internal study of available technologies/industry scan completed. RFP is under development and issuance is imminent.
- Achieve Environmental Management System - ISO Designation in 2019/20 for all WWTF facilities and develop plan for corporate wide expansion of EMS. EMS audits complete for Halifax, Mill Cove, and Eastern Passage WWTF. Registration audits are planned for later this year. Three-year plan for corporate EMS expansion commencing April 1, 2021.



Strategic Objectives 2019/20

- Energy Management Initiatives - \$1 M in investments and seasonal energy management initiatives are planned that will result in 3% energy savings and approximately 1,800 tonnes CO2e in GHG reductions. **Achieved**
- Cogswell District Energy System – Finalize business case and design, make application to the NSUARB to confirm regulated business status. **Application was made to the NSUARB and the status as a regulated business was confirmed.**
- Water Quality Master Plan – Complete Tailored Collaboration with Water Research Foundation on Lake Recovery in 2019. **Almost complete. An extension was granted to incorporate more data, and this will result in a better decision support tool. Completion is expected this year.**



Strategic Objectives 2019/20

- Lead Service Line Replacement – Continue with replacement program (target is 300 per year); and explore ways to ensure lead service lines are replaced in conjunction with municipal street renewals. A proposal to enhance the Lead Service Line Replacement Program was approved by the Halifax Water Board in November and is currently before the NSUARB for approval.
- Safety and Security Program – Continue to improve CBS results and achieve target for new organizational indicator regarding average Internal Safety Audit score. All Safety related targets were achieved, including the new organizational indicator regarding average Internal Safety Audit score.



Strategic Objectives 2019/20

- Wastewater Research Initiative – Initiate NSERC research program in collaboration with Dalhousie University. **NSERC application approved. Research expanded to include COVID-19 related research.**
- Asset Management – implement three Asset Management Implementation Teams (AMITs) for three asset classes as a pilot project; and complete the Infrastructure Master Plan. **Complete**
- Complete updated Integrated Resource Plan and file with Halifax Water Board, Fall or 2019. **Complete**
- Enterprise Risk Management – Develop formal ERM system and finalize risk appetite and tolerance levels (Phase II). **Complete**



Strategic Objectives 2019/20

- Complete five-year update of Regional Development Charge, consult with stakeholders, and file application with NSUARB. **Complete. NSUARB Decision expected within two months.**
- Talent Management – Roll out on-line training tools and increased support for supervisors and develop career paths for key positions. **On-line training tools implemented, meetings and supports for supervisors were increased and career paths developed but not yet rolled out.**
- Payroll Project – Replace payroll system and implement an employee self serve portal on April 1, 2020. **Implementation delayed to July/August due to impact of COVID-19 on training, and some configuration tasks taking longer than anticipated.**



Corporate Balanced Score Card

Eight Critical Success Factors, and 30 Organizational Indicators (OI's)

1. High Quality Drinking Water – 3 out of 3 OI's met
2. Service Excellence – 3 out of 4 OI's met
3. Responsible Financial Management – 2 out of 3 OI's met
4. Effective Asset Management – 3 out of 5 OI's met, and 1 not measured
5. Workplace Safety and Security – 6 out of 6 OI's met
6. Regulatory Compliance – 1 out of 2 OI's met
7. Environmental Stewardship – 3 out of 3 OI's met
8. Motivated and Satisfied Employees – 1 out of 4 met

Total: 22/30



Halifax Water Year End Results 2019-20

- Clean audit report for Halifax Water, with a net operating loss of \$1.6 million on a NSUARB basis and a surplus of \$20.9 M on an IFRS basis
- \$1.4 billion in assets

Summarized Consolidated Operating Results				
	2019/20	2018/19		
	'000	'000	\$ Change	% Change
Operating revenues	\$ 137,750	\$ 138,202	\$ (452)	(0.3%)
Operating expenditures	109,326	105,524	3,802	3.6%
Earnings from operations	28,424	32,678	(4,254)	(13.0%)
Financial and other revenues	1,211	1,899	(688)	(36.2%)
Financial and other expenditures	31,195	33,189	(1,994)	(6.0%)
Earnings (loss) for the year	(1,560)	1,388	(2,948)	(212.4%)



Halifax Water Pension Plan Results

- Clean audit report, and an improved financial position
- Surplus position – December 31, 2019
- Net assets grew at a higher rate than pension obligations

Statement of financial position December 31				
	2019	2018	Change	
			\$	%
Net assets available for benefits	\$141,579,814	\$126,458,630	\$15,121,184	12.0%
Pension obligations	\$132,840,559	\$124,371,400	\$8,469,159	6.8%
Surplus	\$8,739,255	\$2,087,230	\$6,652,025	



Alignment with the Municipality

- In 2019/20 Halifax Water worked closely with the municipality on the following initiatives:
 - HalifACT 2050
 - Cogswell Redevelopment Project and Cogswell DES
 - Integrated Stormwater Policy, deep storm funding, and joint green infrastructure standards
 - Support for service extensions led by the municipality
 - Lead service line replacements in conjunction with municipal street renewals
 - Renewal of the HRWC Dividend Agreement
 - Response to COVID-19



Questions or Comments?

