



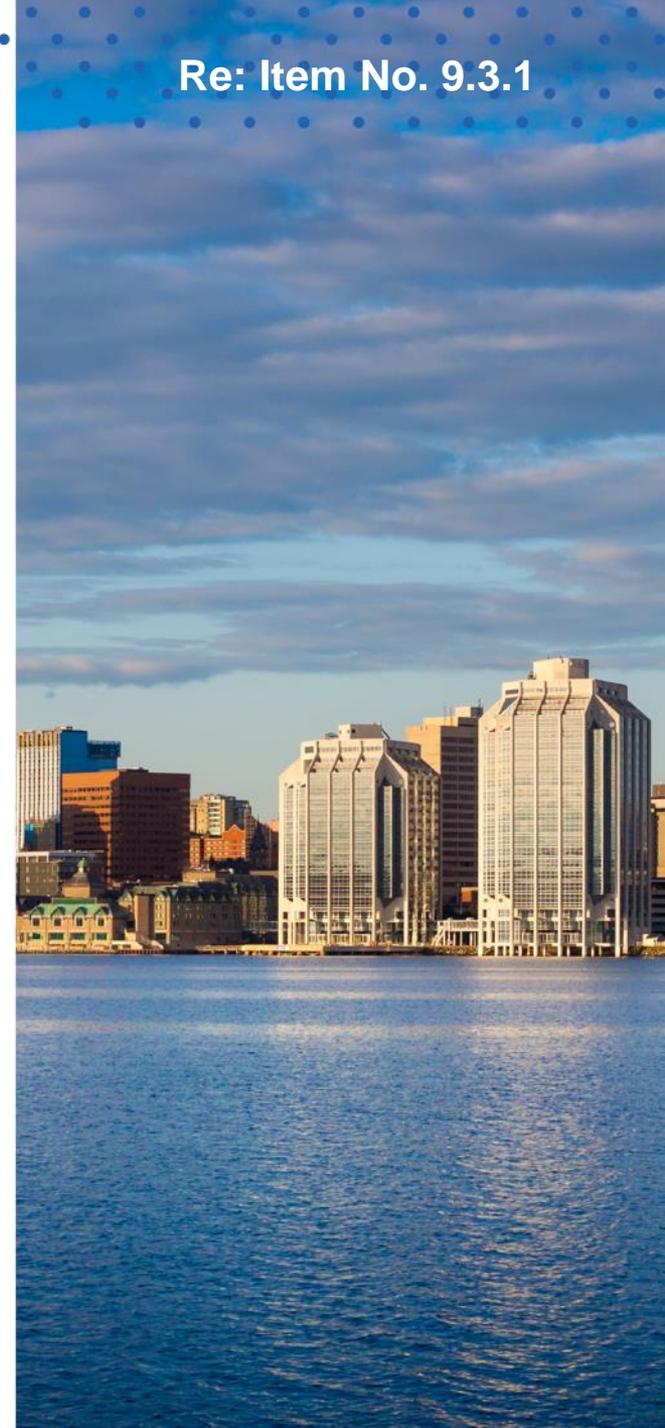
# Halifax Water

## Annual Business Plan 2021/22

Halifax Council

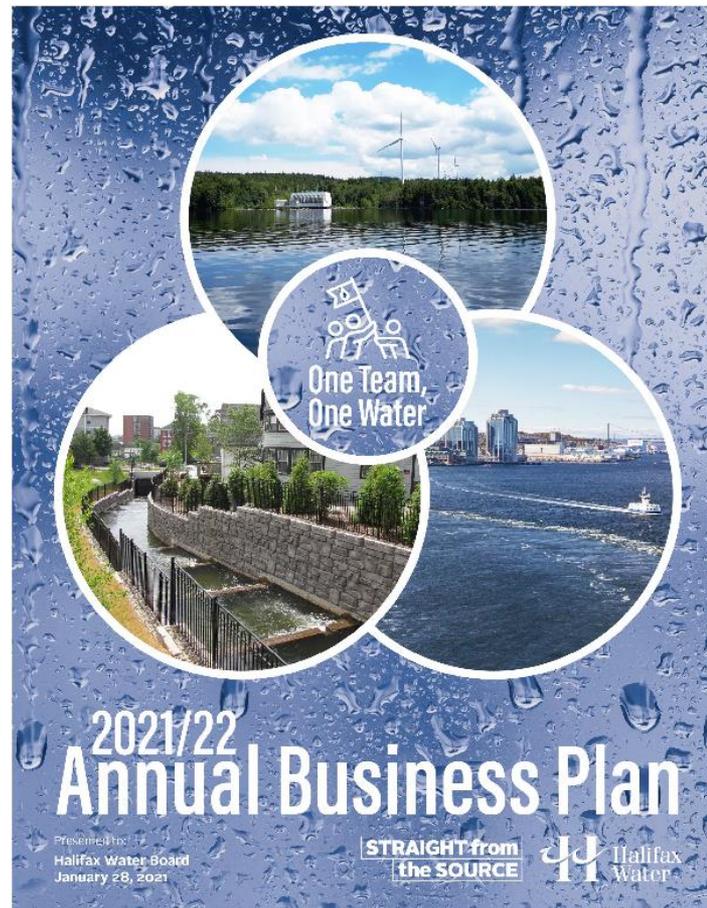
March 9, 2021

**STRAIGHT from  
the SOURCE**



# Agenda

- Strategic goals and objectives for 2021/22; capital and operating budget highlights



# Background

- The annual Business Plan reflects the Five-Year Business Plan approved by the Halifax Water Board in November of 2019
- The Halifax Water Board participated in a workshop on January 5, 2021 to help shape the annual Business Plan, and approved it at a Board meeting on January 28, 2021
- Halifax Water's Business Plan is presented to Council in compliance with 2018-001-ADM



# Operations - Water Services

- Complete Water Quality Master Plan V4
  - Secure approval for Water Supply Enhancement Program
  - Fully implement enhanced algal monitoring as a permanent program
  - Launch and successfully implement year 1 of the new LSL replacement program
  - Implement findings from the dam safety review
  - Recommend next steps for Water Loss Control program
- 

# Operations - Wastewater & Stormwater Services

- Complete Biosolids Facility upgrade plan and progress procurement for Capital and Operating contracts
- Continue to implement wastewater research program as per plan submitted to NSERC
- Consult stakeholders on the plan for HHSP upgrades to meet 2040 compliance
- Complete Wet Weather Management projects and initiate any changes required to enable an effective private side I&I reduction program
- Communicate and implement actions from the odour strategy

# Engineering & Technology Services

- Optimize capital project delivery and % of annual capital budget spent
  - Complete design and tender process for Burnside Depot construction
  - HRM Cogswell Redevelopment infrastructure relocation
  - Promote the multi-year Water Supply Enhancement Program (WSEP) and implement year 1 Clarifier design phase
  - Develop a road map for data intelligent water and deliver key IT projects (Cyber Security and ERP)
  - Finalize levels of service for asset management (AM), and evaluation of AM Program
  - Monitor and report on progress of the Integrated Resource Plan (IRP)
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# Regulatory Services

- Implement an annual Regional Development Charge stakeholder consultation process
  - Phase corporate implementation of the Environmental Management System (EMS)
  - Maintain regulatory compliance and enhance reporting
  - Launch new service account compliance program
  - Evaluate ISO45001 (safety) certification and complete a physical security audit
  - Enhance the stormwater credit program and support stormwater billing
  - Develop a Climate Action Plan for Halifax Water that supports HalifACT 2050, and enhances coordination and reporting of climate change adaptation and mitigation initiatives
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# Corporate Services

- Analyze impervious area data, and apply to adjust rates for stormwater service
- Integrate the Customer Connect portal and increase customer utilization
- Commence ERP design subject to NSUARB approval
- Update procurement policy and processes
- Improve financial forecast and reporting
- Update Cost of Service Manual and apply for NSUARB approval
- Implement new bill design and monthly billing, and improve collection process

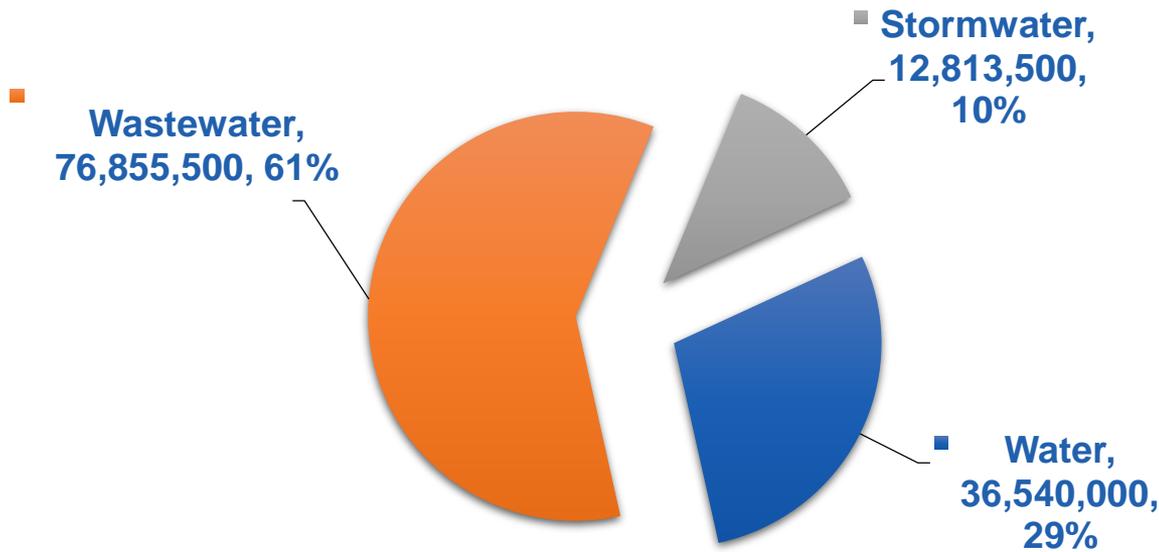


# Administration

- Obtain approval for regulations governing the Cogswell District Energy System
- Update Service Level Agreement with HRM
- Roll out updated Code of Conduct to all employees
- Roll out Risk Management Policy and update risk registers
- Engage next Dispute Resolution Officer for NSUARB approval, and plan transition
- Enhanced stormwater customer communication & education
- Complete unconscious bias training for managers and align Halifax Water with HRM culture & diversity initiatives

# Halifax Water 2021/22 Capital Budget

2021/2022  
Capital Budget by Asset Class  
All Divisions



**Total:**  
**\$126,209,000**

Funded by:

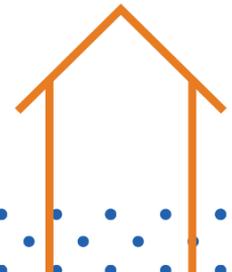
Debt 54%

Depreciation 24%

Regional Development  
Charges 19%

External funding 3%

Debt Service Ratio:  
projected to be 20.3%



# Capital Project Highlights

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WSEP JD Kline and Lake Major Clarifier Design

Cobequid Road Transmission Main Looping – Windgate Drive Extension

Water Distribution Main Renewal Program

Lead Service Line Replacement Program

Cowie Hill Reservoir - Replacement

HRM Cogswell Redevelopment – Water, Wastewater and Stormwater Relocation

Fairview Cove Trunk Sewer Tunnel Construction

Wastewater Trenchless Rehabilitation Program

Integrated Wastewater and Stormwater Collection Projects

Albro Lake Watershed Separation

Fleet Upgrade Program

Morris Lake and Russell Lake Forcemains – Rehabilitation

Pumping Station Rehabilitations

Punch Bowl Pumping Station Elimination

Halifax WWTF – Fine Screen Replacements and Clarifier Upgrades

Biosolids Processing Facility – Preliminary Design

Driveway and Cross Culvert Renewal Program

Ellenvale Run Retaining Wall System Replacement – Phase 5

IT Strategic Plan Implementation Year 4

Enterprise Resource Planning Solution

Cybersecurity Program

Corporate Flow Monitoring Program

Detailed Design - Burnside Operations Facility



# Operating Budget (shown on a NSUARB basis)

Operating Budget Summary (in thousands)				
	Actual 2019/20	Approved Budget 2020/21	Proposed Budget 2021/22	Increase
Operating revenues	\$ 137,750	\$ 138,618	\$ 150,466	\$ 11,849
Operating expenditures	109,326	118,110	125,379	7,269
Earnings from operations	28,424	20,508	25,087	4,579
Financial and other revenues	1,211	619	722	103
Financial and other expenditures	31,195	37,076	37,461	385
Earnings (loss)	\$ (1,560)	\$ (15,949)	\$ (11,651)	\$ 4,297

- Utility rates fund operating costs, depreciation and debt servicing. Water and stormwater rates will not increase in 21/22. Wastewater rates increase April 1st. Changes to stormwater rates may be proposed for 2022
- Halifax Water has used accumulated operating surplus, and some special purpose reserves to fund operating deficits
- Surpluses occur due to timing of operating expenditures, completion of capital projects, and changes in the amount and timing of debt issued

# Accumulated Operating Surplus

<b>Continuity Schedule - Accumulated Surplus (Deficit) - NSUARB</b>				
	<b>Total</b>	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater</b>
<b>2019/20 Fiscal Year</b>				
Balance, beginning of year	\$ 39,616,338	\$ 17,230,564	\$ 14,717,365	\$ 7,668,409
Earnings (loss) for the year	(1,562,011)	5,204,828	(5,037,296)	(1,729,543)
Surplus, end of year	<u>38,054,327</u>	<u>22,435,392</u>	<u>9,680,069</u>	<u>5,938,866</u>
<b>2020/21 Fiscal Year</b>				
Balance, beginning of year	38,054,327	22,435,392	9,680,069	5,938,866
Projected (loss) for the year	(11,113,000)	(1,158,000)	(6,706,000)	(3,249,000)
Projected surplus, end of year	<u>26,941,327</u>	<u>21,277,392</u>	<u>2,974,069</u>	<u>2,689,866</u>
<b>2021/22 Fiscal Year</b>				
Balance, beginning of year	26,941,327	21,277,392	2,974,069	2,689,866
Projected (loss) for the year	(11,651,000)	(5,221,000)	(1,518,000)	(4,912,000)
Projected surplus (deficit), end of year	<u>\$ 15,290,327</u>	<u>\$ 16,056,392</u>	<u>\$ 1,456,069</u>	<u>\$ (2,222,134)</u>

# Summary

- The proposed capital and operating budgets for 2021/22 support delivery of the 2021/22 Business Plan
  - Capital budget requirement - \$126.2 million
  - Operating budget requirement - \$155.2 million in total expenditures
- There are many business risks to be managed in order to achieve the objectives of the 2021/22 Business Plan; including on-going impacts of COVID-19
- Performance will be measured against the Corporate Balanced Scorecard (CBS).
- Performance for 21/22 will be reported to the Halifax Water Board, Halifax Council, and at a public Annual General Meeting

Questions or  
Comments?

