



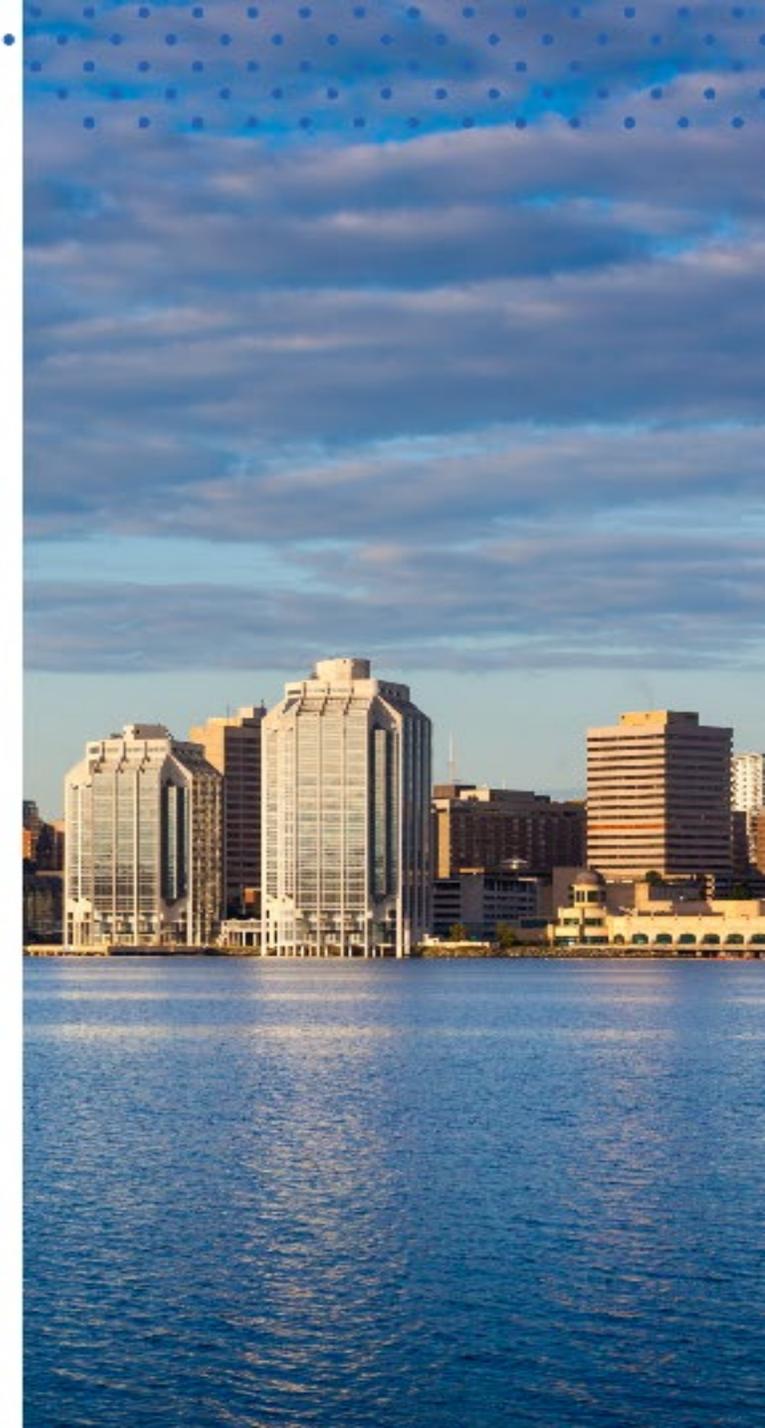
Re: Item 9.3.1

2020/2021 Accountability Report

Presented to Halifax Council
August 17, 2021

Cathie O'Toole
General Manager

**STRAIGHT from
the SOURCE**



Accountability Report Contents

- Accountability Statement
- Message from Board Chair and General Manager
- Strategic Objectives – Progress
- Corporate Balanced Scorecard Results
- Audited Financial Results
 - Halifax Water
 - Halifax Water Employees Pension Plan



Highlights

- All HRWC Act and Public Utilities Act obligations were met in 2020/21.
- The utility was in compliance with its operating permits.
- Halifax Water completed \$50 million in capital projects last year and had \$30 million in capital assets under construction at the end of the year. One of the best on record for completion of capital projects.
- 2020 Employee Survey results consistent with last year - B+
- 2020 Customer Survey results - 96% of customers were very or somewhat satisfied. 84% of stormwater customers very or somewhat satisfied, compared to 83% last year
- There were new cost containment initiatives resulting in savings of \$1.2 million in 2020/21.



Summary - Capital Project Highlights

WSEP – JD Kline and Lake Major Clarifier Design	Morris Lake and Russell Lake Forcemains - Rehabilitation
Cobequid Road transmission main Looping – Windgate Drive	Pumping Station Rehabilitations
Water Distribution – Main Renewal Program	Biosolids Processing Facility – Preliminary Design
Lead Service Line Replacement Program	Integrated Stormwater Collection Projects
Cowie Hill Reservoir - Replacement	Driveway and Cross Culvert Renewal Program
Fairview Cove Trunk Sewer – Tunnel Construction	Ellenvale Run Retaining Wall System Replacement – Phase 5
Wastewater System – Trenchless Rehabilitation Program	Implement Year 3 of IT Strategic Plan
Integrated Wastewater Collection Projects	Corporate Flow Monitoring Program
Albro Lake Watershed Separation	Fleet Upgrade Program
Detailed Design of Burnside Ops Facility	



Achievements in 2020/21



Water Services

	2020/21 Objectives	Status
✓	Water research program	Research on source lake recovery and geosmin continued with minor delay due to COVID-19.
✓	Continue Lake Major upgrades Initiate Pockwock upgrades	Incorporated in new Water Supply Enhancement Program
✓	Assure distribution system water quality during main breaks	New standard operating protocol implemented
✓	Implement enhanced lead service line replacement program	Launched in March 2021
✓	Complete lead service line renewals in conjunction with municipal projects	Berlin St. completed. Drummond Court & Leaman St. municipal projects were deferred
✓	Complete dam safety review and develop strategy to address findings	Dam safety review is complete and actioned



Wastewater & Stormwater Services

	2020/21 Objectives	Status
✓	Complete first year of wastewater research and evaluate	Completed and expanded to include COVID-19 WW research
⊘	Confirm plan for HHSP upgrades to meet 2040 environmental compliance	Working with NSUARB on timing of planning activities
✓	Complete wet weather management projects and explore private side I&I reduction	Wet weather management projects completed. Exploration of private side I&I programs on-going
✓	Develop level of service standard for odour and strategy to achieve it	Completed and approved by HW Board
✓	Interface with municipality on flooding issues and stormwater	Supporting Lot Grading By-Law, Halifax Stormwater Management Standards for Development Activities, and property specific issues
✓	Evaluate success of doing large cross culvert work in house	Complete



Engineering & Information Services

	2020/21 Objectives	Status
✓	NSUARB acceptance of 2019 Integrated Resource Plan	Complete
⊘	Optimize capital project delivery and improve % of annual capital budget spent	On-going
✓	Obtain approvals for East/Central depot consolidation	Depot consolidation concept, and land purchase approved
✓	Support HRM Cogswell Area Redevelopment	Land issues resolved and support for the project is on-going
✓	Water supply plant upgrades JD Kline and Lake Major	Water Supply Enhancement Program developed
✓	Delivery of key IT projects (payroll, customer portal, ERP)	Complete or on-track, other than ERP
✓	GIS update of impervious area	Substantially Complete
⊘	Implement risk-based condition assessment and improved decision-making tools for asset management	Ongoing - NSUARB approval received in June 2021 for Analytics Decision Support System



Regulatory Services

	2020/21 Objectives	Status
✓	NSUARB approval of updated Regional Development Charge	Approved in October, effective May 31, 2021
✓	Commence corporate implementation of EMS	Plan developed and resourced effective April 1, 2021
✓	Maintain regulatory compliance and enhance reporting	Meeting requirements
✓	Ensure large water plants have NSE approvals or permission to operate	Approvals in place
✓	Implement new permitting system for engineering approvals	Complete
⊘	Evaluate ISO45001 (safety) certification and complete physical security audit	Delayed due to COVID-19
⊘	Discuss point of sale disclosures with the NS Real Estate Commission	Carried forward to 2021/22



Corporate Services

	2020/21 Objectives	Status
✓	Customer experience – Customer Portal & use of AMI data	Launched November 2020
⊘	Billing – possible transition to HRM print shop, monthly billing and improved collections	Deferred to 2021/22
✓	Enhancing linkages between Customer Care Centre and operations through CMMS	New telephony system implemented and linkages between customer care and operations are an ongoing area of focus
✓	Operational and financial benefits of new enterprise resource planning system (ERP)	Capital project approved and underway
✓	Updated funding strategies	Short-term strategy adjusted due to COVID-19 to avoid water or wastewater rates increases in 20/21. No water rate increase in 2021/22, however wastewater rates increased April 1, 2021 and RDCs increased May 31, 2021
✓	Improved Management and Board reporting	Changes implemented



Administration

	2020/21 Objectives	Status
✓	Obtain by-law and approvals for the Cogswell District Energy System	Bylaw complete and NSUARB ruling on regulatory status obtained.
✓	Operationalize enterprise risk management	Program manager hired, ERM Board Committee established, and ERM Steering Committee created
✓	Update Governance Manual and Board reporting	Complete
✓	Train new supervisors and develop skills for all leaders in providing feedback	Complete
✓	Train all employees on psychological health and safety	Complete
✓	Enhance customer communications – a) water and wastewater rate increases and b) stormwater service	2020/21 initiatives complete, but this is an area for continuous improvement



Corporate Balanced Score Card

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

1. High Quality Drinking Water – 1 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
5. Workplace Safety and Security – 5 out of 6 OI's met
6. Regulatory Compliance – 2 out of 2 OI's met
7. Environmental Stewardship – 2 out of 3 OI's met
8. Motivated and Satisfied Employees – 2 out of 4 met

Total: 20/30



Halifax Water Year End Results 2020-21

- Clean audit report for Halifax Water, with a net operating loss of \$9.9 million on a NSUARB basis and a loss of \$0.9 M on an IFRS basis
- \$1.4 billion in assets

Summarized Statement of Earnings						
	Budget 2020/21 '000	Actual 2020/21 '000	Actual 2019/20 '000	2020/21 Budget/Actual \$ Variance	2020/21 Budget/Actual % Variance	
Operating revenues	\$ 138,615	\$ 136,569	\$ 137,750	\$ (2,046)	(1.5%)	
Operating expenditures	118,111	113,689	109,326	(4,422)	(3.7%)	
Earnings from operations	20,504	22,880	28,424	2,376	11.6%	
Financial and other revenues	620	963	1,211	343	55.3%	
Financial and other expenditures	37,077	33,726	31,195	(3,351)	(9.0%)	
Loss for the year	\$ (15,953)	\$ (9,883)	\$ (1,560)	\$ 6,070	(38.0%)	



Halifax Water Pension Plan Results

- Clean audit report, and an improved financial position
- Surplus position – December 31, 2020
- Net assets grew at a higher rate than pension obligations

	2020	2019	Change \$
Net assets available for benefits (note 4)	\$ 154,956,157	\$ 141,579,814	\$ 13,376,343
Pension obligations (note 5)	141,762,849	132,840,559	8,922,290
Surplus	<u>\$ 13,193,308</u>	<u>\$ 8,739,255</u>	<u>\$ 4,454,053</u>



Alignment with the Municipality in 2020/21

- Halifax Water worked closely with the municipality on many initiatives including:
 - Cogswell Redevelopment Project and Cogswell DES
 - Integrated Stormwater Policy, and completion of stormwater management standards
 - Lead service line replacements in conjunction with municipal street renewals and delivery of other integrated capital projects
 - Regional Development Charge deferral options for affordable housing
 - Updating the Regional Plan
 - Transfer of some provincial roads
 - Response to COVID-19



**Questions or
Comments?**

