

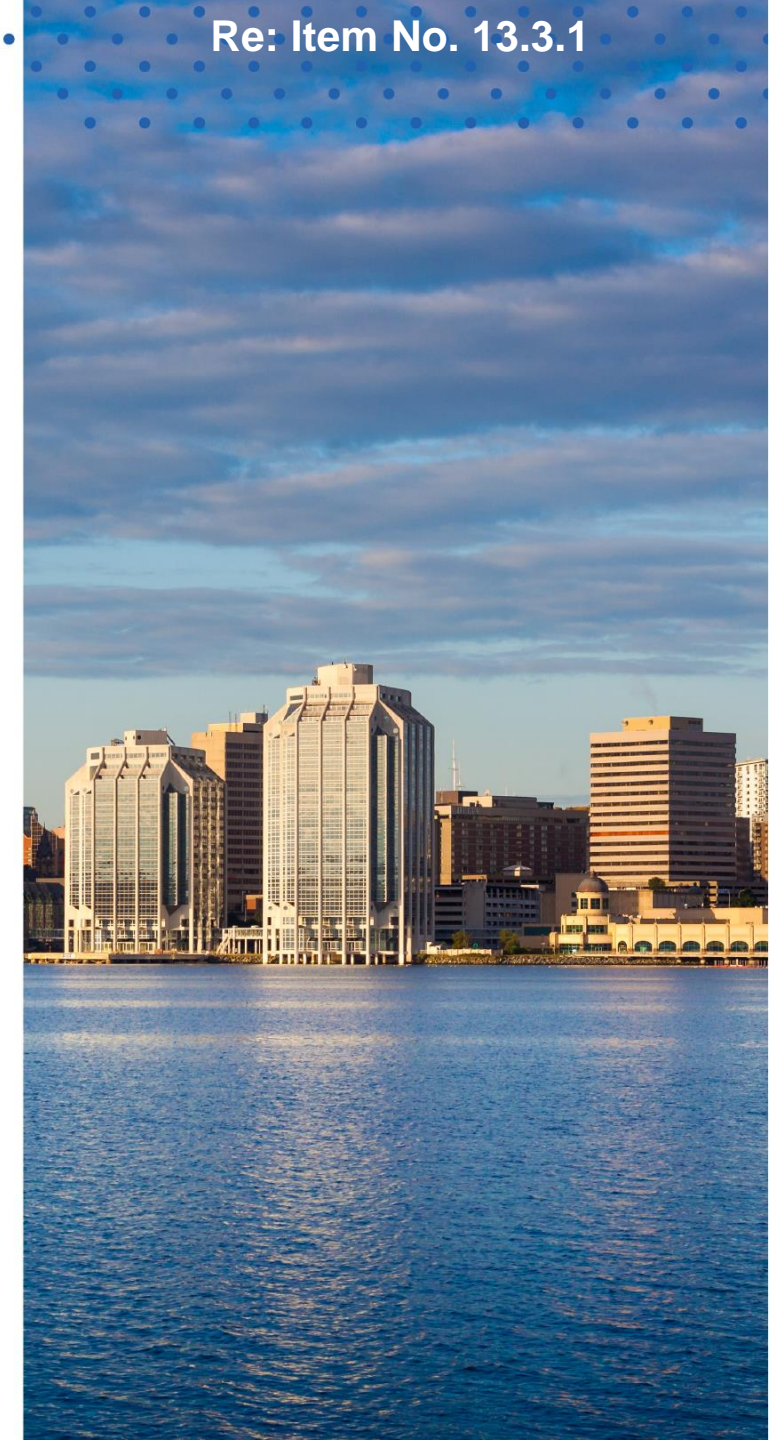


Halifax Water 2022/23 Annual Business Plan

Halifax Regional Council

February 15, 2022

**STRAIGHT from
the SOURCE**



Background

- In March 2018 Council approved an Administrative Order regarding Halifax Water that sets out a framework for annual reporting by Halifax Water to municipal Council, including presentation of the annual business plan
- The Halifax Water Board provided input to the strategic planning process at a workshop on December 9, 2021, and approved the annual Business Plan on January 27, 2022
- The business plan, operating and capital budgets for 2022/23 reflect the current Five-Year business plan, as well as long term plans approved by the Halifax Water Board and the NSUARB such as the Integrated Resource Plan



Halifax Water Drivers



Current Situation

- Halifax Water is constrained by limited financial and human resources
- The plan for 2022/23 reflects the requirement to:
 - Maintain service
 - Meet regulatory obligations
 - Address capacity gaps (that are hindering our ability to proceed with initiatives)
 - Keep the most important and strategic initiatives moving forward
 - Promote a safety-first culture
 - Maintain team morale and guard against burn-out



One Team, One Water

- Part of the solution is to maximize the use of our existing resources. This means getting better at working collaboratively in teams, using capacity where it exists, and not working in silos.
- The 2022/23 proposed business plan will help focus our employees on what is really important and reinforce the necessity of working as a team toward these goals.
- There are fewer strategic objectives, and they are organized by 4 common pillars rather than by business units.



One Team, One Water



People

We attract and retain high-quality team members in an inclusive and respectful work environment. We are committed to our customers and the communities where we live and work, determined to provide a high level of service and sustainable future through on-going engagement.



Health, Safety & Environment

The health and safety of our employees, contractors, and the public is our top priority. Our safety-first culture, and our respect for the environment, enables us to provide healthy, reliable and sustainable services to our customers.

The Four Pillars



Financial & Regulatory Accountability

It is fundamental to ensure that Halifax Water has capacity to fund existing and future infrastructure. We prudently manage assets and operate our business by balancing value and customer service.



Operational Excellence

We are committed to service, reliability, and quality for our customers. Focused on safety and efficiently building, operating, and maintaining our critical infrastructure, we ensure a more sustainable community.

People

- Enhance workforce planning (talent management, meeting staff resource requirements and training)
- Build a positive & diverse workplace (carry out formalized DEI plan)
- Increase stakeholder & customer engagement
- Support transition of Halifax Water Board through development of new members
- Ensure that major initiatives have communication and stakeholder engagement plans
- Enhance information available to customers through Customer Connect and bill redesign



Health, Safety & Environment

- Continue to enhance safety & security culture starting with Safety Leadership training
- Gain approval for new biosolids strategy & execute a contract for the new biosolids processing facility (BPF)
- Develop a Climate Action Plan
- Align green initiatives for fleet and buildings with the Climate Action Plan
- Maintain regulatory compliance & enhance reporting
- Launch a new service compliance program
- Implement corporate Environmental Management System (EMS)



Financial & Regulatory Accountability

- Improve financial position & update the long-range financial plan
- Optimize capital project planning & delivery
- Progress asset management and infrastructure planning initiatives
- Complete & implement an actuarial valuation of the Halifax Water employees pension plan
- Complete a cost-of-service/rate application process
- Complete water system assessment reports and a Water Safety Plan
- Secure regulatory approvals for key projects
 - Cogswell DES
 - Cogswell Redevelopment Infrastructure Relocation
 - Burnside Operations Depot
 - Biosolids Processing Facility (BPF)
 - Mill Cove WWTF Upgrade



Operational Excellence

- Implement expanded stormwater service in June 2022
- Develop an operating plan for the Burnside Operations Depot
- Year 2: Water Supply Enhancement Program
- Optimize WSP and WWTF processes through Dalhousie research partnership
- Incorporate the Digital Water Strategy in the Five-Year IT Strategic Plan
- Implement corporate ERM & improve cyber security maturity
- Implement ERP project to improve operational efficiency
- Maintain a high level of day-to-day service that our customers have come to expect



Halifax Water 2022/23 Capital Budget

2022/2023 Capital Budget by Asset Class - All Divisions



Summary - Capital Project Highlights

- Water Supply Enhancement Program
- Churchill Corridor Transmission Main Renewal
- Water Distribution – Main Renewal Program
- Lead Service Line Replacement Program
- Akerley Reservoir – Rehabilitation
- HRM Cogswell Redevelopment – Relocation of water, wastewater and stormwater infrastructure
- Wastewater System – Trenchless Rehabilitation Program
- Integrated Wastewater Collection Projects
- Bissett Road Pump Station Upgrade
- Wastewater lateral replacements
- South Park Street Area Sewer Separation Program
- Halifax & Herring Cove Fine Screen and Lamella Replacements
- Integrated Stormwater Collection Projects
- Driveway and Cross Culvert Renewal Program
- Implement Year 5 of IT Strategic Plan
- Corporate Flow Monitoring Program
- Fleet Upgrade Program
- Burnside Operations Centre



Operating Budget – All Services

Operating Budget Summary (in thousands)

	Actual 2020/21	Approved Budget 2021/22	Proposed Budget 2022/23	Change
Operating revenues	\$ 136,569	\$ 150,466	\$ 152,765	\$ 2,298
Operating expenditures	113,689	125,379	128,788	3,409
Earnings from operations	22,880	25,087	23,977	(1,110)
Financial and other revenues	963	722	733	11
Financial and other expenditures	33,726	37,461	35,598	(1,863)
Deficit	\$ (9,883)	\$ (11,651)	\$ (10,888)	\$ 764

Summary

- The proposed capital and operating budgets for 2022/23 support delivery of the 2022/23 Business Plan
 - Capital budget requirement - \$106.5 million
 - Operating budget requirement - \$164.4 million in total expenditures
- There are many business risks to be managed in order to achieve the objectives of the Business Plan, not the least of which is financial risk, as Halifax Water's rates do not currently cover the cost of providing the service
- Halifax Water's business plan and budgets will be thoroughly reviewed by the NSUARB as part of a public hearing later in the year to adjust rates

Questions or Comments?