



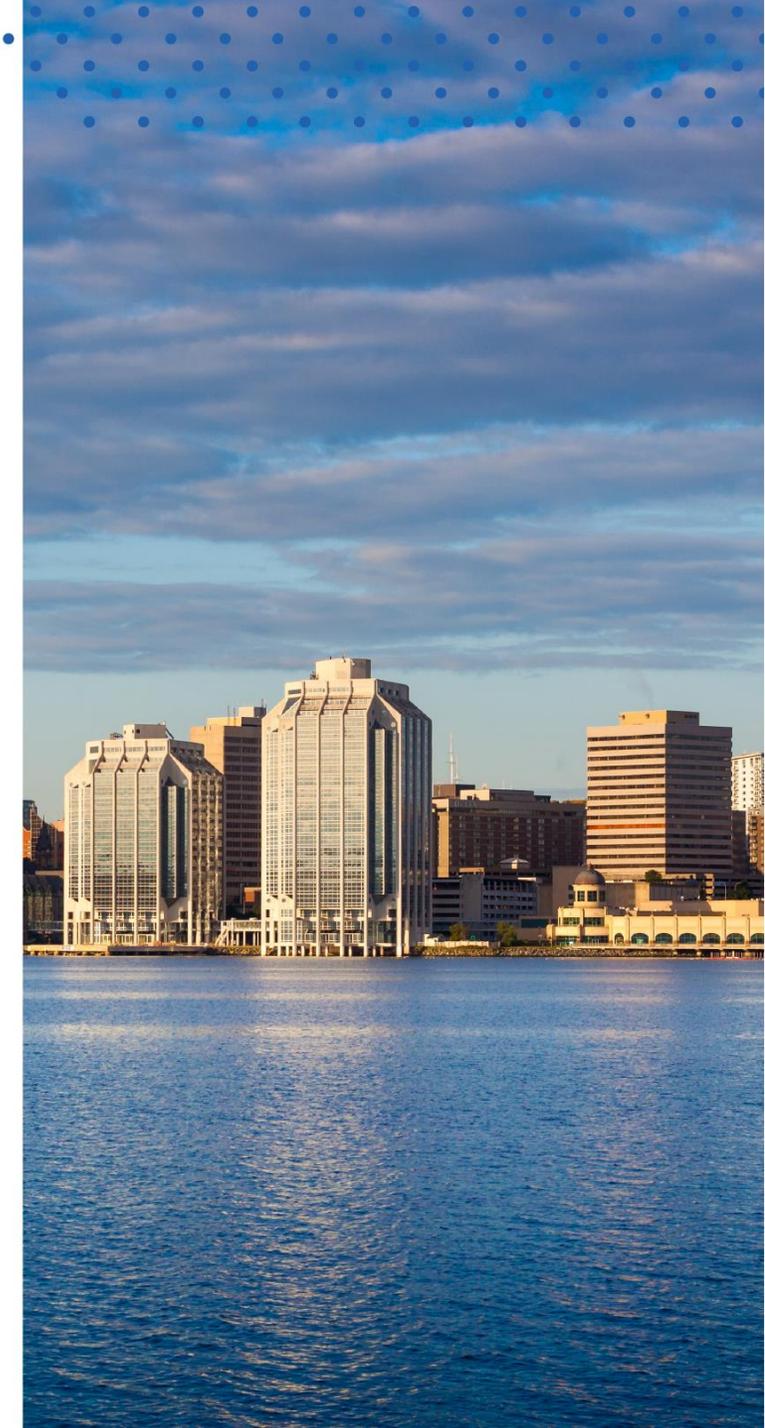
Re: Item No. 13.3.1

# Halifax Water 2023/24 Annual Business Plan

Halifax Regional Council

March 7, 2023

**STRAIGHT from  
the SOURCE**



# Background



In March 2018, Council approved an Admin Order 2018-01 that sets out a framework for annual reporting by Halifax Water to Regional Council, including presentation of the annual business plan for approval.



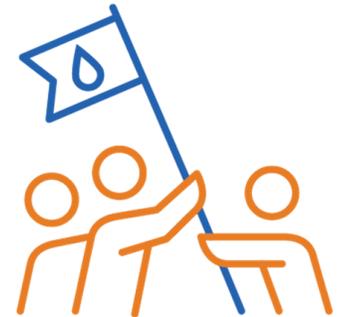
The Halifax Water Board provided input to the strategic planning process at a workshop on December 16, 2022 and approved the Business Plan on January 26, 2023.



The proposed operating and capital budgets for 2023/24 reflect the proposed annual business plan for 2023/24, the current Five-Year business plan, and long-term plans approved by the Halifax Water Board and the NSUARB, such as the Integrated Resource Plan.

## Current Situation

- Halifax Water has budgeted a \$10.9m deficit in 2022/23, but the financial situation improved with an approved rate increase in December 2022.
- The plan for 2023/24 will see:
  - a significant reduction in the operating deficit.
  - an improvement in the organization's capacity to improve capital delivery.
  - ability to maintain service.
  - meet regulatory obligations.
  - maintain focus on strategic initiatives.
  - support our safety-first culture.
  - continue to focus on our One Team, One Water initiative.



**One Team,  
One Water**

# Four Pillars



## 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.



## 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

- Increase institutional capacity by filling new and vacant positions critical to achieving the utility's objectives.
- Proactive and productive approach to labour management to support union and management relations through union contract negotiations and reevaluation of CUPE Local 227 positions.
- Continue the implementation of the Document Management System to improve efficiency and retain and share knowledge.
- Continue implementing the Diversity, Equity and Inclusion policy and the fair hiring policy to support the culture of inclusivity and belonging.
- Continue to increase engagement with stakeholders and customers around rates, RDC and other charges and the utility's work to support the community.



# Health, Safety & Environment



- Create a psychological health and safe workplaces framework to ensure a physically and mentally safe workplace.
- Develop a Climate Action Plan to ensure the utility is prepared for changing climate and its impacts.
- Enhance wastewater modelling and data collection on Combined Sewer Overflows and Sanitary Sewer Overflows to improve our regulatory reporting and support the multi-year mitigation plans.
- Continue to develop and finalize the Water Safety Plan to ensure the quality and safety of drinking water.
- Gain approval for the new Biosolids Facility and execute a contract to begin development of the facility to support a growing municipality and reduce the capital and operating costs.
- Continue to advance the Water Supply Enhancement Program to ensure the large water supply plants continue to produce high-quality water and respond to changes in the source water.

# Financial & Regulatory Accountability

- Develop a five-year business plan for 2025/26 – 2029/30 to set the long-term direction of the utility.
- Finalize approval of the District Energy System and begin design and development of the regulations and other supporting documents to establish rates.
- Go live with new Cayenta ERP and Capital Management and Planning Information Systems to support better financial management and decision making.
- Develop and finalize an updated HRM-Halifax Water Service Level Agreement to improve customer clarity around service providers and to improve efficiencies and coordination.
- Develop the framework for a new rate design for water and wastewater with the goal to provide financial stability and establish long-term affordable rates.



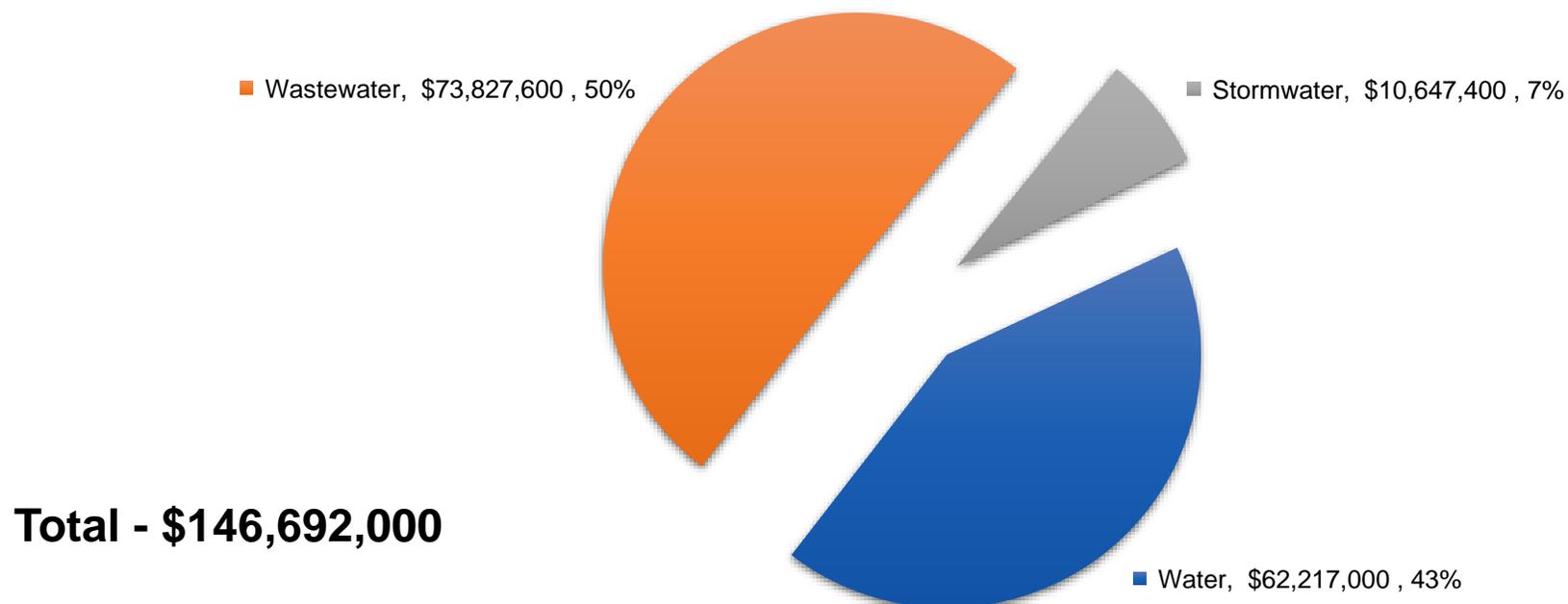
# Operational Excellence



- Complete the key components of the Comprehensive Emergency Management Program, including the Emergency Response Plan and the Business Continuity Plan to ensure concise and integrated emergency response measures.
- Keep significant capital projects and planning studies on track to ensure completion of the Integrated Resource Plan in 2024/25.
- Enhance our ability to deliver capital, including approvals, budgeting, project planning and delivery, by implementing a new structure, analyzing organizational capacity and enhancing project planning and management processes to meet the IRP level of spending and deliver capital projects.
- Develop the five-year IT services roadmap and continue to improve cyber security to set the direction for IT initiatives and have a robust approach to protecting the utility from cyber threats.
- Develop dashboards and metrics to measure and support operational excellence and the level of services being provided to customers.

# Halifax Water 2023/24 Capital Budget

**2023/2024  
Capital Budget by Asset Class - All Divisions**



## 2023/24 Summary – Capital Budget Highlights

- Water Supply Enhancement Program – multi-year water supply plant upgrades for JD Kline & Lake Major.
  - Lead Service Line Replacement Program – coordinated with HRM’s streets program.
  - Bedford-Burnside Transmission Main – aligned with provincial Highway 107 construction timing.
  - HRM Cogswell Redevelopment – relocation of water, wastewater, and stormwater infrastructure.
  - Cogswell District Energy System – distribution piping system, energy centre, energy transfer stations.
  - Integrated Water, Wastewater, Stormwater Programs – coordinated with HRM’s streets program.
  - Mill Cove WWTF Upgrades – wastewater process and overall plant upgrades.
  - Biosolids Processing Facility Upgrade – full facility upgrade to meet compliance requirements.
  - Halifax WWTF Upgrades – new UV disinfection system modules and PLC upgrades.
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## 2023/24 Summary – Capital Budget Highlights

- Asset Renewal Programs – water mains, wastewater and stormwater sewers, and stormwater cross culverts.
  - Wastewater System Trenchless Rehabilitation Program – structural renewal and inflow/infiltration benefits.
  - Pump Stations Upgrades – Bissett Lake PS, Main Street PS, Quigley Corner PS, Autoport Pleasant PS.
  - Information Systems Insights Program – data, analytics, automation, and artificial intelligence projects.
  - Corporate Flow Monitoring Program – 150+ instruments distributed in wastewater system collecting data.
  - Burnside Operations Centre – new operations centre to consolidate four existing depots.
  - Infrastructure Master Plan – growth plan to start fall 2023/24 that will inform Integrated Resource Plan.
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# Operating Budget

Operating Budget Summary (in thousands)				
	Forecast 2022/23	Approved Budget 2022/23	Approved Budget 2023/24	Change from Prior Year
Operating revenues	\$ 155,722	\$ 152,765	\$ 168,896	\$ 16,132
Operating expenditures	128,586	128,788	135,949	7,161
Earnings from operations	<u>27,136</u>	<u>23,977</u>	<u>32,947</u>	<u>8,970</u>
Financial and other revenues	<u>1,245</u>	<u>733</u>	<u>951</u>	<u>218</u>
Financial and other expenditures	<u>35,513</u>	<u>35,598</u>	<u>36,207</u>	<u>610</u>
Loss for the year	<u>\$ (7,132)</u>	<u>\$ (10,888)</u>	<u>\$ (2,309)</u>	<u>\$ 8,579</u>



## Our Purpose

Our purpose is to supply and safeguard sustainable, high-quality water services.

## Our Vision

We will provide our customers with high quality water, wastewater, and stormwater services. Through adoption of best practices, we will place the highest value on public health, customer service, fiscal responsibility, workplace safety and security, asset management, regulatory compliance, and stewardship of the environment. We will fully engage employees through teamwork, innovation, and professional development.

## Our Values

### Relationships

We nurture relationships with our customers, our team members and the environment. We are engaged in the neighbourhoods we serve and we support continual learning across our team.

### Innovation

We are among the top utilities across the continent and we are known on the global stage. We always ask, "how can we improve efficiency, sustainability, creativity and the customer experience?"

### Accountability

We refuse to cut corners. We check in with our excellence standards regularly and look to one another for support. Safety steers our decision-making. We are driven to make our policies, decisions and projects as clear as our drinking water.

### Protection

Halifax Water protects the health and well-being of our population. We exist to guard natural resources, finding ways to sustain our communities and environment.

## Our Goals



### 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 ongoing engagement.

- Increase institutional capacity by filling new and vacant positions critical to achieving utility objectives.
- Continue to implement Document Management System.
- Proactive and Constructive Approach to Labour Management.
- Continue to increase engagement with stakeholders and customers.
- Complete the year-two activities of the Diversity, Equity, and Inclusion Framework.



### Health, Safety & Environment

The health and safety of our employees, contractors, and the public is our top priority. We are focused on a safety-first culture, working to provide healthy, safe, sustainable, and reliable services for our community.

- Adopt standards for psychological health and safe workplaces to continue to build a safe work culture.
- Develop a Climate Action Plan.
- Enhance wastewater modelling and develop a strategy to consistently meet regulatory reporting requirements regarding CSOs and SSOs.
- Finalize and implement the Water Safety Plan.
- Gain approvals, execute the contract, and start the design of the new Biosolids Processing Facility.
- Continue to advance the Water Supply Enhancement Program.



### 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.

- Develop the next Five-Year Business Plan, including a long-term funding strategy for operating and capital budgets.
- Develop the detailed design for Cogswell District Energy System.
- Successfully implement the new Enterprise Resource Planning System (ERP) and Capital Management and Planning Information System.
- Develop and finalize an updated HRM-Halifax Water Service Level agreement.
- Develop a revised rate design and file required rate applications.



### Operational Excellence

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

- Develop and Implement the Comprehensive Emergency Management Program.
- Keep significant capital projects and planning studies on track through regular monitoring and reporting.
- Enhance all capital-related areas (approval, budgeting, project planning and delivery).
- Develop the five-year Information & Technology Services Road Map and continue to improve cyber security.
- Develop dashboards and metrics to measure and support operational excellence and the level of service to our customers.

An aerial photograph of a city, likely New York City, showing a wide river (the Hudson River) and a suspension bridge (the George Washington Bridge) crossing it. The city buildings and streets are visible on both sides of the river. The entire image is overlaid with a semi-transparent blue filter.

***Questions or Comments?***