

Re: Item No. 13.3.1



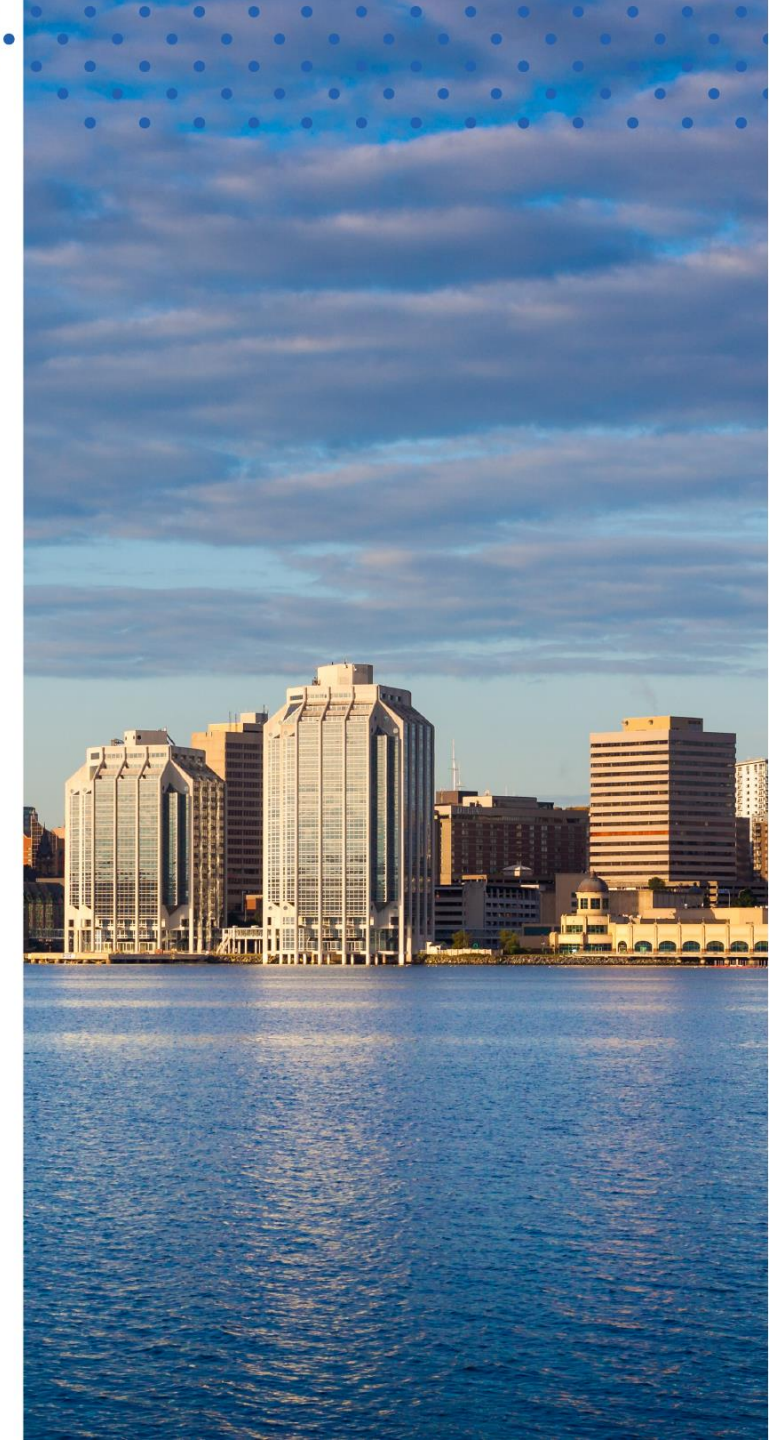
2024/25 Annual Business Plan

HALIFAX Regional Council

Presentation by Kenda MacKenzie

March 19, 2024

**STRAIGHT from
the SOURCE**



Current Situation

- Halifax Water has budgeted a \$2.316M deficit in 2023/24. Operating results to the end of December is a surplus of \$3.6M.
- The plan for 2024/25 will see:
 - an improvement in the organization's capacity to improve capital delivery
 - ability to maintain service
 - meet regulatory obligations
 - mitigate risks
 - maintain focus on strategic initiatives
 - support our safety-first culture
 - continue to focus on our One Team, One Water initiative



Four Pillars



People & Culture

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 & Social Responsibility

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 & Culture

- Enhance the overall Employee Experience
- Develop a Flexible Talent Management Strategy
- Develop a transition plan to support an integrated service delivery model from the Burnside Operations Centre
- Continue to strengthen a positive and diverse workplace
- Continue building institutional capacity to meet the challenges of growth in our infrastructure and operations



Health, Safety, Environment & Social Responsibility



- Continue to develop and enhance Source Water Protection Plans as needed for our watersheds
- Initiate integration of ISO 45001, focusing on continued enhancements to safety culture
- Complete a multi-year roadmap to monitor wastewater system flows
- Deliver the Climate Action Plan and transition to a five-year capital roadmap
- Build a strategic and proactive plan for communications and stakeholder engagement

Financial & Regulatory Accountability

- Update the long-term financial models using the latest projections and forecasting to reflect operational and infrastructure requirements
- Execute contract and gain funding approval for the Biosolids Processing Facility
- Continue to enhance our approach to Capital Delivery and Project Management
- Update Integrated Resource Plan



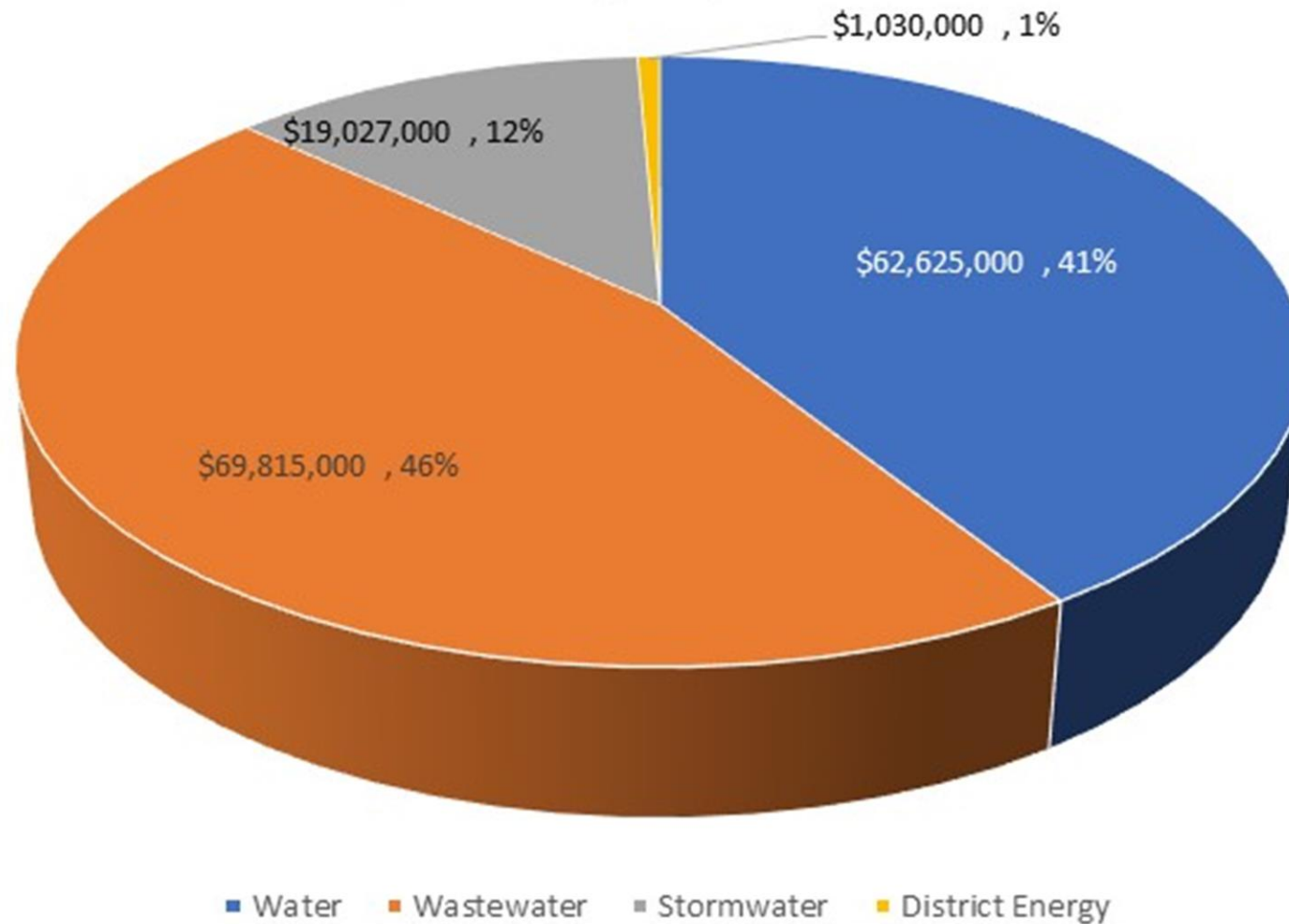
Operational Excellence



- Commence detailed design for the Cogswell District Project Energy Centre
- Continue the Water Supply Enhancement Program
- Develop a framework for ongoing maintenance plans meeting defined asset service standards
- Develop Standard Operating Procedures to support regulatory compliance and the Environmental Management System Program
- Expand Operational Readiness
- Continue to expand the utilization of systems to improve operational efficiency
- Update enterprise risk management models
- Strengthen Halifax Water's Cybersecurity

Halifax Water 2024/25 Capital Budget

2024/25
Capital Budget by Asset Class



2024/25 Summary – Capital Budget Highlights

- Water Supply Enhancement Program – multi-year water supply plant upgrades for JD Kline & Lake Major
- Bedford-Burnside Transmission Main – aligned with provincial Highway 107 construction timing
- Cogswell District Energy System – distribution piping system, energy centre, energy transfer stations
- Peninsula Intermediate Transmission Main Looping – Quinpool to Young
- Mill Cove WWTF Preliminary Design – wastewater process and overall plant upgrades
- Biosolids Processing Facility Upgrade – full facility upgrade to meet compliance requirements
- WWTF Upgrades and Optimization
- Information Systems – Network upgrades, Cyber Security, Delivery of Strategic Plan
- Burnside Operations Centre – new operations centre to consolidate four existing depots
- Sullivans Pond Storm Sewer Replacement – Phase 2

Alignment with HALIFAX Strategic Priorities

PROSPEROUS ECONOMY

A prosperous, welcoming and growing economy positions the municipality as a business and tourism destination of choice, with economic opportunities for all.

ECONOMIC GROWTH	<ul style="list-style-type: none"> • More than 550 employees • More than 1,000 vendors • Creates and supports thousands of local jobs • \$1.5 Billion in capital spending reflected in the current five-year capital budget. • \$152.5 M capital budget for 2024/25 • \$150.8 M. in total operating cost to provide water, wastewater, and stormwater services
HOLISTIC PLANNING	<ul style="list-style-type: none"> • Facilitation of Growth through infrastructure planning and management • Extension of Service
TALENT ATTRACTION, RETENTION & DEVELOPMENT	<ul style="list-style-type: none"> • Work terms and scholarships to assist students with their learning journey • Alliance Grant through the Natural Sciences and Engineering Research Council of Canada and Dalhousie University

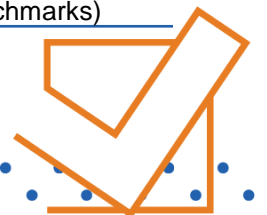


Alignment with HALIFAX Strategic Priorities

COMMUNITIES

The municipality boasts strong social equity through meaningful engagement to build safer and more inclusive communities for all.

SAFE COMMUNITIES	<ul style="list-style-type: none"> • Lead Service Line (LSL) Replacement Program • Wastewater Lateral Replacement Program • Small Systems Operations and Management
INVOLVED COMMUNITIES	<ul style="list-style-type: none"> • Leverages Watershed Advisory Boards • Provides High-Quality Drinking Water • Ensures Source Water Protection • Provides Optimized Treatment • Manages Sound Distribution System Management • Continuous Monitoring and Testing • Cross Connection Control Program • Coordinated Emergency Management Plans • Provides High-Quality Wastewater • Wet Weather Management Planning • Enables Active Transportation and Recreation Initiatives
INCLUSIVE COMMUNITIES	<ul style="list-style-type: none"> • Water Rate Affordability Programs • Regularly communicates and engages the community • Committed to environmental stewardship, and environmental implications through Planning and Reporting
AFFORDABLE COMMUNITIES	<ul style="list-style-type: none"> • Regional Development Charge (RDC) deferral program for Affordable Housing • Strives to have affordable rates (currently equivalent to 1.1% of the median household income, which is well below industry benchmarks)



Alignment with HALIFAX Strategic Priorities

ENVIRONMENT

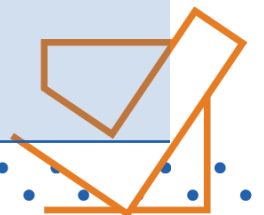
Leadership in climate change action and environmental protection – both as an organization and a region.

NET-ZERO EMISSIONS	<ul style="list-style-type: none"> • Cogswell District Energy System • Solar Projects to Reduce GHG Emissions
CLIMATE RESILIENCE	<ul style="list-style-type: none"> • Climate Change and Adaptation Planning
PROTECTED & SUSTAINABLE ENVIRONMENT	<ul style="list-style-type: none"> • Ongoing Water Quality Monitoring • Established Environmental Management System

RESPONSIBLE ADMINISTRATION

The municipality enables appropriate stewardship of municipal affairs by being well-managed, financially prepared and community-focused.

WELL-MANAGED	<ul style="list-style-type: none"> • Continuous Cost Containment Program • Leader in Water Loss Control • Inflow and Infiltration (I&I) Reduction Program • Enterprise Asset Management Program
FINANCIALLY PREPARED	<ul style="list-style-type: none"> • Prudent financial management methodology • Established Risk Management
COMMUNITY-FOCUSED	<ul style="list-style-type: none"> • Supports Economic Development • Ongoing Communications • Actively Engages the Community <ul style="list-style-type: none"> ○ Public Information Sessions (in-person and online) ○ Source Water Advisory Committees ○ Stakeholder Engagement (formally and informally)



Alignment with HALIFAX Strategic Priorities

OUR PEOPLE

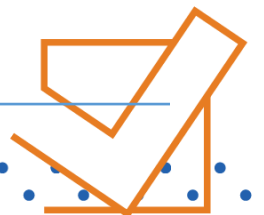
The municipality is committed to diversity, inclusion, and equity and to providing an engaging, healthy, and safe work environment.

ENGAGED & SKILLED PEOPLE	<ul style="list-style-type: none"> Continuously building a skilled, engaged workforce that feels supported and empowered
DIVERSE, INCLUSIVE & EQUITABLE ENVIRONMENT	<ul style="list-style-type: none"> Actively supports through policy and practice, an inclusive environment that reflects the communities for which it serves
HEALTHY & SAFE WORKPLACE	<ul style="list-style-type: none"> Focused on a safety-first culture, working to provide healthy, safe and reliable services for our community

SERVICE EXCELLENCE

The municipality innovates and makes evidence-based decisions to meet or exceed the expectations of the people we serve.

EXCEPTIONAL CUSTOMER SERVICE	<ul style="list-style-type: none"> Offers the Customer Connect Portal Provides Utility Locates to customers Streamlined and timely permitting
INNOVATIVE PERFORMANCE EXCELLENCE	<ul style="list-style-type: none"> Utilize Advanced Meter Infrastructure (AMI) Initiated Artificial Intelligence and Machine Learning Active Research Program Robust Customer Care Strategy Offers Bulk Fill Stations and Portable Water Stations Uses an Integrated Stormwater Policy Integrated Capital Program for Halifax Water Infrastructure and Municipal Streets



Operating Budget

	Approved	Proposed	From 2023/24 Budget	
	Budget 2023/24 '000	Budget 2024/25 '000	\$ Change	% Change
Operating revenues	\$ 168,897	\$ 172,059	\$ 3,162	1.87%
Operating expenditures	135,956	150,837	14,881	10.95%
Earnings from operations before financial and other revenues and expenditures	32,941	21,222	(11,719)	(35.58%)
Financial and other revenues				
Interest	324	383	59	18.21%
Other	627	615	(12)	(1.91%)
	951	998	47	4.94%
Financial and other expenditures				
Interest on long term debt	7,051	9,375	2,324	32.96%
Repayment on long term debt	22,191	24,077	1,886	8.50%
Amortization of debt discount	202	244	42	20.79%
Dividend/grant in lieu of taxes	6,589	7,031	442	6.71%
Other	175	175	0	0.00%
	36,208	40,902	4,694	12.96%
Loss for the year	\$ (2,316)	\$ (18,682)	\$ (16,366)	706.65%



2024/25 Business Plan

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 & Culture

- Enhance the overall Employee Experience.
- Develop a Talent Management Strategy.
- Develop a transition plan to support the Burnside Operations Centre.
- Continue to strengthen a positive and diverse workplace.
- Build institutional capacity to meet the challenges of growth.



Health, Safety, Environmental & Social Responsibility

- Develop and enhance Source Water Protection Plans for our watershed.
- Initiate integration of ISO 45001, to enhance our safety culture.
- Complete a multi-year roadmap to monitor wastewater system flows.
- Deliver the Climate Action Plan and transition to a five-year roadmap.
- Build a proactive communications and stakeholder engagement plan.



Financial & Regulatory Compliance

- Update financial models to reflect operational and infrastructure requirements.
- Execute contract and gain funding approval for Biosolids Processing Facility.
- Continue to enhance our approach to Capital Delivery and Project Management.
- Update Integrated Resource Plan.



Operational Excellence

- Commence detailed design for the Cogswell District Project Energy Centre.
- Continue the Water Supply Enhancement Program.
- Develop a framework for ongoing asset maintenance plans and service standards.
- Develop Procedures to support the Environmental Management System Program.
- Expand Operational Readiness.
- Expand the use of systems to improve operational efficiency.
- Update enterprise risk management models.
- Strengthen Halifax Water's Cybersecurity.

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?