

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

## Item No. 1

Halifax Regional Council  
January 14, 2020

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:**

Original Signed by 

John W. Traves, Q.C., Director, Legal, Municipal Clerk & External Affairs

Original Signed by 

Jacques Dubé, Chief Administrative Officer

**DATE:** November 25, 2019

**SUBJECT:** Funding for Harrietsfield Water Servicing

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### INFORMATION REPORT

#### ORIGIN

At the June 4, 2019 meeting of Halifax Regional Council, Item 15.5.2, the following motion was passed:

THAT Halifax Regional Council direct that the Chief Administrative Officer request confirmation from the Provincial government with respect to available federal and provincial funding specifically for the Harrietsfield Water Project and report back to Council.

#### LEGISLATIVE AUTHORITY

*Halifax Regional Municipality Charter, 2008, c.39 Section 7A – The purposes of the Municipality are to*

.....  
(b) provide services, facilities and other things that, in the opinion of Council, are necessary or desirable for all or part of the Municipality.

#### BACKGROUND

The Harrietsfield area has experienced ongoing water quality issues dating back to at least 1981. Wells in the area have been investigated for high levels of uranium, arsenic, and other heavy metal contaminants. In more recent years, a number of properties have additionally been affected by higher levels of contaminants from the RDM recycling site. In May of 2019, the Federal and Provincial governments committed to jointly fund a \$15 million project to clean up the RDM recycling site; however, issues with contaminated drinking water in the community persist.

There have been ongoing discussions between residents, the Province, and HRM regarding potential solutions to the water quality issues in the community. Chief among these has been the option of extending

central water services to Harrietsfield, the cost for which has been estimated at approximately \$21 million. These discussions have focused on possible funding options for the project, which has including seeking funding under the Environmental Quality funding stream of the Investing in Canada Infrastructure Program (ICIP) federal-provincial bilateral infrastructure agreement.

Under this program, approved projects submitted by municipalities normally receive 40% federal and 33% provincial cost sharing, with municipalities covering the remaining 27%. In the case of the proposed Harrietsfield project, HRM's portion would be billed to impacted property owners as a local improvement charge (LIC). The estimated LIC necessary to service 243 properties in the community has been calculated at approximately \$26,000 per property.

Due to the significant cost implications for impacted property owners, the local Councillor and staff have sought to explore alternative funding options for the project. This has included requesting that the Province consider submitting Harrietsfield water servicing as an ICIP project on its own initiative, which would allow for 50-50 federal-provincial cost sharing and would eliminate the LIC. Another proposed alternative is that the Province opts to cover more than 33% of the project cost, which in turn would reduce the LIC burden on property owners.

As a result of these discussions, at the June 4, 2019 meeting of Halifax Regional Council, a motion was approved to direct the Chief Administrative Officer to write a letter to the Province requesting confirmation of available federal and provincial funding for Harrietsfield water servicing.

## **DISCUSSION**

The new phase of the ICIP federal-provincial bilateral infrastructure agreement was announced in April 2018. Under the agreement, the Province is responsible for identifying and prioritizing eligible projects. Municipalities are invited to submit prioritized infrastructure projects for funding consideration, which are assessed by the Province. Their recommendation is then forwarded to the Federal Government for final approval. The Province may also submit projects for funding on its own initiative.

On November 22, 2018, the Minister of Municipal Affairs issued a call for applications for the Environmental Quality funding stream of the Green Fund. Each municipality was directed to submit no more than two applications for projects, directing that the projects had to be ready to commence in 2019-20 or 2020-21.

At their July 31, 2018 meeting, Halifax Regional Council directed that HRM submit the following two projects to the Province for consideration under this phase of the ICIP Environmental Quality funding program:

- Herring Cove water and wastewater servicing Phase 2B; and
- Halifax Peninsula Water Transmission Main Expansion & Upgrade.

Harrietsfield water servicing was considered by Regional Council at this time, with staff recommending the following in their report dated June 18, 2018:

Given the Provincial responsibility for Harrietsfield's water quality issues, the conflict with MPS goals and the resolution of the water quality problems for the residences affected by the RDM site, it is not recommended that HRM pursue a funding application to provide central water services to Harrietsfield.<sup>1</sup>

Although there are ongoing discussions on possible funding options for Harrietsfield water servicing, currently, there are no immediate plans for HRM to submit a prioritized application for the project.

As per the direction provided by Regional Council on June 4, 2019, Jacques Dubé, Chief Administrative Officer, forwarded a letter to the Province dated July 8, 2019, which requested confirmation as to whether there is federal and provincial funding earmarked specifically for Harrietsfield water servicing.

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<sup>1</sup> <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/180731rc14111.pdf>

A letter dated August 8, 2019 from Nancy MacLellan, Deputy Minister of the NS Department of Municipal Affairs and Housing (DMAH) (Attachment "A"), was received in response. In the letter, the Deputy Minister notes that for a Harrietsfield water servicing project to be considered for funding under the Green Infrastructure – Environmental Quality Stream of ICIP, HRM would have to submit a prioritized project application to the DMAH for funding consideration. It was noted that to date, the DMAH has not received such an application from HRM.

The letter did not address whether the Province intends to submit the Harrietsfield water servicing project on its own initiative under the Green Infrastructure – Environmental Quality Stream of ICIP.

### **FINANCIAL IMPLICATIONS**

There are no financial implications resulting from the information in this report.

### **RISK CONSIDERATION**

There are no significant risks associated with the information in this report.

### **COMMUNITY ENGAGEMENT**

None.

### **ENVIRONMENTAL IMPLICATIONS**

None identified at this time.

### **ATTACHMENTS**

**Attachment A** – Letter from Deputy Minister of Municipal Affairs and Housing dated August 8, 2019

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: David Perusse, Intergovernmental Affairs Advisor, GREA, 902.490.7420

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**AUG 08 2019**

Jacques Dubé  
Chief Administrative Officer  
Halifax Regional Municipality  
1841 Argyle Street  
PO Box 1749  
Halifax, NS B3J 3A5

Dear Mr. Dubé:

Thank you for your letter of July 10, 2019, regarding confirmation of whether funding is earmarked for a Harrietsfield water servicing project.

As you are aware, the Department of Municipal Affairs and Housing (DMAH) is responsible for the delivery of the Investing in Canada Infrastructure Program (ICIP) to municipalities and had invited applications back in December 2018 under the Green – Environmental Quality stream of the ICIP. Municipalities were required to prioritize project applications submitted via a Council resolution. The projects are then vetted provincially, with recommendations sent to the federal government for funding decisions. We did not receive an application for the aforementioned project in that call for applications.

I can advise that, for the municipal portion of the ICIP program, we have not earmarked funding for a Harrietsfield water servicing project. To be considered for funding under this program, your Council would have to submit this project as a priority to DMAH through the application process in the same manner as other potential projects.

If you have any further questions, please do not hesitate to contact Shannon Bennett, A/Executive Director at (902) 483-0446.

Thank you for your inquiry and I wish you well in your endeavors.

Sincerely,

Original Signed

Nancy MacLellan  
Deputy Minister

Halifax Regional Municipality  
**AUG 12 2019**  
Chief Administrative Office