

January 16, 2015

Ken Meech, MPA, Chair  
Halifax Water  
Halifax, Nova Scotia

The regular meeting of the Halifax Water Board will be held on Wednesday, January 21, 2015, at 3:00 p.m. in the Boardroom, 450 Cowie Hill Road, Halifax.

**AGENDA**

**In Camera**

- 1C Approval of minutes of In-Camera meetings held on Friday, November 20, 2014 and Thursday, November 27, 2014
- 2C Business arising from minutes
  - a) Collective Bargaining Update (Verbal)

**Regular Meeting**

- 1.
  - a) Ratification of In-Camera Motions
  - b) Approval of the Order of Business and Approval of Additions and Deletions
- 2.
  - a) Approval of minutes of meetings held on Thursday, November 20, 2014 and Thursday, November 27, 2014
- 3. Business Arising From Minutes
  - a) HRWC Governance (*Report to Follow*)
- 4. Operating Results for the Nine Months ended December 31, 2014
- 5. Capital Projects: Funding Amount:
  - 5.1 2015/16 Water, Stormwater, and Wastewater Collection and Distribution Main  
Renewal - Integrated Projects .....\$9,332,000
  - 5.2 West Region Wastewater Infrastructure Plan - Funding Increase .....\$575,000
  - 5.3 Lake Major WSP - Chlorinator Replacement .....\$200,000
- 6. Proposed 2015/16 Capital Budget
- 7. 2015/16 Water, Wastewater and Stormwater Operating Budget
- 8. General Manager Capital Project Approval Limit
- 9. Date of Next Meeting

**Information Reports**

- 1-I Operations and Financial Monthly Update
- 2-I Capital Budget Approvals to Date - 2014/15
- 3-I Bank Balance
- 4-I Pension Plan Investment Performance 3<sup>rd</sup> Quarter, 2014
- 5-I 2014 Annual Customer Survey



**Cathie O'Toole, CGA, MBA**  
**Director, Finance and Customer Service**

**HALIFAX REGIONAL WATER COMMISSION  
MINUTES**

**November 20, 2014**

**PRESENT:**

Commissioner Ken Meech, Chair  
Commissioner Russell Walker, Vice Chair  
Commissioner Don Mason  
Commissioner Ray Ritcey  
Commissioner David Hendsbee  
Commissioner Barry Dalrymple

**REGRETS:**

Commissioner Mike Savage  
Commissioner Richard Butts

**STAFF:**

Carl Yates, General Manager, HRWC  
Cathie O'Toole, Director, Finance & Customer Service,  
HRWC  
Allan Campbell, Supervisor of Budgets & Financial Analysis,  
HRWC  
Lorna Skinner, Administrative Assistant, HRWC

TABLE OF CONTENTS

**CALL TO ORDER .....3**

**1. 2015 RATE APPLICATION.....3**

**CALL TO ORDER**

The Chair called the regular meeting to order at 9:02 a.m. in the Board Room of the HRWC, 450 Cowie Hill Road. The Board moved In Camera at 10:45 and the regular meeting reconvened at 11:00 a.m.

**1. 2015 RATE APPLICATION**

A report dated November 14, 2014, was submitted.

Commissioner Ritcey asked what the expectations of the Nova Scotia Utility & Review Board (NSUARB) are with regard to the Rate Application, specifically concerning the focus on cost containment. Cathie O'Toole responded that while the last two Rate Applications have been very successful, the decisions of the NSUARB have reflected continued focus in this area. Cost containment has in recent years become an item of focus in the rate hearings for investor- owned utilities and that is likely why the NSUARB have asked HW to demonstrate its ability to manage costs.

Cathie O'Toole proceeded to give a presentation on the 2015 Rate Application highlighting the background, the process, the key drivers, the revenue requirements, the rate design the impact on rate payers and the proposed changes in the Rules and Regulations. Ms. O'Toole began by stating the application has requested the increased rates take effect May 1, 2015, and April 1, 2016. The Hearing will be held February 23<sup>rd</sup> -27<sup>th</sup>, 2015, and many of the contentious issues from past rate hearings have now been resolved.

Ms. O'Toole stated that the Rate Application process was based on the Integrated Resource Plan (IRP), the Debt Strategy, the 2014 Cost of Service Manual, the 5-year Business Plan, the Rate Smoothing Strategy, and the Operating and Capital Budgets. She added that quality assurance processes will be ongoing until the day the Application is filed. Ms. O'Toole informed the Board that the Capital and Operating Budgets for the two test years are translated into revenue requirements which require all costs be split into Water, Wastewater and Stormwater categories. They are then allocated to the activities that are driving the costs and sorted into the most appropriate charge to collect funds from the rate payers. The key drivers for the Rate Application are a) the level of capital spend gradually increasing, b) additions to utility plant in service which brings new depreciation expenses and new debt services c) increasing costs for water and wastewater service, d) decreasing consumption and e) the Aerotech consolidation of April 1, 2015.

Commissioner Ritcey inquired as to why the figures shown for the additions to utility plant in service contained in the presentation are different than those in the IRP. Ms. O'Toole responded that in the IRP, the spend would be approximately \$80M in 2015/16 and approximately \$100M in 2016/17, but that includes water, wastewater and stormwater. The current application is not proposing an increase in stormwater rates. For further clarity, she presented a spreadsheet that reconciled the figures in the Rate Application to those contained in the IRP.

Ms. O'Toole informed the Board that there are 700 new customer connections each year (based on a 4 year historical average). The Halifax CPI has a 4-year average of 2.5% and the Operating expenses are in line with this increase. Consumption is decreasing which

reduces the volumetric revenues. The historic 4-year average consumption decrease is 2.7%.

Ms. O'Toole stated that the revenue requirements stated in the Rate Application agree precisely with the proposed 2015/16 and 2016/17 consolidated budgets. She also stated that the decision on the Aerotech consolidation came after the Business Plan was presented so the revenues were slightly overstated. Therefore the 5-year Business Plan was revised to reflect the restatement of the Budget. The percentage of increase in revenue necessary to cover the projected deficit is 5.9% in 2015/16 and 7.1% in 2016/17. One of the questions anticipated from the NSUARB will be; is there is an accumulated operating surplus that can be used to offset a deficit? There is no accumulated surplus.

Ms. O'Toole confirmed that the revenue requirements support the water and wastewater portion of the planned Capital Budgets for 2015/16 and 2016/17.

HW considered three options with regard to rate design; 1) base and volumetric rates fully based on the COS studies, 2) base rates held flat and volumetric rates adjusted and 3) base rates increased by 1% and volumetric rates adjusted. Alternative #3 is recommended as it smooths the impact of the increases on the rate payer and improves revenue stability. Commissioner Ritcey pointed out that the figures on Page 23 of the Application, in Table Figure 16 are incorrect. Ms. O'Toole explained that the discrepancy is caused by the rounding of figures. Commissioner Ritcey suggested they be re-calculated

Ms. O'Toole stated that revenue generated for each customer meter size will be within +/- 3% of the COS studies. Smaller meter sizes are subsidized by larger meter sizes and the 4" and 6" meter sizes are the furthest from the COS studies. As well, while Public Fire Protection is being phased downward to meet the COS level, Private Fire Protection rates are being phased upward. Ms. O'Toole reviewed the impact of the rate increases on the rate payers. She stated the base charge increases (1%) in year one but does not increase in year two.

Ms. O'Toole reviewed the proposed changes in HW's Rules and Regulations. Commissioner Hendsbee questioned the addition of a \$90 fee for the inspection of new driveway culverts. Ms. O'Toole responded that there is currently a \$90 inspection fee for any new service connections for water or wastewater. As stormwater is now a separate service, it was decided that there should also be a fee charged for the inspections being done on stormwater infrastructure. Ms. O'Toole also confirmed that the fee would be charged per site visit and not per connection and would be for new construction only.

Commissioner Ritcey inquired as to why there was so much verbiage with regard to HW's Employees' Pension Plan included in the Application. Ms. O'Toole stated that the Pension Plan section has now been significantly shortened. The wording that remains has been included because it is a change in the application of the Water Accounting and Recording Handbook. This Handbook is very out of date and corresponds to old Canadian General Accounting Practices (GAP). In 2004, Section 3461 of the CICA Handbook came into effect for employee future benefits which changed how organizations with defined benefit pension plans have to calculate their expense for the year. However, the NSUARB did not update their Handbook accordingly. This was not considered an issue in the past as it was not material; there was not a large difference between what the actuarial valuation stated

should be put into the Pension Plan for funding and what the Section 3461 calculation stated had to be booked as expense. Currently the magnitude of the difference is \$3M per year and if it is not approved within the rates, there is the potential in the future for a liability for which there would be no funding source. The other issue is that there would always be a difference on the Income Statement due to the difference between the pension expense in the rates versus the pension expense that's on the Income Statement. Ms. O'Toole added that any deviation from the NSUARB's Handbook must have their approval. Commissioner Ritcey suggested that even more of the wording be eliminated; Ms. O'Toole responded that it could be reduced to stating that HW has updated the basis of accounting to reflect current CPA Canada Handbook standards around pensions. However, her concern is that it may be perceived as not being completely transparent.

**MOVED BY Commissioner Dalrymple, seconded by Commissioner Mason that the meeting be moved to In Camera to discuss the status of collective bargaining.**

**MOTION PUT AND PASSED.**

Following the In Camera discussion, Commissioner Ritcey inquired if the Board members will be given the communication package in advance of it being made public. Ms. O'Toole confirmed that they will and feedback is welcome.

**MOVED BY Commissioner Walker, seconded by Commissioner Ritcey that the Halifax Regional Water Commission Board approve:**

- 1. Application to the NSUARB for the approval of a Schedule of Rates and Charges for water and wastewater for customers of the Halifax Regional Water Commission, to become effective for services rendered on and after May 1, 2015, as discussed in Attachment One;**
- 2. Application to the NSUARB for the approval of amendments to the Schedule of Rules and Regulations for water, wastewater and stormwater services for customers of the Halifax Regional Water Commission to become effective on or after May 1, 2015, as shown in Attachment Two.**

**MOTION PUT AND PASSED.**

**2. DATE OF NEXT MEETING**

The next meeting is scheduled for November 27, 2014.  
The meeting was adjourned at 11:07 a.m.

  
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Cathie O'Toole, MBA, CGA  
Secretary and Treasurer

  
\_\_\_\_\_  
Commissioner Ken Meech  
Chair

**HALIFAX REGIONAL WATER COMMISSION  
MINUTES**

**November 27, 2014**

**PRESENT:** Commissioner Ken Meech, Chair  
Commissioner Don Mason  
Commissioner Mike Savage  
Commissioner Richard Butts  
Commissioner Ray Ritcey (via teleconference)  
Commissioner David Hendsbee

**REGRETS:** Commissioner Russell Walker, Vice Chair  
Commissioner Barry Dalrymple

**STAFF:** Carl Yates, General Manager, HRWC  
Cathie O'Toole, Director, Finance & Customer Service,  
HRWC  
James Spurr, Legal Counsel, HRWC  
Jamie Hannam, Director, Engineering & Information  
Services, HRWC  
Lorna Skinner, Administrative Assistant, HRWC



## TABLE OF CONTENTS

<b>CALL TO ORDER .....</b>		<b>3</b>
<b>1.a) RATIFICATION OF IN CAMERA MOTIONS .....</b>		<b>3</b>
<b>1.b) APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS.....</b>		<b>3</b>
<b>2. APPROVAL OF MINUTES - September 25, 2014.....</b>		<b>3</b>
<b>3. BUSINESS ARISING FROM MINUTES.....</b>		<b>3</b>
<b>a) Halifax Water Governance.....</b>		<b>3</b>
<b>4. OPERATING RESULTS FOR THE SEVEN MONTHS ENDED OCTOBER 31, 2014 .....</b>		<b>8</b>
<b>4-I SULLIVAN'S POND STORM SEWER SYSTEM REPLACEMENT .....</b>		<b>6</b>
<b>5. CAPITAL PROJECTS .....</b>		<b>8</b>
<b>5.1 MAIN STREET - WASTEWATER SEWER MAIN REPLACEMENT .....</b>		<b>8</b>
<b>5.2 GRAFTON AND ARGYLE STREETS - SEWER SEPARATION - FUNDING INCREASE .....</b>		<b>9</b>
<b>6. APPOINTMENTS TO HALIFAX WATER BOARD COMMITTEES .....</b>		<b>9</b>
<b>7. COW BAY DEEP STORM SEWER PROJECT .....</b>		<b>7</b>
<b>8. DATE OF NEXT MEETING .....</b>		<b>9</b>

**CALL TO ORDER**

The Chair called the regular meeting to order at 9:00 a.m. in the Board Room of the HRWC, 450 Cowie Hill Road. The Board moved In Camera at 9:00 and the regular meeting reconvened at 9:30 a.m.

**1.a) RATIFICATION OF IN CAMERA MOTIONS**

**MOVED BY Commissioner Mason, seconded by Commissioner Ritcey that the Halifax Regional Water Commission Board ratify the following In Camera motions:**

MOVED BY Commissioner Mason, seconded by Commissioner Ritcey, that the Halifax Regional Water Commission Board approve the minutes of October 30, 2014.

**MOTION PUT AND PASSED.**

**1.b) APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS**

Commissioner Savage requested that Item 4-l entitled Sullivan's Pond Storm Sewer System Replacement be brought forward and discussed during the Regular meeting. He also requested a verbal update of the progress of the installation of the deep storm sewers in Cow Bay, specifically in relation to the impact the project is having on local businesses.

**MOVED BY Commissioner Mason, seconded by Commissioner Ritcey that the Halifax Regional Water Commission Board approve the order of business and approve additions and deletions with the above noted amendments.**

**MOTION PUT AND PASSED.**

**2. APPROVAL OF MINUTES – October 30, 2014**

**MOVED BY Commissioner Mason, seconded by Commissioner Ritcey that the Halifax Regional Water Commission Board approve the minutes of October 30, 2014.**

**MOTION PUT AND PASSED.**

**3. BUSINESS ARISING FROM MINUTES****a) HRWC Governance**

A report dated November 20, 2014, was submitted.

Carl Yates gave a presentation providing commentary on the Halifax Water (HW) Governance Review Report and its recommendations that went to Halifax Regional Municipality (HRM) Council on September 9, 2014.

Mr. Yates began by stating that based on his research of governance best practice, the

following five points are relative to this issue: 1) Strategic and business plan approvals are the domain of the Board of Directors, 2) Shareholders have the right to manage and direct dealings with capital stock, 3) Corporation performance including the review of metrics is the purview of the Board of Directors, 4) Information exchange between shareholders and the Board of Directors is encouraged (financial reporting and business plans), and 5) with respect to HW's performance, the Nova Scotia Utility and Review Board (NSUARB) has an active role.

Commissioner Ritcey stated that when the original governance was established, there was clearly the intent that HW was to be an "arm's length" entity of HRM with representatives of HRM on HW's Board of Directors. It was acknowledged that there would be shareholder appointed Directors as well as independent Directors. Commissioner Ritcey stated that, in his view, it is still a shareholder dominated Board of Directors given that the three independent appointees don't represent the full constitution of the Board. If further arm's length governance is desired, the composition of the Board would have to change.

Mr. Yates displayed a table that catalogued the recommendations of the Governance Review Report in a format whereby proposed practices were placed into one of the following three categories: 1) Currently in place, 2) Traditional shareholder right, and 3) Beyond traditional shareholder right.

The Chair inquired if the 2012 Amendment to the Halifax Water Act allowed for new unregulated lines of business. Mr. Yates stated that amendments put HW in a position to take advantage of its assets to leverage an unregulated revenue stream that is tied to its core business. There was an open and transparent dialogue with HRM at the time of the Amendment. Commissioner Butts stated that without approval from HRM, the Province would not have approved the amendment.

Commissioner Ritcey stated that, with regard to the Long-Term Strategic Plan and the Annual Business Plan (which are tied to the categories of "new lines of business" and "services to new areas"), it is denoted that approval of those are currently considered beyond traditional shareholder rights. However, given that those Plans have a direct financial implication, would the shareholder not want to acknowledge and approve any financial obligations in those areas. Mr. Yates stated that currently they do not. However, Mr. Yates added that he received clarification from Greg Keefe, CEO of HRM, that with regard to "services to new areas", they would be outside the boundaries of HRM and would be along the lines of consulting engagements or contracts with other utilities. Those types of activities are currently covered by the Act by virtue of them being tied to HW's core business. Mr. Yates has suggested to Mr. Keefe that there be a financial material threshold established that would require specific shareholder approval for activities outside of HRM. Mr. Yates emphasized again that any unregulated activities would have to be tied to HW's core business. Mr. Yates reiterated that revenues from unregulated activities are intended to benefit the rate base.

The Chair asked for confirmation that Mr. Keefe is recommending that approval of the Long-Term Strategic Plan and the Annual Business Plan by HRM be required and legislated. Mr. Yates confirmed that is correct. The Chair asked if the Board believes that is necessary. Commissioner Hendsbee stated that as there are often shared services between HRM and HW which financially impact both entities, it would be reasonable for

HW to gain approval from HRM for long-term plans during the budget process. Mr. Yates responded that by requiring approval by both HRM Council and the HW the opportunity for conflict could arise with overlapping jurisdictions, including that of the NSUARB which directs the utility in these areas. He stated that if HRM Council is required to approve the Business Plan, they would also be involved in rate setting as Business Plans include operating and capital budgets with directly impact rates. Mr. Yates added that should HW apply for any Provincial or Federal funding, HRM approval would be mandatory for the application to be successful.

Mr. Yates stated that the Business Plan is a public document and staff have offered to do a formal presentation of the Five Year Business Plan to HRM Council in the past. Commissioner Savage stated that HRM Councilors are not interested in interfering with the operation of HW, but they should be well informed and educated on the strategic path of HW as they have to answer to their constituents, the rate payers.

Commissioner Ritcey inquired who would traditionally seek to change the HW Act. Mr. Yates responded that it would be either HW or HRM who would request amendments to the Act and there would be a great amount of communication between the two entities prior to the formal request. Mr. Yates added that amendments would not be brought before the Provincial Legislature without a motion of HRM Council endorsing them. As well, the draft of any proposed amendment would be brought to provincial staff for their review and feedback.

Commissioner Ritcey stated that in his opinion the management report needs to be tighter and that it should reflect the Board of Directors unanimous support. He feels the document in its present form is more defensive than prescriptive. He also stated that included in the document should be a description of the current framework in place for HW, an explanation of how it is not considered a traditional municipal model, and explain why it is the model that is preferred from a governance perspective. He also feels that it needs to be articulated why this model works better than the city department model. Commissioner Ritcey added that the document currently speaks to reduced political interference, the fact that there is NSUARB oversight, and that there is demonstrated internal efficiencies and effectiveness. However, it should state that there is clearly a benefit to the model in that it does not have to compete for limited funds and that there is a balance between accountability and business focus. The comments should reflect that this model is one that is consistent with the best interests of both the shareholder and the rate payers.

Mr. Yates continued his presentation by stating that many of the recommendations in the report are currently in place. He added that Recommendation 3 has been acted upon, that Recommendation 2 is sound (with the exception of performance metrics) and that Recommendation 1 has many issues that will impact the long term viability of HW. Mr. Yates suggested that the Partnership Report be circulated to HRM Council and that senior HRM staff be encouraged to meet with members of the NSUARB for a greater understanding of its oversight.

In further detail, Mr. Yates outlined the suggested changes to Recommendation 1, including what is currently in practice and the specific changes that HW should and should not endorse.

The Chair suggested that comments from the Board be formalized and, pending Board approval, be submitted to Mr. Keefe. The Board agreed.

#### **4-1 SULLIVAN'S POND STORM SEWER SYSTEM REPLACEMENT**

Commissioner Savage asked for this item to be brought forward for discussion. Jamie Hannam, Director of Engineering and Information Services joined the meeting for the purposes of the discussion. Mr. Yates informed the Board that this issue has recently been brought before the Harbour East Community Council and they have asked staff to prepare a report for their review.

Commissioner Savage stated he would like further information on the viability and cost of daylighting. Jamie Hannam informed the Board that HW's primary goal is to renew the conveyance system from Sullivan's Pond to Halifax Harbour. There is an existing undersized pipe that is deteriorating and it must be replaced with a pipe sized for either current or additional capacity. The consultant hired by HW looked at a variety of ways to accomplish this and did consider both a closed conduit pipe as well as one with an open cross section. Referencing Figure 1 attached to the report (a drawing showing the existing and proposed routes for renewal), Mr. Hannam explained that within the current easement, there would not be enough room for an open channel cross section. An open channel that would convey the volumes of flow that are necessary and one that would be consistent with the daylighting policy would be several metres wide on the bottom but would need a graded slope resulting in the top being approximately 20 metres wide. The open cross section alternative was discounted as it was not a practical option given the size of the infrastructure and the easements that HW owns. Therefore, a closed piped solution has continued to be the main focus of this project.

Of the two alternative offered in the report, one involves the system coming down Prince Albert Road (a closed pipeline solution only); however, other existing infrastructure makes this option impractical. The second alternative would follow the historical path of the storm drainage and would have to travel through the canal greenway project and the current park space initiative currently underway. Due to that initiative, this route is not available. The advocates of daylighting envision that between Ochterloney Street and the Alderney Road intersection there would be some opportunity to put an open stream that would fulfill the storm flow need, could recreate some historical river-like feature and may achieve some recreational benefits. Commissioner Hendsbee feels the possibility of an open channel has merit.

Commissioner Ritcey asked what the approximate cost differential would be between a closed pipe system and one with an open cross section. Mr. Yates responded that it would likely be in the range of \$10M to \$20M to include an open channel. Ms. O'Toole stated that HW would be precluded from funding that differential through the rate base. Mr. Hannam stated that HRM staff, in cooperation with HW, are currently preparing a report on this issue. Mr. Yates concluded the discussion by stating that currently there is no practical solution that could see daylighting as part of this project.

**7. COW BAY DEEP STORM SEWER PROJECT UPDATE (verbal)**

Commissioner Savage requested a verbal update on this project.

Jamie Hannam informed the Board that this is a HW and HRM endorsed project that resulted from considerable historical flooding of private property. It was agreed by both HW and HRM that in order to resolve this issue, the installation of a deep storm sewer to facilitate the draining of the properties was necessary. The project was approved and funded under HRM's interim Stormwater Management Policy that provided a funding mechanism whereby the project was funded two thirds by HRM and one third by HW.

At the start of the project, the Contractor's (Dexter Construction) intent was to have the pipework completed by the end of the calendar year. While considerable headway was made, the depth and hardness of the bedrock resulted in the project advancing slower than anticipated. Despite best efforts, an additional six to eight weeks of pipe-laying is necessary. It was determined that the optimum time to do that would be in the early Spring rather than continue during the winter months when conditions would not be conducive to the work being done. This delay would mean the project would see completion in July 2015. There will be a requirement to do a road closure for up to eight weeks in May/June 2015 and there will be three crews on site in order to complete the project as quickly as possible.

Commissioner Savage inquired if there is a penalty for the delay. Mr. Hannam responded that HW would be compensated for any additional costs related to third party consultants. This would be approximately \$1K per day and the Contractor will pay those costs.

Commissioner Savage asked if there is any way to keep a lane open while the work is being done as some of the businesses are complaining of lost revenues due to the change in traffic patterns. Mr. Hannam responded that the Contractor was asked if they could come up with a construction methodology that would leave one lane of traffic open. Their response was that the cost would be prohibitive (approximately a \$4M in additional costs) and it would result in a significant increase in time needed to complete the project. Therefore the original intention of a "rolling" closure was deemed appropriate whereby only the section of road being worked on would be closed. Side streets have been used for entry and exit points.

There are 12-14 businesses in the local area that have been involved in an ongoing dialogue regarding this project. Mr. Hannam noted that only two of those businesses front within the project limits but conceded the others may be impacted by the changed traffic patterns. The two businesses within the limits have been fully accommodated by the Contractor. Mr. Hannam also stated that HW has coordinated and corresponded with the local HRM Councilor (Councilor Karsten), HRM staff, local residents and area businesses in order to best communicate the message that from a project management perspective, HW is making best efforts to minimize the scheduling and impact of this project.

#### **4. OPERATING RESULTS FOR THE SEVEN MONTHS ENDED OCTOBER 31, 2014**

A report dated November 18, 2014, was submitted.

Cathie O'Toole stated that as a result of the budget revision of August 2014, at the end of October there is a profit of \$3.85M, derived from all services. The forecast to year end is a \$1.1M surplus, as late fall and winter expenses tend to be higher.

Ms. O'Toole reminded the Board that there was a cumulative operating loss of \$4M at March 31, 2014, resulting in a current cumulative operating loss of \$100K. The projected cumulative operating loss at year end is \$3M.

Consumption compared to the prior year is down 5%; on a rolling twelve month basis it is down 4.4%. Consumption levels appear to be returning to a more normal level of decline.

Commissioner Hendsbee inquired if HW has converted to monthly billing and if not, when is that anticipated. Ms. O'Toole stated that HW has engaged in discussions with the Nova Scotia Department of Energy and Nova Scotia Power to do a joint Smart Metering project. Therefore, the analysis of smart metering is moving forward in a slightly different direction in that it will be done in cooperation with the Nova Scotia Department of Energy and Nova Scotia Power. Commissioner Hendsbee asked if the monthly billing could be in place prior to the proposed May 1, 2015, rate increase in order to reduce rate shock. Ms. O'Toole responded that conversion to monthly billing would not take place within the current rate application but would likely take place in three years and therefore be part of the next rate application. The reason is that it would not be economic for HW to convert to monthly billing until the AMI System is in place. Ms. O'Toole informed the Board that there will a report on this issue brought to the Board within the first quarter of next year.

#### **5. CAPITAL PROJECTS**

##### **5.1 Main Street – Wastewater Sewer Main Replacement**

A report dated November 18, 2014, was submitted.

Commissioner Hendsbee inquired why approval is being sought after the project has already begun. Mr. Yates responded that this project is being done on an emergency basis.

**MOVED BY Commissioner Hendsbee, seconded by Commissioner Ritcey that the Halifax Regional Water Commission Board approve the Main Street – Wastewater Sewer Main Replacement project, at an estimated cost of \$120,000**

**MOTION PUT AND PASSED.**

**5.2 Grafton and Argyle Streets – Sewer Separation – Funding Increase**

A report dated November 19, 2014, was submitted.

**MOVED BY Commissioner Mason, seconded by Commissioner Hendsbee that the Halifax Regional Water Commission Board approve additional funding in the amount of \$100,000 including net HST for the Grafton and Argyle Streets – Sewer Separation project.**

**MOTION PUT AND PASSED.**

Commissioner Butts suggested that with regard to approval of capital projects, the Board may want to delegate authority to a threshold of \$250K. The Chair agreed the process needs to be examined. Mr. Yates stated that another option would be to adopt a similar process to Nova Scotia Power's and file an annual Capital Plan thereby having all capital projects approved at once. The Board agreed to further examine this issue at a later date.

**6. APPOINTMENTS TO HALIFAX WATER BOARD COMMITTEES (verbal)**

The Chair informed the Board that he tabled a report outlining which committees each Commissioner would be serving on. The Chair added that there was one change, the appointment of Commissioner Mason to the Pension and Benefits Committee.

**MOVED BY Commissioner Mason, seconded by Commissioner Hendsbee that the Halifax Regional Water Commission Board approve the following appointments:**

- 1. Executive Committee – Chair, Ken Meech, Vice Chair, Russell Walker**
- 2. Finance and Audit Committee – Chair, Ray Ritcey, Russell Walker, Ken Meech**
- 3. Environment, Safety, and Capital Project Planning – Chair, Don Mason, Ray Ritcey, Barry Dalrymple, David Hendsbee**
- 4. Pension Committee - Don Mason**

**MOTION PUT AND PASSED**

**8. DATE OF NEXT MEETING**

The next meeting is scheduled for January 29, 2014.

The meeting was adjourned at 11:15 a.m.





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**Cathie O'Toole, MBA, CGA**  
**Secretary and Treasurer**



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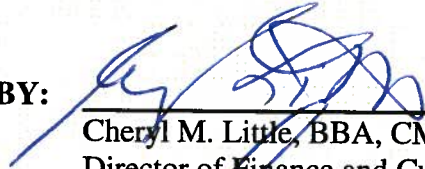

**Commissioner Ken Meech**  
**Chair**

The following Information Items were submitted:

- 1-I Operations and Financial Monthly Update
- 2-I Capital Budget Approvals to Date 2014/15
- 3-I Bank Balance
- 4-I Sullivan's Pond Storm Sewer System Replacement
- 5-I Pockwock Wind Project
- 6-I Orchard In-Line Turbine Project

**TO:** Kenneth Meech, Chair, and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**

   
Cheryl M. Little, BBA, CMA, Controller/ Cathie O'Toole, MBA, CGA,  
Director of Finance and Customer Service

**APPROVED:**

  
Carl Yates, M.A.Sc., P.Eng., General Manager

**DATE:** January 14, 2015

**SUBJECT:** Operating Results for the nine months ended December 31, 2014

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### INFORMATION REPORT

#### ORIGIN

Financial Statements

#### BACKGROUND

The Board is required to review periodic financial information throughout the year.

#### DISCUSSION

Attached are the operating results for the first nine (9) months of the 2014/15 fiscal year, period ending December 31, 2014. Operating results for the first eight (8) months of the 2014/15 fiscal year, period ending November 30, 2014, are also attached but not discussed in detail. The statements reflect direct operating costs by department and allocations among water, wastewater and stormwater for common costs shared across all the services provided by Halifax Regional Water Commission (HRWC).

#### **Balance Sheet - Page 1**

The cash balance of \$52.5 million is up \$4.3 million from the prior year and up \$2.4 million from the prior month. In November, new debt was issued in the amount of \$28.2 million to fund ongoing projects in the 2014/15 Capital Budget. The cash balance is expected to decline in the coming months as operating and capital projects are completed.

The Customers & Contractual Accounts Receivable balance has increased \$1.3 million (5.1%) to \$27.3 million. The change includes an increase of \$0.7 million in billed customer receivables, a

decrease of \$1.1 million in accrued customer balances (which is within the normal monthly fluctuations of the billing cycle), an increase in HST receivable of \$0.5 million, and \$1.2 million in other receivable balances. Amounts receivable from Halifax Regional Municipality (HRM) are up \$2.8 million from the prior year. The current balance of \$3.2 million includes the second semi-annual Stormwater Right-of-Way invoice, which is due in March, and the December balance of the Regional Development Charge (RDC) funds collected by HRM. The RDC took effect July 14, 2014, and cash transfers are occurring on a regular basis while reporting processes are close to being finalized. The liquidity on the balance sheet (ratio of current assets divided by current liabilities) is 2.74, down from the ratio of 2.85 in November. The current ratio for the same time last year was 3.48.

Plant in Service assets net of Accumulated Depreciation is \$1.0 billion, which is \$57.9 million higher than at this time last year. Capital Plant Under Construction is down \$29.2 million to \$55.9 million. The capitalization of the Eastern Passage Wastewater Treatment Facility (EPWWTF) accounts for the significant increase in Plant in Service and decrease in Plant Under Construction. The Lakeside Pumping Station Diversion (\$16.5 million), Kearney Lake Road Transmission Main Replacement Phase 2 (\$6.6 million) and the Cow Bay Road Deep Storm Sewer Installation (\$2.5 million) are the largest projects currently under way. In November, the SAP Asset Accounting project went live. The project incorporates the asset records into the SAP financial system to enhance tracking and reporting. Converting a database of water pipe and valve details for the former west region is scheduled for late January to complete the initial phase of this project.

Trade liabilities of \$17.4 million have increased \$8.0 million when compared to the prior year. Eight of the ten largest current payables are progress claims for capital projects and total \$6.2 million, accounting for most of the increase. Liabilities to HRM increased by \$0.7 million to \$7.0 million. The amount owing to HRM includes the accrual for the annual Dividend (\$3.3 million accrued towards the \$4.3 million total for 2014/15), the accrued balance of the valve box and manhole adjustment work (\$1.4 million), and an accrual for an annual debt payment (\$1.2 million), plus other miscellaneous operating and capital accruals.

The changes in long term liabilities, including Pension, Retirement Benefits, and Reserves are consistent with previous months. As noted above, the RDC is new for 2014/15. \$1.9 million has been recorded to date, of which \$1.3 million has been received and the balance expected to be received from HRM shortly. Under certain circumstances the RDC Charge may be deferred. There is one deferred RDC of \$100,000 which is not yet recorded, pending finalization of the reporting with HRM.

Long Term Debt is up \$7.1 million from last year, with new debt of \$33.7 million offset by repayments of \$18.0 million. The debt service ratio, which is the ratio of debt related costs (including principal and interest payments and amortization of debt discount) divided by operating revenue, is an indicator of the ability to make debt payments. The debt service ratio is currently 21.2%, down from 22.0% last year as a result of higher revenues offsetting higher levels of debt. This is well below the maximum 35% ratio allowed under the blanket guarantee agreement with HRM.

Total Debt by Service		
	2014/15	2013/14
Water	\$71,925	\$64,826
Wastewater	\$153,749	\$150,831
Stormwater	\$8,923	\$3,179
Combined	\$234,597	\$218,837

Debt Servicing Ratio by Service		
	YTD Debt Servicing Cost Ratio	
	2014/15	2013/14
Water	19.1%	19.1%
Wastewater	24.3%	26.2%
Stormwater	12.6%	12.2%
Combined	21.2%	22.0%

**Consolidated Income Statement - Page 2**

Consolidated operating revenue of \$97.5 million is \$11.5 million (13.4%) greater than revenue reported for the same year-to-date period last year. Consolidated operating expenses of \$70.2 million are \$3.8 million (5.7%) higher than the same period last year. The following table summarizes results to date, with a comparison to the same period of 2013/14.

Summarized Consolidated Operating Results				
	Actual YTD 2014/15 '000	Actual YTD 2013/14 '000	\$ Change	% Change
Operating Revenue	\$97,489	\$86,002	\$11,486	13.4%
Operating Expenses	\$70,209	\$66,432	\$3,777	5.7%
Operating Profit (Loss)	\$27,280	\$19,570	\$7,710	39.4%
Non Operating Revenue	\$2,298	\$2,240	\$58	2.6%
Non Operating Expenditure	\$23,896	\$22,098	\$1,798	8.1%
Net Surplus (Deficit)	\$5,683	(\$287)	\$5,970	-2082.0%

As a reminder, the second increment of the rate increase approved in 2013 by the Nova Scotia Utility and Review Board (NSUARB) took effect April 1, 2014. With this increment, base rates remain the same, but consumption rates increased, 23.9% for Water (to \$0.731 per cubic meter), 28.9% for Wastewater (to \$1.658 per cubic meter), and 11.8% for the residential Stormwater Site-Generated Flow charge (to \$33.39 per year). There were also increases in the Right of Way portion of the stormwater charge, Private Fire Protection, Bulk Water and some other charges. Increases in consumption rates have been somewhat offset by continuing declines in consumption.

On November 24, 2014, HRWC submitted a rate application to the NSUARB seeking approval for rate increases for Water and Wastewater services with no increase for Stormwater Service. If approved, combined Water and Wastewater rates would increase 6.5% in 2015/16 and 7.1% in 2016/17.

The following table shows operating results for each service and the Aerotech system. Aerotech will remain under a separate rate structure until April 1, 2015, at which time it will be consolidated with the urban core.

Year to Date Operating Results by Service		
	2014/15	2013/14
	'000	'000
Water	\$1,160	\$410
Wastewater	\$3,249	(\$689)
Stormwater	\$1,085	\$109
Aerotech Water/WW	\$189	(\$117)
Net Surplus (Deficit)	\$5,683	(\$287)

Budget figures shown in the Operating Results are from the revised 2014/15 budget approved at the July 31, 2014, Board meeting. The budget is prepared on an accrual basis; however, there are accrued expenses for pension that are excluded for rate purposes (the current rate application incorporates pension expense into the rate model however it is not yet known if this will be approved by the NSUARB). Various current year forecasts have been updated and forecast updates will continue to be a focus over the remaining months of the fiscal year. The Operating Profit is expected to be reduced in the coming months to a profit of \$2.4 million.

The projected cumulative Operating Surplus/Deficit as at March 31, 2015, is a Deficit of \$1.5 million.

### **Water Operations - Page 3**

Water Operations show a profit of \$1.2 million, compared to the profit of \$0.4 million in the prior year. Metered Sales revenue is up \$2.7 million (10.1%). Metered consumption year-to-date for the period April to December, is down 4.9% compared to the prior year. On a 12 month rolling basis, consumption is down 5.6%.

Metered Sales Revenue consists of consumption and base charge components. Water consumption revenue is up 19.5% over the prior year, which reflects the increase in water rates and decline in consumption. The water consumption rate increased 23.9% as of April 2014, which is offset by the reduced consumption previously mentioned. Base Charge rates have not increased.

Operating Expenses are greater than last year by \$1.0 million (3.9%), although most categories are currently below budget. Administration & Pension, Supply & Treatment, and Transmission & Distribution show the greatest increases over the prior year. Financial Revenue and Expenses are comparable with the previous year and on track with expected results for this time of the year.

### **Wastewater Operations - Page 4**

Wastewater Operations show a \$3.2 million profit, compared to a \$0.7 million loss the previous year. Wastewater revenue has increased \$8.0 million over the prior year, with Metered Sales accounting for the increase.

Wastewater Metered Sales consists of a volumetric discharge component and a base charge component. For most customers, the discharge component is based on the metered water consumption, and the volumes and revenue reflect the decline in water consumption. The discharge rate has increased 28.9% as of April 2014. Comparing the April to December period of this year with last year, the billed discharge volume has declined 4.1%, while on a rolling 12 month basis, the billed discharge volume has declined 5.8%. Base charge rates have not increased. Other revenue categories are currently at or below budget and forecast and will continue to be monitored.

Operating expenses have increased \$3.0 million (8.7%) over the previous year. The most significant increases are seen in Wastewater Treatment, Administration & Pension, and Depreciation. An increase in Wastewater Treatment expense of \$1.4 million is attributable to the EPWWTF, which became operational in January 2014.

Financial Revenue is up slightly compared to the prior year. Financial Expenses are up \$1.1 million but under budget. Debt servicing costs are higher as a result of higher debt levels.

#### **Stormwater Operations - Page 5**

Stormwater Operations show a profit of \$1.1 million, an improvement over the profit of \$0.1 million for the same period last year. Stormwater Revenue is up \$1.2 million from the prior year, with the HRM Right of Way charge being in place for the full fiscal year accounting for the change. The prior year included an allocation from Wastewater of \$1.4 million (not applicable under the new rate structure), which has been offset by the Stormwater Site Generated Charge being in place for the full fiscal year. Over 93,000 customers have been billed for Site Generated service, with 3,000 requests for review of customer properties to determine if stormwater from the property runs into the HRWC Stormwater system. An amount was recorded in 2013/14 to allow for successful appeals of these initial bills.

Beginning in January, HRWC will be billing property owners their share of HRM's Right of Way charge. The charge will be added to Water/Wastewater/Stormwater bills as a separate item, and the proceeds will be remitted to HRM. The receivable amounts from customers and payable amounts to HRM will be reflected on the balance sheet and not on the Stormwater Operations statement.

Expenses for Stormwater Operations are, in total, virtually identical to the prior year. Costs in most areas are below budget, especially Stormwater Collection due to sharing resources with Wastewater Collection which is slightly above budget. Throughout the year staff time is allocated to various activities based on operational requirements. The areas with the greatest increases are Administration & Pension and Depreciation.

#### **Airport/ Aerotech System - Page 6**

The Airport/ Aerotech results show a combined profit of \$189,332, as compared to the \$117,034 loss reported for the same period during the previous year.

Both Water and Wastewater Services at the Airport/Aerotech System have higher revenues than at this time in the previous year. In the Water System, a reduction in costs, as compared to the previous year, at the Bennery Lake Water Supply Plant has resulted in an overall decrease in expenses. The year-to-date profit of \$117,459 is an improvement over the prior year.

Expenses in the Wastewater System are below the previous year, with the Aerotech Wastewater Treatment Plant accounting for the reduction. The year-to-date profit of \$71,873 is an improvement over the prior year.

Rates for the Airport/ Aerotech System took effect August 1, 2013 as the second of the two year rate increases approved by the NSUARB on June 28, 2012. Consolidation with the Urban Core has been approved effective April 1, 2015, and the current rate application reflects the consolidation. Page 6 will continue to be included in the monthly financial Board report until March 31, 2015.

**Regulated and Unregulated Operations - Page 7**

Activities regulated by the NSUARB show a profit of \$5.2 million, well ahead of the loss of \$0.9 million for the same period last year. The significant improvement is largely attributable to increased revenues of \$11.5 million following the rate increases that took effect since this time last year. Operating Expenses have increased \$3.6 million over the prior year and Financial Expenses have increased \$1.8 million.

Unregulated activities show a profit of \$0.5 million, slightly below the profit for the same time last year, as indicated in the table below.

Results by Activity		
	2014/15	2013/14
	'000	'000
Regulated Activities	\$5,214	(\$874)
Unregulated Activities	\$469	\$588
Net Surplus (Deficit)	\$5,683	(\$287)

**ATTACHMENT**

Operating Results for the nine (9) months ended December 31, 2014  
 Operating Results for the eight (8) months ended November 30, 2014

**HALIFAX WATER**  
**UNAUDITED BALANCE SHEET**  
**AS OF DECEMBER 31, 2014**

	2014 '000	2013 '000
<b>ASSETS</b>		
Cash	\$52,456	\$48,154
Amounts Receivable		
Customers & Contractual	\$27,276	\$25,946
Halifax Regional Municipality	\$3,226	\$391
Materials & Supplies	\$1,255	\$1,402
Prepaid Expenses	\$238	\$419
	<u>\$84,452</u>	<u>\$76,312</u>
Regulatory Asset	\$3,820	\$4,012
Plant in Service - Water	\$547,051	\$528,837
Plant in Service - Wastewater/Stormwater	\$746,618	\$678,416
Less: Accumulated Depreciation - Water	\$149,928	\$139,532
Accumulated Depreciation - Wastewater/Stormwater	\$161,727	\$143,782
	<u>\$985,834</u>	<u>\$927,951</u>
Plant Under Construction	\$55,933	\$85,091
	<u>\$1,041,766</u>	<u>\$1,013,043</u>
Unamortized Debt Discount & Issue Expense	\$1,149	\$1,053
	<u><u>\$1,127,367</u></u>	<u><u>\$1,090,407</u></u>
<b>LIABILITIES &amp; CAPITAL</b>		
Trade	\$17,360	\$9,347
Interest on Long Term Debt	\$2,419	\$2,641
Halifax Regional Municipality	\$7,020	\$6,316
Contractor & Customer Deposits	\$196	\$188
Unearned Revenue	\$3,872	\$3,421
	<u>\$30,867</u>	<u>\$21,913</u>
Accrued Post Retirement Benefits	\$617	\$677
Accrued Long Service Award	\$3,139	\$3,099
Deferred Pension Liability	\$12,304	\$9,422
Special Purpose Reserves not allocated to projects	\$13,318	\$7,069
Regional Development Charge	\$1,899	\$0
Long Term Debt-Water	\$71,925	\$64,826
Long Term Debt-Wastewater/Stormwater	\$162,672	\$154,010
Total Liabilities	<u>\$296,741</u>	<u>\$261,017</u>
Capital Surplus	\$810,158	\$799,420
Committed Reserves	\$6,365	\$16,874
Operating Surplus used to Fund Capital	\$12,380	\$12,380
Operating Surplus	(3,959)	\$1,004
Excess (Deficiency) of Revenue over Expenditure - Consolidated	\$5,683	(\$287)
Total Capital & Surplus	<u>\$830,627</u>	<u>\$829,390</u>
	<u><u>\$1,127,367</u></u>	<u><u>\$1,090,407</u></u>



**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - CONSOLIDATED**  
**APRIL 1/14 - DECEMBER 31/14 (9 MONTHS)**  
**75.00%**

ACTUAL (CURRENT MONTH)		DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14 MAR 31/15 BUDGET*	APR 1/14 MAR 31/15 FORECAST	% of FORECAST
THIS YEAR '000	LAST YEAR '000		THIS YEAR '000	LAST YEAR '000			
\$10,527	\$10,074	<b>OPERATING REVENUE</b>	\$97,489	\$86,002	\$129,853	\$129,570	75.24%
\$7,413	\$6,935	<b>OPERATING EXPENSES</b>	\$70,209	\$66,432	\$99,452	\$97,842	71.76%
<b>\$3,115</b>	<b>\$3,139</b>	<b>OPERATING PROFIT</b>	<b>\$27,280</b>	<b>\$19,570</b>	<b>\$30,401</b>	<b>\$31,729</b>	<b>85.98%</b>
<b>FINANCIAL REVENUE</b>							
\$100	\$87	INVESTMENT INCOME	\$583	\$504	\$660	\$660	88.40%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,500	\$1,500	\$2,000	\$2,000	75.00%
\$22	\$23	MISCELLANEOUS	\$215	\$237	\$419	\$309	69.66%
<b>\$288</b>	<b>\$277</b>		<b>\$2,298</b>	<b>\$2,240</b>	<b>\$3,079</b>	<b>\$2,969</b>	<b>77.42%</b>
<b>FINANCIAL EXPENSES</b>							
\$775	\$707	LONG TERM DEBT INTEREST	\$6,440	\$5,650	\$8,903	\$8,783	73.33%
\$1,612	\$1,526	LONG TERM DEBT PRINCIPAL	\$13,797	\$12,757	\$18,888	\$18,728	73.67%
\$0	\$48	INTEREST ON FCM TO SUST. COMM. RESERVES	\$285	\$455	\$285	\$285	100.00%
\$15	\$13	AMORTIZATION DEBT DISCOUNT	\$118	\$95	\$144	\$162	72.89%
\$362	\$349	DIVIDEND/GRANT IN LIEU OF TAXES	\$3,255	\$3,140	\$4,340	\$4,340	75.00%
<b>\$2,764</b>	<b>\$2,644</b>		<b>\$23,896</b>	<b>\$22,098</b>	<b>\$32,560</b>	<b>\$32,297</b>	<b>73.99%</b>
<b>\$639</b>	<b>\$771</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$5,683</b>	<b>(\$287)</b>	<b>\$920</b>	<b>\$2,400</b>	<b>236.78%</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - WATER OPERATIONS**  
**APRIL 1/14 - DECEMBER 31/14 (9 MONTHS)**  
**75.00%**

ACTUAL (CURRENT MONTH)		DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14	APR 1/14	% of FORECAST
THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR	MAR 31/15 BUDGET*	MAR 31/15 FORECAST	
'000	'000		'000	'000	'000	'000	
<b>REVENUE</b>							
\$3,190	\$3,085	METERED SALES	\$29,330	\$26,650	\$39,434	\$39,434	74.38%
\$746	\$788	FIRE PROTECTION	\$6,715	\$7,212	\$8,953	\$8,953	75.00%
\$50	\$41	PRIVATE FIRE PROTECTION SERVICES	\$416	\$313	\$562	\$562	73.97%
\$12	\$15	BULK WATER STATIONS	\$261	\$208	\$258	\$288	90.76%
\$18	\$22	CUSTOMER LATE PAY./COLLECTION FEES	\$137	\$205	\$453	\$183	74.78%
\$7	\$9	MISCELLANEOUS	\$94	\$115	\$157	\$147	63.99%
<b>\$4,024</b>	<b>\$3,960</b>		<b>\$36,953</b>	<b>\$34,703</b>	<b>\$49,818</b>	<b>\$49,567</b>	<b>74.55%</b>
<b>EXPENSES</b>							
\$502	\$433	WATER SUPPLY & TREATMENT	\$4,669	\$4,537	\$6,810	\$6,704	69.65%
\$410	\$661	TRANSMISSION & DISTRIBUTION	\$5,522	\$5,403	\$8,472	\$8,244	66.99%
\$58	\$66	SMALL SYSTEMS (inc. Contract Systems)	\$697	\$684	\$725	\$781	89.36%
\$62	\$56	SCADA, CONTROL & PUMPING	\$554	\$544	\$841	\$831	66.62%
\$296	\$269	ENGINEERING & INFORMATION SERVICES	\$2,493	\$2,489	\$3,560	\$3,481	71.62%
\$40	\$57	ENVIRONMENTAL SERVICES	\$467	\$540	\$659	\$659	70.83%
\$188	\$146	CUSTOMER SERVICE	\$1,506	\$1,418	\$2,083	\$2,082	72.32%
\$486	\$341	ADMINISTRATION & PENSION	\$4,394	\$3,630	\$6,149	\$6,011	73.09%
\$444	\$635	DEPRECIATION	\$5,639	\$5,731	\$7,707	\$7,707	73.16%
<b>\$2,484</b>	<b>\$2,664</b>		<b>\$25,942</b>	<b>\$24,976</b>	<b>\$37,007</b>	<b>\$36,501</b>	<b>71.07%</b>
<b>\$1,539</b>	<b>\$1,295</b>	<b>OPERATING PROFIT</b>	<b>\$11,011</b>	<b>\$9,728</b>	<b>\$12,811</b>	<b>\$13,066</b>	<b>84.27%</b>
<b>FINANCIAL REVENUE</b>							
\$50	\$50	INVESTMENT INCOME	\$292	\$267	\$330	\$330	88.44%
\$17	\$12	MISCELLANEOUS	\$159	\$176	\$346	\$236	67.55%
<b>\$67</b>	<b>\$62</b>		<b>\$451</b>	<b>\$443</b>	<b>\$676</b>	<b>\$566</b>	<b>79.73%</b>
<b>FINANCIAL EXPENSES</b>							
\$234	\$261	LONG TERM DEBT INTEREST	\$1,877	\$1,916	\$2,378	\$2,578	72.81%
\$627	\$551	LONG TERM DEBT PRINCIPAL	\$5,109	\$4,654	\$6,953	\$6,993	73.06%
\$7	\$7	AMORTIZATION DEBT DISCOUNT	\$61	\$50	\$83	\$83	73.34%
\$362	\$349	DIVIDEND/GRANT IN LIEU OF TAXES	\$3,255	\$3,140	\$4,340	\$4,340	75.00%
<b>\$1,230</b>	<b>\$1,167</b>		<b>\$10,302</b>	<b>\$9,760</b>	<b>\$13,754</b>	<b>\$13,994</b>	<b>73.62%</b>
<b>\$377</b>	<b>\$190</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$1,160</b>	<b>\$410</b>	<b>(\$267)</b>	<b>(\$362)</b>	<b>420.46%</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - WASTEWATER OPERATIONS**  
**APRIL 1/14 - DECEMBER 31/14 (9 MONTHS)**  
**75.00%**

ACTUAL (CURRENT MONTH)		DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14	APR 1/14	% of FORECAST
THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR	MAR 31/15 BUDGET*	MAR 31/15 FORECAST	
'000	'000		'000	'000	'000	'000	
<b>REVENUE</b>							
\$5,472	\$5,025	METERED SALES	\$50,611	\$42,381	\$66,654	\$66,952	75.59%
\$11	\$51	WASTEWATER OVERSTRENGTH AGREEMENTS	\$111	\$372	\$300	\$140	79.11%
\$27	\$19	LEACHATE	\$224	\$220	\$366	\$366	61.10%
\$11	\$9	CONTRACT REVENUE	\$65	\$63	\$86	\$86	75.59%
\$37	\$32	SEPTAGE TIPPING FEES	\$545	\$564	\$800	\$650	83.91%
\$22	\$18	CUSTOMER LATE PAY./COLLECTION FEES	\$168	\$137	\$218	\$218	76.96%
\$6	\$7	MISCELLANEOUS	\$89	\$81	\$134	\$124	71.76%
<b>\$5,587</b>	<b>\$5,161</b>		<b>\$51,812</b>	<b>\$43,819</b>	<b>\$68,558</b>	<b>\$68,536</b>	<b>75.60%</b>
<b>EXPENSES</b>							
\$879	\$771	WASTEWATER COLLECTION	\$7,070	\$6,814	\$9,426	\$9,109	77.62%
\$1,395	\$1,260	WASTEWATER TREATMENT PLANTS	\$13,195	\$11,388	\$18,277	\$18,001	73.30%
\$82	\$86	SMALL SYSTEMS	\$689	\$752	\$1,017	\$1,008	68.43%
\$24	\$12	DEWATERING FACILITY/ SLUDGE MGMT	\$385	\$430	\$696	\$701	54.97%
\$0	\$0	BIOSOLIDS TREATMENT	\$36	\$0	\$96	\$76	47.77%
\$27	\$19	LEACHATE CONTRACT	\$201	\$194	\$320	\$319	62.93%
\$85	\$75	SCADA, CONTROL & PUMPING	\$738	\$746	\$1,056	\$1,056	69.86%
\$192	\$226	ENGINEERING & INFORMATION SERVICES	\$1,926	\$2,109	\$3,132	\$3,033	63.50%
\$97	\$113	ENVIRONMENTAL SERVICES	\$966	\$964	\$1,323	\$1,323	72.99%
\$150	\$117	CUSTOMER SERVICE	\$1,201	\$1,125	\$1,665	\$1,664	72.17%
\$388	\$272	ADMINISTRATION & PENSION	\$3,498	\$2,963	\$4,914	\$4,804	72.81%
\$830	\$628	DEPRECIATION	\$7,938	\$7,346	\$10,471	\$10,471	75.81%
<b>\$4,151</b>	<b>\$3,578</b>		<b>\$37,844</b>	<b>\$34,832</b>	<b>\$52,392</b>	<b>\$51,565</b>	<b>73.39%</b>
<b>\$1,436</b>	<b>\$1,582</b>	<b>OPERATING PROFIT</b>	<b>\$13,968</b>	<b>\$8,987</b>	<b>\$16,166</b>	<b>\$16,971</b>	<b>82.31%</b>
<b>FINANCIAL REVENUE</b>							
\$50	\$37	INVESTMENT INCOME	\$292	\$237	\$330	\$330	88.36%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,500	\$1,500	\$2,000	\$2,000	75.00%
\$5	\$11	MISCELLANEOUS	\$56	\$61	\$73	\$73	76.54%
<b>\$221</b>	<b>\$215</b>		<b>\$1,847</b>	<b>\$1,798</b>	<b>\$2,403</b>	<b>\$2,403</b>	<b>76.86%</b>
<b>FINANCIAL EXPENSES</b>							
\$491	\$394	LONG TERM DEBT INTEREST	\$4,190	\$3,402	\$5,972	\$5,672	73.86%
\$895	\$890	LONG TERM DEBT PRINCIPAL	\$8,037	\$7,572	\$10,994	\$10,794	74.46%
\$0	\$48	INTEREST ON FCM TO SUST. COMM. RESERVES	\$285	\$455	\$285	\$285	100.00%
\$7	\$7	AMORTIZATION DEBT DISCOUNT	\$55	\$45	\$59	\$75	72.81%
<b>\$1,393</b>	<b>\$1,339</b>		<b>\$12,567</b>	<b>\$11,473</b>	<b>\$17,311</b>	<b>\$16,827</b>	<b>74.68%</b>
<b>\$264</b>	<b>\$459</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$3,249</b>	<b>(\$689)</b>	<b>\$1,258</b>	<b>\$2,547</b>	<b>127.55%</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - STORMWATER OPERATIONS**  
**APRIL 1/14 - DECEMBER 31/14 (9 MONTHS)**  
**75.00%**

<b>ACTUAL (CURRENT MONTH)</b>		<b>DESCRIPTION</b>	<b>ACTUAL (YEAR TO DATE)</b>		<b>APR 1/14</b>	<b>APR 1/14</b>	<b>% of FORECAST</b>
<b>THIS YEAR</b>	<b>LAST YEAR</b>		<b>THIS YEAR</b>	<b>LAST YEAR</b>	<b>MAR 31/15</b>	<b>MAR 31/15</b>	
<b>'000</b>	<b>'000</b>		<b>'000</b>	<b>'000</b>	<b>BUDGET*</b>	<b>FORECAST</b>	
<b>REVENUE</b>							
\$436	\$0	STORMWATER SITE GENERATED SERVICE	\$4,351	\$4,313	\$5,766	\$5,766	75.46%
\$323	\$775	STORMWATER RIGHT OF WAY SERVICE	\$2,911	\$1,781	\$3,881	\$3,881	75.00%
\$1	\$2	CUSTOMER LATE PAY./COLLECTION FEES	\$9	\$16	\$11	\$11	78.92%
\$6	\$15	MISCELLANEOUS	\$73	\$82	\$95	\$85	85.23%
<b>\$766</b>	<b>\$792</b>		<b>\$7,343</b>	<b>\$6,192</b>	<b>\$9,754</b>	<b>\$9,744</b>	<b>75.37%</b>
<b>EXPENSES</b>							
\$435	\$338	STORMWATER COLLECTION	\$3,149	\$3,281	\$5,281	\$5,040	62.47%
\$3	\$3	SCADA, CONTROL & PUMPING	\$26	\$24	\$35	\$35	74.47%
\$39	\$46	ENGINEERING & INFORMATION SERVICES	\$394	\$432	\$641	\$621	63.45%
\$51	\$45	ENVIRONMENTAL SERVICES	\$462	\$429	\$620	\$620	74.50%
\$31	\$24	CUSTOMER SERVICE	\$246	\$230	\$341	\$341	72.17%
\$80	\$56	ADMINISTRATION & PENSION	\$716	\$607	\$1,007	\$984	72.81%
\$31	\$36	DEPRECIATION	\$342	\$321	\$403	\$403	84.93%
<b>\$669</b>	<b>\$547</b>		<b>\$5,335</b>	<b>\$5,325</b>	<b>\$8,328</b>	<b>\$8,044</b>	<b>66.33%</b>
<b>\$97</b>	<b>\$244</b>	<b>OPERATING PROFIT</b>	<b>\$2,008</b>	<b>\$867</b>	<b>\$1,426</b>	<b>\$1,700</b>	<b>118.14%</b>
<b>FINANCIAL EXPENSES</b>							
\$46	\$48	LONG TERM DEBT INTEREST	\$335	\$289	\$507	\$487	68.70%
\$82	\$78	LONG TERM DEBT PRINCIPAL	\$586	\$469	\$843	\$843	69.56%
\$1	\$0	AMORTIZATION DEBT DISCOUNT	\$3	\$0	\$2	\$4	64.89%
<b>\$129</b>	<b>\$126</b>		<b>\$923</b>	<b>\$758</b>	<b>\$1,352</b>	<b>\$1,334</b>	<b>69.24%</b>
<b>(\$32 )</b>	<b>\$118</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$1,085</b>	<b>\$109</b>	<b>\$74</b>	<b>\$366</b>	<b>296.26%</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - AIRPORT/ AEROTECH OPERATIONS**  
**APRIL 1/14 - DECEMBER 31/14 (9 MONTHS)**  
**75.00%**

DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14 MAR 31/15 BUDGET*	APR 1/14 MAR 31/15 FORECAST	% of FORECAST
	THIS YEAR	LAST YEAR			
<b>AIRPORT/ AEROTECH WATER OPERATIONS</b>					
<b>REVENUE</b>					
METERED SALES	\$514,032	\$467,396	\$620,194	\$620,194	82.88%
FIRE PROTECTION	\$144,668	\$134,901	\$192,890	\$192,890	75.00%
OTHER CONNECTION CHARGE	\$3,188	\$4,252	\$5,628	\$5,628	56.65%
CUSTOMER LATE PAY./COLLECTION FEES	\$396	\$647	\$1,000	\$1,000	39.62%
	<b>\$662,283</b>	<b>\$607,195</b>	<b>\$819,712</b>	<b>\$819,712</b>	<b>80.79%</b>
<b>EXPENSES</b>					
PLANT OPERATIONS	\$367,848	\$471,422	\$643,229	\$640,557	57.43%
PUMPING STATIONS	\$18,416	\$15,788	\$29,718	\$29,718	61.97%
TRANSMISSION & DISTRIBUTION	\$58,923	\$85,599	\$106,264	\$105,118	56.05%
CUSTOMER SERVICE	\$1,476	\$1,383	\$2,046	\$2,045	72.18%
ENGINEERING & INFORMATION SERVICES	\$1,658	\$1,835	\$2,643	\$2,565	64.63%
ENVIRONMENTAL SERVICES	\$414	\$479	\$584	\$584	70.88%
ADMINISTRATION & PENSION	\$4,300	\$3,643	\$6,040	\$5,905	72.82%
DEPRECIATION	\$35,359	\$37,890	\$43,460	\$43,460	81.36%
	<b>\$488,394</b>	<b>\$618,039</b>	<b>\$833,984</b>	<b>\$829,952</b>	<b>58.85%</b>
<b>FINANCIAL EXPENSES</b>					
ALLOCATION OF LONG TERM DEBT INTEREST	\$21,475	\$23,036	\$27,806	\$27,806	77.23%
ALLOCATION OF LONG TERM DEBT PRINCIPAL	\$34,955	\$34,345	\$53,740	\$53,740	65.05%
AMORTIZATION DEBT DISCOUNT	\$0	\$0	\$0	\$0	0.00%
	<b>\$56,431</b>	<b>\$57,381</b>	<b>\$81,546</b>	<b>\$81,546</b>	<b>69.20%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$117,459</b>	<b>(\$68,225)</b>	<b>(\$95,818)</b>	<b>(\$91,786)</b>	<b>-127.97%</b>
<b>AIRPORT/ AEROTECH WASTEWATER OPERATIONS</b>					
<b>REVENUE - REGULATED</b>					
METERED SALES	\$500,324	\$463,541	\$612,504	\$612,504	81.68%
CUSTOMER LATE PAY./COLLECTION FEES	\$363	\$675	\$1,000	\$1,000	36.26%
	<b>\$500,686</b>	<b>\$464,216</b>	<b>\$613,504</b>	<b>\$613,504</b>	<b>81.61%</b>
<b>REVENUE - NON-REGULATED</b>					
DEWATERING	\$157,255	\$157,255	\$209,673	\$209,673	75.00%
AIRLINE EFFLUENT	\$60,258	\$59,431	\$80,471	\$80,471	74.88%
	<b>\$217,513</b>	<b>\$216,685</b>	<b>\$290,144</b>	<b>\$290,144</b>	<b>74.97%</b>
<b>EXPENSES</b>					
TREATMENT PLANT	\$527,203	\$611,539	\$753,876	\$763,976	69.01%
COLLECTION SYSTEM - WASTEWATER	\$23,802	\$16,738	\$80,550	\$80,550	29.55%
CUSTOMER SERVICE	\$1,181	\$1,107	\$1,637	\$1,636	72.21%
ENGINEERING & INFORMATION SERVICES	\$1,326	\$1,468	\$2,114	\$2,052	64.63%
ENVIRONMENTAL SERVICES	\$875	\$875	\$1,201	\$1,201	72.89%
ADMINISTRATION & PENSION	\$3,440	\$2,914	\$4,832	\$4,724	72.82%
DEPRECIATION	\$41,248	\$46,800	\$47,460	\$47,460	86.91%
	<b>\$599,076</b>	<b>\$681,440</b>	<b>\$891,670</b>	<b>\$901,599</b>	<b>66.45%</b>
<b>FINANCIAL EXPENSES</b>					
ALLOCATION OF LONG TERM DEBT INTEREST	\$17,430	\$20,650	\$17,558	\$17,558	99.27%
ALLOCATION OF LONG TERM DEBT PRINCIPAL	\$29,821	\$27,620	\$43,830	\$43,830	68.04%
AMORTIZATION DEBT DISCOUNT	\$0	\$0	\$0	\$0	0.00%
	<b>\$47,251</b>	<b>\$48,271</b>	<b>\$61,388</b>	<b>\$61,388</b>	<b>76.97%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$71,873</b>	<b>(\$48,809)</b>	<b>(\$49,410)</b>	<b>(\$59,339)</b>	<b>-121.12%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR TOTAL CAPITAL EXPENDITURES</b>					
	<b>\$189,332</b>	<b>(\$117,034)</b>	<b>(\$145,228)</b>	<b>(\$151,125)</b>	<b>-125.28%</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - REGULATED AND UNREGULATED OPERATIONS**  
**APRIL 1/14 - DECEMBER 31/14 (9 MONTHS)**  
**75.00%**

DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14 MAR 31/15 BUDGET*	APR 1/14 MAR 31/15 FORECAST	% of FORECAST
	THIS YEAR	LAST YEAR			
<b>REGULATED ACTIVITIES</b>					
<b>REVENUE</b>					
METERED SALES	\$84,292	\$73,345	\$111,854	\$112,152	75.16%
FIRE PROTECTION	\$6,715	\$7,212	\$8,953	\$8,953	75.00%
PRIVATE FIRE PROTECTION	\$416	\$313	\$562	\$562	73.97%
STORMWATER SERVICE	\$2,911	\$1,781	\$3,881	\$3,881	75.00%
AIRPORT SYSTEM	\$1,163	\$1,071	\$1,433	\$1,433	81.14%
OTHER OPERATING REVENUE	\$925	\$1,200	\$1,606	\$1,175	78.72%
	<b>\$96,421</b>	<b>\$84,923</b>	<b>\$128,290</b>	<b>\$128,157</b>	<b>75.24%</b>
<b>EXPENSES</b>					
WATER SUPPLY & TREATMENT	\$4,669	\$4,537	\$6,810	\$6,704	69.65%
TRANSMISSION & DISTRIBUTION	\$5,522	\$5,403	\$8,472	\$8,244	66.99%
WASTEWATER & STORMWATER COLLECTION	\$10,199	\$10,077	\$14,707	\$14,149	72.09%
WASTEWATER TREATMENT PLANTS	\$13,195	\$11,388	\$18,277	\$18,001	73.30%
SMALL SYSTEMS	\$1,377	\$1,429	\$1,728	\$1,774	77.63%
SCADA, CONTROL & PUMPING	\$1,317	\$1,314	\$1,932	\$1,922	68.54%
ENGINEERING & INFORMATION SERVICES	\$4,814	\$5,031	\$7,333	\$7,136	67.46%
ENVIRONMENTAL SERVICES	\$1,895	\$1,933	\$2,602	\$2,602	72.80%
CUSTOMER SERVICE	\$2,925	\$2,754	\$4,054	\$4,052	72.19%
AIRPORT SYSTEM	\$1,087	\$1,299	\$1,726	\$1,732	62.80%
ADMINISTRATION & PENSION	\$8,582	\$7,187	\$12,051	\$11,781	72.85%
DEPRECIATION	\$13,845	\$13,398	\$18,580	\$18,580	74.51%
	<b>\$69,429</b>	<b>\$65,750</b>	<b>\$98,273</b>	<b>\$96,678</b>	<b>71.81%</b>
<b>FINANCIAL REVENUE</b>					
INVESTMENT INCOME	\$583	\$504	\$660	\$660	88.40%
MISCELLANEOUS	\$1,534	\$1,547	\$2,160	\$2,050	74.81%
	<b>\$2,117</b>	<b>\$2,051</b>	<b>\$2,820</b>	<b>\$2,710</b>	<b>78.12%</b>
<b>FINANCIAL EXPENSES</b>					
LONG TERM DEBT INTEREST	\$6,725	\$6,105	\$9,188	\$9,068	74.17%
LONG TERM DEBT PRINCIPAL	\$13,797	\$12,757	\$18,888	\$18,728	73.67%
AMORTIZATION DEBT DISCOUNT	\$118	\$95	\$144	\$162	72.89%
DIVIDEND/GRANT IN LIEU OF TAXES	\$3,255	\$3,140	\$4,340	\$4,340	75.00%
	<b>\$23,896</b>	<b>\$22,098</b>	<b>\$32,560</b>	<b>\$32,297</b>	<b>73.99%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$5,214</b>	<b>(\$874)</b>	<b>\$277</b>	<b>\$1,892</b>	<b>275.61%</b>
<b>UNREGULATED ACTIVITIES</b>					
<b>REVENUE</b>					
SEPTAGE TIPPING FEES	\$545	\$564	\$800	\$650	83.91%
LEACHATE	\$224	\$220	\$366	\$366	61.10%
CONTRACT REVENUE	\$65	\$63	\$86	\$86	75.59%
DEWATERING	\$157	\$157	\$210	\$210	75.00%
AIRLINE EFFLUENT	\$60	\$59	\$80	\$80	74.88%
ENERGY PROJECTS	\$0	\$0	\$38	\$38	0.00%
MISCELLANEOUS	\$16	\$15	\$21	\$21	76.50%
	<b>\$1,067</b>	<b>\$1,080</b>	<b>\$1,601</b>	<b>\$1,451</b>	<b>73.56%</b>
<b>EXPENSES</b>					
WATER SUPPLY & TREATMENT	\$9	\$7	\$14	\$14	68.91%
WASTEWATER TREATMENT	\$642	\$642	\$1,112	\$1,096	58.60%
ENERGY PROJECTS	\$3	\$0	\$9	\$9	29.68%
SPONSORSHIPS & DONATIONS	\$54	\$32	\$54	\$54	100.48%
DEPRECIATION	\$74	\$0	\$0	\$0	0.00%
	<b>\$783</b>	<b>\$682</b>	<b>\$1,188</b>	<b>\$1,172</b>	<b>66.75%</b>
<b>FINANCIAL REVENUE</b>					
MISCELLANEOUS	\$184	\$190	\$229	\$229	80.18%
	<b>\$184</b>	<b>\$190</b>	<b>\$229</b>	<b>\$229</b>	<b>80.18%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$469</b>	<b>\$588</b>	<b>\$643</b>	<b>\$508</b>	<b>92.26%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR TOTAL CAPITAL EXPENDITURES (REG &amp; UNREG)</b>	<b>\$5,683</b>	<b>(\$287)</b>	<b>\$920</b>	<b>\$2,400</b>	<b>236.78%</b>

**HALIFAX WATER**  
**UNAUDITED BALANCE SHEET**  
**AS OF NOVEMBER 30, 2014**

	2014 '000	2013 '000
<b>ASSETS</b>		
Cash	\$50,085	\$48,589
Amounts Receivable		
Customers & Contractual	\$29,267	\$25,593
Halifax Regional Municipality	\$3,137	\$289
Materials & Supplies	\$1,260	\$1,323
Prepaid Expenses	\$147	\$439
	<u>\$83,896</u>	<u>\$76,233</u>
Regulatory Asset	\$3,836	\$4,028
Plant in Service - Water	\$547,051	\$528,878
Plant in Service - Wastewater/Stormwater	\$746,618	\$678,560
Less: Accumulated Depreciation - Water	\$149,358	\$138,879
Accumulated Depreciation - Wastewater/Stormwater	\$160,050	\$143,231
	<u>\$988,098</u>	<u>\$929,355</u>
Plant Under Construction	\$49,876	\$81,890
	<u>\$1,037,974</u>	<u>\$1,011,245</u>
Unamortized Debt Discount & Issue Expense	\$1,164	\$1,066
	<u><u>\$1,123,034</u></u>	<u><u>\$1,088,544</u></u>
<b>LIABILITIES &amp; CAPITAL</b>		
Trade	\$15,740	\$10,711
Interest on Long Term Debt	\$1,917	\$2,055
Halifax Regional Municipality	\$6,423	\$5,270
Contractor & Customer Deposits	\$189	\$191
Unearned Revenue	\$5,134	\$4,525
	<u>\$29,404</u>	<u>\$22,752</u>
Accrued Post Retirement Benefits	\$617	\$677
Accrued Long Service Award	\$3,104	\$3,071
Deferred Pension Liability	\$12,074	\$9,165
Special Purpose Reserves not allocated to projects	\$13,318	\$6,991
Regional Development Charge	\$750	\$0
Long Term Debt-Water	\$71,925	\$64,826
Long Term Debt-Wastewater/Stormwater	\$162,644	\$154,010
Total Liabilities	<u>\$293,835</u>	<u>\$261,492</u>
Capital Surplus	\$809,369	\$797,853
Committed Reserves	\$6,365	\$16,874
Operating Surplus used to Fund Capital	\$12,380	\$12,380
Operating Surplus	(3,959)	\$1,004
Excess (Deficiency) of Revenue over Expenditure - Consolidated	\$5,044	(\$1,058)
Total Capital & Surplus	<u>\$829,198</u>	<u>\$827,052</u>
	<u><u>\$1,123,034</u></u>	<u><u>\$1,088,544</u></u>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - CONSOLIDATED**  
**APRIL 1/14 - NOVEMBER 30/14 (8 MONTHS)**  
**66.67%**

ACTUAL (CURRENT MONTH)		DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14	APR 1/14	% of FORECAST
THIS YEAR '000	LAST YEAR '000		THIS YEAR '000	LAST YEAR '000	MAR 31/15 BUDGET*	MAR 31/15 FORECAST	
\$10,650	\$9,854	<b>OPERATING REVENUE</b>	\$86,961	\$75,928	\$129,853	\$129,723	67.04%
\$7,233	\$7,366	<b>OPERATING EXPENSES</b>	\$62,796	\$59,497	\$99,452	\$99,110	63.36%
<b>\$3,416</b>	<b>\$2,489</b>	<b>OPERATING PROFIT</b>	<b>\$24,166</b>	<b>\$16,432</b>	<b>\$30,401</b>	<b>\$30,613</b>	<b>78.94%</b>
		<b>FINANCIAL REVENUE</b>					
\$79	\$66	INVESTMENT INCOME	\$484	\$417	\$660	\$660	73.28%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,333	\$1,333	\$2,000	\$2,000	66.67%
\$28	\$31	MISCELLANEOUS	\$193	\$214	\$419	\$419	46.14%
<b>\$274</b>	<b>\$263</b>		<b>\$2,010</b>	<b>\$1,964</b>	<b>\$3,079</b>	<b>\$3,079</b>	<b>65.29%</b>
		<b>FINANCIAL EXPENSES</b>					
\$715	\$638	LONG TERM DEBT INTEREST	\$5,665	\$4,943	\$8,903	\$8,903	63.64%
\$1,433	\$1,422	LONG TERM DEBT PRINCIPAL	\$12,185	\$11,231	\$18,888	\$18,888	64.51%
(\$29)	\$47	INTEREST ON FCM TO SUST. COMM. RESERVES	\$285	\$407	\$285	\$285	100.00%
\$15	\$12	AMORTIZATION DEBT DISCOUNT	\$103	\$81	\$144	\$144	71.35%
\$362	\$349	DIVIDEND/GRANT IN LIEU OF TAXES	\$2,893	\$2,791	\$4,340	\$4,340	66.67%
<b>\$2,496</b>	<b>\$2,469</b>		<b>\$21,132</b>	<b>\$19,453</b>	<b>\$32,560</b>	<b>\$32,560</b>	<b>64.90%</b>
<b>\$1,194</b>	<b>\$283</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$5,044</b>	<b>(\$1,058)</b>	<b>\$920</b>	<b>\$1,132</b>	<b>445.73%</b>



**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - WATER OPERATIONS**  
**APRIL 1/14 - NOVEMBER 30/14 (8 MONTHS)**  
**66.67%**

<b>ACTUAL (CURRENT MONTH)</b>		<b>DESCRIPTION</b>	<b>ACTUAL (YEAR TO DATE)</b>		<b>APR 1/14</b>	<b>APR 1/14</b>	<b>% of FORECAST</b>
<b>THIS YEAR</b>	<b>LAST YEAR</b>		<b>THIS YEAR</b>	<b>LAST YEAR</b>	<b>MAR 31/15</b>	<b>MAR 31/15</b>	
<b>'000</b>	<b>'000</b>		<b>'000</b>	<b>'000</b>	<b>BUDGET*</b>	<b>FORECAST</b>	
		<b>REVENUE</b>					
\$3,223	\$3,117	METERED SALES	\$26,140	\$23,565	\$39,434	\$39,434	66.29%
\$746	\$788	FIRE PROTECTION	\$5,969	\$6,425	\$8,953	\$8,953	66.67%
\$43	\$34	PRIVATE FIRE PROTECTION SERVICES	\$366	\$272	\$562	\$562	65.01%
\$22	\$14	BULK WATER STATIONS	\$249	\$193	\$258	\$258	96.48%
\$16	\$24	CUSTOMER LATE PAY./COLLECTION FEES	\$119	\$183	\$453	\$453	26.22%
\$7	\$10	MISCELLANEOUS	\$87	\$106	\$157	\$157	55.31%
<b>\$4,058</b>	<b>\$3,987</b>		<b>\$32,929</b>	<b>\$30,744</b>	<b>\$49,818</b>	<b>\$49,818</b>	<b>66.10%</b>
		<b>EXPENSES</b>					
\$508	\$505	WATER SUPPLY & TREATMENT	\$4,168	\$4,104	\$6,810	\$6,810	61.20%
\$753	\$658	TRANSMISSION & DISTRIBUTION	\$5,112	\$4,743	\$8,472	\$8,401	60.85%
\$63	\$85	SMALL SYSTEMS (inc. Contract Systems)	\$640	\$617	\$725	\$725	88.27%
\$58	\$59	SCADA, CONTROL & PUMPING	\$492	\$488	\$841	\$841	58.42%
\$243	\$210	ENGINEERING & INFORMATION SERVICES	\$2,197	\$2,220	\$3,560	\$3,560	61.72%
\$41	\$62	ENVIRONMENTAL SERVICES	\$427	\$483	\$659	\$659	64.85%
\$159	\$155	CUSTOMER SERVICE	\$1,318	\$1,272	\$2,083	\$2,083	63.27%
\$436	\$412	ADMINISTRATION & PENSION	\$3,908	\$3,289	\$6,149	\$6,149	63.55%
\$353	\$635	DEPRECIATION	\$5,195	\$5,095	\$7,707	\$7,707	67.41%
<b>\$2,615</b>	<b>\$2,782</b>		<b>\$23,457</b>	<b>\$22,311</b>	<b>\$37,007</b>	<b>\$36,936</b>	<b>63.51%</b>
<b>\$1,443</b>	<b>\$1,205</b>	<b>OPERATING PROFIT</b>	<b>\$9,472</b>	<b>\$8,432</b>	<b>\$12,811</b>	<b>\$12,882</b>	<b>73.52%</b>
		<b>FINANCIAL REVENUE</b>					
\$40	\$34	INVESTMENT INCOME	\$242	\$217	\$330	\$330	73.32%
\$23	\$22	MISCELLANEOUS	\$142	\$163	\$346	\$346	41.07%
<b>\$63</b>	<b>\$57</b>		<b>\$384</b>	<b>\$381</b>	<b>\$676</b>	<b>\$676</b>	<b>56.81%</b>
		<b>FINANCIAL EXPENSES</b>					
\$208	\$225	LONG TERM DEBT INTEREST	\$1,643	\$1,655	\$2,378	\$2,378	69.11%
\$575	\$533	LONG TERM DEBT PRINCIPAL	\$4,482	\$4,103	\$6,953	\$6,953	64.46%
\$7	\$7	AMORTIZATION DEBT DISCOUNT	\$53	\$44	\$83	\$83	64.40%
\$362	\$349	DIVIDEND/GRANT IN LIEU OF TAXES	\$2,893	\$2,791	\$4,340	\$4,340	66.67%
<b>\$1,152</b>	<b>\$1,114</b>		<b>\$9,072</b>	<b>\$8,593</b>	<b>\$13,754</b>	<b>\$13,754</b>	<b>65.96%</b>
<b>\$353</b>	<b>\$148</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$783</b>	<b>\$220</b>	<b>(\$267)</b>	<b>(\$196)</b>	<b>500.16%</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - WASTEWATER OPERATIONS**  
**APRIL 1/14 - NOVEMBER 30/14 (8 MONTHS)**  
66.67%

ACTUAL (CURRENT MONTH)		DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14	APR 1/14	% of FORECAST
THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR	BUDGET*	MAR 31/15	
'000	'000		'000	'000	'000	'000	
<b>REVENUE</b>							
\$5,521	\$4,771	METERED SALES	\$45,139	\$37,356	\$66,654	\$66,654	67.72%
\$7	\$49	WASTEWATER OVERSTRENGTH AGREEMENTS	\$100	\$321	\$300	\$170	58.54%
\$23	\$28	LEACHATE	\$197	\$201	\$366	\$366	53.69%
\$8	\$7	CONTRACT REVENUE	\$54	\$54	\$86	\$86	62.53%
\$76	\$61	SEPTAGE TIPPING FEES	\$508	\$532	\$800	\$800	63.51%
\$20	\$16	CUSTOMER LATE PAY./COLLECTION FEES	\$146	\$119	\$218	\$218	67.02%
\$7	\$8	MISCELLANEOUS	\$83	\$75	\$134	\$134	62.19%
<b>\$5,661</b>	<b>\$4,941</b>		<b>\$46,226</b>	<b>\$38,658</b>	<b>\$68,558</b>	<b>\$68,428</b>	<b>67.55%</b>
<b>EXPENSES</b>							
\$715	\$753	WASTEWATER COLLECTION	\$6,191	\$6,043	\$9,426	\$9,353	66.20%
\$1,716	\$1,358	WASTEWATER TREATMENT PLANTS	\$11,799	\$10,128	\$18,277	\$18,262	64.61%
\$74	\$68	SMALL SYSTEMS	\$607	\$667	\$1,017	\$1,026	59.18%
\$51	\$73	DEWATERING FACILITY/ SLUDGE MGMT	\$362	\$418	\$696	\$696	52.02%
\$5	\$0	BIOSOLIDS TREATMENT	\$36	\$0	\$96	\$96	37.25%
\$23	\$24	LEACHATE CONTRACT	\$174	\$175	\$320	\$320	54.41%
\$72	\$78	SCADA, CONTROL & PUMPING	\$652	\$671	\$1,056	\$1,056	61.77%
\$198	\$200	ENGINEERING & INFORMATION SERVICES	\$1,734	\$1,884	\$3,132	\$3,089	56.14%
\$97	\$112	ENVIRONMENTAL SERVICES	\$869	\$851	\$1,323	\$1,322	65.73%
\$127	\$124	CUSTOMER SERVICE	\$1,051	\$1,008	\$1,665	\$1,665	63.12%
\$349	\$330	ADMINISTRATION & PENSION	\$3,110	\$2,691	\$4,914	\$4,914	63.28%
\$525	\$628	DEPRECIATION	\$7,108	\$6,719	\$10,471	\$10,471	67.88%
<b>\$3,952</b>	<b>\$3,747</b>		<b>\$33,693</b>	<b>\$31,254</b>	<b>\$52,392</b>	<b>\$52,269</b>	<b>64.46%</b>
<b>\$1,709</b>	<b>\$1,194</b>	<b>OPERATING PROFIT</b>	<b>\$12,533</b>	<b>\$7,404</b>	<b>\$16,166</b>	<b>\$16,159</b>	<b>77.56%</b>
<b>FINANCIAL REVENUE</b>							
\$40	\$31	INVESTMENT INCOME	\$242	\$200	\$330	\$330	73.24%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,333	\$1,333	\$2,000	\$2,000	66.67%
\$5	\$8	MISCELLANEOUS	\$51	\$50	\$73	\$73	70.31%
<b>\$211</b>	<b>\$206</b>		<b>\$1,626</b>	<b>\$1,583</b>	<b>\$2,403</b>	<b>\$2,403</b>	<b>67.68%</b>
<b>FINANCIAL EXPENSES</b>							
\$465	\$379	LONG TERM DEBT INTEREST	\$3,699	\$3,008	\$5,972	\$5,972	61.94%
\$784	\$834	LONG TERM DEBT PRINCIPAL	\$7,142	\$6,682	\$10,994	\$10,994	64.96%
(\$29)	\$47	INTEREST ON FCM TO SUST. COMM. RESERVES	\$285	\$407	\$285	\$285	100.00%
\$7	\$6	AMORTIZATION DEBT DISCOUNT	\$48	\$38	\$59	\$59	80.61%
<b>\$1,226</b>	<b>\$1,266</b>		<b>\$11,174</b>	<b>\$10,135</b>	<b>\$17,311</b>	<b>\$17,311</b>	<b>64.55%</b>
<b>\$694</b>	<b>\$134</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$2,985</b>	<b>(\$1,147)</b>	<b>\$1,258</b>	<b>\$1,250</b>	<b>238.71%</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - STORMWATER OPERATIONS**  
**APRIL 1/14 - NOVEMBER 30/14 (8 MONTHS)**  
**66.67%**

ACTUAL (CURRENT MONTH)		DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14	APR 1/14	% of FORECAST
THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR	MAR 31/15	MAR 31/15	
'000	'000		'000	'000	BUDGET*	FORECAST	
<b>REVENUE</b>							
\$468	\$0	STORMWATER SITE GENERATED SERVICE	\$3,915	\$1,450	\$5,766	\$5,766	67.89%
\$323	\$773	STORMWATER RIGHT OF WAY SERVICE	\$2,588	\$3,869	\$3,881	\$3,881	66.67%
\$1	\$2	CUSTOMER LATE PAY./COLLECTION FEES	\$8	\$14	\$11	\$11	70.32%
\$5	\$7	MISCELLANEOUS	\$67	\$67	\$95	\$95	70.41%
<b>\$798</b>	<b>\$783</b>		<b>\$6,577</b>	<b>\$5,400</b>	<b>\$9,754</b>	<b>\$9,754</b>	<b>67.43%</b>
<b>EXPENSES</b>							
\$328	\$442	STORMWATER COLLECTION	\$2,714	\$2,943	\$5,281	\$5,143	52.77%
\$3	\$3	SCADA, CONTROL & PUMPING	\$23	\$21	\$35	\$35	65.60%
\$41	\$41	ENGINEERING & INFORMATION SERVICES	\$355	\$386	\$641	\$633	56.10%
\$50	\$50	ENVIRONMENTAL SERVICES	\$411	\$384	\$620	\$619	66.40%
\$26	\$25	CUSTOMER SERVICE	\$215	\$207	\$341	\$341	63.12%
\$71	\$68	ADMINISTRATION & PENSION	\$637	\$551	\$1,007	\$1,007	63.28%
\$30	\$36	DEPRECIATION	\$311	\$285	\$403	\$403	77.29%
<b>\$548</b>	<b>\$664</b>		<b>\$4,666</b>	<b>\$4,777</b>	<b>\$8,328</b>	<b>\$8,179</b>	<b>57.05%</b>
<b>\$249</b>	<b>\$118</b>	<b>OPERATING PROFIT</b>	<b>\$1,911</b>	<b>\$623</b>	<b>\$1,426</b>	<b>\$1,574</b>	<b>121.40%</b>
<b>FINANCIAL EXPENSES</b>							
\$38	\$28	LONG TERM DEBT INTEREST	\$289	\$241	\$507	\$507	56.90%
\$67	\$48	LONG TERM DEBT PRINCIPAL	\$504	\$391	\$843	\$843	59.78%
\$1	\$0	AMORTIZATION DEBT DISCOUNT	\$2	\$0	\$2	\$2	81.82%
<b>\$106</b>	<b>\$76</b>		<b>\$794</b>	<b>\$632</b>	<b>\$1,352</b>	<b>\$1,352</b>	<b>58.74%</b>
<b>\$144</b>	<b>\$42</b>	<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$1,117</b>	<b>(\$9)</b>	<b>\$74</b>	<b>\$222</b>	<b>502.80%</b>

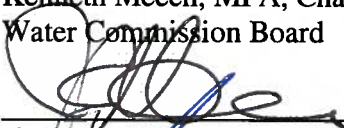
**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - AIRPORT/ AEROTECH OPERATIONS**  
**APRIL 1/14 - NOVEMBER 30/14 (8 MONTHS)**  
**66.67%**

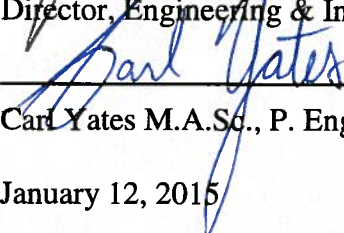
DESCRIPTION	ACTUAL (YEAR TO DATE)	APR 1/14 MAR 31/15	APR 1/14 MAR 31/15	% of FORECAST
	THIS YEAR	LAST YEAR	BUDGET*	FORECAST
<b>AIRPORT/ AEROTECH WATER OPERATIONS</b>				
<b>REVENUE</b>				
METERED SALES	\$465,825	\$419,086	\$620,194	75.11%
FIRE PROTECTION	\$128,593	\$118,827	\$192,890	66.67%
OTHER CONNECTION CHARGE	\$4,228	\$3,783	\$5,628	75.12%
CUSTOMER LATE PAY./COLLECTION FEES	\$358	\$640	\$1,000	35.76%
	<b>\$599,004</b>	<b>\$542,335</b>	<b>\$819,712</b>	<b>\$819,712</b>
<b>EXPENSES</b>				
PLANT OPERATIONS	\$335,385	\$416,215	\$643,229	52.14%
PUMPING STATIONS	\$11,864	\$13,403	\$29,718	39.92%
TRANSMISSION & DISTRIBUTION	\$54,347	\$77,213	\$106,264	51.14%
CUSTOMER SERVICE	\$1,292	\$1,239	\$2,643	48.87%
ENGINEERING & INFORMATION SERVICES	\$1,505	\$1,641	\$2,046	73.55%
ENVIRONMENTAL SERVICES	\$379	\$428	\$584	64.87%
ADMINISTRATION & PENSION	\$3,823	\$3,308	\$6,040	63.29%
DEPRECIATION	\$31,986	\$33,680	\$43,460	73.60%
	<b>\$440,580</b>	<b>\$547,127</b>	<b>\$833,984</b>	<b>\$833,984</b>
<b>FINANCIAL EXPENSES</b>				
ALLOCATION OF LONG TERM DEBT INTEREST	\$19,118	\$20,500	\$27,806	68.76%
ALLOCATION OF LONG TERM DEBT PRINCIPAL	\$31,036	\$30,493	\$53,740	57.75%
AMORTIZATION DEBT DISCOUNT	\$0	\$0	\$0	0.00%
	<b>\$50,154</b>	<b>\$50,993</b>	<b>\$81,546</b>	<b>\$81,546</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$108,270</b>	<b>(\$55,785)</b>	<b>(\$95,818)</b>	<b>(\$95,818)</b>
<b>AIRPORT/ AEROTECH WASTEWATER OPERATIONS</b>				
<b>REVENUE - REGULATED</b>				
METERED SALES	\$450,274	\$413,431	\$612,504	73.51%
CUSTOMER LATE PAY./COLLECTION FEES	\$319	\$665	\$1,000	31.86%
	<b>\$450,593</b>	<b>\$414,095</b>	<b>\$613,504</b>	<b>\$613,504</b>
<b>REVENUE - NON-REGULATED</b>				
DEWATERING	\$139,782	\$139,782	\$209,673	66.67%
AIRLINE EFFLUENT	\$40,401	\$30,182	\$80,471	50.21%
	<b>\$180,183</b>	<b>\$169,964</b>	<b>\$290,144</b>	<b>\$290,144</b>
<b>EXPENSES</b>				
TREATMENT PLANT	\$475,913	\$547,889	\$753,876	63.13%
COLLECTION SYSTEM - WASTEWATER	\$19,554	\$12,054	\$80,550	24.28%
CUSTOMER SERVICE	\$1,034	\$992	\$1,637	63.15%
ENGINEERING & INFORMATION SERVICES	\$1,204	\$1,313	\$2,114	56.95%
ENVIRONMENTAL SERVICES	\$787	\$772	\$1,201	65.62%
ADMINISTRATION & PENSION	\$3,058	\$2,646	\$4,832	63.29%
DEPRECIATION	\$37,331	\$41,600	\$47,460	78.66%
	<b>\$538,882</b>	<b>\$607,266</b>	<b>\$891,670</b>	<b>\$891,669</b>
<b>FINANCIAL EXPENSES</b>				
ALLOCATION OF LONG TERM DEBT INTEREST	\$15,394	\$18,487	\$17,558	87.68%
ALLOCATION OF LONG TERM DEBT PRINCIPAL	\$26,256	\$23,974	\$43,830	59.90%
AMORTIZATION DEBT DISCOUNT	\$0	\$0	\$0	0.00%
	<b>\$41,650</b>	<b>\$42,460</b>	<b>\$61,388</b>	<b>\$61,388</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>\$50,245</b>	<b>(\$65,668)</b>	<b>(\$49,410)</b>	<b>(\$49,409)</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR TOTAL CAPITAL EXPENDITURES</b>	<b>\$158,515</b>	<b>(\$121,452)</b>	<b>(\$145,228)</b>	<b>(\$145,227)</b>

**HALIFAX WATER**  
**UNAUDITED INCOME STATEMENT - REGULATED AND UNREGULATED OPERATIONS**  
**APRIL 1/14 - NOVEMBER 30/14 (8 MONTHS)**  
**66.67%**

DESCRIPTION	ACTUAL (YEAR TO DATE)		APR 1/14	APR 1/14	% of FORECAST
	THIS YEAR	LAST YEAR	MAR 31/15 BUDGET*	MAR 31/15 FORECAST	
<b>REGULATED ACTIVITIES</b>					
<b>REVENUE</b>					
METERED SALES	\$75,193	\$62,372	\$111,854	\$111,854	67.22%
FIRE PROTECTION	\$5,969	\$6,425	\$8,953	\$8,953	66.67%
PRIVATE FIRE PROTECTION	\$366	\$272	\$562	\$562	65.01%
STORMWATER SERVICE	\$2,588	\$3,869	\$3,881	\$3,881	66.67%
AIRPORT SYSTEM	\$1,050	\$956	\$1,433	\$1,433	73.23%
OTHER OPERATING REVENUE	\$844	\$1,064	\$1,606	\$1,476	57.20%
	<b>\$86,009</b>	<b>\$74,957</b>	<b>\$128,290</b>	<b>\$128,160</b>	<b>67.11%</b>
<b>EXPENSES</b>					
WATER SUPPLY & TREATMENT	\$4,168	\$4,104	\$6,810	\$6,810	61.20%
TRANSMISSION & DISTRIBUTION	\$5,112	\$4,743	\$8,472	\$8,401	60.85%
WASTEWATER & STORMWATER COLLECTION	\$8,889	\$8,972	\$14,707	\$14,495	61.32%
WASTEWATER TREATMENT PLANTS	\$11,799	\$10,128	\$18,277	\$18,262	64.61%
SMALL SYSTEMS	\$1,239	\$1,278	\$1,728	\$1,737	71.34%
SCADA, CONTROL & PUMPING	\$1,167	\$1,180	\$1,932	\$1,932	60.38%
ENGINEERING & INFORMATION SERVICES	\$4,287	\$4,489	\$7,333	\$7,282	58.87%
ENVIRONMENTAL SERVICES	\$1,707	\$1,718	\$2,602	\$2,600	65.66%
CUSTOMER SERVICE	\$2,560	\$2,469	\$4,054	\$4,054	63.14%
AIRPORT SYSTEM	\$979	\$1,154	\$1,726	\$1,726	56.76%
ADMINISTRATION & PENSION	\$7,634	\$6,519	\$12,051	\$12,051	63.34%
DEPRECIATION	\$12,540	\$12,099	\$18,580	\$18,580	67.49%
	<b>\$62,081</b>	<b>\$58,853</b>	<b>\$98,273</b>	<b>\$97,931</b>	<b>63.39%</b>
<b>FINANCIAL REVENUE</b>					
INVESTMENT INCOME	\$484	\$417	\$660	\$660	73.28%
MISCELLANEOUS	\$1,363	\$1,385	\$2,160	\$2,160	63.10%
	<b>\$1,847</b>	<b>\$1,802</b>	<b>\$2,820</b>	<b>\$2,820</b>	<b>65.48%</b>
<b>FINANCIAL EXPENSES</b>					
LONG TERM DEBT INTEREST	\$5,950	\$5,350	\$9,188	\$9,188	64.77%
LONG TERM DEBT PRINCIPAL	\$12,185	\$11,231	\$18,888	\$18,888	64.51%
AMORTIZATION DEBT DISCOUNT	\$103	\$81	\$144	\$144	71.35%
DIVIDEND/GRANT IN LIEU OF TAXES	\$2,893	\$2,791	\$4,340	\$4,340	66.67%
	<b>\$21,132</b>	<b>\$19,453</b>	<b>\$32,560</b>	<b>\$32,560</b>	<b>64.90%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>					
	<b>\$4,643</b>	<b>(\$1,547)</b>	<b>\$277</b>	<b>\$489</b>	<b>949.38%</b>
<b>UNREGULATED ACTIVITIES</b>					
<b>REVENUE</b>					
SEPTAGE TIPPING FEES	\$508	\$532	\$800	\$800	63.51%
LEACHATE	\$197	\$201	\$366	\$366	53.69%
CONTRACT REVENUE	\$54	\$54	\$86	\$86	62.53%
DEWATERING	\$140	\$140	\$210	\$210	66.67%
AIRLINE EFFLUENT	\$40	\$30	\$80	\$80	50.21%
ENERGY PROJECTS	\$0	\$0	\$38	\$38	0.00%
MISCELLANEOUS	\$14	\$14	\$21	\$21	68.00%
	<b>\$953</b>	<b>\$971</b>	<b>\$1,601</b>	<b>\$1,601</b>	<b>59.50%</b>
<b>EXPENSES</b>					
WATER SUPPLY & TREATMENT	\$8	\$6	\$14	\$14	56.44%
WASTEWATER TREATMENT	\$588	\$607	\$1,112	\$1,112	52.91%
ENERGY PROJECTS	\$3	\$0	\$9	\$9	29.68%
SPONSORSHIPS & DONATIONS	\$45	\$30	\$54	\$54	84.84%
DEPRECIATION	\$74	\$0	\$0	\$0	0.00%
	<b>\$718</b>	<b>\$644</b>	<b>\$1,188</b>	<b>\$1,188</b>	<b>60.42%</b>
<b>FINANCIAL REVENUE</b>					
MISCELLANEOUS	\$166	\$162	\$229	\$229	72.43%
	<b>\$166</b>	<b>\$162</b>	<b>\$229</b>	<b>\$229</b>	<b>72.43%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>					
	<b>\$401</b>	<b>\$489</b>	<b>\$643</b>	<b>\$643</b>	<b>62.41%</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR TOTAL CAPITAL EXPENDITURES (REG &amp; UNREG)</b>					
	<b>\$5,044</b>	<b>(\$1,058)</b>	<b>\$920</b>	<b>\$1,132</b>	<b>445.73%</b>

**TO:** Kenneth Meech, MPA, Chair and Members of the Halifax Regional  
Water Commission Board

**SUBMITTED BY:**   
\_\_\_\_\_  
Jamie Hannam, P. Eng.  
Director, Engineering & Information Services

**APPROVED:**   
\_\_\_\_\_  
Carl Yates M.A.Sc., P. Eng., General Manager

**DATE:** January 12, 2015

**SUBJECT:** **2015/16 Water, Stormwater, and Wastewater Collection and  
Distribution Main Renewal - Integrated Projects**

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**ORIGIN**

The proposed Halifax Water 2015/16 Capital Budget.

**RECOMMENDATION**

The HRWC Board approve the funding for the Water, Stormwater, and Wastewater Renewal Integrated Projects, at an estimated cost of \$9,332,000 including net HST as detailed within Schedule 1.

**BACKGROUND**

Halifax Water's proactive Water, Stormwater, and Wastewater Renewal Program is designed to replace or rehabilitate existing pipes that are in poor structural or hydraulic condition to reduce maintenance costs and improve system reliability.

**DISCUSSION**

The HRM Capital Budget includes several methods of renewing or replacing the existing street surface as part of the street rehabilitation program. Halifax Water works closely with HRM staff from the Design and Construction Department to plan and coordinate projects and look for joint opportunities for construction.

Full street structure replacements and resurfacing projects are probable candidates for the renewal of watermains and stormwater/wastewater collection pipes because of the efficiencies gained by integrated and coordinated construction activities. The water, stormwater, and wastewater infrastructure projects scheduled for the replacement/rehabilitation program for 2015/16 are listed in Schedule 1.

These projects are included within the proposed 2015/16 Capital Budget. This report is brought forward in advance of the final NSUARB approval of the Capital Budget to help ensure that the projects can be implemented within strict time lines that have been imposed by external factors, including integration with advanced funded, approved HRM Streets Projects.

**BUDGET IMPLICATIONS**

Funding for the water component of this project, in the amount of \$4,200,000 including net HST is available within the 2015/16 Capital Budget under “*Water Distribution – Watermain Renewal Program*” which has a total budget of \$4,200,000.

Funding for the stormwater component of this project in the amount of \$508,000 including net HST is available within the 2015/16 Capital Budget under “*Integrated Stormwater Projects – Program*” which has a total budget of \$650,000.

Funding for the wastewater component of this project in the amount of \$4,608,000 including net HST is available in the 2015/16 Capital Budget under “*Alder Crescent Collection System Replacement*” which has a budget of \$635,000, “*New Pumping Station and Forcemain plus Belmont WWTF Decommissioning*” which has a budget of \$3,000,000 and “*Integrated Wastewater Projects – Program*” which has a total budget of \$1,300,000.


**ALTERNATIVES**

There are no recommended alternatives.


**ATTACHMENT**

Schedule 1 – 2015/16 Water, Stormwater and Wastewater Integrated Projects


Report Prepared by: \_\_\_\_\_

  
Tom Gorman, Manager, Water Infrastructure, Engineering & IS  
490-4176

Report Prepared by: \_\_\_\_\_

  
David Ellis, Manager, Wastewater and Stormwater Infrastructure,  
Engineering & IS 490-6716

Financial Reviewed by: \_\_\_\_\_

  
Cathie O'Toole, CGA, MBA, Director of Finance and Customer  
Service, 490-3572




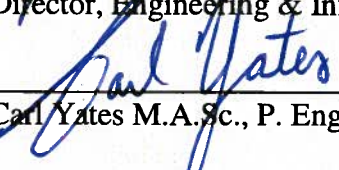
**Schedule 1**  
**2015/16 Water, Wastewater and Stormwater Integrated Projects**

STREET	LIMITS		WATER			STORMWATER			WASTEWATER					
			MAIN SIZE	RENEWAL LENGTH (m)	WATER MAIN COST ESTIMATE	MAIN SIZE	RENEWAL LENGTH (m)	NUMBER OF LATERALS TO BE REPLACED	STORMWATER COST ESTIMATE	MAIN SIZE	RENEWAL LENGTH (m)	NUMBER OF LATERALS TO BE REPLACED	WASTEWATER COST ESTIMATE	
<b>East Region</b>														
* Penhom Drive	Curley Drive	Jean Street	200	538	\$484,200	250	15, 1 catchbasin lead		\$16,000			17	\$99,000	
* Samia Avenue	Regent	Penhom West	200	192	\$172,800							8	\$47,000	
** Main Road/Pleasant Street (Wastewater Force main portion of Belmont WWTF Decommissioning plus watermain renewal)	Belmont	Hines	400	1500	\$1,650,000					200	1500		\$3,000,000	
* Merrimac Drive	Forest Hill Parkway	Arklow Drive				250	20, 2 catchbasin lead		\$21,000					
* Whynette Place	Topsail Blvd.	Lucien Drive						12	\$73,000			9	\$52,000	
* Cross Road	Dewhurst Drive	Topsail Blvd.						17	\$99,000			17	\$99,000	
* Dewhurst Drive	Lucien Drive	Whynette Place						8	\$47,000			8	\$47,000	
* Homes Road Bridge	Bridge Replacement												\$71,000	
* Lahey Road	Farrell Street	Clarence Street								200	1 spot repair	23	\$137,000	
* Skyvue Terrace	Dewhurst Drive	end						17	\$99,000			17	\$99,000	
<b>Subtotal East Region</b>					<b>\$2,307,000</b>				<b>\$355,000</b>				<b>\$3,651,000</b>	
<b>West Region</b>														
* Kempt Road	Hood St	Commission St	300	100	\$110,000									
* Pepperell St	Preston	Vernon St	200	371	\$371,000					250	8 catchbasin lead replacement 85 m and 2 manholes	2	\$62,000	
* Richmond Ave	Barrington	Devonshire	200	160	\$152,000	600	20		\$54,000	300 & 375			\$119,000	
* MacAlpine Ave	Federal Ave	Easement	250	232	\$232,000									
* Drysdale Road	Herring Cove Road	Halfway to Emerald	300	160	\$208,000									
* Brunswick St	Cogswell Intersection	Plus Valves	600	70	\$200,000									
* Thomhill Drive	Auburn Avenue	end				300	1 spot repair and 1 manhole replacement		\$16,000					
<b>Subtotal West Region</b>					<b>\$1,273,000</b>				<b>\$70,000</b>				<b>\$181,000</b>	
<b>Central Region</b>														
* First Avenue	Bedford HWY	Pine Street	200	370	\$370,000			9	\$52,000			9	\$52,000	
* Sackville Cross Road Bridge	Bridge Replacement		250	40	\$100,000								\$71,000	
** Alder Crescent - Wastewater Collection System Replacement	Riverside Drive	Drainage Outlet	200	200	\$150,000					300	220		\$635,000	
* Cunningham	First Avenue	end						3	\$18,000			3	\$18,000	
Jubilee Lane	Sackville Drive	end				450	1 spot repair		\$13,000					
<b>Subtotal Central Region</b>					<b>\$820,000</b>				<b>\$83,000</b>				<b>\$776,000</b>	
<b>Subtotal Water, Stormwater, and Wastewater All Regions</b>					<b>\$4,200,000</b>				<b>\$508,000</b>				<b>\$4,608,000</b>	
<b>TOTAL WATER, STORMWATER, AND WASTEWATER</b>					<b>\$9,316,000</b>									

\* Integrated Projects with HRM  
\*\* Integrated Water - Wastewater Non HRM

**TO:** Kenneth Meech, MPA, Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
Jamie Hannam, P. Eng.  
Director, Engineering & Information Services

**APPROVED:**   
Carl Yates M.A.Sc., P. Eng., General Manager

**DATE:** January 14, 2015

**SUBJECT:** **West Region Wastewater Infrastructure Plan – Funding Increase**

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**ORIGIN**

2014/15 Capital Budget  
HRWC Board Approval – June 19, 2014  
NSUARB Approval (M06287) – July 31, 2014

**RECOMMENDATION**

The HRWC Board approve additional funding in the amount of \$575,000 including net HST for the West Region Wastewater Infrastructure Plan (formerly: Halifax – Herring Cove Sewersheds Infrastructure Plan), for a revised cost of \$1,074,000 including net HST.

**BACKGROUND**

The HRWC Board and the NSUARB approved funding for the West Region Wastewater Infrastructure Plan (formerly referred to as the “Halifax – Herring Cove Sewersheds Infrastructure Plan”) on June 19, 2014 and July 31, 2014 respectively. The purpose of this plan was to evaluate the alignment options, determine conceptual pipe sizing and produce cost estimates for projects required to achieve the master plan strategies identified in the Integrated Resource Plan (IRP) and Regional Wastewater Functional Plan (RWWFP).

Subsequent to the approval of funding for the original project, the project scope and Request for Proposals were reviewed by HRWC staff and the NSUARB (via comments

from the Tellus Institute). As a result, additional items were added to the scope of the project prompting this request for a funding increase.

**DISCUSSION**

The initial Infrastructure Plan to be undertaken has been prioritized on the West Region Sewersheds servicing areas. The development of this Infrastructure Plan will involve reviewing the background work carried out with the RWWFP and the associated projects identified for the West Region Sewersheds. This project is considered foundational for advancing the long term infrastructure planning for projects identified in the IRP and RWWFP. The original project scope considered for the 2014/15 Capital Budget included the following tasks and deliverables:

- Confirm extent of study and review background materials;
- Review and confirm Master Planning Framework and confirm HRWC's approach;
- Review and update study assumptions;
- Gather/validate growth information;
- Carry out model updates;
- Confirm eligible projects;
- Review timing/sequencing of proposed works;
- Carry out preliminary designs for routing, site locations;
- Prepare preliminary design plans, scope documents, and cost estimates;
- Prepare report.

During the preparation of the Request for Proposals, the proposed scope of the project was reviewed by HRWC staff and the NSUARB (via comments from the Tellus Institute). At that time, a number of additional scope items were identified to enhance the project. These include expanded geographic extents and various policy initiatives designed to enhance the deliverables of this Infrastructure Plan and which will form the foundation of future Infrastructure Plan. This additional scope was incorporated into the Request for Proposals.

Consequently, it was recognized that additional funding would be required to achieve the expanded scope. Therefore, Item "2.359 – *West Region Infrastructure Plan*" was added to the 2015/16 Capital Budget to provide the increased funding required.

When the 2015/16 Capital Budget was being prepared the decision had already been made to change the name of this project from the “*Halifax – Herring Cove Sewersheds Master Plan*” to the “*West Region Wastewater Infrastructure Plan*”. The name of the project was revised to fully describe the geographic extents of the project and to create a distinction between “Master Plans” and “Infrastructure Plans”. The additional scope which prompted this request for a funding increase includes:

- Expanded stakeholder consultation;
- Expanded study area to include BLT sewershed;
- Expanded study area to include Urban Settlement and Urban Reserve lands;
- Development of a Wastewater Demand Management Policy Paper;
- Establish a Wet Weather Level of Service Policy for existing customers;
- Establish a Combined Systems Level of Service Policy for servicing intensification of brownfield sites on existing combined sewers;
- Development of a Capital Cost Framework;
- Additional analysis of Inflow and Infiltration (I/I) reduction measures and the impact of demand management strategies;
- Analysis of the cost implications of the various I/I reduction measures including the cost to achieve the reduction and the impact on the preferred Infrastructure Plan.
- Flow monitoring to support proposed model updates;
- Intrusive testing and field verification (geotechnical and survey) to support development of preliminary designs for infrastructure plans.

The project was tendered, with the full revised scope, through the HRWC “Request for Proposals” process. The project was awarded to GM BluePlan under a phased contract. Phase 1 of the awarded work is based on the currently approved funding and the Phase 2 work is contingent on the approval of this funding increase.

The proposed project also includes two components – flow monitoring and intrusive testing and field verification – which are not included in the GM BluePlan contract and will be procured using existing standing offers.

The estimated total cost of the West Region Wastewater Infrastructure Plan project is \$1,074,000 including net HST.

**ITEM #5.2****HRWC Board****January 21, 2015**

The projected breakdown of project spending is as follows:

<b>Project Task</b>	<b>Budget Cost (No HST)</b>	<b>Net HST (4.286%)</b>	<b>Budget Cost (Incl. Net HST)</b>
<b>GM BluePlan – Phase 1</b> (Awarded)	\$434,363.00	\$18,616.80	\$452,979.80
<b>GM BluePlan – Phase 2</b> (Award Pending Approval of Funding Increase)	\$356,493.00	\$15,279.29	\$371,772.29
<b>Flow Monitoring</b> (To be Awarded)	\$95,890.15	\$4,109.85	\$100,000.00
<b>Intrusive Testing and Field Verification</b> (To be Awarded)	\$117,367.54	\$5,030.37	\$122,397.91
<b>Halifax Water Staff Time</b> (Assumed 2.5% of Total Budget Cost)	\$26,850.00	N/A	\$26,850.00
<b>Total</b>	<b>\$1,030,963.69</b>	<b>\$43,036.31</b>	<b>\$1,074,000.00</b>

The total capital program for West Region wastewater projects identified in the RWWFP, adjusted to reflect the work already completed in the BLT/Lakeside area, is approximately \$280 million. Therefore, the budget cost of this project represents approximately 0.5% of the total capital program under consideration of the West Region Wastewater Infrastructure Plan.

The results of this project will inform the capital program and update the scope and timing of West Region wastewater projects originally identified in the RWWFP. In addition, the project will be a direct input to planned revisions to the IRP and future Regional Development Charge (RDC) updates.

**BUDGET IMPLICATIONS**

Funding in the amount of \$499,000 including net HST was approved by the HRWC Board and the NSUARB from within the 2014/15 Capital Budget under “2.359 - Halifax – Herring Cove Sewersheds Master Plan”.

Additional funding for this project is available from the following sources:

<b>Funding</b>	<b>Source</b>
\$450,000	2015/16 Capital Budget under “ <i>2.359 – West Region Infrastructure Plan</i> ”
\$25,000	2015/16 Capital Budget under “ <i>2.381 – Regional Centre Local Wastewater Servicing Capacity Analysis</i> ” <sup>1</sup>
\$100,000	Reallocated from <i>SAP#600000331 – Permanent Flow Monitoring Program</i>
<p>1. When the 2015/16 Capital Budget was being prepared the “Combined Systems Level of Service Policy” work was proposed to be conducted as part of a joint project with HRM. Due to timing and project compatibility, staff felt that this policy work was better suited to the “West Region Wastewater Infrastructure Plan” project.</p>	

The proposed expenditure meets the “No Regrets – Unavoidable Needs” approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of “Directly supports the implementation of the Asset Management program”, and “Growth related infrastructure supported by pre-design level master plan”. The project meets these criteria based on:

- The project supports the development of the Wastewater Master Plans that translates growth, regulatory compliance, and asset renewal drivers into infrastructure projects and programs.
- The purpose of the project is to provide a next level of pre-design master planning that validates or revises the underlying design assumptions developed during the Regional Wastewater Functional Plan

**ALTERNATIVES**

There are no recommended alternatives.

**ATTACHMENT**

Sketch – West Region Wastewater Infrastructure Plan Location

Report Prepared By:



David Blades, P.Eng., Project Engineer, 266-9355

Financial Reviewed By:



Cathie O'Toole, CGA, MBA, Director of Finance and  
Customer Service, 490-3572



**PROJECT LOCATION**

Path: K:\Engineer\B\B\Projects\2014 Master Plan\Projects\Halifax\_Hemming\_Cove\Maps\West Region Wastewater Infrastructure Plan.mxd

*"To provide world class services for our customers and our environment"*

Data Source: Halifax Water / HRM  
Date: Monday, July 21, 2014

The information contained on this map may not be complete and/or accurate in all areas. Should accurate information or confirmation of completeness be required, please contact the Engineering Department of Halifax Water. Halifax Water will not be held liable for misuse of this information.

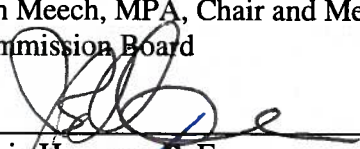
## West Region Wastewater Infrastructure Plan

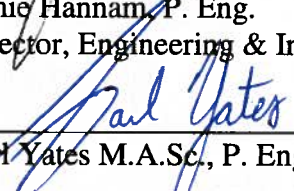
*Urban Settlement & Urban Reserve Lands  
for Consideration in the Infrastructure Plan*





**TO:** Ken Meech, MPA, Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
Jamie Hannam, P. Eng.  
Director, Engineering & Information Services

**APPROVED:**   
Carl Yates M.A.Sc., P. Eng., General Manager

**DATE:** January 13, 2015

**SUBJECT:** **Lake Major WSP – Chlorinator Replacement**

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**ORIGIN**

Operational Requirements.

**RECOMMENDATION**

The HRWC Board approve the Lake Major Water Supply Plant – Chlorinator Replacement at an estimated cost of \$200,000 including net HST.

**BACKGROUND**

When the Lake Major Water Supply Plant was constructed in 1999, three chlorinator units from the Lake Lamont treatment facility were reused and installed. The age of the chlorinator units (Wallace & Tiernan V2000 vacuum systems) are in the order of 20-30 years. There is currently only one functioning chlorinator unit that is providing disinfection to the finished water leaving the plant. There are no spare parts available from the equipment manufacturer due to the age of the unit and one chlorinator is now out of service indefinitely due to a lack of replacement parts. The concern is that this remaining unit is close to failure and thus needs to be immediately replaced.

**DISCUSSION**

Plant staff have made arrangements to have components of the temporary chlorination system that were recently used during the J.D. Kline Chlorination System Replacement delivered to Lake Major. These components are now in place and will be available in case of further failures of the existing chlorinators.

Given the critical importance of the chlorination system, the replacement of the identified obsolete equipment is considered an urgent priority.

The total cost of the Lake Major Water Supply Plant – Chlorinator Replacement project including design work is estimated to be \$200,000 including net HST.

Due to the urgent nature of the work, staff has retained CBCL Ltd. to begin the design work associated with the replacement. CBCL Ltd. recently completed the J D Kline Chlorination Replacement project and is familiar with the chlorination systems in both plants.

**BUDGET IMPLICATIONS**

This project was not identified in the 2014/15 Capital Budget. Funding in the amount of \$200,000 including net HST is available from underspending on the recently completed *J.D. Kline Chlorinator System Replacement, (SAP# 3-1824) project*. The budget for that project was \$1,075,000 and the finalized project cost is forecast to be \$875,000.

The proposed expenditure meets the “No Regrets – Unavoidable Needs” approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of “Required to ensure infrastructure system integrity and safety” because of the critical nature of the equipment and the requirement to maintain a supply of chlorinated water to the distribution system.


**ALTERNATIVES**

There are no recommended alternatives.


**ATTACHMENT**

N/A

Report Prepared By: \_\_\_\_\_

  
Tom Gorman, P Eng.,  
Manager of Water Infrastructure Engineering 490-4176

Financial Reviewed By: \_\_\_\_\_


  
Cathie O'Toole, CGA, MBA, Director of Finance and  
Customer Service, 490-3572

**January 21, 2015**

**TO:** Kenneth Meech, MPA, Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**

  
\_\_\_\_\_  
Jamie Hannam, P.Eng.  
Director, Engineering & Information Services

  
\_\_\_\_\_  
Cathie O'Toole, CGA, MBA  
Director, Finance and Customer Service

**APPROVED:**

  
\_\_\_\_\_  
Carl Yates, M.A.Sc., P. Eng. - General Manager

**DATE:** January 13, 2015

**SUBJECT:** Proposed 2015/16 Capital Budget

### **ORIGIN**

Staff compilation of the annual Capital Budget.

### **RECOMMENDATION**

The HRWC Board is requested to approve the:

1. Urban Core System 2015/16 Capital Budget in principal at a total value of \$57,222,000.
2. List of routine capital expenditure items required for on-going departmental operation, at a total value of \$4,338,000.

### **BACKGROUND**

Halifax Water's 2012 *Integrated Resource Plan* (IRP) identified a 30-year capital investment plan valued at \$2.6 Billion. In relation to the IRP, the capital budget program focuses on providing required infrastructure for asset renewal, regulatory compliance and growth. The capital program helps ensure that we continue to provide services in a cost effective and efficient manner with a focus on long term sustainability.

**January 21, 2015**

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**DISCUSSION**

The attached Schedule 1 is the proposed Capital Budget for Halifax Water for the fiscal year April 1, 2015 to March 31, 2016. It is comprised of the core asset classes of Water, Wastewater, and Stormwater with a total value of \$57,222,000. The proposed budget includes a series of routine capital expenditures, not related to major projects that are required for ongoing operations. These items total \$4,338,000.

The Capital Budget document reflects the Integrated Resource Plan (IRP) completed in 2012. This 30 year plan provides a strong vision for the infrastructure requirements needed to ensure the long term integrity of the utility. The 2015/16 Capital Budget includes many early projects from the IRP that will begin to shape the overall direction of the capital plan for years to come.

The Capital Budget funds our traditional capital requirements for utility operation, along with a focus on several key capital initiatives. The following sections provide highlighted details of the Capital Budget by asset category.

**Water:**

- Macdonald Bridge Transmission Main Replacement: \$3,750,000
- Distribution System Main Renewal Program in conjunction with HRM Streets program: \$4,200,000
- Life cycle upgrades to the Water Supply Plants: \$2,412,000
- Design of Lake Major Dam Replacement: \$400,000

**Wastewater:**

- Collection System Renewal Projects integrated with HRM Streets program: \$1,300,000
- Wastewater Energy Management projects: \$1,285,000
- Sewer Lining Program - \$1,000,000
- Belmont WWTF Decommissioning - \$3,000,000
- Aerotech WWTF Upgrade & Expansion - \$5,970,000
- Jamieson Street Trunk Sewer Outfall Replacement - \$1,100,000
- Wet Weather Management & Inflow / Infiltration Reduction programs - \$700,000

**Stormwater:**

- Stormwater System Renewal Projects Integrated with HRM Streets Program: \$650,000
- Stormsewer Pipe Upgrades: \$810,000
- Culvert Renewals: \$1,355,000

**Corporate Projects:**

- Continuation of SCADA System Master Plan development: \$900,000
- GIS Data Enhancement Program: \$1,500,000
- Computer Network and Hardware Upgrades: \$460,000
- Computerized Maintenance Management System: \$1,500,000
- Corporate Fleet: \$1,633,000
- AMI/AMR Meter System Upgrade: \$2,500,000
- Customer Relationship Management (CRM) Selection and Implementation: \$600,000

**BUDGET IMPLICATIONS**

The planned funding of the Five Year Capital program has been changed, however HRWC's Rate Application for Water and Wastewater rates in 2015/16 and 2016/17 is not materially impacted.

When HRWC staff were preparing the 2015/16 Capital budget for submission to the HRWC Board and NSARB for approval, the planned capital funding and eligibility of projects for various types of funding was reviewed. The following adjustments were made:

**Build Canada Funds**

HRWC was recently asked to submit short form applications for seven infrastructure projects, and HRM are working diligently on HRWC's behalf to put these projects forward as candidates. To be conservative, HRWC is proposing to reflect an assumption that 3 of the 7 projects will be successful infrastructure funding candidates. The three projects are the Lake Major Dam Replacement, the Northwest Arm Sewer Rehabilitation, and the Sullivan's Pont Storm Sewer Renewal. (one water project, one wastewater project, and one stormwater project).

**Water Services**

- 2/3 Build Canada funding is reflected for the Lake Major Dam replacement.

**Wastewater Services**

- The preliminary capital funding reflected \$14 million dollars in Build Canada Grants for the Aerotech Wastewater Treatment Facility spread evenly across 2015/16 and 2016/17. The revised plan reflects \$3,940,000 in 2015/16 and \$10,060,000 in 2016/17. The revised allocation is based upon an assumption that progress claims will be submitted after work is completed, and reflects a more up to date estimate of the timing in which this would occur.
- Additional Build Canada funding has been reflected for the Northwest Arm Sewer Rehabilitation.
- HRWC had previously approved debt servicing within the 2014/15 rates, associated with debentures that have not yet been issued. This does not impact new debt of \$4,840,096

**ITEM #6**  
**HRWC Board Meeting**

**January 21, 2015**

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for Wastewater identified within the 2015/16 Rate Application; as that is still required.

- HRWC had previously identified utilizing more Regional Development Charges in years 1 and 2 of the Five Year Plan. A detailed review of projects has determined that there are not enough growth related projects to fully utilized projected RDC's in years 1 and 2 however there are additional growth related projects in the final two years of the Five Year Plan. The proposed funding has been updated to reflect the timing of the growth related projects across the five years. This funding strategy has the added benefit of allowing the balance of RDC's within the reserve to accumulate before they are spent, thereby reducing risk and potentially avoiding the requirement for bridge financing.
- Planned use of debt for wastewater increases by \$3.5 million across the Five Years.

Stormwater Services

- The preliminary plan included \$3 million dollars of external funding a year from HRM for deep storm sewer projects. The funding contribution from HRM has not yet been confirmed for years 3 – 5 of the plan, and there are not enough deep storm sewer projects jointly approved by HRWC and HRM to fully utilize the full funding. Accordingly, the stormwater capital program has been rebalanced across the five years through a combination of reducing planned capital, reflecting lower external funding, and some additional debt funding.
- Build Canada funding is reflected for the Sullivan's Pond Storm Sewer Renewal.

The funds for the overall Capital Budget will be generated from a combination of sources, as detailed below. The planned utilization of debt is consistent with the Debt Strategy. HRWC will manage risk around projected Regional Development Charges through reprioritization of growth projects or additional utilization of debt if required.

**ITEM #6**  
**HRWC Board Meeting**  
**January 21, 2015**

	2015/16
<b>Water (Revised)</b>	
External Funding - Build Canada	
Depreciation	8,904,314
Debt Funding	10,966,930
Capital from Operating	-
Sale of Watershed Land	
Regional Development Charge	370,756
<b>Total Water</b>	<b>20,242,000</b>
<b>Wastewater (Revised)</b>	
External Funding - Build Canada	
Aerotech Building Canada Grant	3,940,000
Regional Development Charges	2,790,000
Depreciation	12,245,904
Debt Funding	4,840,096
Change in planned use of debt	
Sewer Redevelopment Reserve	
Deferred debt from 14/15	9,270,000
Capital from Operating WW	-
<b>Total Wastewater</b>	<b>33,086,000</b>
<b>Stormwater (Revised)</b>	
Build Canada	
External Funding (HRM)	100,000
Depreciation	565,000
Cap from Operating	-
Previously Approved Debt	750,000
Debt Funding	2,480,000
<b>Total Stormwater</b>	<b>3,895,000</b>

Individual requests for approval of specific capital projects (greater than \$100,000 in value) included within this budget will be brought back to the Board when project details are finalized. However, staff are requesting approval of a series of Capital Budget items deemed necessary for the ongoing operation of various departments. These are identified within the *Summary of Routine Capital Expenditures included within the Capital Budget* section of the budget document and total \$4,388,000.

**ITEM #6**  
**HRWC Board Meeting**

**January 21, 2015**

The Capital Budget presented and the projected funding matches the projected capital expenditure within our current Five-Year Capital Budget.

On August 5, 2014, HRM Regional Council approved a resolution to endorse seven specific water, wastewater and stormwater projects as HRM/HRWC priorities for potential infrastructure funding from the Province and Federal Government under the Provincial-Territorial Infrastructure Component – National and Regional Projects (PTIC\_NRP) of the Building Canada Fund.

The Aerotech WWTF Upgrade project received provisional funding approval from the Federal and Provincial governments for 2/3 of the project cost. The current 2015/16 capital budget is consistent with this funding plan.

The additional six projects prioritized include the design phase of two projects within the proposed 2015/16 fiscal year;

- Sullivan's Pond Storm Sewer Renewal – Design - \$100,000
- Water Transmission Main Renewal/Redundancy - \$197,000

With the balance of the projects fully or partially included within the 2016/17 to 2019/2020 five year capital plan at full project cost as follows :

- Lake Major Dam Construction
- Water Transmission Main Renewal/Redundancy
- North West Arm Sewer rehabilitation
- Bedford Sackville Trunk Sewer Storage Facility
- Deep Storm Sewer Program
- Sullivan's Pond Storm Sewer Renewal

**ATTACHMENTS**

Schedule 1 - Halifax Water Capital Budget Program 2015/16



Board Report #6



# Capital Budget Program

2015-2016

January - 2015

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### **OVERVIEW**

Halifax Water is the water, wastewater and stormwater utility providing services for residents within the Halifax Regional Municipality.

On the water side, Halifax Water is the largest supplier of domestic potable water in Atlantic Canada. We supply over 121,000 cubic metres of water per day from the Pockwock and Lake Major Watersheds to a population of 305,000. Our water system infrastructure is comprised of three (3) large state of the art water supply plants – J.D. Kline WSP at Pockwock Lake (227 ML/day design capacity), Lake Major WSP at Lake Major (94 ML/day design capacity), and Bennery Lake WSP (8 ML/day design capacity); 1560 kms of water mains, 16 storage reservoirs, 156 pumping stations and control chambers, 8,146 fire hydrants, 14,633 main valves, 85,925 services and related appurtenances. In addition, we own and operate five small systems in the suburban/rural areas within HRM.

With respect to wastewater and stormwater infrastructure Halifax Water own and operate seven (7) large wastewater treatment facilities, including the three Halifax Harbour Solutions wastewater treatment facilities located at Halifax, Dartmouth, and Herring Cove. The wastewater and stormwater system is comprised of approximately 2,343 kms of sewer mains, 36,393 manholes, 173 wastewater pumping stations, 29,687 catch basins, 79,159 customer services and other related appurtenances. In addition, we own and operate eight (8) small wastewater treatment facilities systems in the suburban/rural areas within HRM.

Halifax Water's mission is "*To provide world class services for our customers and our environment*". Halifax Water's 2012 *Integrated Resource Plan* identified a 30 year capital investment plan valued at \$2.6 Billion. As part of our overall mission, the capital budget program focuses on providing required infrastructure for asset renewal, regulatory compliance and growth, along with capital facilities, systems and equipment. The capital program helps ensure that we continue to provide world class services in a cost effective and efficient manner with a focus on long term integrity.

### **BUDGET STRUCTURE**

The Halifax Water Capital Budget includes an annual *One Year* and *Five Year* capital plan. Capital projects are defined as newly acquired or constructed item with value greater than \$5000 and a life expectancy beyond one year.

The Capital Budget document includes four general asset categories:

- Water
- Wastewater
- Stormwater
- Corporate Projects

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### **ASSET MANAGEMENT AND CAPITAL INVESTMENTS**

Throughout recent regulatory proceedings, including prior General Rate Application, the 2014/15 Capital Budget approval, and the completion and filing of the Integrated Resource Plan; there is a clear direction that Halifax Water must make every effort to ensure operations are conducted as efficiently as possible and capital projects proceed with a No Regrets approach pending an update to the IRP. Significant focus is directed towards the development and implementation of a system wide Wet Weather Management Program and Corporate Asset Management program. The 2015/16 capital budget represents a next step increase in total annual capital spending continuing the growth of capital spending towards the sustainable levels identified within the IRP.

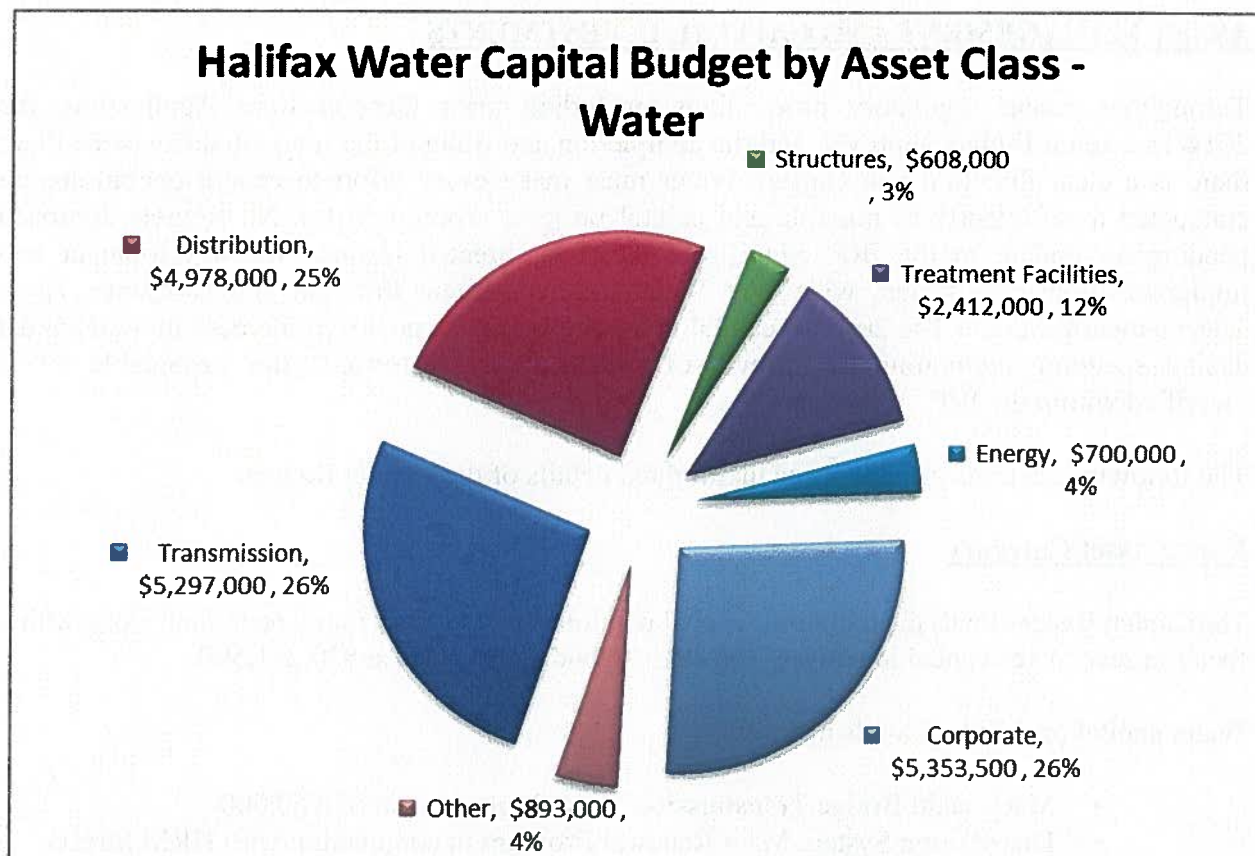
The following sections provide some highlighted details of the Capital Budget.

#### **Water Asset Category**

The Capital Budget funds the traditional capital requirements for water utility operation, along with a focus on several key capital initiatives. The 2015/16 budget is valued at \$20,241,500.

Water capital project highlights include:

- Macdonald Bridge Transmission Main Replacement: \$3,750,000
- Distribution System Main Renewal Program in conjunction with HRM Streets program: \$4,200,000
- Life cycle upgrades to the Water Supply Plants: \$2,412,000
- Design of Lake Major Dam Replacement: \$400,000

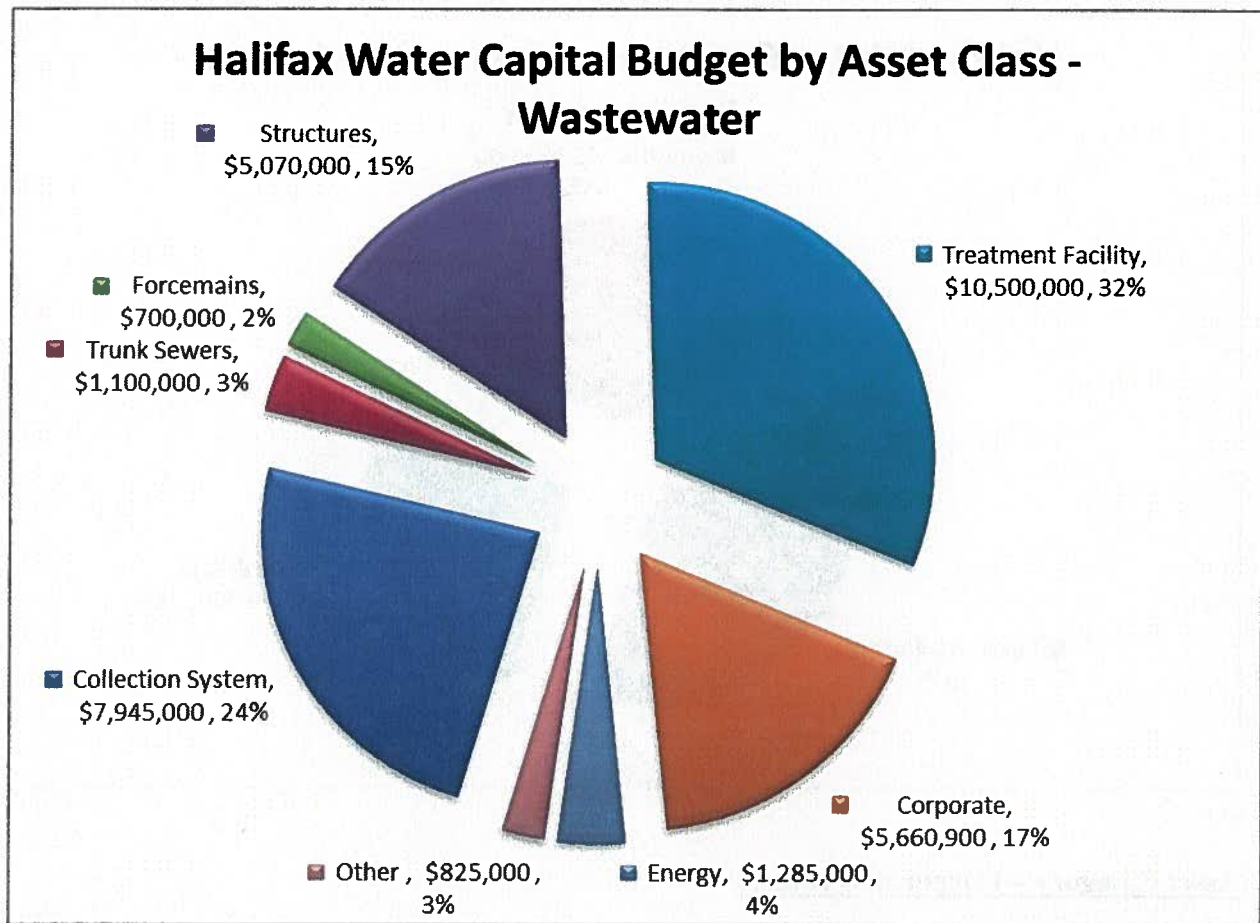


### Wastewater Asset Category

This component funds the capital requirements for wastewater utility operation, along with a focus on several key capital initiatives. The 2015/16 budget is valued at \$33,085,900.

Wastewater capital project highlights includes:

- Collection System Renewal Projects integrated with HRM Streets program: \$1,300,000
- Wastewater Energy Management projects: \$1,285,000
- Sewer Lining Program - \$1,000,000
- Belmont WWTF Decommissioning - \$3,000,000
- Aerotech WWTF Upgrade & Expansion - \$5,970,000
- Jamieson Street Trunk Sewer Outfall Replacement - \$1,100,000
- Wet Weather Management & Inflow / Infiltration Reduction programs - \$700,000

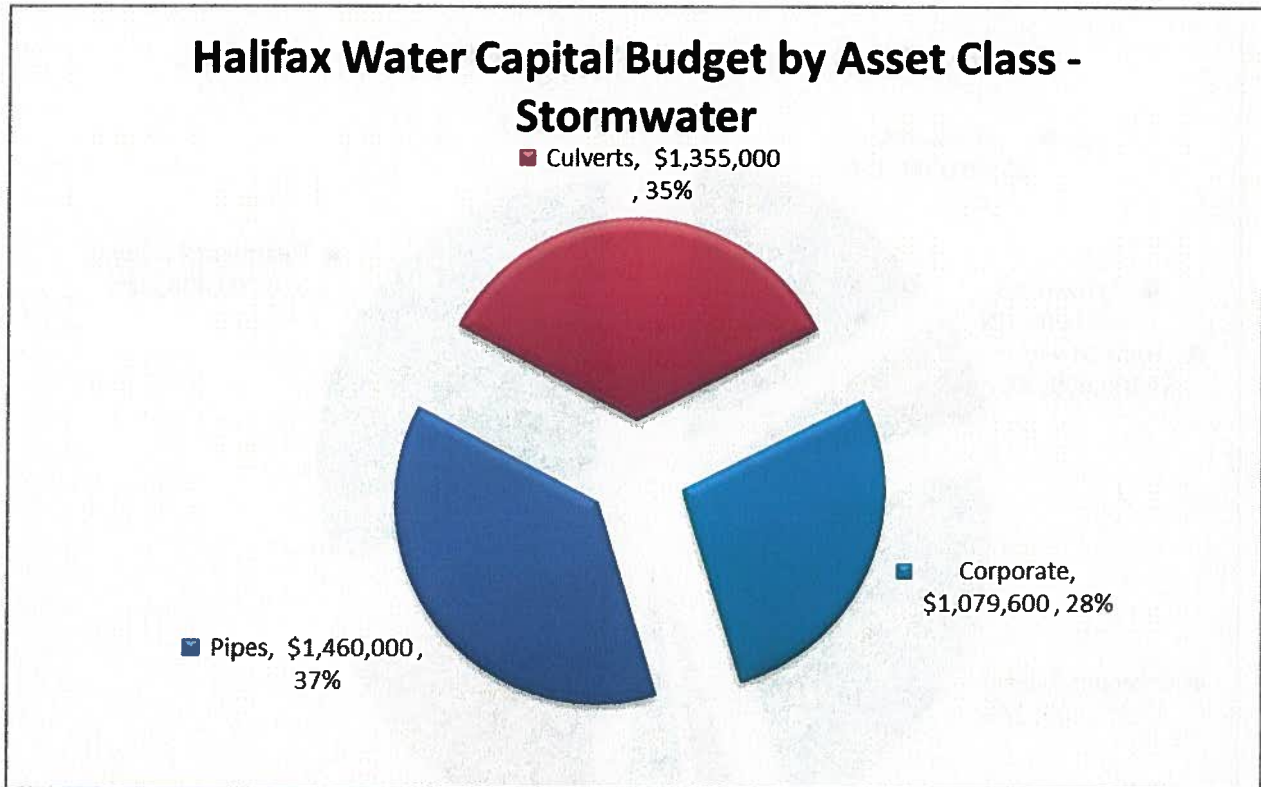


### Stormwater Asset Category

This component funds the capital requirements for stormwater utility operation, along with a focus on several key capital initiatives. The 2015/16 budget is valued at \$3,894,600.

Stormwater capital project highlights include:

- Stormwater System Renewal Projects Integrated with HRM Streets Program: \$650,000
- Stormsewer Pipe Upgrades: \$810,000
- Culvert Renewals: \$1,355,000



### Asset Category – Corporate Projects

Many capital initiatives benefit, and are shared financially, across all asset classes due to their broad benefit and application. The 2015/16 budget is valued at \$12,094,000.

Corporate capital project highlights include:

- Continuation of SCADA System Master Plan development: \$900,000
- GIS Data Enhancement Program: \$1,500,000
- Computer Network and Hardware Upgrades: \$460,000
- Computerized Maintenance Management System: \$1,500,000
- Corporate Fleet: \$1,633,000
- AMI/AMR Meter System Upgrade: \$2,500,000
- Customer Relationship Management (CRM) Selection and Implementation: \$600,000

The Capital Budget document provides a listing of all Corporate Projects by total project cost and allocation to asset category.

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### Capital Funding

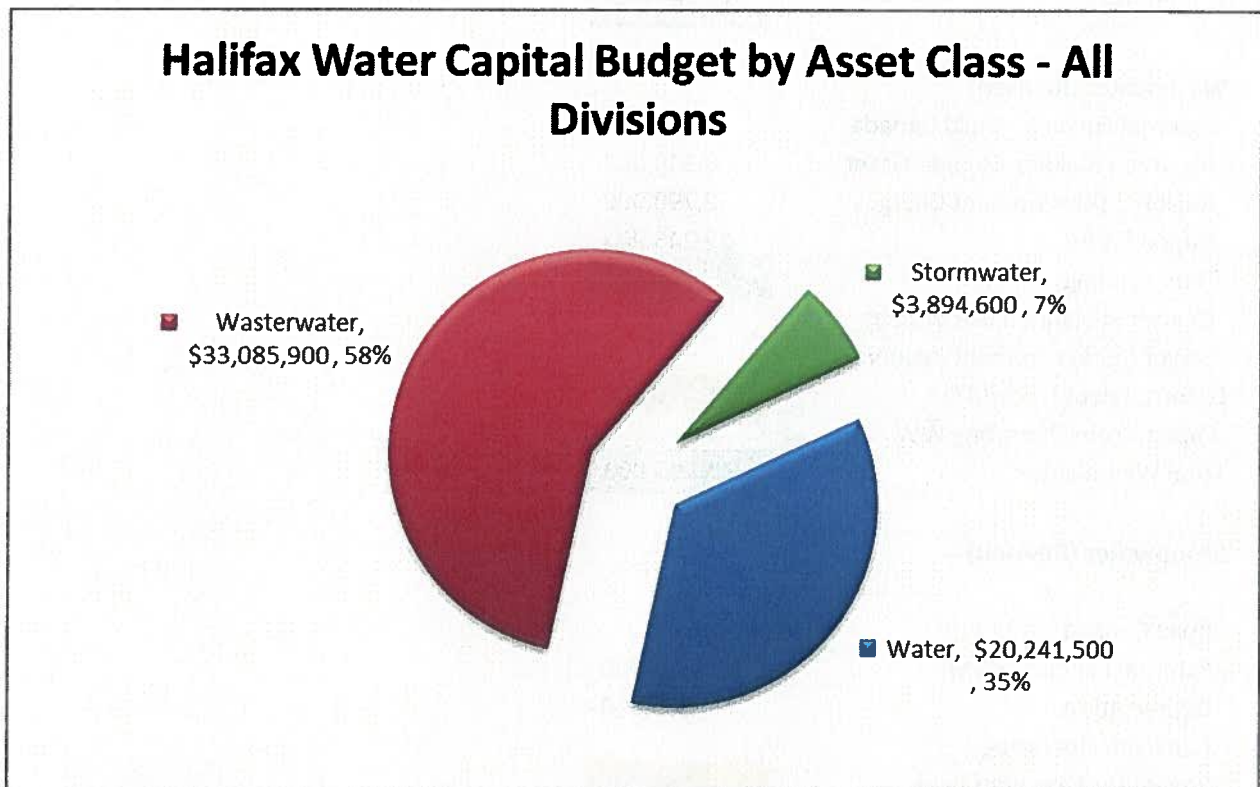
The Capital Budget is funded from a variety of sources including capital asset depreciation accounts, debt, reserves, capital cost contributions and external cost sharing.

Capital funding sources:

- Depreciation (rate based)
- Debt
- Development charge reserves
- External cost sharing

Debt Study as approved by Halifax Water Board, and accepted by the NSUARB, provides a funding strategy that is fair, equitable and cost effective.

Total 2015/16 Capital Budget Value: **\$57,222,000**.



The funds for the overall Capital Budget will be generated from a combination of sources, as detailed below. The planned utilization of debt is consistent with the Debt Strategy. HRWC will manage risk around projected Regional Development Charges through reprioritization of growth projects or additional utilization of debt if required.

	2015/16
<b>Water (Revised)</b>	
External Funding - Build Canada	
Depreciation	8,904,314
Debt Funding	10,966,930
Capital from Operating	-
Sale of Watershed Land	
Regional Development Charge	370,756
<b>Total Water</b>	<b>20,242,000</b>
<b>Wastewater (Revised)</b>	
External Funding - Build Canada	
Aerotech Building Canada Grant	3,940,000
Regional Development Charges	2,790,000
Depreciation	12,245,904
Debt Funding	4,840,096
Change in planned use of debt	
Sewer Redevelopment Reserve	
Deferred debt from 14/15	9,270,000
Capital from Operating WW	-
<b>Total Wastewater</b>	<b>33,086,000</b>
<b>Stormwater (Revised)</b>	
Build Canada	
External Funding (HRM)	100,000
Depreciation	565,000
Cap from Operating	-
Previously Approved Debt	750,000
Debt Funding	2,480,000
<b>Total Stormwater</b>	<b>3,895,000</b>



**HALIFAX WATER**  
**Capital Budget 2015/16**  
**Urban Core System**  
**Summary**

Asset Category	Project Costs
----------------	---------------

<b>Water - Land – TOTAL</b>	<b>\$731,000</b>
<b>Water - Transmission – TOTAL</b>	<b>\$5,297,000</b>
<b>Water - Distribution – TOTAL</b>	<b>\$4,978,000</b>
<b>Water - Structures – TOTAL</b>	<b>\$608,000</b>
<b>Water - Treatment Facilities – TOTAL</b>	<b>\$2,412,000</b>
<b>Water - Energy – TOTAL</b>	<b>\$700,000</b>
<b>Water - Security – TOTAL</b>	<b>\$50,000</b>
<b>Water - Equipment – TOTAL</b>	<b>\$112,000</b>
<b>Water - Corporate Projects - TOTAL</b>	<b>\$5,353,500</b>
<b>TOTAL - Water</b>	<b>\$20,241,500</b>

<b>Wastewater - Trunk Sewers – TOTAL</b>	<b>\$1,100,000</b>
<b>Wastewater - Collection System – TOTAL</b>	<b>\$7,945,000</b>
<b>Wastewater - Forcemains – TOTAL</b>	<b>\$700,000</b>
<b>Wastewater Structures – TOTAL</b>	<b>\$5,070,000</b>
<b>Wastewater - Treatment Facility – TOTAL</b>	<b>\$10,500,000</b>
<b>Wastewater - Energy – TOTAL</b>	<b>\$1,285,000</b>
<b>Wastewater - Security – TOTAL</b>	<b>\$200,000</b>
<b>Wastewater - Equipment – TOTAL</b>	<b>\$625,000</b>
<b>Wastewater - Corporate Projects – TOTAL</b>	<b>\$5,660,900</b>
<b>TOTAL - Wastewater</b>	<b>\$33,085,900</b>

**HALIFAX WATER**  
**Capital Budget 2015/16**  
**Urban Core System**  
**Summary**

Asset Category	Project Costs
----------------	---------------

<b>Stormwater - Pipes -- TOTAL</b>	<b>\$1,460,000</b>
<b>Stormwater - Culverts -- TOTAL</b>	<b>\$1,355,000</b>
<b>Stormwater - Structures -- TOTAL</b>	<b>\$0</b>
<b>Stormwater - Corporate Projects -- TOTAL</b>	<b>\$1,079,600</b>
<b>TOTAL - Stormwater</b>	<b>\$3,894,600</b>

<b>GRAND TOTAL</b>	<b>\$57,222,000</b>
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# HALIFAX WATER

Capital Budget 2015/16

Urban Core System

Water

Project Number	Project Name	Project Cost
<b><u>Water - Land</u></b>		
3.033	Watershed Land Acquisition	\$650,000
3.214	Forest Road Bridge Replacement - Tomahawk Lake Watershed Lands	\$10,000
3.241	JD Kline Watershed Access Road Bridge Replacements	\$71,000
<b><i>Water - Land -- TOTAL</i></b>		<b>\$731,000</b>
<b><u>Water - Transmission</u></b>		
3.042	Critical Valve Replacement Program	\$250,000
3.250	Critical Valve Replacement Program - Gottingen Street	\$250,000
3.175	Macdonald Bridge Transmission Main Replacement	\$3,750,000
3.245	Chain Control Transmission Main Realignment	\$455,000
3.231	Governor's Brook Transmission Main Oversizing	\$197,000
3.232	MacIntosh Run Estates Phase 1 Transmission Main Oversizing	\$96,000
3.259	Gaston Road - Circumferential Transmission Main Tie-in	\$120,000
3.246	Water Transmission Main Condition Assessment Program	\$60,000
3.043	Bedford South Capital Cost Contribution	\$87,000
3.045	Bedford West Capital Cost Contribution - Various Phases	\$30,000
3.261	Lakeside Timberlea Capital Cost Contribution	\$2,000
<b><i>Water - Transmission -- TOTAL</i></b>		<b>\$5,297,000</b>
<b><u>Water - Distribution</u></b>		
3.022	Water Distribution - Main Renewal Program	\$4,200,000
3.067	Distribution System Valve Replacement Program	\$125,000
3.068	Hydrant Replacement Program	\$75,000
3.069	Service Line Renewal Program	\$190,000
3.066	Cathodic Protection Program	\$300,000
3.243	Cowie Reservoir Meter Replacement	\$22,000
3.240	Robie Control Chamber High Service Meter	\$12,000
3.256	M2 Hydrant Replacement Program	\$54,000
<b><i>Water - Distribution -- TOTAL</i></b>		<b>\$4,978,000</b>

# HALIFAX WATER

## Capital Budget 2015/16

### Urban Core System

#### Water

Project Number	Project Name	Project Cost
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#### Water - Structures

3.248	Water Pressure Control/Flow Meter Chambers Condition Assessment Program	\$30,000
3.247	Water Booster Stations Condition Assessment Program	\$20,000
3.173	Lake Major Dam Replacement - Design Phase	\$400,000
3.249	Confined Space Entry Retrofit - Titus and Evans Chamber	\$65,000
3.244	Lake Major Entrance Road Culvert Replacements	\$76,000
3.239	Renfrew Street PRV Decommissioning	\$17,000

#### ***Water - Structures – T O T A L***

**\$608,000**

#### Water - Treatment Facilities

##### J D Kline Water Supply Plant:

3.139	- Replacement Program for Filter Valve Actuators	\$45,000
3.157	- Filter Media Replacement	\$300,000
3.140	- Chemical Feed Pump Replacement Program	\$120,000
3.143	- Entrance Road Paving Renewal	\$85,000
3.135	- Parking Lot Resurfacing	\$170,000
3.156	- Backwash Butterfly Valve Actuators	\$30,000
3.236	- Ampgard III to Vacuum Contactor Conversion	\$40,000

##### Lake Major Water Supply Plant:

3.159	- Replace Contactors in the MCC	\$26,000
3.162	- Butterfly valve replacement program	\$40,000
3.201	- Process Optimization Study	\$110,000
3.204	- Lighting in Filter Gallery	\$5,000
3.205	- Catwalk in the Filter Gallery	\$15,000
3.206	- Chemical Feed Pumps	\$20,000
3.161	- Replace the Lime Feed and Delivery System	\$100,000
3.144	- New Diesel Generator	\$713,000
3.228	- Finished Water Chlorine Analyzer and Sample Pump	\$12,000
3.229	- Storage Containers	\$16,000

# HALIFAX WATER

## Capital Budget 2015/16

### Urban Core System

#### Water

Project Number	Project Name	Project Cost
3.258	- Chlorine Vacuum Regulator	\$21,000
3.160	- Upgrade the PLC	\$30,000
3.237	- Recirculating Pumps for the Heating System	\$8,000
3.226	Collins Park Wastewater Tank Retrofit	\$11,000
3.235	Geosmin Mitigation Study	\$65,000
3.166	Bennery Lake Water Supply Plant:	
3.166	- Channel Improvements	\$125,000
3.167	- Plate Settlers	\$233,000
3.238	- Zeta Potential Meter	\$72,000
<b>Water - Treatment Facilities – T O T A L</b>		<b>\$2,412,000</b>
<b><u>Water - Energy</u></b>		
3.268	JD Kline - Heat Recovery Study Upgrade	\$700,000
<b>Water - Energy – T O T A L</b>		<b>\$700,000</b>
<b><u>Water - Security</u></b>		
4.009	Security Upgrade Program	\$50,000
<b>Water - Security – T O T A L</b>		<b>\$50,000</b>
<b><u>Water - Equipment</u></b>		
3.230	Truck Mounted Valve Exercising Machine	\$30,000
3.253	Leak Detection Equipment	\$16,000
3.252	Upgrade to Correlator	\$22,000
3.255	GPS/Total Station for Water Services	\$28,000
3.270	Diesel Plate Compactor	\$16,000
<b>Water - Equipment – T O T A L</b>		<b>\$112,000</b>
<b>Water - Corporate Projects - T O T A L</b>		<b>\$5,353,500</b>
<b>GRAND TOTAL - WATER</b>		<b>\$20,241,500</b>

# HALIFAX WATER

Capital Budget 2015/16

Urban Core System

Wastewater

Project Number	Project Name	Project Cost
<b><u>Wastewater - Trunk Sewers</u></b>		
2.069	Jamieson Street Trunk Sewer Outfall Replacement - Phase 2 - Construction	\$1,100,000
<b><i>Wastewater - Trunk Sewers - -- T O T A L</i></b>		<b>\$1,100,000</b>
<b><u>Wastewater - Collection System</u></b>		
2.223	Wet Weather Management Program	\$500,000
2.435	Inflow / Infiltration Reduction Pilot Projects	\$200,000
2.331	Wastewater Sewers - Condition Assessment - Zoom Camera	\$470,000
2.332	Wastewater Sewers - Condition Assessment - CCTV	\$155,000
2.333	Wastewater Sewers - Condition Assessment - Data Acquisition	\$25,000
2.357	Manhole Renewals	\$29,000
2.358	Lateral Replacements	\$1,490,000
2.052	Integrated Wastewater Projects	\$1,300,000
2.043	Corporate Flow Monitoring Program	\$710,000
2.168	Sewer Lining Program	\$1,000,000
2.157	Alder Crescent Collection System Replacement	\$635,000
2.437	Hines Road Rider Sewer Extension	\$300,000
2.370	Main Street Sewer Renewal - Hartlen Street to Gordon Avenue	\$253,000
2.417	Inglis Street Sewer - Hydraulic Analysis	\$33,000
2.074	Bedford West Collection System Capital Cost Contribution	\$20,000
2.359	West Region Infrastructure Plan	\$450,000
2.360	Central Region Infrastructure Plan	\$350,000
2.381	Regional Centre Local Wastewater Servicing Capacity Analysis	\$25,000
<b><i>Wastewater - Collection System -- T O T A L</i></b>		<b>\$7,945,000</b>
<b><u>Wastewater - Forcemains</u></b>		
2.179	Balsam Road Pump Station - Forcemain Replacement	\$240,000
2.363	Bissett Pump Station Forcemain Replacement	\$400,000
2.394	Wastewater Forcemain - Condition Assessment	\$60,000
<b><i>Wastewater - Forcemains -- T O T A L</i></b>		<b>\$700,000</b>

# HALIFAX WATER

Capital Budget 2015/16

Urban Core System

Wastewater

Project Number	Project Name	Project Cost
<b><u>Wastewater - Structures</u></b>		
2.420	Emergency Pump Station Pump Replacements	\$270,000
2.442	Wastewater Pump Station Upgrade Program - West Region	\$420,000
2.443	Wastewater Pump Station Upgrade Program - East Region	\$110,000
2.444	Wastewater Pump Station Upgrade Program - Central Region	\$70,000
2.039	New Pump Station and Force Main plus Belmont WWTF decommissioning	\$3,000,000
2.091	Bedford Pump Station Rehabilitation (at Mill Cove WWTF)	\$1,000,000
2.336	Wastewater Pump Stations Condition and Performance Assessments	\$200,000
<b><i>Wastewater Structures – T O T A L</i></b>		<b>\$5,070,000</b>
<b><u>Wastewater - Treatment Facility</u></b>		
2.057	HHSP Upgrade Program	\$250,000
2.050	Wastewater Treatment Facilities Upgrades (Various Locations)	\$250,000
2.056	Plant Optimization Audit Program	\$125,000
2.124	Mill Cove WWTF UV Upgrade	\$200,000
2.162	Mill Cove WWTF Vacuum Swing Absorption	\$1,500,000
2.330	Beechville Lakeside Timberlea WWTF - Process Upgrade Design	\$1,000,000
2.448	Halifax WWTF - Sludge Tank Mixing	\$100,000
2.024	Aerotech WWTF Upgrade - Design/Construction	\$5,970,000
2.126	Biosolids Processing Facility - Upgrade Program	\$120,000
2.425	Aerotech Biosolids Processing Facility - New Warehouse Ventilation System and HVAC Controls	\$100,000
2.422	Aerotech Biosolids Processing Facility - New Screening and Loading Building	\$615,000
2.410	Dartmouth WWTF - Upgrade UV Disinfection System	\$200,000
2.414	North Preston WWTF - Biological Treatment Capacity Assessment	\$33,000
2.415	North Preston WWTF - Autosampler	\$37,000
<b><i>Wastewater - Treatment Facility – T O T A L</i></b>		<b>\$10,500,000</b>

# HALIFAX WATER

## Capital Budget 2015/16

### Urban Core System

#### Wastewater

Project Number	Project Name	Project Cost
<b><u>Wastewater - Energy</u></b>		
2.362	Energy Management Retrofit Program	\$110,000
2.252	Dartmouth WWTF - Carbon Scrubber Ventilation By-pass andAutomation	\$250,000
2.258	Halifax WWTF - Carbon Scrubber Ventilation By-pass andAutomation	\$300,000
2.236	Halifax WWTF - Ventilation Air Heat Recovery	\$175,000
2.261	Herring Cove WWTF - Effluent Heat Recovery	\$250,000
2.262	Herring Cove WWTF - Carbon Scrubber Ventilation By-pass andAutomation	\$200,000
<b><i>Wastewater - Energy – T O T A L</i></b>		<b>\$1,285,000</b>
<b><u>Wastewater - Security</u></b>		
4.008	Security Upgrade Program	\$200,000
<b><i>Wastewater - Security – T O T A L</i></b>		<b>\$200,000</b>
<b><u>Wastewater - Equipment</u></b>		
2.161	SIR Program Flow Meters and Related Equipment	\$55,000
2.418	Wastewater Operations Equipment	\$120,000
2.419	Trenchless Lateral Equipment Rehabilitation	\$450,000
<b><i>Wastewater - Equipment – T O T A L</i></b>		<b>\$625,000</b>
<b><i>Wastewater - Corporate Projects – T O T A L</i></b>		<b>\$5,660,900</b>
<b><i>GRAND TOTAL - WASTEWATER</i></b>		<b>\$33,085,900</b>



# HALIFAX WATER

Capital Budget 2015/16

Urban Core System

## Stormwater

<b>Project Number</b>	<b>Project Name</b>	<b>Project Cost</b>
<b><u>Stormwater - Pipes</u></b>		
1.102	Manhole Renewals	\$26,000
1.103	Catchbasin Renewals	\$26,000
1.135	Lateral Replacements	\$53,000
1.042	Deep Storm Sewer Installation Program	\$100,000
1.038	Integrated Stormwater Projects	\$650,000
1.128	Rolling Hills Drive Stormwater Rehabilitation	\$157,000
1.123	Shore Drive Storm Sewer Diversion	\$291,000
1.043	Sullivan's Pond Storm Sewer System Replacement	\$100,000
1.132	Little Sackville River Flood Plain Mapping	\$57,000
<b><i>Stormwater - Pipes -- T O T A L</i></b>		<b>\$1,460,000</b>
<b><u>Stormwater - Culverts/Ditches</u></b>		
1.104	Driveway Culvert Replacements	\$200,000
1.009	183 Lakeview Avenue - Twin Culvert Replacement	\$201,000
1.016	Holly Court - Culvert Replacement	\$200,000
1.111	Bedford Highway at Shaunsieve Drive Culvert Upgrade	\$407,000
1.131	North Preston Road - Cross Culvert Replacement	\$347,000
<b><i>Stormwater - Culverts/Ditches -- T O T A L</i></b>		<b>\$1,355,000</b>
<b><i>Stormwater - Corporate Projects -- T O T A L</i></b>		<b>\$1,079,600</b>
<b><i>GRAND TOTAL - STORMWATER</i></b>		<b>\$3,894,600</b>

# HALIFAX WATER

## Capital Budget 2015/16

### Urban Core System

#### Corporate Projects

Project Number	Project Name	Project Cost
4.031	Information Technology Projects identified from Steering Committee	\$300,000
4.011	Desktop Computer Replacement Program	\$180,000
4.012	Network Infrastructure Upgrades	\$200,000
4.013	Document Management System	\$200,000
4.019	Computerized Maintenance Management System	\$1,500,000
4.024	Sharepoint Implementation	\$200,000
4.027	Asset Accounting in SAP	\$100,000
4.044	Customer Relationship Management (CRM) Selection and Implementation	\$600,000
4.048	SAP Rate Structure Support	\$220,000
4.057	Website Strategy	\$200,000
4.043	AMI/AMR Meter System Upgrades (split 50W/50WW)	\$2,500,000
4.040	GIS Data Program	\$1,500,000
4.038	GIS Hardware/Software Program	\$400,000
4.039	GIS Application Support Program	\$250,000
4.059	Water Database Model	\$50,000
4.03	Drawing Index Database Application	\$200,000
4.01	Lateral Card Database Conversion Project (split 50WW/50SW)	\$250,000
4.022	Land Acquisition and Management Program	\$30,000
2.176	East Region Operation Facility - Design (split 80WW/20SW)	\$300,000
4.020	Asset Management Program	\$100,000
4.045	Asset Management Strategies for Corporate Strategic Plan	\$30,000
4.047	Asset Management Procedures and Standards	\$10,000
4.055	Water and Wastewater Modeling Tools Evaluation	\$40,000
4.054	Asset Management Software and Tools	\$50,000
4.049	Asset Management Risk-Based Decision Model Development	\$15,000
4.035	Cowie Hill 450 2nd Floor Renovations	\$75,000
4.053	Water and Wastewater Master Plan Framework Development (split 50W/50WW)	\$35,000
4.052	Long Term Planning Coordination Framework Development (split 50W/50WW)	\$200,000
4.016	SCADA Master Plan Implementation (split 50W/50WW)	\$500,000
4.004	SCADA Control System Enhancements (split 50W/50WW)	\$200,000

**HALIFAX WATER**

**Capital Budget 2015/16**

**Urban Core System**

**Corporate Projects**

<b>Project Number</b>	<b>Project Name</b>	<b>Project Cost</b>
3.251	Survey Equipment - GPS Total Station	\$26,000
4.006	Fleet Upgrade Program - Stormwater	\$247,000
4.006	Fleet Upgrade Program - Wastewater	\$988,000
4.007	Fleet Upgrade Program - Water	\$398,000
<b>GRAND TOTAL - Corporate Projects</b>		<b>\$12,094,000</b>

**ALLOCATION BREAKDOWN:**

Water - Corporate Projects - T O T A L	\$5,353,500
Wastewater - Corporate Projects -- T O T A L	\$5,660,900
Stormwater - Corporate Projects -- T O T A L	\$1,079,600

**GRAND TOTAL - Corporate Projects** **\$12,094,000**

*Note: All corporate projects are allocated as follows:*

*50% Water*

*40% Wastewater*

*10% Stormwater*

*(unless otherwise noted)*

# HALIFAX WATER


## Capital Budget 2015/16

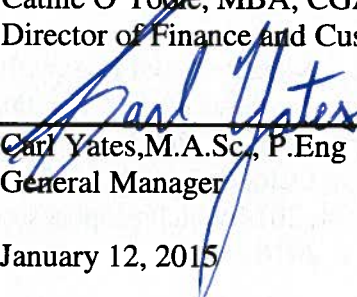
### Urban Core System

#### Summary of Routine Capital Expenditures included within Capital Budget

Project Number	Project Name	Project Cost
3.067	Distribution System Valve Replacement Program	\$125,000
3.068	Hydrant Replacement Program	\$75,000
3.069	Service Line Renewal Program	\$190,000
3.230	Truck Mounted Valve Exercising Machine	\$30,000
3.253	Leak Detection Equipment	\$16,000
3.252	Upgrade to Correlator	\$22,000
3.255	GPS/Total Station for Water Services	\$28,000
3.270	Diesel Plate Compactor	\$16,000
4.007	Fleet Upgrade Program - Water	\$398,000
2.357	Manhole Renewals - Wastewater	\$29,000
2.358	Lateral Replacements - Wastewater	\$1,490,000
2.161	SIR Program Flow Meters and Related Equipment	\$55,000
2.418	Wastewater Operations Equipment	\$120,000
4.006	Fleet Upgrade Program - Wastewater	\$988,000
1.102	Manhole Renewals - Stormwater	\$26,000
1.103	Catchbasin Renewals	\$26,000
1.135	Lateral Replacements - Stormwater	\$80,000
1.104	Driveway Culvert Replacements	\$427,000
4.006	Fleet Upgrade Program - Stormwater	\$247,000
<b>GRAND TOTAL - Routine Capital Projects</b>		<b>\$4,388,000</b>

**TO:** Ken Meech, Chair, and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
Cathie O'Toole, MBA, CGA  
Director of Finance and Customer Service

**APPROVED:**   
Carl Yates, M.A.Sc., P.Eng  
General Manager

**DATE:** January 12, 2015

**SUBJECT:** **2015/16 Water, Wastewater and Stormwater Operating Budget**

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**ORIGIN**

The Halifax Regional Water Commission (HRWC) Board approves the Annual Operating Budget

**RECOMMENDATION**

It is recommended that the HRWC Board:

1. Approve the attached 2015/16 Water, Wastewater and Stormwater Operating Budget covering the period April 1, 2015 to March 31, 2016; including the proposed 2015/16 budget for un-regulated activities.

**BACKGROUND**

Operating budgets are prepared annually and the 2015/16 operating budget was prepared based on the Five-Year Business Plan, which was used to support the 2015 Rate Application. The purpose of the budget is to detail the services provided by Halifax Water (HW) and to outline the costs and required revenue to provide these services. Managers will continue to monitor actual performance relative to the budget and provide monthly updates to the Board.

**ITEM # 7**  
**HRWC Board**  
**January 21, 2015**

The 2015/16 budget is prepared on an accrual basis (similar to last year), to provide broader information for decision making and be reflective of best practice for budgeting. All figures in this report are reflected on an accrual basis. There are accrued amounts regarding liability for future employee benefits (pension) as calculated under Canadian Institute of Charter Accountants (CICA) Handbook Section 3461 that for rate making purposes are proposed to be included in revenue requirements for the first time. This is the first year in which the Airport/Aerotech system is consolidated with the Urban Core and Satellite Systems.

The utility faces continued pressure associated with growth, asset renewal, and compliance with regulatory requirements, as described in the Integrated Resource Plan approved by the HRWC Board on September 27, 2012 and filed with the Nova Scotia Utility and Review Board (NSUARB) on October 31, 2012. To that end, HRWC filed a two year rate application on November 24, 2014 which proposes rate increases on May 1, 2015 and future rate increases on April 1, 2016.

**DISCUSSION**

The underlying driver for the 2015/16 operating budget is infrastructure investment and increasing costs of maintaining the HRWC Employee's Pension Plan. Additions to Utility Plant in Service are causing increased depreciation, debt servicing, an increased water dividend to Halifax Regional Municipality (HRM) and increased operating costs. Building capacity to deliver the Integrated Resource Plan is also an infrastructure related budget driver, and in some cases requires new employees.

The table below breaks down the increase in the 2015/16 Operating Budget and Revenue Requirements by various drivers. The 2014/15 Budget showed a budgeted surplus of \$920,000, and the 2015/16 Budget is a loss of \$7,475,000; a difference of \$8,395,000.

**Year Over Year Change in Budgets**

Expense Category	2015/16 Budget	2015/16	Comment
Depreciation	2,141,080	25.5%	Driven by Additions to Utility Plant in Service
Debt Servicing	1,758,846	21.0%	Driven by capital demands and budgets
Revenue loss	2,577,000	30.7%	Declining consumption
Grant in Lieu of Taxes	239,000	2.8%	Driven by Additions to Utility Plant in Service
Salary and Benefits	1,500,218	17.9%	15% pertains to new FTEs and increasing institutional capacity
Chemicals	79,140	0.9%	
Energy	29,384	0.4%	
Other operating expenses	70,332	0.8%	
Total	8,395,000	100.0%	

**ITEM # 7**  
**HRWC Board**  
**January 21, 2015**

Operating expenses are budgeted to increase 2% over 2014/15, Depreciation Expense increases by 11%, and Debt Servicing by 6%.

	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
<b>Operating Expenses</b>	80,780,734	82,457,728	84,948,989
Increase		2%	3%
<b>Depreciation</b>	18,671,920	20,813,000	23,490,000
Increase		11%	13%
<b>Debt Servicing</b>	28,219,934	29,978,780	31,716,662
Increase		6%	6%

The 2015/16 operating budget as shown in Attachment One, provides a statement of revenues and expenditures on a consolidated basis, under separate services (water, wastewater and stormwater). A separate budget for un-regulated activities is also included. All budgets are based on the current rates approved by the NSUARB effective April 1, 2014.

**Regulated Operating Revenues**

The regulated revenue budget is based upon approved rates, and a net projected decline in consumption of 3% for the 2015/16 fiscal year. The total projected operating revenues of \$127.2 million include rate-regulated revenues of \$125.7 million which reflects a 2% (\$2.4 million) decrease compared to the 2014/15 projection for rate regulated revenues at the second quarter. This projected decrease is due to decreasing consumption which affects water and wastewater volumetric revenues.

The majority of HRWC's revenues come from rate-regulated activities, with approximately 60% of water and wastewater revenues coming from volumetric rates and 40% from base charges. HRWC does have a small amount of revenue from miscellaneous fees and financial revenue from interest income. To mitigate risk due to the steadily decreasing consumption and the increased revenue volatility, HRWC's 2015 Rate Application proposes to increase the proportion of revenue coming from base charges slightly, in an effort to prevent further deterioration in revenue stability.

**Regulated Operating Expenses**

Regulated Operating Expenses (including Depreciation) are increasing by \$3.8 million over the 2014/15 budget – a 3.8% increase.

Expense categories that warrant particular attention include salaries, pension, depreciation, debt servicing, energy, and chemical costs. Some of the key assumptions are outlined below:

**ITEM # 7**  
**HRWC Board**  
**January 21, 2015**

**Salaries** – Reasonable provisions for salary increase have been provided for in the 5-Year Plan, based on collective bargaining for CUPE Locals 227 and 1431, and market information for non-union compensation. There is provision for annual salary increases in line with other recent public sector wage settlements, and HRWC has budgeted for the impact of step increases within salary bands or reclassification of positions and increases in benefits. HRWC is also adding additional salaried staff to increase institutional capacity to deliver the Integrated Resource Plan and reflect growth in services caused by increasing customers, additional infrastructure requiring maintenance, and increased calls and service requests. The new positions which are reflected in the Proposed 2015/16 Operating Budget are shown in Attachment Two.

**Pension** – The annual cost of maintaining the HRWC Employees Pension Plan reflects the contribution rate increase to 12.95% for current service cost which took effect July 1, 2014, and going concern special payments of \$3.0 million. Although the pension plan redesign is being discussed as part of Collective Bargaining, HRWC is required to prepare the 2015/16 budget on the basis of funding the existing plan and the best information on hand.

**Depreciation** – The increase for depreciation is caused by additions to Utility Plant in Service. As new assets are taken into service, or old assets are renewed, the utility is required to calculate and record depreciation. Depreciation expense is included with the revenue requirements, and as it is funded through the rates, is used to fund the annual capital program. Depreciation expense is projected to increase from \$18.7 million in 2014/15 to \$20.8 million in 2015/16. The increase in depreciation is \$2.1 million or 11.3% over the 2013/14 budget. Depreciation is calculated in accordance with the N.S. Accounting and Reporting Handbook for Water Utilities, which corresponds with Canadian Generally Accepted Accounting Principles (GAAP)

**Debt Servicing** – Debt servicing is projected to increase to \$30.0 million for 2015/16, or 6% above the 2014/15 budget. It is projected that HRWC will be required to issue \$18.3 million of debt in 2015/16. Additionally, HRWC has a balloon payment of \$2.8 million associated with the Municipal Finance Corporation Debenture 25-A-1 which comes due in 2015/16 and will be refinanced. The final amount, timing of the debt issuance (Spring versus Fall) and interest rates, will not be known with certainty until the formal debenture process occurs. HRWC's projected debt outstanding at March 31, 2015 is \$220.6 million and HRWC's projected debt service ratio in 2015/16 is projected to be 23.55%, based on Debt Servicing of \$30.0 million divided by operating revenues of \$127.3 million as outlined in the table below.



**ITEM # 7**  
**HRWC Board**  
**January 21, 2015**

<b>Halifax Water Debt Projections</b>	<b>2014/15</b>	<b>2015/16</b>
Total Debt Service	\$ 28,220,000	\$ 29,979,000
Total Debt Outstanding	\$ 232,187,155	\$ 232,547,611
Debt Service Ratio	21.73%	23.55%
Projected Operating Revenue*	\$ 129,853,000	\$ 127,276,000

Energy – Energy has been modeled for HRWC considering demand, energy efficiency initiatives, and rate increases. The budgets were established based on assumptions of electricity, fuel, oil and natural gas rate increases. The impacts of these increases are expected to be partially offset by HRWC’s formal Energy Management Program initiated in 2011/12 (see Section 7 of the HRWC Five Year Business Plan). The projected net increases are:

- Electricity – 2% in year 2015/16
- Furnace Oil – 5% in 2015/16
- Natural Gas – 10% in 2015/16

The estimated combined impact is \$29,384.

Chemical costs – The budget for chemical cost is modeled based on historic consumption for each type of chemical at each plant, with consideration for any projected changes in tendered rates, or commodities to be purchased. Chemical cost increases of 5% are budgeted for 2015/16. The estimated combined impact is \$79,140.

Expenses such as electricity and chemicals, which are subject to greater volatility when considering rates, have been afforded special attention due to the dependence placed on these products. In other expense categories that carry high dollar amounts, such as contract services and materials/supplies, where there may be a certain discretionary component, these expenses are contingent upon other factors such as:

- ✓ Service expectations
- ✓ Regulatory requirements and compliance
- ✓ Maintenance and renewal of infrastructure.

This would be relevant across all services; water, wastewater and stormwater.

### **Consolidated Revenues and Expenditures**

The statement of consolidated revenues and expenditures compiled on an accrual basis, as detailed on page 1 of Attachment One, shows a budgeted deficit of \$7.5 million for 2015/16. HRWC does not have any available accumulated operating surplus, therefore the 2015/16 budget will have to be reviewed and revised pending the results of the 2015 Rate Application. HRWC proposes a balanced 2015/16 Operating Budget but will not be able to balance the budget until the 2015 Rate Application Decision is received.

**ITEM # 7**  
**HRWC Board**  
**January 21, 2015**

Projections at the end of the third quarter, December 31, 2014 (Item #4 in the January 21, 2015 Board Package) indicate the 2014/15 surplus may be as high as \$2.4 million, however there are three months left in the year, and there may be some operating expenses associated with heavy rain fall events in late December which are not fully reflected in the December results. If the projected surplus of \$2.4 million for 2014/15 is realized, it will reduce the Accumulated Operating Deficit of the utility to \$1.5 million.

<b>Combined Urban Core &amp; Small Systems and Aerotech</b>				
<b>Accumulated Operating Surplus (Deficit)</b>	<b>Total</b>	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater</b>
<b>2013/14 Fiscal Year</b>				
Surplus (Deficit) per Audited Financial Statements	(\$4,963,000)	(\$1,883,000)	(\$3,862,000)	\$782,000
Year end balance March 31, 2014	(\$3,947,464)	(\$710,511)	(\$3,171,953)	(\$65,000)
<b>2014/15 Fiscal Year</b>				
Projected Year Operating Results as at Sept. 30, 2014	\$2,400,875	\$147,214	\$1,895,661	\$358,000
Projected Year end balance March 31, 2015	(\$1,546,589)	(\$563,297)	(\$1,276,292)	\$293,000

**Water Services**

Water services detail is provided on page 2 of Attachment 1 and is projected to have a net loss for 2015/16 in the amount of \$5.6 million.

Revenues are projected to be \$1.5 million or 3% less than the 2014/15 budget. This is due to decreasing consumption.

Operating expenditures are projected at \$40.0 million, which exceeds the 2014/15 budget by \$2.2 million (5.8%). The main drivers with respect to operational expenses are salaries and pension benefits, electricity and chemical costs which have been outlined above. Depreciation is projected to increase by \$822,000 or 10.6% over the 2014/15 budget.

Non-Operating expenses are projected to increase by \$1.5 million or 10.8%. The largest portion of this increase is attributable to a projected \$1.3 million increase in total debt servicing, and \$239,000 due to a 5.5% increase in the Dividend payable to HRM which increased from \$4.3 to \$4.6 million. This is due to the projected increase in the rate base as Halifax Water adds to utility plant in service. The dividend is 1.56% times the water rate base for the previous year.

**Wastewater Services**

Wastewater services are detailed on page 3 of Attachment One and are budgeted to have a loss of \$2.0 million for 2015/16.

**ITEM # 7**  
**HRWC Board**  
**January 21, 2015**

Budgeted operating revenues for 2015/16 in the amount of \$68.5 million are \$980,000 or 1.4% less than the 2014/15 budget. As with revenues associated with water services, this is primarily due to declining consumption.

Budgeted operating expenditures in 2015/16 have increased by \$1.8 million or 3.5% compared to the 2014/15 budget of \$55.1 million. Most of this is due to Depreciation, which has increased \$1.2 million, or 11%.

Wastewater Non-operating revenues are in line with the previous year, with little change. Wastewater Non-operating expenses have increased by \$400,000 or 2.3% due to additional debt servicing costs.

**Stormwater Services**

Budgeted operating revenues for 2015/16 in the amount of \$9.7 million are on par with the 2014/15 budget, with only a \$57,000 decrease. The 2014/15 budget was the first full fiscal year with separate stormwater rates. The 2015/16 budget was prepared based on the 2014/15 billable impervious area, less an allowance for additional exemptions as stormwater service reviews continue. New satellite imagery has been purchased, which will result in an update to billable impervious area which will increase revenues. This will be reflected through projections. Additionally, if stormwater rate design is changed as part of the 2015 Rate Hearing process, any revenue impacts will be reflected after the Decision.

Budgeted operating expenditures in 2015/16 are \$8.1 million, representing a \$205,000 or 2.5% decrease from the 2014/15 budget. Stormwater collection and Administration costs account for this decrease.

**Un-Regulated Activities**

Halifax Water is projecting a small net profit of \$558,000 from un-regulated activities in 2015/16.

Unregulated operating expenses are increasing by \$81,000 or 6.3%, driven by an increase in the unregulated wastewater treatment expenses.

Sponsorships and Donations, and the Help to Others (H2O) Program are treated as an un-regulated expense as a result of the 2012 NSUARB Urban Core Rate Decision. Expenses for these programs are budgeted at \$55,600 in 2015/16, up slightly from the \$53,600 budgeted in 2014/15. These amounts include \$35,000 for the Salvation Army Help to Others program, plus the following Sponsorships:

**ITEM # 7**  
**HRWC Board**  
**January 21, 2015**

<b>Sponsorships</b>			
Other	1	\$6,000.00	6,000.00
NSCC Scholarships First Nations	1	\$4,000.00	4,000.00
NSCC Scholarships RT Peacock	1	\$2,000.00	2,000.00
NSCC Scholarships HRWC Achievement	1	\$2,000.00	2,000.00
NSCC Scholarships Arnold Johnston	1	\$3,600.00	3,600.00
Special Olympics	1	\$1,000.00	1,000.00
Bluenose Marathon	1	\$2,000.00	2,000.00
			-
			<b>20,600.00</b>

The Sponsorship and Donations are relatively small value items but until such time as there is a formal policy for Sponsorships and Donations, the Board is requested to approve the amounts noted above as part of the overall budget.

**BUDGET IMPLICATIONS**

The combined operations for 2015/16 project a loss of \$7.5 million prior to any adjustment of revenues related to the recent rate application.

**ALTERNATIVES**

1. The HRWC Board could direct staff to revise the proposed 2015/16 Operating Budget; if this results in material changes to revenue requirements it will require refilling proposed rates. This is not advised, as the Rate Hearing process is well under way.

**ATTACHMENT**

Attachment One - Proposed 2015/16 Operating Budget

Attachment Two – Proposed Additional Full Time Equivalent Positions (FTEs)

Report Prepared by: \_\_\_\_\_

*Cathie O'Toole*

Cathie O'Toole CGA, MBA – Director of Finance/CFO 490-3572

**HALIFAX WATER**  
**CONSOLIDATED SUMMARY OF ESTIMATED REVENUES & EXPENDITURES**  
**FIVE (5) YEAR BUSINESS PLAN**  
**APRIL 1, 2015 to MARCH 31, 2020**  
(In thousands)

DESCRIPTION	ACTUAL	BUDGET *	PROPOSED BUDGET **		BUSINESS PLAN		
	APR 1/13 MAR 31/14	APR 1/14 MAR 31/15	APR 1/16 MAR 31/16	APR 1/16 MAR 31/17	APR 1/17 MAR 31/18	APR 1/18 MAR 31/19	APR 1/19 MAR 31/20
<b>OPERATING REVENUES</b>	\$111,502	\$129,853	\$127,276	\$125,349	\$124,366	\$123,420	\$122,513
<b>OPERATING EXPENDITURES</b>	\$89,737	\$99,452	\$103,271	\$108,439	\$108,210	\$111,838	\$114,263
<b>OPERATING PROFIT</b>	\$21,765	\$30,401	\$24,006	\$16,909	\$16,156	\$11,583	\$8,250
<b>FINANCIAL REVENUES (NON-OPERATING)</b>							
INVESTMENT INCOME	\$690	\$660	\$660	\$720	\$720	\$720	\$720
PNS FUNDING HHSP DEBT	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$1,000	\$0
MISCELLANEOUS	\$319	\$419	\$417	\$507	\$508	\$510	\$511
	\$3,009	\$3,079	\$3,077	\$3,227	\$3,228	\$2,230	\$1,231
<b>FINANCIAL EXPENDITURES (NON-OPERATING)</b>							
LONG TERM DEBT INTEREST	\$8,161	\$9,188	\$9,380	\$9,722	\$10,278	\$10,910	\$11,992
LONG TERM DEBT PRINCIPAL	\$17,257	\$18,888	\$20,427	\$21,796	\$23,113	\$23,868	\$22,940
AMORTIZATION DEBT DISCOUNT	\$131	\$144	\$172	\$198	\$219	\$228	\$218
DIVIDEND/GRANT IN LIEU OF TAXES	\$4,187	\$4,340	\$4,579	\$4,714	\$5,245	\$5,856	\$6,195
	\$29,736	\$32,560	\$34,558	\$36,430	\$38,855	\$40,861	\$41,345
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>(\$4,963)</b>	<b>\$820</b>	<b>(\$7,475)</b>	<b>(\$16,293)</b>	<b>(\$19,471)</b>	<b>(\$27,048)</b>	<b>(\$31,864)</b>

\* - Revised 2014/15 Operating Budget as approved by the Board of Directors, July 31, 2014

\*\* - Revised 2015/16 Operating Budgets as approved by the Board of Directors, November 20, 2014

**HALIFAX WATER**  
**ESTIMATED REVENUES AND EXPENDITURES - WATER OPERATIONS**  
**FIVE (5) YEAR BUSINESS PLAN**  
**APRIL 1, 2015 to MARCH 31, 2020**  
**( In thousands )**

DESCRIPTION	ACTUAL	BUDGET *	PROPOSED BUDGET **		BUSINESS PLAN		
	APR 1/13 MAR 31/14	APR 1/14 MAR 31/15	APR 1/15 MAR 31/16	APR 1/16 MAR 31/17	APR 1/17 MAR 31/18	APR 1/18 MAR 31/19	APR 1/19 MAR 31/20
<b>REVENUES</b>							
METERED SALES	\$34,961	\$40,055	\$38,777	\$38,287	\$38,009	\$37,740	\$37,479
FIRE PROTECTION	\$9,758	\$9,146	\$8,953	\$8,953	\$8,953	\$8,953	\$8,953
PRIVATE FIRE PROTECTION SERVICES	\$429	\$562	\$578	\$584	\$591	\$597	\$603
BULK WATER STATIONS	\$241	\$258	\$308	\$308	\$308	\$308	\$308
CUSTOMER LATE PAY./COLLECTION FEES	\$257	\$454	\$332	\$327	\$324	\$321	\$318
MISCELLANEOUS	\$146	\$163	\$150	\$151	\$151	\$152	\$152
	<u>\$45,791</u>	<u>\$50,638</u>	<u>\$48,088</u>	<u>\$48,611</u>	<u>\$48,336</u>	<u>\$48,070</u>	<u>\$47,814</u>
<b>EXPENDITURES</b>							
WATER SUPPLY & TREATMENT	\$6,883	\$7,453	\$7,931	\$7,990	\$8,150	\$8,313	\$8,479
TRANSMISSION & DISTRIBUTION	\$7,845	\$8,579	\$9,158	\$10,310	\$10,516	\$10,726	\$10,941
SMALL SYSTEMS (Incl. Contract Systems)	\$1,043	\$725	\$794	\$808	\$824	\$840	\$857
TECHNICAL SERVICES (SCADA)	\$783	\$871	\$810	\$835	\$852	\$869	\$886
ENGINEERING & INFORMATION SERVICES	\$3,418	\$3,562	\$3,809	\$3,899	\$3,977	\$4,057	\$4,138
ENVIRONMENTAL SERVICES	\$694	\$660	\$628	\$597	\$609	\$621	\$634
CUSTOMER SERVICE	\$2,008	\$2,086	\$2,227	\$2,234	\$2,278	\$2,324	\$2,371
ADMINISTRATION & PENSION	\$5,310	\$6,155	\$6,089	\$6,182	\$6,306	\$6,432	\$6,580
DEPRECIATION	\$7,157	\$7,751	\$8,573	\$9,337	\$9,076	\$9,643	\$9,563
	<u>\$35,140</u>	<u>\$37,841</u>	<u>\$40,018</u>	<u>\$42,192</u>	<u>\$42,588</u>	<u>\$43,825</u>	<u>\$44,429</u>
<b>OPERATING PROFIT</b>	<u>\$10,650</u>	<u>\$12,797</u>	<u>\$9,080</u>	<u>\$6,418</u>	<u>\$5,748</u>	<u>\$4,245</u>	<u>\$3,385</u>
<b>FINANCIAL REVENUES (NON-OPERATING)</b>							
INVESTMENT INCOME	\$344	\$330	\$330	\$360	\$360	\$360	\$360
MISCELLANEOUS	\$236	\$346	\$344	\$434	\$434	\$435	\$435
	<u>\$581</u>	<u>\$676</u>	<u>\$674</u>	<u>\$794</u>	<u>\$794</u>	<u>\$795</u>	<u>\$795</u>
<b>FINANCIAL EXPENDITURES (NON-OPERATING)</b>							
LONG TERM DEBT INTEREST	\$2,517	\$2,406	\$2,682	\$2,860	\$2,951	\$2,978	\$3,186
LONG TERM DEBT PRINCIPAL	\$6,341	\$7,007	\$7,987	\$8,767	\$9,015	\$8,447	\$5,785
AMORTIZATION DEBT DISCOUNT	\$70	\$83	\$97	\$107	\$113	\$104	\$82
DIVIDEND/GRANT IN LIEU OF TAXES	\$4,187	\$4,340	\$4,579	\$4,714	\$5,245	\$5,856	\$6,195
	<u>\$13,115</u>	<u>\$13,836</u>	<u>\$15,344</u>	<u>\$16,448</u>	<u>\$17,323</u>	<u>\$17,385</u>	<u>\$15,248</u>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<u>(\$1,883)</u>	<u>(\$363)</u>	<u>(\$5,590)</u>	<u>(\$9,236)</u>	<u>(\$10,781)</u>	<u>(\$12,344)</u>	<u>(\$11,067)</u>

\* - Revised 2014/15 Operating Budget as approved by the Board of Directors, July 31, 2014

\*\* - Revised 2015/18 Operating Budgets as approved by the Board of Directors, November 20, 2014

**HALIFAX WATER**  
**ESTIMATED REVENUES AND EXPENDITURES - WASTEWATER OPERATIONS**  
**FIVE (5) YEAR BUSINESS PLAN**  
**APRIL 1, 2015 to MARCH 31, 2020**  
**( In thousands )**

DESCRIPTION	ACTUAL	BUDGET *	PROPOSED BUDGET **		BUSINESS PLAN		
	APR 1/13 MAR 31/14	APR 1/14 MAR 31/15	APR 1/15 MAR 31/16	APR 1/16 MAR 31/17	APR 1/17 MAR 31/18	APR 1/18 MAR 31/19	APR 1/19 MAR 31/20
<b>REVENUES</b>							
METERED SALES	\$55,320	\$67,267	\$66,423	\$65,122	\$64,326	\$63,549	\$62,793
WASTEWATER OVERSTRENGTH AGREEMENTS	\$226	\$300	\$174	\$0	\$0	\$0	\$0
LEACHATE	\$322	\$366	\$379	\$393	\$400	\$408	\$417
CONTRACT REVENUE	\$91	\$86	\$86	\$86	\$86	\$86	\$86
SEPTAGE TIPPING FEES	\$633	\$800	\$800	\$825	\$908	\$998	\$1,098
DEWATERING FACILITY/ SLUDGE LAGOON	\$210	\$210	\$210	\$210	\$210	\$210	\$210
AIRLINE EFFLUENT	\$75	\$80	\$78	\$78	\$78	\$78	\$78
CUSTOMER LATE PAY./COLLECTION FEES	\$193	\$219	\$211	\$207	\$205	\$203	\$200
MISCELLANEOUS	\$101	\$134	\$121	\$121	\$121	\$121	\$121
	<b>\$57,170</b>	<b>\$69,462</b>	<b>\$68,482</b>	<b>\$67,041</b>	<b>\$66,333</b>	<b>\$65,653</b>	<b>\$65,002</b>
<b>EXPENDITURES</b>							
WASTEWATER COLLECTION	\$9,666	\$9,507	\$9,744	\$10,034	\$10,235	\$10,439	\$10,648
WASTEWATER TREATMENT PLANTS	\$16,821	\$19,031	\$18,466	\$18,873	\$19,250	\$19,635	\$20,028
SMALL SYSTEMS	\$1,025	\$1,017	\$1,132	\$1,132	\$1,155	\$1,178	\$1,201
DEWATERING FACILITY/ SLUDGE MGMT	\$856	\$896	\$767	\$703	\$717	\$731	\$746
BIOSOLIDS TREATMENT	\$97	\$96	\$101	\$101	\$103	\$105	\$107
LEACHATE CONTRACT	\$286	\$320	\$330	\$341	\$348	\$355	\$362
TECHNICAL SERVICES (SCADA)	\$1,034	\$1,056	\$1,191	\$1,216	\$1,240	\$1,265	\$1,291
ENGINEERING & INFORMATION SERVICES	\$2,789	\$3,134	\$3,493	\$3,654	\$3,727	\$3,802	\$3,878
ENVIRONMENTAL SERVICES	\$1,283	\$1,324	\$1,343	\$1,326	\$1,352	\$1,379	\$1,407
CUSTOMER SERVICE	\$1,598	\$1,667	\$1,844	\$1,850	\$1,887	\$1,924	\$1,963
ADMINISTRATION & PENSION	\$4,223	\$4,919	\$5,042	\$5,119	\$5,221	\$5,326	\$5,432
DEPRECIATION	\$8,406	\$10,518	\$11,674	\$13,318	\$11,521	\$12,667	\$13,363
	<b>\$47,885</b>	<b>\$53,284</b>	<b>\$55,129</b>	<b>\$57,667</b>	<b>\$56,757</b>	<b>\$58,807</b>	<b>\$60,426</b>
<b>OPERATING PROFIT</b>	<b>\$9,285</b>	<b>\$16,178</b>	<b>\$13,353</b>	<b>\$9,375</b>	<b>\$9,576</b>	<b>\$6,846</b>	<b>\$4,576</b>
<b>FINANCIAL REVENUES (NON-OPERATING)</b>							
INVESTMENT INCOME	\$345	\$330	\$330	\$360	\$360	\$360	\$360
PNS FUNDING HHSP DEBT	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$1,000	\$0
MISCELLANEOUS	\$83	\$73	\$73	\$73	\$74	\$75	\$76
	<b>\$2,428</b>	<b>\$2,403</b>	<b>\$2,403</b>	<b>\$2,433</b>	<b>\$2,434</b>	<b>\$1,435</b>	<b>\$436</b>
<b>FINANCIAL EXPENDITURES (NON-OPERATING)</b>							
LONG TERM DEBT INTEREST	\$5,250	\$6,275	\$6,164	\$6,158	\$6,418	\$6,922	\$7,693
LONG TERM DEBT PRINCIPAL	\$10,263	\$11,038	\$11,530	\$11,860	\$12,619	\$13,764	\$15,320
AMORTIZATION DEBT DISCOUNT	\$61	\$59	\$66	\$79	\$88	\$103	\$115
	<b>\$15,575</b>	<b>\$17,372</b>	<b>\$17,761</b>	<b>\$18,097</b>	<b>\$19,125</b>	<b>\$20,788</b>	<b>\$23,128</b>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<b>(\$3,861)</b>	<b>\$1,208</b>	<b>(\$2,005)</b>	<b>(\$5,289)</b>	<b>(\$7,115)</b>	<b>(\$12,507)</b>	<b>(\$18,117)</b>

\* - Revised 2014/15 Operating Budget as approved by the Board of Directors, July 31, 2014

**HALIFAX WATER**  
**ESTIMATED REVENUES AND EXPENDITURES - STORMWATER OPERATIONS**  
**FIVE (5) YEAR BUSINESS PLAN**  
**APRIL 1, 2015 to MARCH 31, 2020**  
**( In thousands )**

DESCRIPTION	ACTUAL	BUDGET *	PROPOSED BUDGET **		BUSINESS PLAN		
	APR 1/13 MAR 31/14	APR 1/14 MAR 31/15	APR 1/15 MAR 31/16	APR 1/16 MAR 31/17	APR 1/17 MAR 31/18	APR 1/18 MAR 31/19	APR 1/19 MAR 31/20
<b>REVENUES</b>							
STORMWATER SITE GENERATED SERVICE ***	\$5,775	\$3,881	\$3,927	\$3,927	\$3,927	\$3,927	\$3,927
STORMWATER RIGHT-OF-WAY SERVICE	\$2,671	\$5,766	\$5,669	\$5,669	\$5,669	\$5,669	\$5,669
CUSTOMER LATE PAY./COLLECTION FEES	\$19	\$11	\$10	\$10	\$10	\$10	\$10
MISCELLANEOUS	\$76	\$95	\$91	\$91	\$91	\$91	\$91
	<u>\$8,541</u>	<u>\$9,754</u>	<u>\$9,697</u>	<u>\$9,697</u>	<u>\$9,697</u>	<u>\$9,697</u>	<u>\$9,697</u>
<b>EXPENDITURES</b>							
STORMWATER COLLECTION	\$4,022	\$5,281	\$5,017	\$5,161	\$5,264	\$5,370	\$5,477
TECHNICAL SERVICES (SCADA)	\$34	\$35	\$28	\$28	\$29	\$29	\$30
ENGINEERING & INFORMATION SERVICES	\$571	\$641	\$568	\$595	\$606	\$619	\$631
ENVIRONMENTAL SERVICES	\$584	\$620	\$625	\$629	\$646	\$663	\$680
CUSTOMER SERVICE	\$327	\$341	\$300	\$301	\$307	\$313	\$319
ADMINISTRATION & PENSION	\$864	\$1,007	\$820	\$833	\$849	\$866	\$883
DEPRECIATION	\$310	\$403	\$565	\$634	\$964	\$1,146	\$1,188
	<u>\$8,711</u>	<u>\$8,328</u>	<u>\$8,123</u>	<u>\$8,580</u>	<u>\$8,865</u>	<u>\$9,206</u>	<u>\$9,409</u>
<b>OPERATING PROFIT</b>	<u>\$1,829</u>	<u>\$1,426</u>	<u>\$1,573</u>	<u>\$1,117</u>	<u>\$831</u>	<u>\$491</u>	<u>\$288</u>
<b>FINANCIAL EXPENDITURES (NON-OPERATING)</b>							
LONG TERM DEBT INTEREST	\$394	\$507	\$534	\$704	\$909	\$1,011	\$1,113
LONG TERM DEBT PRINCIPAL	\$653	\$843	\$910	\$1,168	\$1,479	\$1,658	\$1,834
AMORTIZATION DEBT DISCOUNT	\$0	\$2	\$9	\$13	\$18	\$19	\$21
	<u>\$1,047</u>	<u>\$1,352</u>	<u>\$1,453</u>	<u>\$1,885</u>	<u>\$2,407</u>	<u>\$2,688</u>	<u>\$2,969</u>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES</b>	<u>\$782</u>	<u>\$74</u>	<u>\$120</u>	<u>(\$769)</u>	<u>(\$1,575)</u>	<u>(\$2,197)</u>	<u>(\$2,680)</u>

\* - Revised 2014/15 Operating Budget as approved by the Board of Directors, July 31, 2014

\*\* - Revised 2015/16 Operating Budgets as approved by the Board of Directors, November 20, 2014

\*\*\*- Metered sales are included with stormwater site generated service amount as of rate application dated July 1, 2014




**HALIFAX WATER**  
**ESTIMATED REVENUES & EXPENDITURES, SEGREGATED BY REGULATED AND UNREGULATED ACTIVITIES**  
**FIVE (5) YEAR BUSINESS PLAN**  
**APRIL 1, 2015 to MARCH 31, 2020**  
(In thousands)

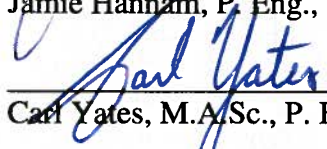
DESCRIPTION	ACTUAL	BUDGET *	PROPOSED BUDGET		BUSINESS PLAN		
	APR 1/13 MAR 31/14	APR 1/14 MAR 31/15	APR 1/15 MAR 31/16	APR 1/16 MAR 31/17	APR 1/17 MAR 31/18	APR 1/18 MAR 31/19	APR 1/19 MAR 31/20
<b>REGULATED ACTIVITIES</b>							
<b>REVENUES</b>							
METERED SALES	\$90,281	\$107,321	\$105,199	\$103,410	\$102,335	\$101,289	\$100,272
FIRE PROTECTION	\$9,758	\$9,146	\$8,953	\$8,953	\$8,953	\$8,953	\$8,953
PRIVATE FIRE PROTECTION	\$429	\$582	\$578	\$584	\$591	\$597	\$603
STORMWATER SITE GENERATED SERVICE ***	\$5,775	\$3,881	\$3,927	\$3,927	\$3,927	\$3,927	\$3,927
STORMWATER RIGHT-OF-WAY SERVICE	\$2,671	\$5,766	\$5,669	\$5,669	\$5,669	\$5,669	\$5,669
OTHER OPERATING REVENUE	\$1,237	\$1,613	\$1,376	\$1,193	\$1,188	\$1,183	\$1,178
	<u>\$110,151</u>	<u>\$128,290</u>	<u>\$125,702</u>	<u>\$123,736</u>	<u>\$122,662</u>	<u>\$121,619</u>	<u>\$120,802</u>
<b>EXPENDITURES</b>							
WATER SUPPLY & TREATMENT	\$6,883	\$7,446	\$7,924	\$7,983	\$8,143	\$8,306	\$8,472
TRANSMISSION & DISTRIBUTION	\$7,845	\$8,579	\$9,158	\$10,310	\$10,516	\$10,726	\$10,941
WASTEWATER & STORMWATER COLLECTION	\$13,659	\$14,776	\$14,749	\$15,183	\$15,487	\$15,797	\$16,113
WASTEWATER TREATMENT PLANTS	\$16,821	\$19,031	\$18,466	\$18,873	\$19,250	\$19,635	\$20,028
SMALL SYSTEMS	\$2,059	\$1,728	\$1,911	\$1,924	\$1,983	\$2,002	\$2,042
SCADA, CONTROL & PUMPING	\$1,851	\$1,959	\$2,026	\$2,077	\$2,119	\$2,161	\$2,204
ENGINEERING & INFORMATION SERVICES	\$6,778	\$7,312	\$7,845	\$8,123	\$8,286	\$8,452	\$8,621
ENVIRONMENTAL SERVICES	\$2,561	\$2,604	\$2,796	\$2,752	\$2,807	\$2,863	\$2,920
CUSTOMER SERVICE	\$3,907	\$4,059	\$4,337	\$4,349	\$4,436	\$4,525	\$4,615
ADMINISTRATION & PENSION	\$10,378	\$12,020	\$11,888	\$12,070	\$12,313	\$12,560	\$12,812
DEPRECIATION	\$15,867	\$18,671	\$20,812	\$23,489	\$21,581	\$23,456	\$24,113
	<u>\$88,898</u>	<u>\$98,163</u>	<u>\$101,912</u>	<u>\$107,133</u>	<u>\$106,690</u>	<u>\$110,483</u>	<u>\$112,683</u>
<b>OPERATING PROFIT</b>	<u>\$21,543</u>	<u>\$30,106</u>	<u>\$23,791</u>	<u>\$16,603</u>	<u>\$15,782</u>	<u>\$11,135</u>	<u>\$7,719</u>
<b>FINANCIAL REVENUES (NON-OPERATING)</b>							
INVESTMENT INCOME	\$690	\$660	\$660	\$720	\$720	\$720	\$720
MISCELLANEOUS	\$2,070	\$2,160	\$2,074	\$2,074	\$2,074	\$1,074	\$74
	<u>\$2,760</u>	<u>\$2,820</u>	<u>\$2,734</u>	<u>\$2,794</u>	<u>\$2,794</u>	<u>\$1,794</u>	<u>\$794</u>
<b>FINANCIAL EXPENDITURES (NON-OPERATING)</b>							
LONG TERM DEBT INTEREST	\$6,161	\$9,188	\$9,380	\$9,722	\$10,278	\$10,910	\$11,992
LONG TERM DEBT PRINCIPAL	\$17,257	\$18,888	\$20,427	\$21,798	\$23,113	\$23,868	\$22,940
AMORTIZATION DEBT DISCOUNT	\$131	\$144	\$172	\$198	\$219	\$226	\$218
DIVIDEND/GRANT IN LIEU OF TAXES	\$4,187	\$4,340	\$4,579	\$4,714	\$5,245	\$5,856	\$6,195
	<u>\$29,736</u>	<u>\$32,560</u>	<u>\$34,558</u>	<u>\$36,430</u>	<u>\$38,895</u>	<u>\$40,861</u>	<u>\$41,345</u>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES - REGULATED ACTIVITIES</b>	<u>(\$5,434)</u>	<u>\$367</u>	<u>(\$8,033)</u>	<u>(\$17,533)</u>	<u>(\$20,278)</u>	<u>(\$27,332)</u>	<u>(\$32,632)</u>
<b>UNREGULATED ACTIVITIES</b>							
<b>REVENUES</b>							
AEROTECH SEPTAGE TIPPING FEES	\$633	\$800	\$800	\$825	\$908	\$998	\$1,098
LEACHATE	\$322	\$366	\$379	\$393	\$400	\$408	\$417
CONTRACT REVENUE	\$91	\$86	\$86	\$86	\$86	\$86	\$86
DEWATERING FACILITY/ SLUDGE LAGOON	\$210	\$210	\$210	\$210	\$210	\$210	\$210
AIRLINE EFFLUENT	\$75	\$80	\$78	\$78	\$78	\$78	\$78
ENERGY PROJECTS	\$0	\$38	\$115	\$198	\$198	\$198	\$198
MISCELLANEOUS	\$21	\$21	\$21	\$22	\$22	\$23	\$23
	<u>\$1,351</u>	<u>\$1,601</u>	<u>\$1,689</u>	<u>\$1,811</u>	<u>\$1,892</u>	<u>\$2,001</u>	<u>\$2,109</u>
<b>EXPENDITURES</b>							
<b>- DIRECT</b>							
WATER SUPPLY & TREATMENT	\$10	\$14	\$15	\$16	\$16	\$16	\$16
WASTEWATER TREATMENT	\$1,087	\$1,112	\$1,198	\$1,145	\$1,168	\$1,181	\$1,215
ENERGY PROJECTS	\$0	\$9	\$0	\$0	\$0	\$0	\$0
SPONSORSHIPS & DONATIONS	\$45	\$54	\$56	\$56	\$57	\$58	\$59
DEPRECIATION	\$8	\$0	\$0	\$0	\$0	\$0	\$0
	<u>\$1,129</u>	<u>\$1,188</u>	<u>\$1,269</u>	<u>\$1,216</u>	<u>\$1,240</u>	<u>\$1,265</u>	<u>\$1,291</u>
<b>- INDIRECT (ADMINISTRATION)</b>							
	\$0	\$90	\$90	\$90	\$90	\$90	\$90
	<u>\$1,129</u>	<u>\$1,278</u>	<u>\$1,359</u>	<u>\$1,306</u>	<u>\$1,330</u>	<u>\$1,355</u>	<u>\$1,380</u>
<b>OPERATING PROFIT</b>	<u>\$222</u>	<u>\$323</u>	<u>\$330</u>	<u>\$505</u>	<u>\$571</u>	<u>\$646</u>	<u>\$729</u>
<b>FINANCIAL REVENUES (NON-OPERATING)</b>							
MISCELLANEOUS	\$249	\$229	\$228	\$235	\$236	\$236	\$239
	<u>\$249</u>	<u>\$229</u>	<u>\$228</u>	<u>\$235</u>	<u>\$236</u>	<u>\$236</u>	<u>\$239</u>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES - UNREGULATED ACTIVITIES</b>	<u>\$471</u>	<u>\$533</u>	<u>\$558</u>	<u>\$740</u>	<u>\$897</u>	<u>\$884</u>	<u>\$988</u>
<b>NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES - COMBINED ACTIVITIES</b>	<u>(\$4,963)</u>	<u>\$820</u>	<u>(\$7,475)</u>	<u>(\$16,293)</u>	<u>(\$18,471)</u>	<u>(\$27,048)</u>	<u>(\$31,644)</u>

\* - Revised 2014/15 Operating Budget as approved by the Board of Directors, July 31, 2014  
\*\* - Revised 2015/16 Operating Budgets as approved by the Board of Directors, November 20, 2014  
\*\*\*- Metered sales are included with stormwater site generated service amount

Service/ Position/ Department	Status	Months During Year	Capital Allocation (if required)	Annual Budgeted (\$)	Salary 2016/16 (\$)	Months	Annual Budgeted (\$)	Salary 2016/17 (\$)
<b>Administration and General</b>								
Security and Safety Officer	Security (budgeted in Environmental Services)	Non-Union		12	\$59,800	\$61,678		
<b>Customer Service</b>								
Billing Coordinator	Customer Billing	Union Salary - 1431		12	\$49,002	\$51,511		
Billing Edit Clerk	Customer Billing	Union Salary - 1431		12	\$42,887	\$45,083		
Customer Service Representative	Customer Contacts, Cashier, Special Projects	Union Salary - 1431		12	\$38,084	\$40,034		
Customer Service Representative	Customer Contacts, Cashier, Special Projects	Union Salary - 1431				\$0	12	\$35,842
Metering and Billing Manager	Supervision and Administration	Non-Union		12	\$68,789	\$70,949		\$38,777
<b>Engineering and Information Services</b>								
Project Manager	Asset Management	Non-Union		12	70%	\$74,100	\$76,427	
GIS Technican - AM	Asset Management	Union Salary - 1431		9	30%	\$49,400	\$51,929	
Junior Engineer - Modeling	Asset Management	Non-Union			25%		12	\$61,100
Data Analyst - AM	Asset Management	Union Salary - 1431			50%		12	\$58,500
Engineering Technologist	Capital Projects - Water	Union Salary - 1431		12	55%	\$58,521	\$61,517	\$84,595
Engineering Technologist	Capital Projects - Wastewater	Union Salary - 1431			40%		12	\$58,521
Engineering Technologist	Development Approvals	Union Salary - 1431		12		\$55,575	\$58,420	\$83,291
Project Manager	Information Services	Non-Union		12	70%	\$84,448	\$87,100	
Business Analyst	Information Services	Non-Union		12	70%	\$84,448	\$87,100	
Engineering Technologist	Records Management	Union Salary - 1431		12	5%	\$44,836	\$47,132	
Engineering Technologist	Records Management	Union Salary - 1431		12	30%	\$44,836	\$47,132	
<b>Environmental Services</b>								
Junior Environmental Engineer	Environmental Engineering	Non-Union		12		\$85,000	\$67,041	
ISO Coordinator	Regulatory Compliance	Union Salary - 1431		12		\$60,000	\$63,072	
<b>Wastewater</b>								
Supervisor for Lateral Lining	WWC - East Region	Non-Union		12		\$60,431	\$62,329	
Process Technican	Eastern WWTP	Union Hourly - 227		12		\$56,264	\$59,145	
Labourer	Timberlea WWTP	Union Hourly - 227		12		\$43,618	\$45,851	
<b>Water</b>								
Utility Technican	Technical Services (SCADA)	Union Hourly - 227		12	\$58,594	\$61,594		
	Add:					\$1,145,042		\$229,977
	Benefits					\$262,787		\$52,780
	Less:					\$1,407,829		\$282,757
	Salaries and Benefits Recovered from Capital					(\$296,858)		(\$89,937)
	Add:					\$1,110,972		\$182,820
	General Overheads					\$11,110		\$1,928
	<b>Impact on Operating Budget</b>					<b>\$1,122,081</b>		<b>\$194,748</b>
	<i>By Service:</i>							
	Administration and General					\$76,591		\$0
	Customer Service					\$257,768		\$48,154
	Engineering and IS					\$341,879		\$146,594
	Environmental Service					\$161,574		\$0
	Wastewater					\$207,783		\$0
	Water					\$76,487		\$0
						<b>\$1,122,081</b>		<b>\$194,748</b>

**TO:** Kenneth Meech, MPA, Chair and Members of the Halifax Regional  
Water Commission Board

**SUBMITTED BY:**   
Jamie Hannam, P. Eng., Director Engineering & IS

**APPROVED BY:**   
Carl Yates, M.A.Sc., P. Eng., General Manager

**DATE:** January 13, 2015

**SUBJECT:** **General Manager Capital Project Approval Limit**

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**ORIGIN**

HRWC Board Discussion - November 24, 2011

**RECOMMENDATION**

It is recommended that the HRWC Board:

1. increase the limit for the General Manager's capital project approval from \$100,000 to \$250,000 for projects that have been identified in the approved annual capital budget, and
2. approve the Capital Project Funding Approval policy, and request staff to submit to the NSUARB for endorsement.

**BACKGROUND / DISCUSSION**

The current capital funding approval limit for the General Manager is established at \$100,000 for projects included in the approved capital budget for the given fiscal year. This limit was established in recognition of the increased responsibility of the utility coming out of the 2007 merger and an increased volume of capital projects coming before the Board for approval.

The value of the annual capital budget continues to increase toward the projected values identified in the 2012 Integrated Resource Plan. As well, the total number of individual capital projects coming to the HRWC Board for approval is increasing. In an effort to improve the efficiency of the HRWC Board and optimize focus on priority issues and larger projects, it is recommended to further delegate approval authority to the General Manager to approve capital projects up to a value of \$250,000.

This approval limit is coincident with the funding limit that triggers the formal approval from the NSUARB consistent with the 2010 amendment to the Public utilities Act.

Any capital projects over \$250,000 would require approval from the HRWC Board and the NSUARB.

In conjunction with this approval limit recommendation; HRWC has developed a Capital Project Funding Approval policy document (attachment 1) to define the approval limits and the related business processes.

The proposed policy also provides a proposed approach to the approval of funding increases for previously approved capital projects. This approach would provide:

1. approval authority at the Director level for relatively small increases (\$10,000 or less) for projects up to \$250,000, and
2. approval authority at the General Manager's level for increases of 5% or less, to a maximum of \$250,000, for projects over \$250,000.

Otherwise the approval limits are consistent with new project approval limits.

### **BUDGET IMPLICATIONS**

There are no budget implications related to this recommendation as capital funds will be identified within the normal course of the budget approval process.

### **ALTERNATIVES**

N/A

Report Prepared by: 

Jamie Hannam, P. Eng. Director of Engineering & IS, 490-4804

Financial Reviewed by: 

Cathie O'Toole, CGA, MBA, Director of Finance and Customer Services, 490-3572



## ADMINISTRATIVE POLICY CAPITAL PROJECT FUNDING APPROVAL

Updated January 13, 2015

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### PREAMBLE

Funding approval for Halifax Regional Water Commission (HRWC) capital projects have historically required the approval of both the HRWC Board and the Nova Scotia Utility and Review Board (NSUARB). This policy defines the specific requirements and approval protocols for capital funding approval to ensure accountability, accuracy, and compliance with our accounting standards

### ANNUAL CAPITAL BUDGET

In accordance with HRWC policy, expenditures are capitalized, and thus identified within the annual capital budget, when a newly acquired or constructed item has a value greater than \$5,000 and has a life expectancy beyond one year.

HRWC develops an annual Capital Budget document that identifies the proposed capital projects to be funded within the given fiscal year. For each individual item, the capital budget defines the project description, required funding and funding source. Each line item shall also have a detailed supplemental budget sheet that provides a detailed description, project justification and detailed cost estimate. If the project is funded from a restrictive reserve, a brief narrative is provided detailing how the project meets the criteria to qualify for the reserve funding.

The annual Capital Budget consists of separate categories for water, wastewater, and stormwater assets as well as corporate projects (benefitting multiple asset categories). The budget also includes a summary table of Routine Capital Expenditures. The Capital Budget is submitted for approval to the HRWC Board and subsequently to the NSUARB for approval in principle at the start of the fiscal year.

### FUNDING APPROVALS

Subsequent to the HWB and the NSURB approving the annual capital budget in principle, each individual capital project must be formally approved. These individual approvals fall into two categories.

1. **Individual capital projects under \$250,000** in value are to be approved by the General Manager utilizing the standard "Under \$250,000 Capital Approval" template submitted to the General Manager with the approval of the Director Engineering & IS.
2. **Individual capital projects over \$250,000** in value (or projects over \$100,000 with a portion of the funding from a restrictive reserve account) are to be approved by the HRWC Board and NSURB utilizing the standard HRWC Board report template with the approval of the Director, Engineering & IS and the General Manager.

For capital projects that are not identified within the annual capital budget (i.e. project needs identified after annual budget submission), the process is similar to the above; however, the approval limits are adjusted as follows:

1. Individual capital projects under \$100,000 – approved by General Manager
2. Individual capital projects between \$100,000 - \$250,000 – approved by HRWC Board
3. Individual capital project over \$250,000 – HRWC Board and NSUARB

As per Section 4251 of the Water Utility Accounting and Reporting Handbook no project may be substituted for another project, nor the approved funding shifted to a different project, without prior approval.

The application for the abandonment of a capital project must have, at a minimum:

- a brief narrative describing the reasoning for the abandonment;
- how HRWC plans to address the issue that the project was intending to solve;
- the date in which HRWC expects to undertake the abandoned project in the future, if applicable.

In parallel to the submission of the Capital Budget for approval in principle, staff may also request a series of routine capital expenditures to be approved at the same time for items that are deemed necessary for the ongoing operation of various departments. These routine capital expenditures cover items such as fleet, tools and equipment, lateral replacement, computers etc., and are summarized within the capital budget documents.

### **APPROVALS FOR FUNDING INCREASES**

For projects that require additional funding during their implementation, the Director of Engineering & IS shall prepare a report that includes the revised project budget, justification summary and source of available funding. The additional funding report shall be approved as per the following categories.

#### **1. Individual capital Projects with revised total cost under \$250,000**

- .1 Funding increase of \$10,000 or less requires the approval of the Director, Engineering & IS and the Director of the related operational department.
- .2 Funding increase exceeding \$10,000 requires the approval of the General Manager.

**2. Individual capital projects with revised total cost over \$250,000**

- .1 Funding increase of 5% or less, to a maximum of \$250,000, requires the approval of the General Manager.
- .2 Funding increase exceeding the “5% or less to a maximum of \$250,000” criteria, requires approval of the HRWC Board and the NSUARB.
- .3 Funding increase for a project initially approved at less than \$250,000 requires approval of the HRWC Board and the NSUARB.

However, any projects that were approved as part of a single capital request (i.e. multiple projects within the watermain renewal program funding); can utilize underspending on one project to cover additional funding required on another project with no application for NSUARB approval

**CAPITAL FUNDING AND EXPENDITURE TRACKING/REPORTING**

All capital funding approval reports (including funding increases) shall be reviewed and endorsed by the Director, Engineering & IS and the Director, Finance and Customer Service prior to final submission to the General Manager or the HRWC Board.

Subsequent to the formal approval of funding for a capital project, a Capital Work Order will be opened to capture all costs related to the project. An initial CWO with a spending limit of \$25,000 and with the approval of the Director may be opened for a given project prior to final funding approval to capture initial costs such as surveys and preliminary studies.

Individual capital projects with approved funding are implemented by the assigned Project Manager with payments tracked and approved by the Project Manager with additional approvals as required by dollar value and authority limits. The formal approval for capital projects invoices and project change orders shall be consistent with authorized approval levels for various staff.

No payments are to be approved if project total exceeds the approved funding. The total approved funding including any additional funding increases as per this policy shall be identified within the **Capital Work Order**.

All capital work orders where the work is substantially complete and in service for its intended use, as of March 31, shall be closed out and capitalized. Any anticipated costs or liabilities relating to the project that are anticipated but not yet incurred shall be included in the total project cost capitalized.

All costs of studies not leading to a capital project within a reasonable time frame should be recorded as an expense rather than a capital asset.


For all closed work orders, a summary Annual Capital Spending Report shall be prepared and submitted to the HRWC Board and the NSUARB (projects over \$250,000 only) to report on total expenditures and seek approval on any minor funding increases that do not have specific HRWC Board and NSUARB approval.

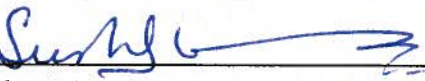
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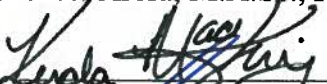
**TO:** Kenneth Meech, Chair and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**


  
Cathie O'Toole, MBA, CGA, Director of Finance and Customer Service

  
Reid Campbell, P.Eng., Director of Water Services

  
Susheel Arora, M.A.Sc., P.Eng., Director of Wastewater & Stormwater Services

  
Kenda MacKenzie, P.Eng., Director of Environmental Services

**APPROVED:**

  
Carl D. Yates, M.A.Sc., P.Eng., General Manager

**SUBJECT:** Financial and Operations Monthly Information Report

**INFORMATION REPORT**

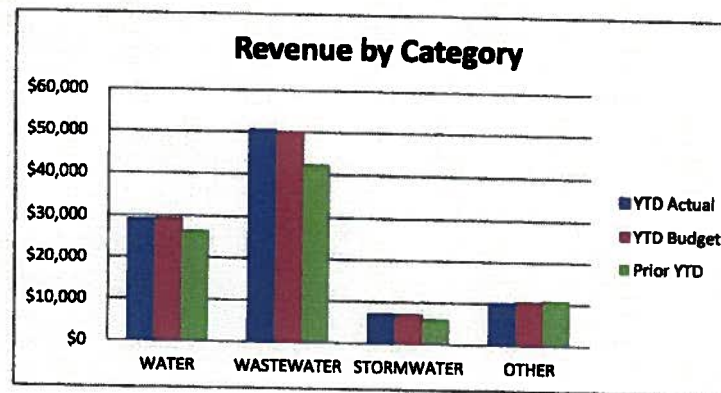
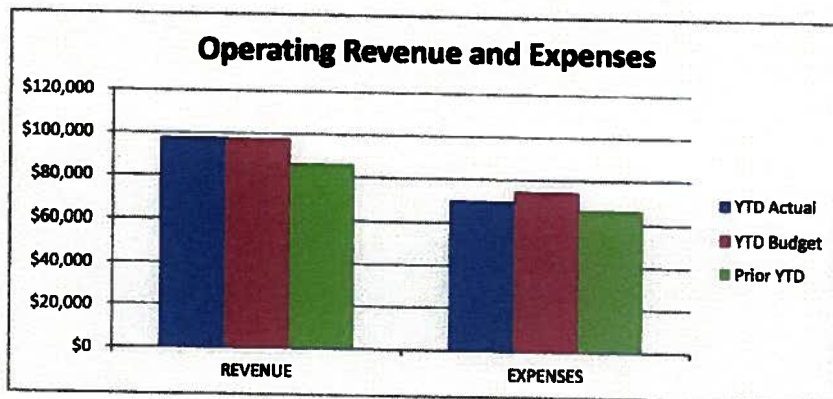
**ORIGIN:**

Regular monthly update.

This report provides a high level overview of financial and operational performance for the utility. Financial results are presented first, followed by indicators and statistics for water and wastewater.



**HALIFAX WATER**  
**UNAUDITED FINANCIAL INFORMATION**  
**APRIL 1/14 - DECEMBER 31/14 (9 MONTHS)**  
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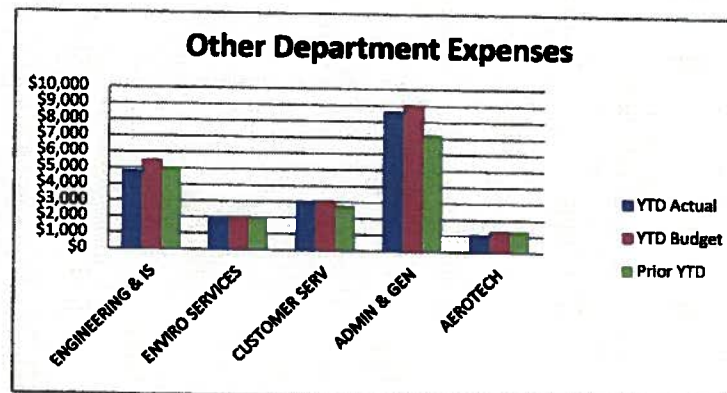
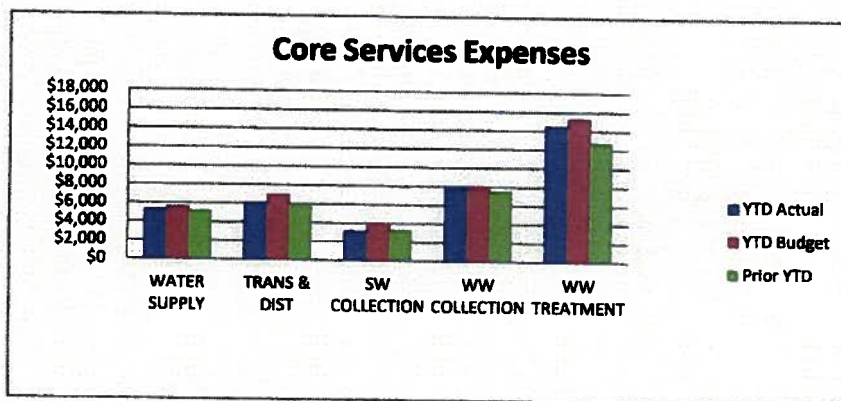


**OPERATING REVENUE AND EXPENSES**

	YTD Actual	YTD Budget	Prior YTD	% of Budget
REVENUE	\$97,489	\$97,390	\$86,002	75.08%
EXPENSES	\$70,209	\$74,589	\$66,432	70.80%
	<b>\$27,280</b>	<b>\$22,800</b>	<b>\$19,570</b>	<b>89.74%</b>

**REVENUE BY CATEGORY**

	YTD Actual	YTD Budget	Prior YTD
WATER	\$29,330	\$29,576	\$26,650
WASTEWATER	\$50,611	\$48,991	\$42,381
STORMWATER	\$7,262	\$7,235	\$6,094
OTHER	\$10,286	\$10,588	\$10,876
	<b>\$97,489</b>	<b>\$97,390</b>	<b>\$86,002</b>

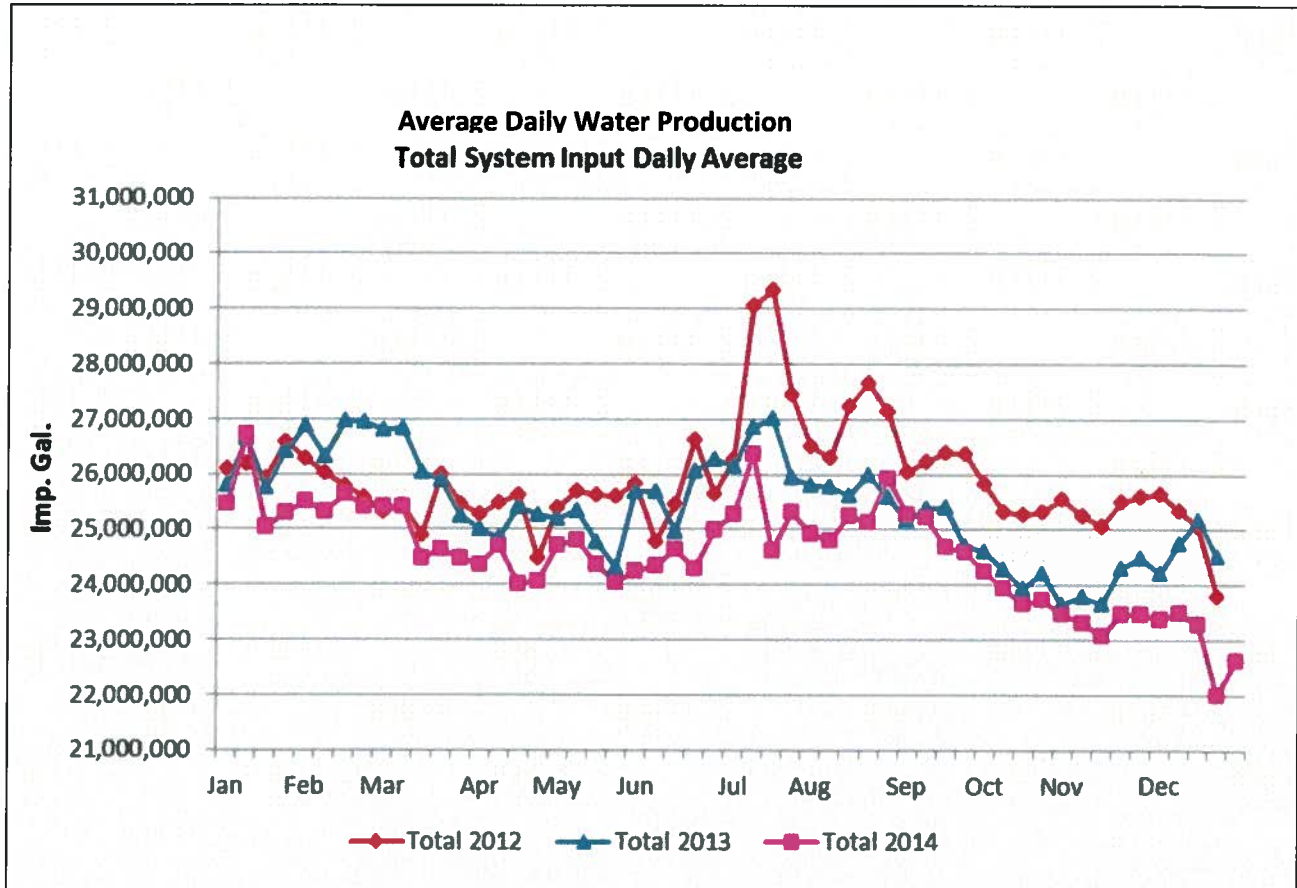


**CORE SERVICES EXPENSES**

	YTD Actual	YTD Budget	Prior YTD	% of Budget
WATER SUPPLY	\$5,387	\$5,651	\$5,221	71.23%
TRANS & DIST	\$6,076	\$6,985	\$5,947	65.24%
SW COLLECTION	\$3,175	\$3,987	\$3,305	59.72%
WW COLLECTION	\$7,808	\$7,862	\$7,560	74.49%
WW TREATMENT	\$14,506	\$15,304	\$12,764	71.09%
	<b>\$36,932</b>	<b>\$39,789</b>	<b>\$34,797</b>	<b>69.62%</b>

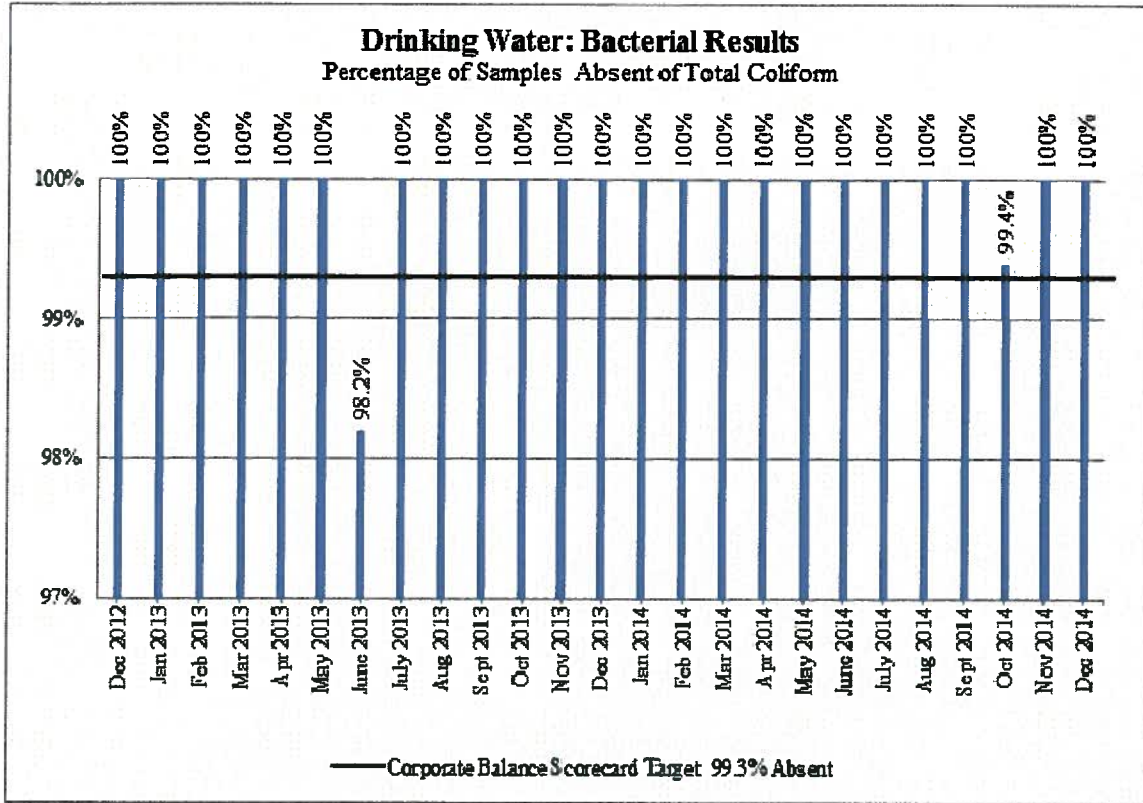
**OTHER DEPARTMENT EXPENSES**

	YTD Actual	YTD Budget	Prior YTD
ENGINEERING & IS	\$4,814	\$5,500	\$5,031
ENVIRO SERVICES	\$1,895	\$1,952	\$1,933
CUSTOMER SERV	\$2,953	\$3,067	\$2,714
ADMIN & GEN	\$8,608	\$9,052	\$7,210
AEROTECH	\$1,087	\$1,294	\$1,219
	<b>\$19,357</b>	<b>\$20,865</b>	<b>\$18,217</b>



<b>Regional Water Main Break/Leak Data</b>		
<b>Year</b>	<b>Total Breaks/Leaks</b>	<b>Current 12 Month Rolling Total (up to Jan 11/15)</b>
2013/14	213	<b>179</b>
2012/13	262	
2011/12	205	
2010/11	198	
2009/10	241	
<b>Total</b>	<b>1119</b>	
<b>Yr. Avg.</b>	<b>223.8</b>	

<b>Water Accountability</b>
<b>Losses per Service Connection/Day (International Water Association Standard)</b>
<i>Period Ending September 30, 2014</i>
Real Losses: 165 litres
CBS Target: 165 litres



<b>Water Quality Master Plan Objectives</b>				
<b>2014-2015 Q3</b>				
Objective	Total Sites	% of Sites Achieving Target	All Sites: 90th Percentile < 15 µg/L	CBSC Awarded Points
Disinfection	64	92%	---	12
Total Trihalomethanes	24	100%	---	20
Halacetic Acids	25	72%	---	0
Particle Removal	5	100%	---	20
Corrosion Control*	69	---	11.3	20
<b>TOTAL</b>				<b>72</b>

Score: 72/100

<b>Wastewater Treatment Facility Compliance Summary</b>									
Rolling Averages - October, November, December 2014									
Wastewater Treatment Facility	% Compliant								
	CBOD <sub>5</sub>	Total Suspended Solids	Fecal Coliform	Phosphate	Phosphorus	Ammonia	pH	Dissolved Oxygen	Aluminum
Mill Cove	100	95	95	N/A	N/A	N/A	N/A	N/A	N/A
Lakeside-Timberlea	100	24	95	100	N/A	70	N/A	100	N/A
AeroTech	100	82	100	N/A	100	95	100	N/A	N/A
North Preston	90	70	100	100	N/A	100	90	N/A	N/A
Springfield Lake	93	100	100	N/A	N/A	N/A	N/A	N/A	N/A
Middle Musquodoboit	100	100	100	N/A	N/A	N/A	N/A	N/A	N/A
Lockview-MacPherson	75	36	89	100	N/A	N/A	N/A	N/A	N/A
Belmont	100	80	100	N/A	N/A	N/A	N/A	N/A	N/A
Steeves (Wellington)	100	100	90	100	N/A	100	100	N/A	100
Uplands Park	100	100	100	N/A	N/A	N/A	N/A	N/A	N/A
Frame	100	60	100	N/A	N/A	N/A	N/A	N/A	N/A
Average of all Facilities	95	72	96	100	100	88	98	100	100

**NOTES & ACRONYMS:**

N/A - Not Applicable

CBOD<sub>5</sub> - Carbonaceous 5-Day Biochemical Oxygen Demand

Nova Scotia Environment (NSE) requires 80% of samples to be compliant

Corporate Balance Scorecard (CBS) requires 85% of the NSE 80% (equal to 68%) of samples be compliant

**LEGEND**

	NSE & CBS Achieved ( $\geq 80\%$ )
	CBS Achieved ( $\geq 68\%$ )
	Neither Achieved ( $< 68\%$ )

Because the compliance criteria for the Halifax, Dartmouth and Herring Cove WWTFs changed on November 6, 2013, these facilities have been removed from the above table and are now reported in a separate table below. The compliance criteria for the Eastern Passage WWTF changed on May 7, 2014 and it, too, appears in the table below.

<b>Wastewater Treatment Facility Compliance Summary</b>						
Rolling Averages - October, November, December 2014						
Wastewater Treatment Facility	CBOD <sub>5</sub> (mg/L)		Total Suspended Solids (mg/L)		Fecal Coliform (CFU/100mL)	
	NSE Limit	Average	NSE Limit	Average	NSE Limit	Average
Halifax HHSP	50	26	40	21	5000	800
Dartmouth HHSP	50	22	40	26	5000	1011
Herring Cove HHSP	50	9	40	5	5000	133
Eastern Passage WWTF	50	9	40	11	5000	72
Average of all Facilities		16		16		504

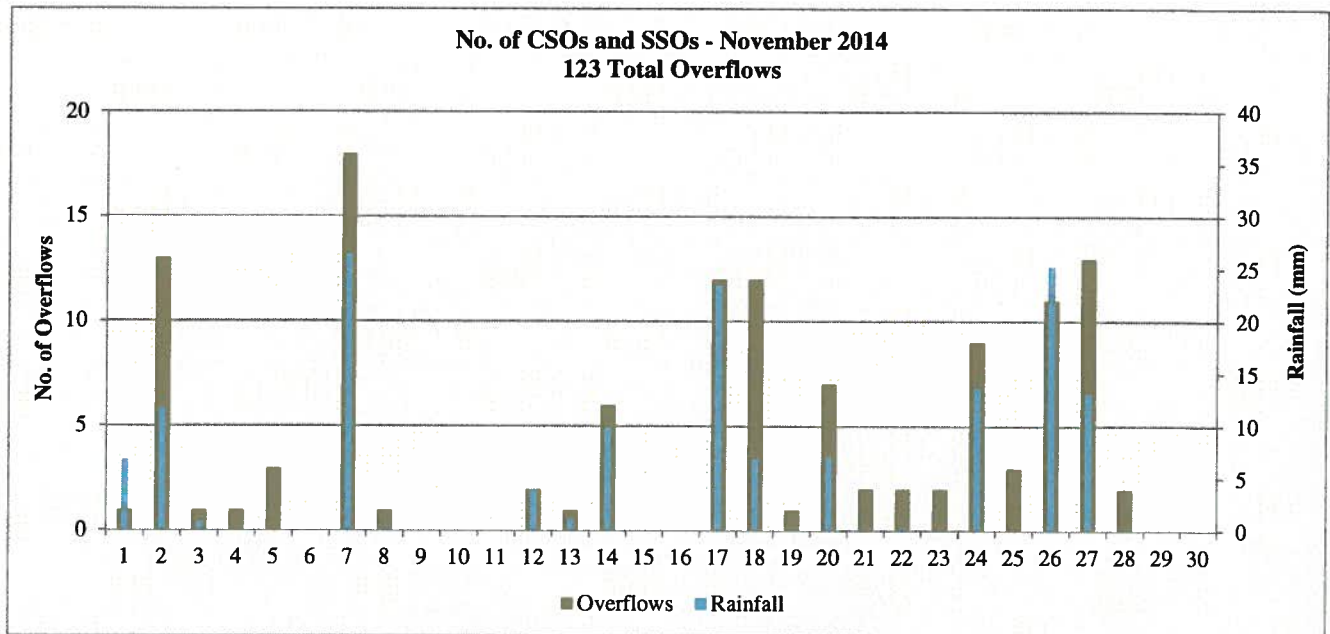
**NOTES & ACRONYMS:**

CBOD<sub>5</sub> - Carbonaceous 5-Day Biochemical Oxygen Demand

NSE requires monthly averages to be less than the NSE Compliance Limit for each parameter

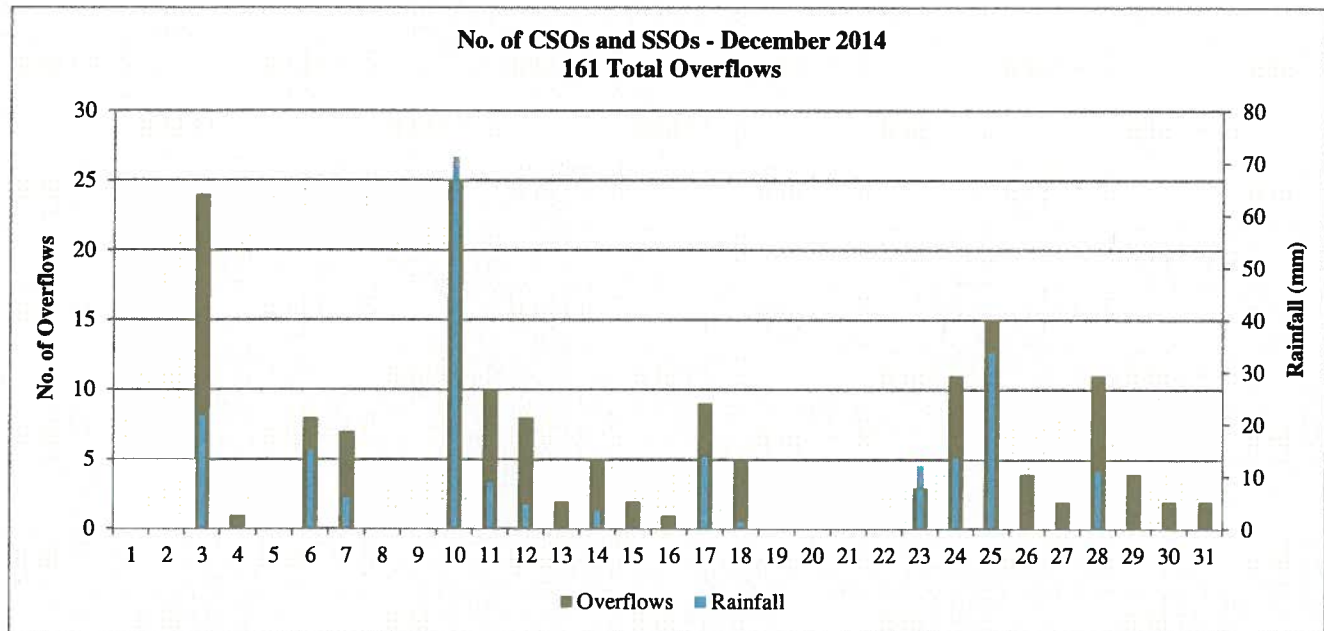
**LEGEND**

	NSE Compliant
	NSE Non-Compliant



NOTES & ACRONYMS: CSO - Combined Sewer Overflow SSO - Sanitary Sewer Overflow

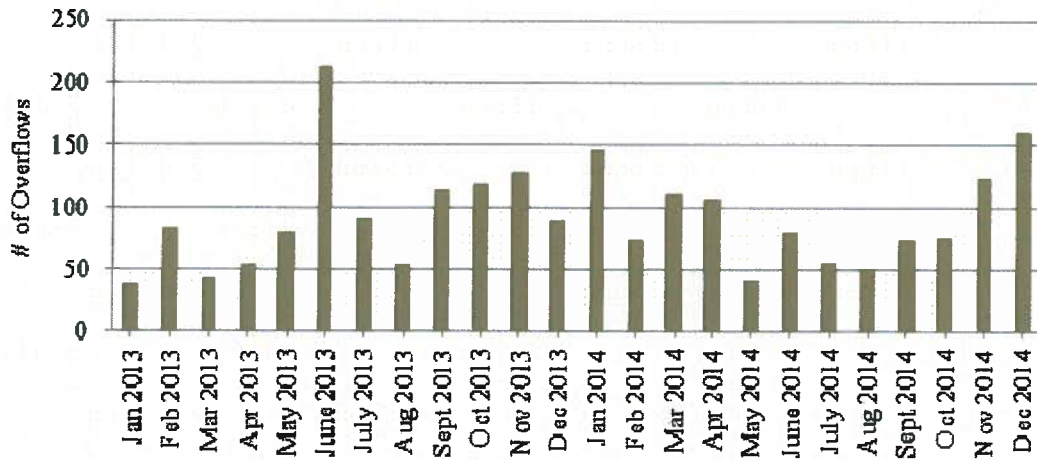
- Rainfall data is from Halifax Water’s rain gauge at the Halifax WWTF.
- There were seventeen overflows on days when there was no recorded rainfall, as follows:
  1. Nov 4: The CSO at the Ferguson Rd CSO was due to unplanned maintenance at the Jamieson PS & CSO.
  2. Nov 5: The CSOs at the Ferguson Rd CSO, Wallace St CSO and Grove St CSO were due unplanned maintenance at the Jamieson PS & CSO.
  3. Nov 8: The CSO at the Fish Hatchery Park PS was due to rainfall on the previous day.
  4. Nov 19: The SSO at the Fish Hatchery Park PS was due to Pure Tec’s testing of the force main.
  5. Nov 21: The SSO at the Fish Hatchery Park PS was due to Pure Tec’s testing of the force main. The CSO at the Upper Water St CSO was due to blockages caused by debris at the Cogswell St Vortex Chamber.
  6. Nov 22: The CSOs at the Upper Water St CSO was due to blockages caused by debris at the Cogswell St Vortex Chamber.
  7. Nov 23: The CSOs at the Upper Water St CSO was due to blockages caused by debris at the Cogswell St Vortex Chamber.
  8. Nov 25: The CSOs at the Pier A PS & CSO and the Old Ferry Rd PS & CSO were due to rainfall on the previous day. The CSO at the Upper Water St CSO was due to planned maintenance at the Cogswell St Vortex Chamber.
  9. Nov 28: The CSOs at the Upper Water St CSO was due to planned maintenance at the Cogswell St Vortex Chamber.



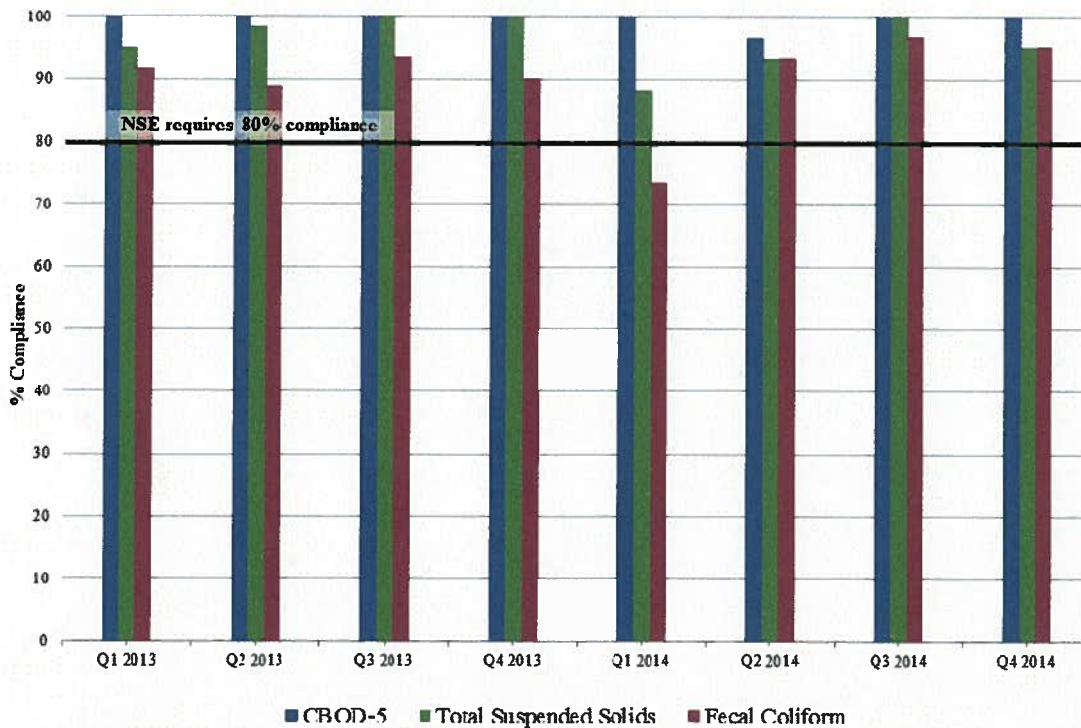
NOTES & ACRONYMS: CSO - Combined Sewer Overflow SSO - Sanitary Sewer Overflow

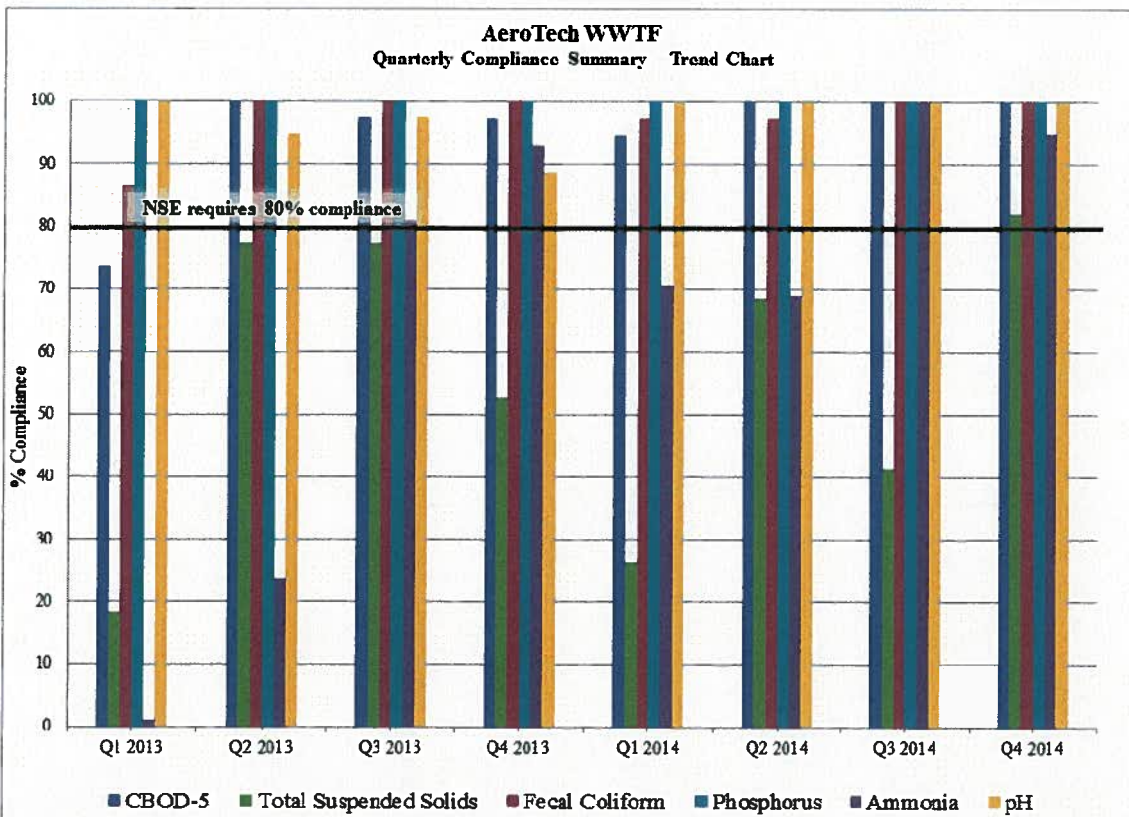
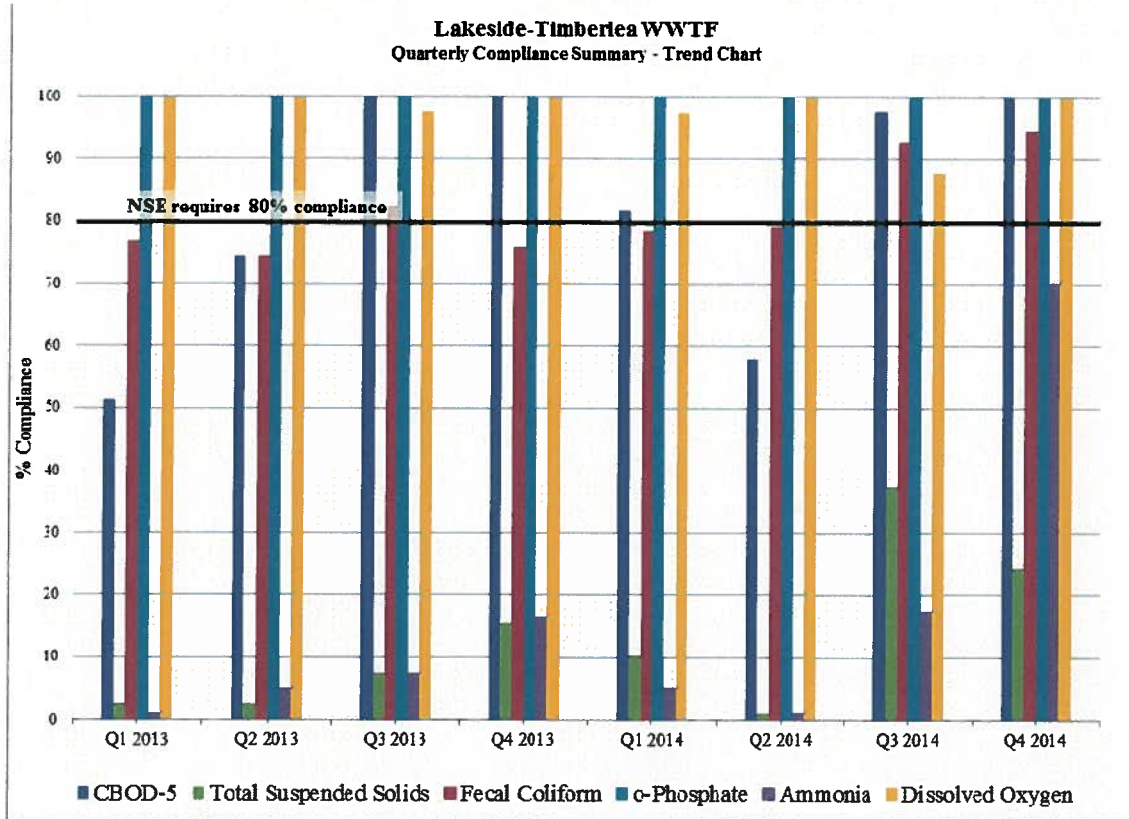
- Rainfall data is from Halifax Water’s rain gauge at the Halifax WWTF.
- There were twenty overflows on days when there was no recorded rainfall, as follows:
  1. Dec 4: The CSO at the Beaver Crescent PS was due to rainfall on the previous day.
  2. Dec 13: The CSOs at the Jamieson St PS & CSO were due to mechanical issues.
  3. Dec 15: The CSOs at the Jamieson St PS & CSO were due to mechanical issues.
  4. Dec 16: The CSO at the Jamieson St PS & CSO was due to mechanical issues.
  5. Dec 26: The CSOs at the Jamieson St PS & CSO and the Maitland St PS & CSO were due to mechanical issues.
  6. Dec 27: The CSOs at the Jamieson St PS & CSO were due to mechanical issues.
  7. Dec 29: The CSOs at the Jamieson St PS & CSO and the CSO at the Ferguson Rd CSO were due to mechanical issues. The CSO at the Duffus St PS was caused by a shutdown of the Duffus Street PS by the Halifax WWTF.
  8. Dec 30: The CSOs at the Jamieson St PS & CSO were due to mechanical issues.
  9. Dec 31: The CSOs at the Jamieson St PS & CSO were due to mechanical issues.

**No. of CSOs and SSOs - Trend Chart**  
 January 2013 to December 2014



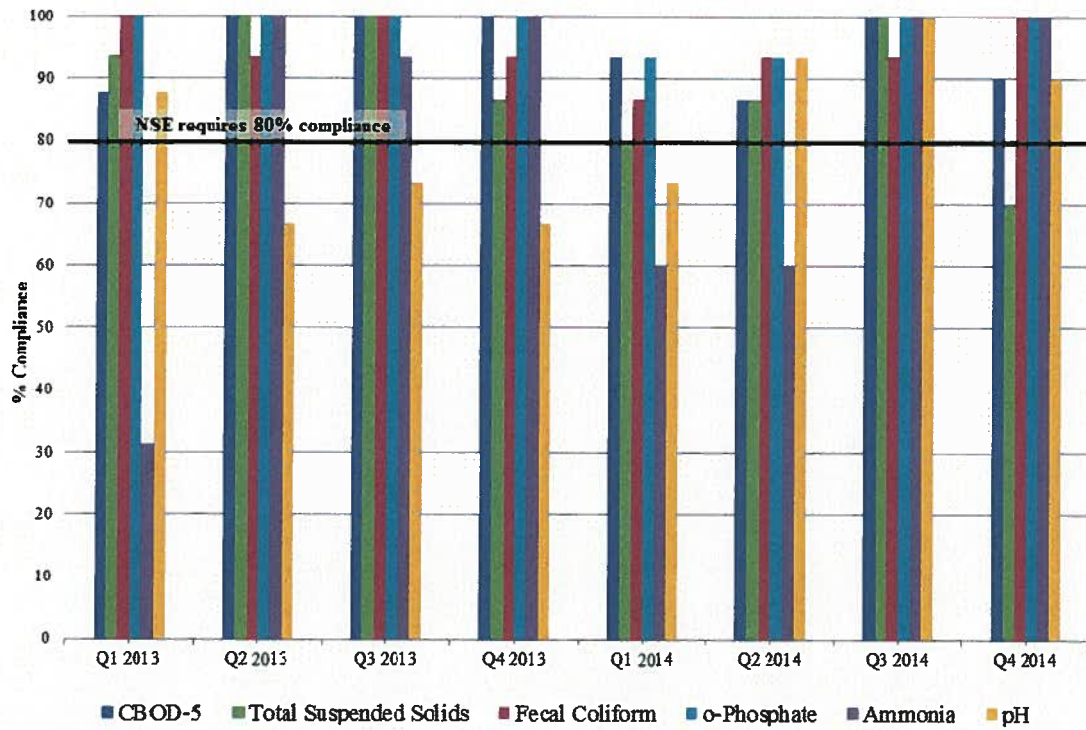
**Mill Cove WWTF**  
 Quarterly Compliance Summary - Trend Chart



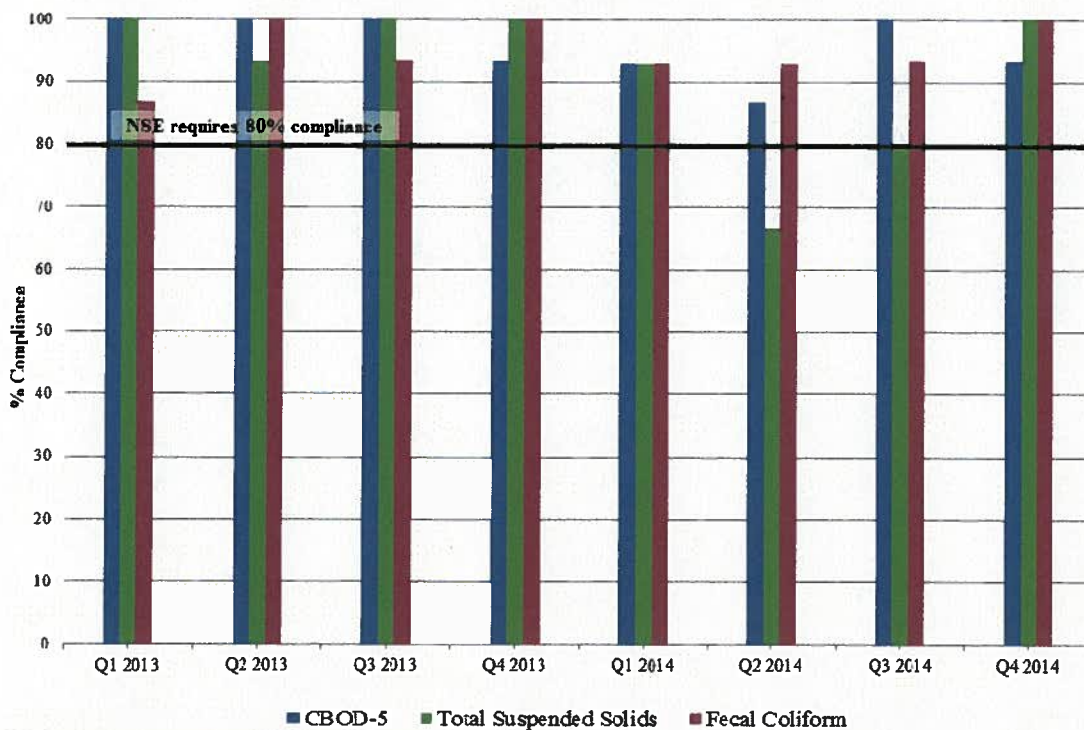




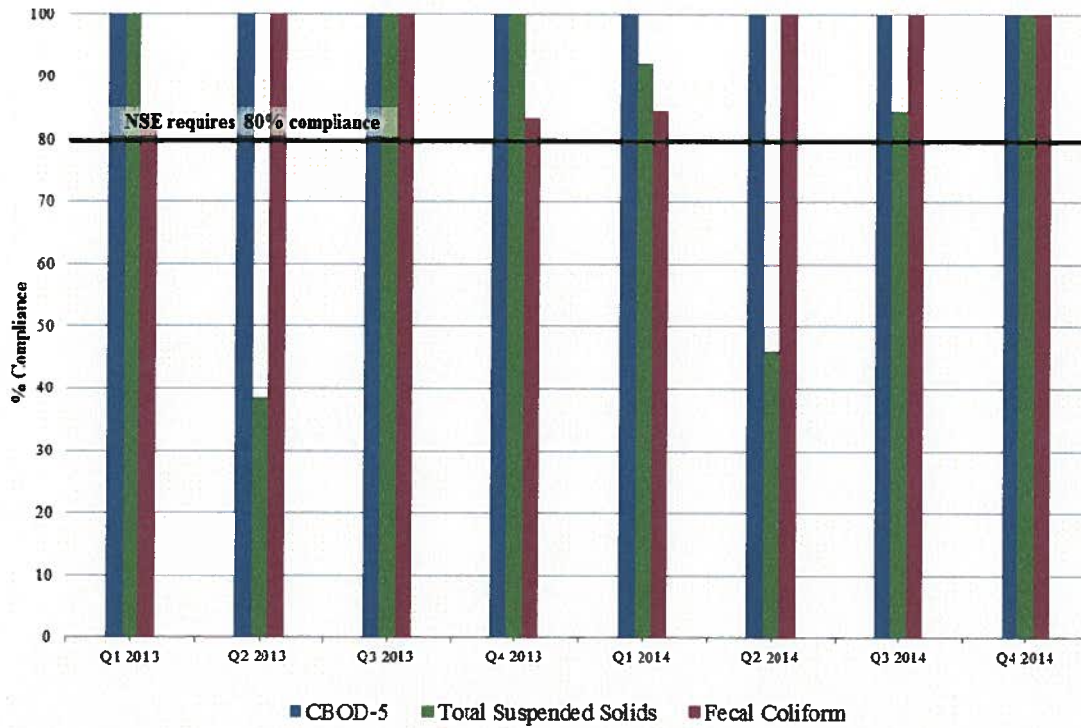
**North Preston WWTF**  
**Quarterly Compliance Summary - Trend Chart**



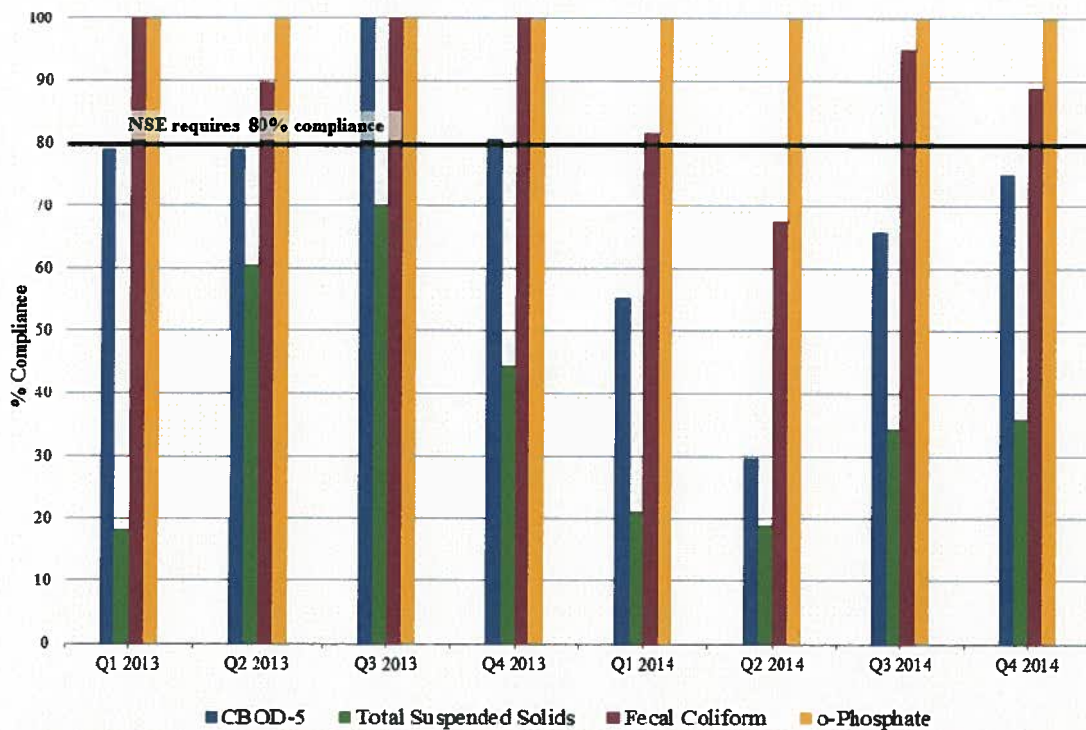
**Springfield Lake WWTF**  
**Quarterly Compliance Summary - Trend Chart**

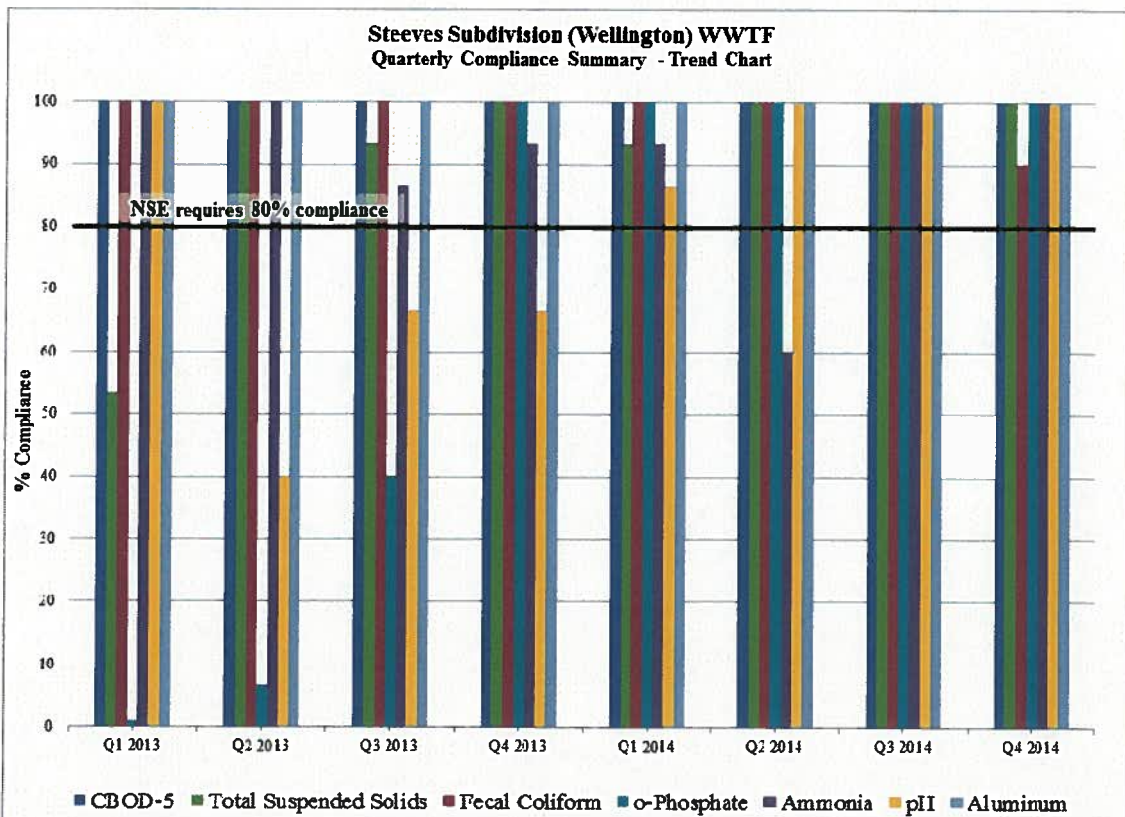
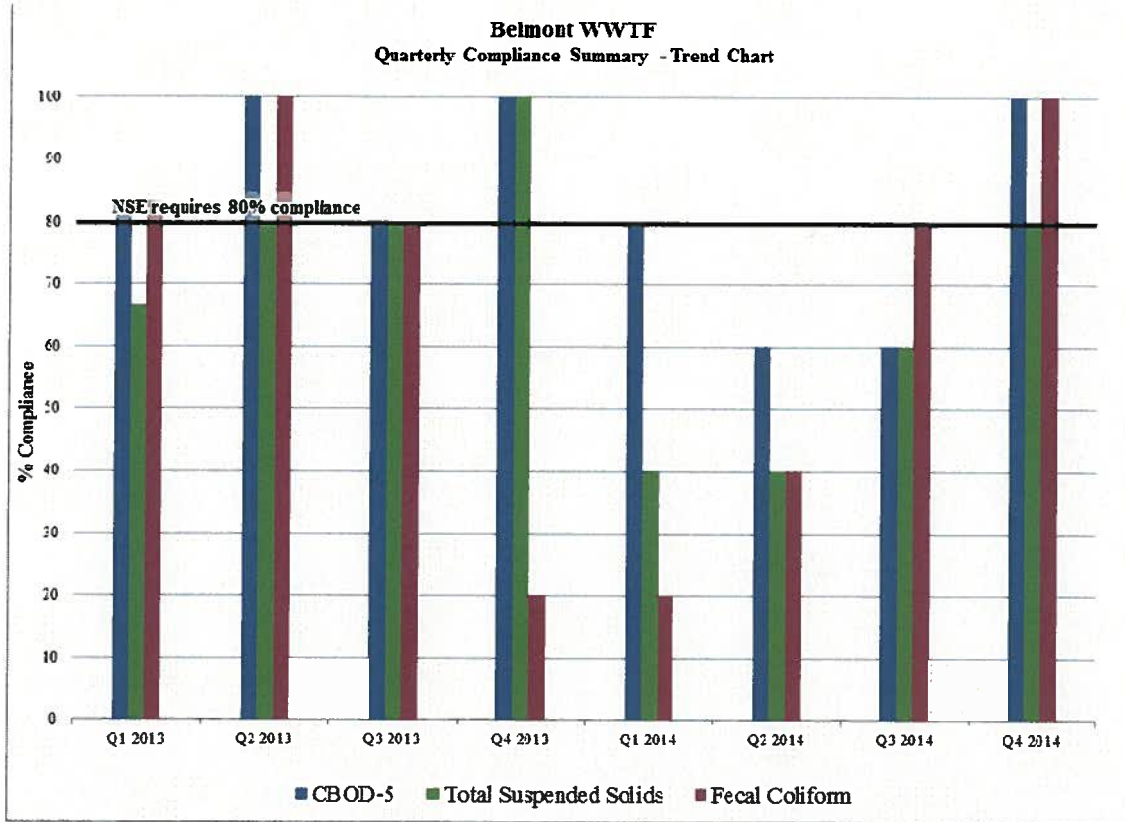


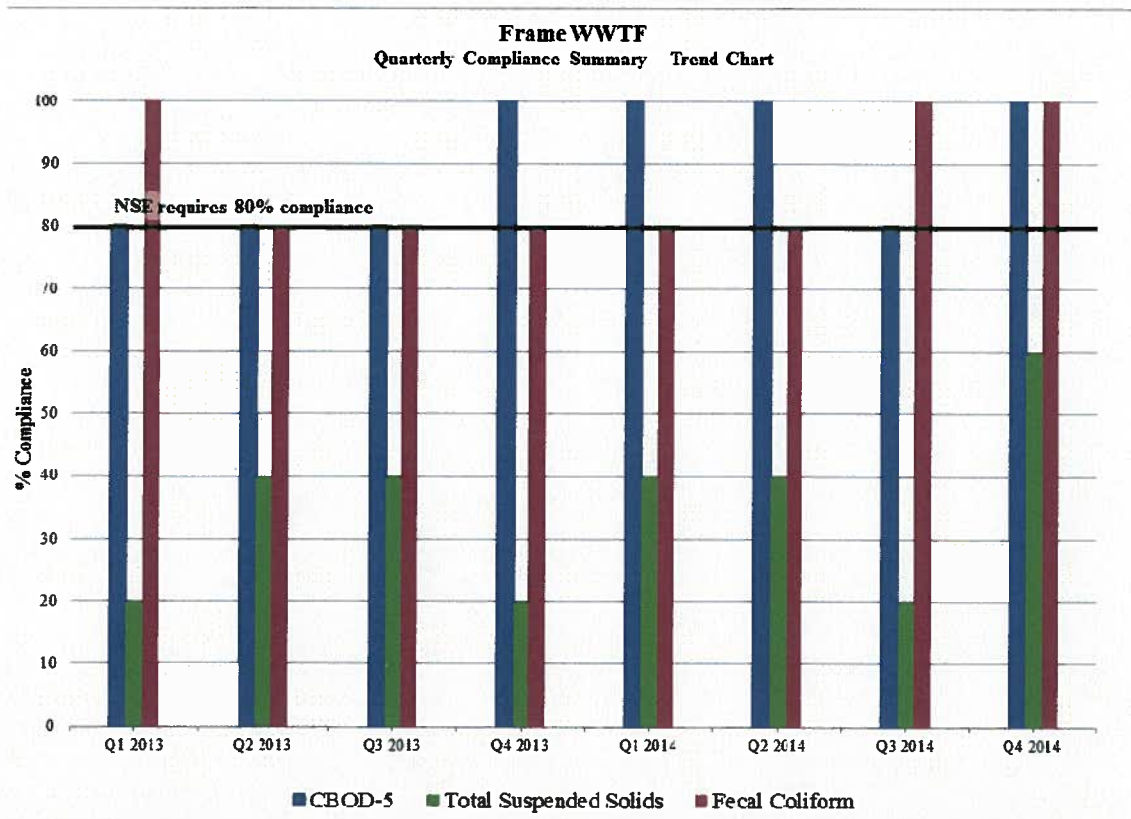
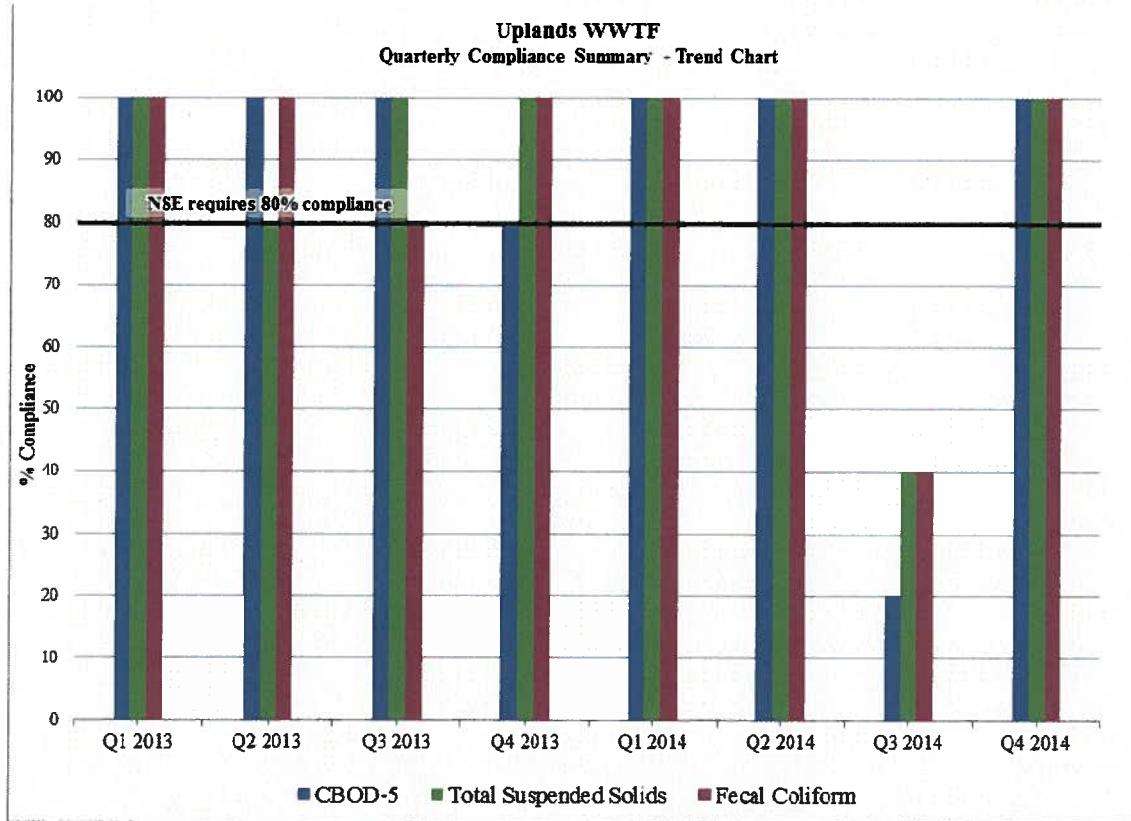
**Middle Musquodoboit WWTF**  
**Quarterly Compliance Summary - Trend Chart**

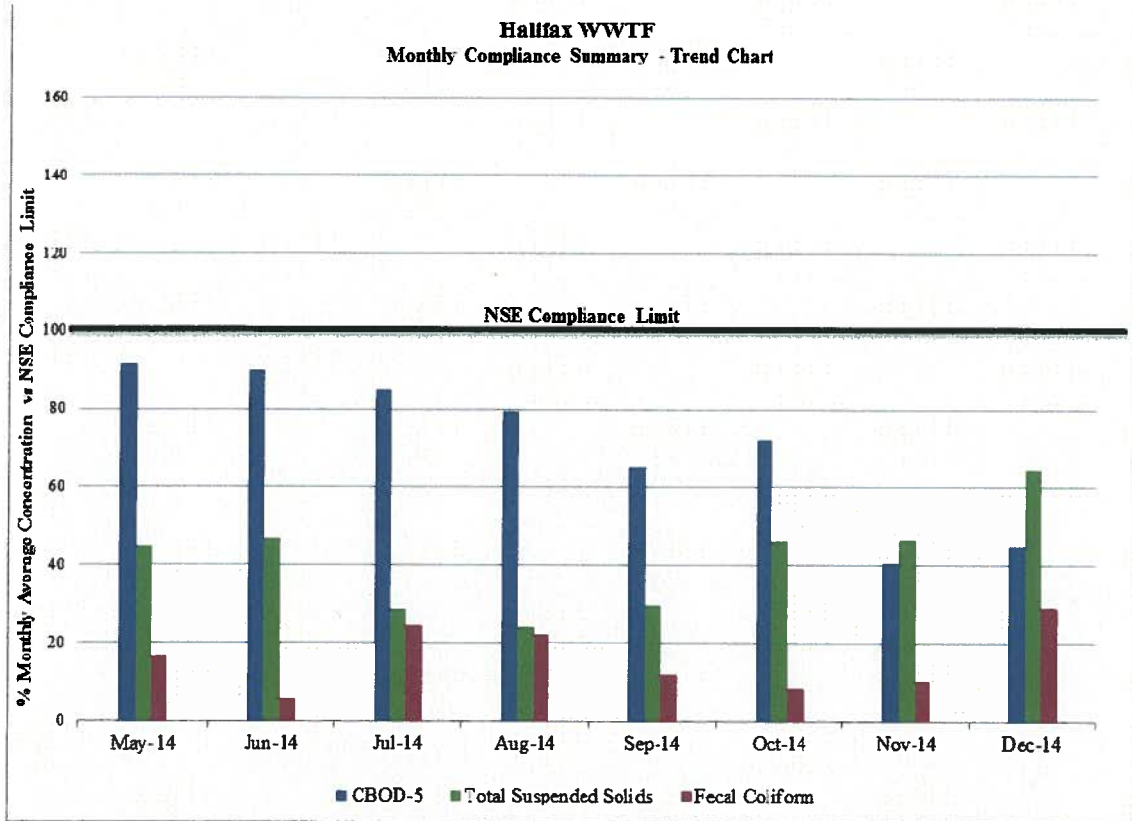


**Lockview-MacPherson WWTF**  
**Quarterly Compliance Summary - Trend Chart**

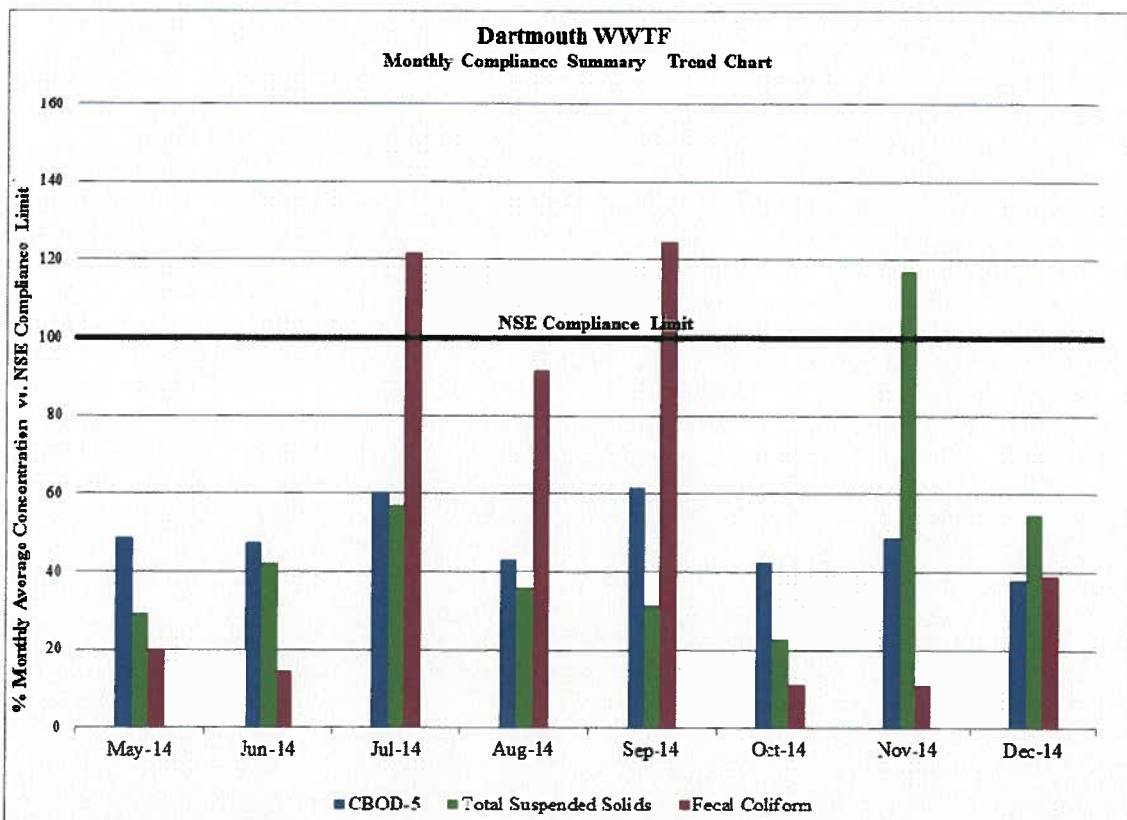


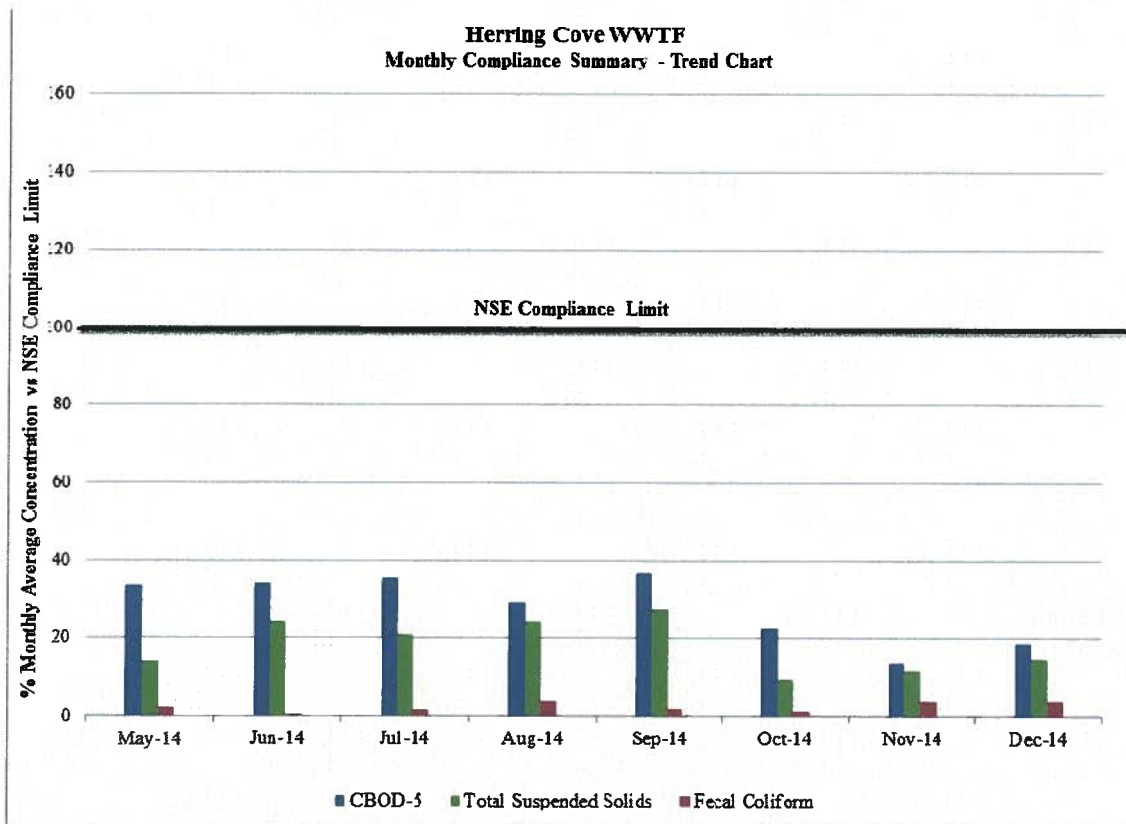




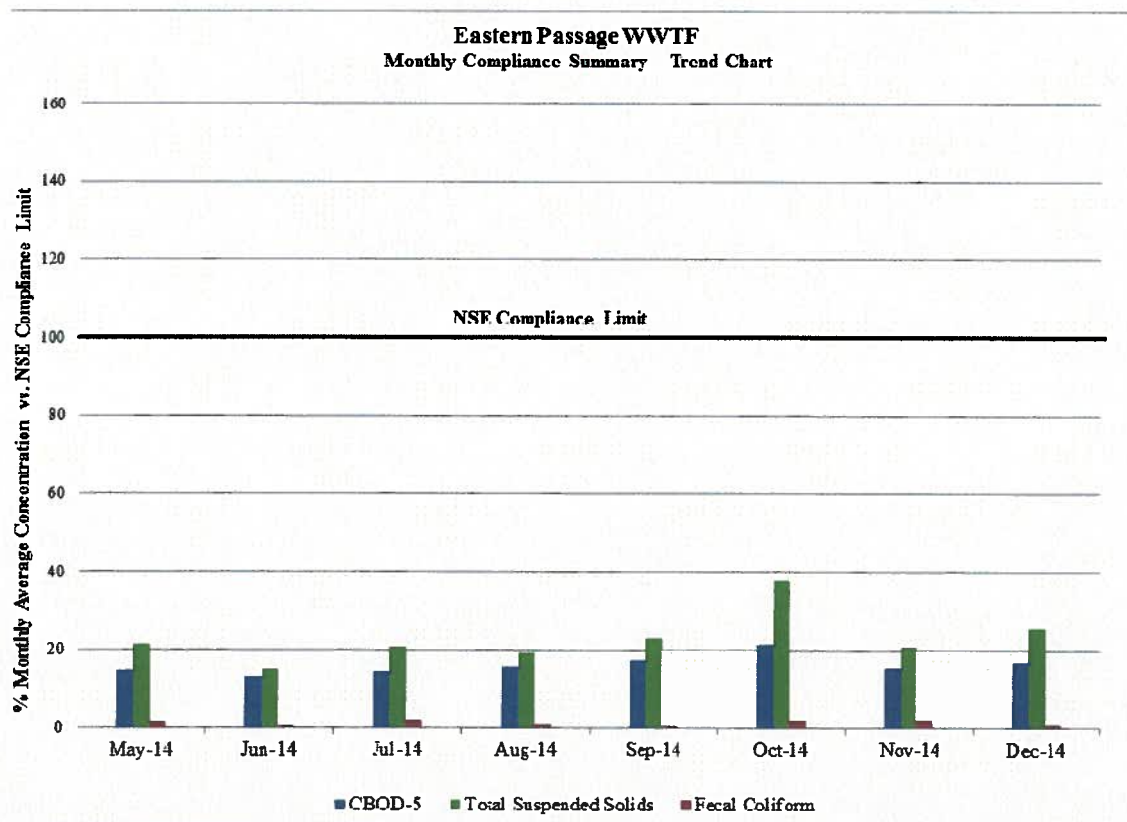


Lower numbers represent better performance

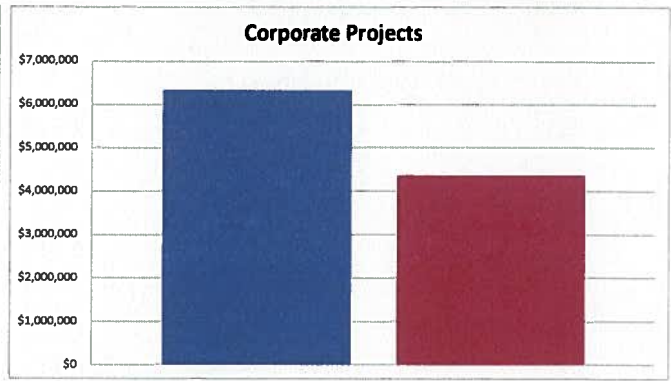
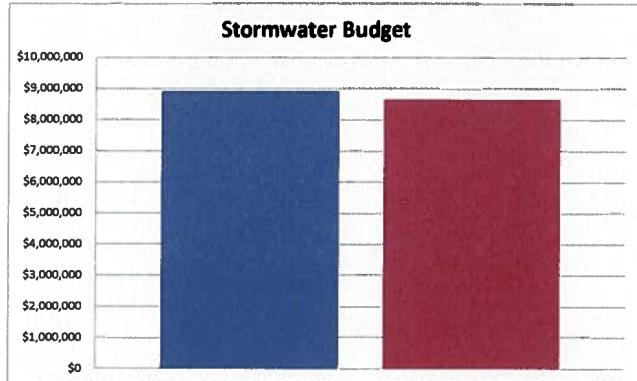
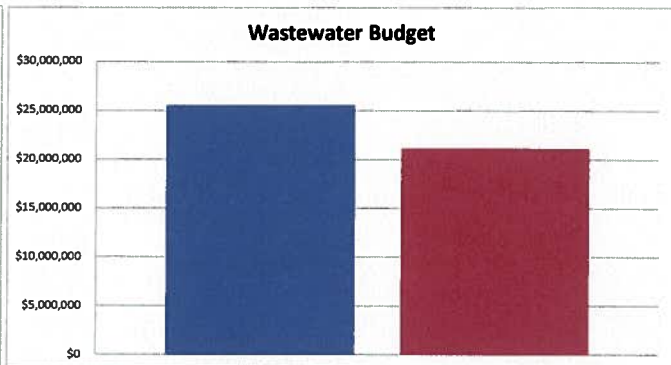
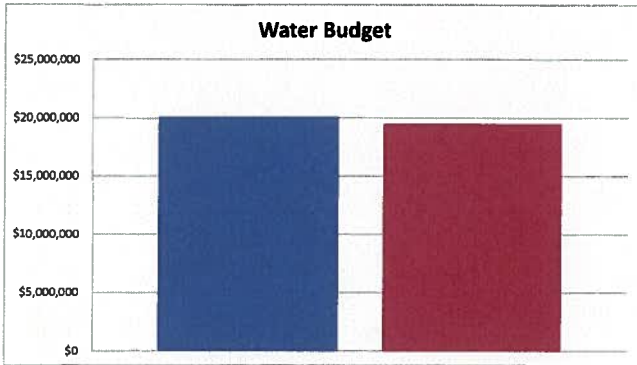




Lower numbers represent better performance



**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**




<b>WATER</b>	
<b>TOTAL APPROVED BUDGET</b>	<b>\$20,074,000</b>
<b>APPROVALS TO DATE</b>	<b>\$19,489,150</b>

<b>WASTEWATER</b>	
<b>TOTAL APPROVED BUDGET</b>	<b>\$25,531,200</b>
<b>APPROVALS TO DATE</b>	<b>\$21,114,200</b>

<b>STORMWATER</b>	
<b>TOTAL APPROVED BUDGET</b>	<b>\$8,912,000</b>
<b>APPROVALS TO DATE</b>	<b>\$8,640,000</b>

<b>CORPORATE PROJECTS</b>	
<b>TOTAL APPROVED BUDGET</b>	<b>\$6,328,000</b>
<b>APPROVALS TO DATE</b>	<b>\$4,363,000</b>

Report Prepared by:

  
Jamie Hannam, P. Eng.  
Director of Engineering & IS

**WATER**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**  
**TOTAL CAPITAL BUDGET FOR WATER \$20,074,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
<b>2014/15 Water</b>				
January 30, 2014	March 31, 2014	<b>Advanced Funding Integrated Projects</b>		
<b>East</b>				
		Gaston Road - Galaxy Drive - Portland Street	\$343,000	\$343,000
		Galaxy - Gaston Road - End	\$136,000	\$136,000
		Spikenard Street - Valleyfield to Guysborough	\$326,400	\$326,400
		Wright Avenue - Windmill Road to Macdonald Road	\$643,000	\$643,000
		Windmill Road - Dawson Street to Wyse Road	\$585,000	\$585,000
		Cow Bay Road Bridge	\$40,000	\$40,000
<b>West</b>				
		Queen Street - Tobin Street - Kent Street	\$110,000	\$110,000
		Queen Street - South Street to Tobin Street	\$71,500	\$71,500
		Commission Street - Lady Hammond Road end of concrete	\$212,500	\$212,500
		Commission Street - Kempt Road end of concrete	\$195,500	\$195,500
		Sunnybrae Avenue - Willett Street to Hillcrest	\$270,000	\$270,000
		Quinn Street - Quinpool Road to Flynn Street	\$345,750	\$345,750
		Willett Street - Main Avenue to Flynn Street	\$108,000	\$108,000
		Willett Street - Sunnybrae Avenue to Rufus Street	\$297,000	\$297,000
		Westerwald/Hwy 102 - Westerwald to Ashburn Entrance	\$225,000	\$225,000
<b>Total of Integrated Projects</b>				<b>\$3,908,650</b>
<b>Accumulative Total - January 2014</b>				<b>\$3,908,650</b>
February 17, 2014		Capital Cost Contribution (CCC) Charge Water Transmission Main Oversizing Bedford West	\$30,000	\$30,000
February 17, 2014		Capital Cost Contribution (CCC) Charge Water Transmission Main Oversizing Bedford South	\$87,000	\$87,000
February 27 2014		Westerwald Street - Hwy 102 Overpass Funding Increase - funding in the amount of \$45,000 is available from underspending in the 2013/14 <i>Kearney Lake Road Transmission Main Replacement Project (SAP #3-1418) which was completed in 2013.</i>	\$45,000	\$45,000
February 27, 2014	April 24, 2014	Pockwock Transmission Main Replacement - Hammonds Plains Road to Blue Water Road	\$11,500,000	\$11,500,000
<b>Accumulative Total - February 2014</b>				<b>\$11,662,000</b>
March 11, 2014		Beaverbank Booster Station Driveway reconfiguration	\$38,000	\$38,000
March 11, 2014		Spruce Hill Transmission Main Access Road Improvements	\$49,000	\$49,000
March 11, 2014		Sackville Drive PRV Upgrade	\$15,000	\$15,000



**WATER**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**  
**TOTAL CAPITAL BUDGET FOR WATER \$20,074,000**

<u>DATE OF APPROVAL</u>			<u>APPROVED</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TO BUDGET</u>
			<u>AMOUNT</u>	<u>AMOUNT</u>
March 11, 2014		Main Road 400mm Transmission Main Design	\$100,000	\$100,000
March 11, 2014		Central Region Zone Meter Replacement	\$34,000	\$34,000
March 11, 2014		Rechlorination Station Upgrades	\$22,000	\$22,000
<b>Confined Space Entry Retrofit Program - Various Locations:</b>				
March 12, 2014		Akerley Reservoir Control Chamber: \$33,000 Geizer 158 Reservoir Control Chamber: \$43,000	\$76,000	\$76,000
March 18, 2014		Automated Flushing Station	\$15,000	\$15,000
March 18, 2014		Waverley Road PRV Chamber Decommissioning	\$10,000	\$10,000
March 27, 2014		Atholea Drive PRV Replacement	\$170,000	\$170,000
March 27, 2014		Highway #7 Booster Station Upgrades - Funding Increase	\$114,000	\$114,000
March 27, 2014		Bulk Fill Stations - New Card Readers and Terminals	\$103,000	\$103,000
March 27, 2014		Lake Major Dam Replacement Concept Design Phase	\$200,000	\$200,000
March 27, 2014		Shore Drive Golf Links - Forcemain Replacement and Twinning funding in the amount of \$90,000 is available under "Water - Distribution - Main Renewal Program	\$90,000	\$90,000
March 27, 2014		Critical Valve Replacement Program - Bedford Highway was not included in the 2014/15 CB. Funding in the amount of \$40,000 is available from underspending in the 2013/14 CB "Sunnybrae Avenue Watermain Renewal Project (#3-1719)	\$40,000	\$0
March 27, 2014		Critical Valve Replacement Program - Cogswell Street was not included in the 2014/15 CB. Funding in the amount of \$163,000 is available from underspending in the 2013/14 CB "Kearney Lake Road Transmission Main Project (#3-1418)	\$163,000	\$163,000
March 27, 2014		Wright Avenue Water Renewal Integrated project - funding increase. Funding in the amount of \$200,00 is available from underspending in the 2013/14 CB - Kearney Lake Road Transmission Main Replacement Project (#3-1418)	\$200,000	\$0
March 27, 2014		PRV Chamber Oceanview Drive - Bedford South CCC	\$156,000	\$156,000
<b>Accumulative Total - March 2014</b>				<b>\$1,355,000</b>
April 1, 2014		JD Kline WSP Replace Valve Actuators at the Pumping Station	\$95,000	\$95,000

**WATER**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**  
**TOTAL CAPITAL BUDGET FOR WATER \$20,074,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
April 1, 2014		Chlorine Analyzers	\$18,000	\$18,000
April 1, 2014		JD Kline WSP Replacement Program for Filter Valve Actuators	\$45,000	\$45,000
April 7, 2014		Chemical Feed Pumps - Rechlorination Stations	\$11,000	\$11,000
April 7, 2014		J.D. Kline WSP - Improved Ventilation at Pumping Station	\$15,000	\$15,000
April 7, 2014		Lake Major WSP Fire Alarm System Upgrade	\$11,000	\$11,000
April 7, 2014		Lake Major WSP - HVAC at the Low Lift Pumping Station	\$28,000	\$28,000
April 7, 2014		Lake Major WSP - Process Waste Handling Study	\$50,000	\$50,000
April 7, 2014		Lake Major WSP Replace Contactors in Motor Control Centre	\$24,000	\$24,000
April 10, 2014		Lake Major WSP - Butterfly Valve Replacement Program	\$30,000	\$30,000
April 11, 2014		2013/14 Capital Budget - Prospect Road Watermain Renewal Funding Increase - funding in the amount of \$55,000 is available from underspending in the 2013/14 CB under Sunnybrae Avenue Watermain Renewal Project (#3-1719), \$15,00 is available from underspending on the Rufus St. Watermain Renewal (#2-1722) and \$20,000 from underspending in the Gaston Road Watermain Renewal Project (#3-1717)	\$90,000	\$0
April 24, 2014		2014/15 Corporate GIS Data Plan - Funding in the amount of \$275,000 is available from the 2013/14 CB under "GIS Data Program Implementation and Corporate GIS Data Plan"	\$275,000	\$275,000
April 24, 2014		Lake Major WSP - Process Optimization Study	\$110,000	\$110,000
<b>Accumulative Total - April 2014</b>				<b>\$712,000</b>
June 5, 2014		Bennery Lake Plant Isolation Valve	\$10,000	\$10,000
June 5, 2014		Bennery Lake Oxygenation	\$45,000	\$45,000
June 5, 2014		Bennery Lake Boat Launch	\$17,000	\$17,000
June 5, 2014		Bennery Lake Filter Valve Replacement	\$15,000	\$15,000
June 5, 2014		Bennery Lake Chemical Feed Pump and Meter	\$9,000	\$9,000
January 30, 2014	June 9, 2014	Customer Meter Replacement Program	\$1,150,000	\$1,150,000

**WATER**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**  
**TOTAL CAPITAL BUDGET FOR WATER \$20,074,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS TO BUDGET AMOUNT</u>
<u>HW</u>	<u>URB</u>			
January 30, 2014	June 9, 2014	Distribution System Valve Replacement Program	\$125,000	\$125,000
January 30, 2014	June 9, 2014	Hydrant Replacement Program	\$75,000	\$75,000
January 30, 2014	June 9, 2014	Service Line Renewal Program	\$240,000	\$240,000
January 30, 2014	June 9, 2014	Miscellaneous Equipment Replacement	\$30,000	\$30,000
January 30, 2014	June 9, 2014	Leak Detection Equipment - West Region	\$10,000	\$10,000
January 30, 2014	June 9, 2014	Pipe Locator Equipment -West Region	\$10,000	\$10,000
January 30, 2014	June 9, 2014	Trav-L-Vac Unit - West Region	\$21,000	\$21,000
January 30, 2014	June 9, 2014	Asphalt Cutting Service Trailer - East Region	\$15,000	\$15,000
January 30, 2014	June 9, 2014	Storage Containers - East Region Facility Yard	\$12,000	\$12,000
<b>Accumulative Total - June 2014</b>				<b>\$1,784,000</b>
July 18, 2014		Forest Road Bridge Replacement - Tomahawk Lake Watershed	\$10,000	\$10,000
		Facilities Study - Rationalization for the Combining of Central and Eastern Regions, Water, Wastewater and Stormwater Operations Centres - funding is available from the 2013/14 CB under "Water - Structures - East and Central Operations Facility Review"		
July 25, 2014			\$30,000	\$0
		<b>Water Integrated Projects Budget Adjustments:</b>		
		Windmill Road Water Project #3-1885 - \$150,000		
		Commission Street Water Renewal #3-1889 - \$140,000		
		Gaston Road/Galaxy Drive Water Renewal #3-1881 - \$70,000		
		Queen Street Water Renewal #3-1887 - \$68,500		
		Spikenard Street Water Renewal #3-1883 - <u>\$50,000</u>		
		<b><u>TOTAL COST INCREASE: \$478,500</u></b>		
July 31, 2014	September 26, 2014	Funding in the amount of \$478,500 is available from underspending in the Kearney Lake Road Transmission Project from the 2014/15 CB	\$478,500	\$0
July 31, 2014		Wright Avenue Water Renewal Integrated Project Funding Increase funding in the amount of \$205,000 is available from underspending in the 2014/15 Kearney Lake Road Transmission Main Replacement`	\$205,000	\$0

**WATER**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR WATER \$20,074,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
July 31, 2014		Broadholme PRV Chamber CE Retrofit Project funding in the amount of \$25,000 is available from underspending in the <i>'Kearney Lake Road Transmission Project'</i> which came in under budget	\$25,000	\$25,000
<b>Accumulative Total - July 2014</b>				<b>\$35,000</b>
September 15, 2014		Purchase of Analytical Equipment for the Bomont WSP (was not budgeted for) funding in the amount of \$12,500 is available in the 2014/15 CB under <i>"Bomont WSP - Study to Review Pre-Treatment Options for Color"</i> which will not be proceeding this year	\$12,500	\$12,500
September 19, 2014		J.D. Kline Water Supply Plant - LED Lighting Upgrade in the amount of \$10,000 funding available from <i>"Water - Energy - Water Supply Energy Management Information System -Phase 1"</i>	\$10,000	\$10,000
September 19, 2014		Lake Major Water Supply Plant - LED Lighting Upgrade in the amount of \$10,000 funding available from <i>"Water - Energy - Water Supply Energy Management Information System -Phase 1"</i>	\$10,000	\$10,000
September 25, 2014		PRV Chamber Construction - Oceanview Drive and Atholea Drive PRV Replacement - Funding increase: funding in the amount of \$61,000 and \$62,000 is available from underspending on the <i>Kearney Lake Road Transmission Main Replacement Project</i>	\$112,000	\$0
September 25, 2014		Quinn Street Water Renewal Integrated Project - Funding increase: \$75,000 is available from underspending on the <i>Kearney Lake Road Transmission Main Replacement Project</i>	\$75,000	\$0
September 25, 2014		Lake Major WSP Emergency Diesel Generator Replacement - Design work: funding in the amount of \$38,000 is available from the 2013/14 CB under <i>"Lake Major Lime Delivery System (SAP #3-1631) project"</i> which did not proceed.	\$38,000	\$0
<b>Accumulative Total - September 2014</b>				<b>\$32,500</b>
October 30, 2014	December 10, 2014	Miller Lake Small System - New Well Development Funding Increase: Funding in the amount of \$150,000 is available from underspending in the 2013/14 CB under <i>Water - Miller Lake Land Purchase Extension of Water Line, Access Road and Power Supply, the balance of \$167,000 is available from underspending on the 2014/15 Kearney Lake Road Transmission Project</i>	\$317,000	\$0

**WATER**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**  
**TOTAL CAPITAL BUDGET FOR WATER \$20,074,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>		<u>AMOUNT</u>	<u>TO BUDGET</u>
			<u>AMOUNT</u>	<u>AMOUNT</u>
		Gaston Road/Galaxy Drive/Regency Drive Water Renewal Integrated Project - Funding Increase: funding in the amount of \$95,000 is available from underspending on the Kearney Lake Road Transmission Main Replacement Project which was lower than expected	\$95,000	\$0
October 30, 2014	November 13, 2014			
		<b>Accumulative Total - October 2014</b>		<b>\$0</b>
		Bennery Lake WSP - Insulation Upgrades Funding is available from underspending in the 2013/14 CB under: "Water - Energy Bennery HVAC Study and Upgrade"	\$36,000	\$0
December 4, 2014				
		<b>Accumulative Total - December 2014</b>		<b>\$0</b>
		<b>Total To Date</b>		<b>\$19,489,150</b>

**WASTEWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR WASTEWATER \$25,531,200**

<b>HW</b>	<b>DATE OF APPROVAL</b>	<b>URB</b>	<b>DESCRIPTION</b>	<b>APPROVED AMOUNT</b>	<b>NET ADDITIONS TO BUDGET AMOUNT</b>
July 17, 2013	December 9, 2013		Lakeside Pumping Station Diversion to the Halifax Sewershed Funding in the amount of \$3,500,000 is available under the 2012/13 CB <i>Beechville, Lakeside, Timberlea WWTF Upgrade Project</i> ". Funding in the amount of \$7,000,000 is available under the 2013/14 CB under " <i>Wastewater - Structure: Lakeside Pumping Station - Diversion to Halifax Sewershed and the remaining \$11,700,000 will be itemized in the 2014/15 CB (Wastewater)</i> "	\$11,700,000	\$11,700,000
			<b>2014/15 Wastewater Advanced Funding Integrated Projects</b>		
			<b>East</b>		
January 30, 2014	March 31, 2014		Gaston Road - Galaxy Drive to Portland Street	\$270,000	\$270,000
			Galaxy - Gaston Road - End	\$34,000	\$34,000
			Spikenard Street - Valleyfield to Guysborough	\$57,000	\$57,000
			Crystal Drive - Leaman Drive to Pinecrest Drive	\$13,000	\$13,000
			Carver Street - Portland Street to Day Street	\$85,000	\$85,000
			<b>West</b>		
			Commission Street - Lady Hammond Road to end of concrete	\$388,000	\$388,000
			Sunnybrae Avenue - Willet Street to Hillcrest	\$548,000	\$548,000
			Quinn Street - Quinpool Road to Flynn Street	\$298,000	\$298,000
			Newberry Street - Kencrest Avenue - Kencrest Avenue	\$13,000	\$13,000
			Newton Avenue - Chebucto Road to Quinpool Road	\$18,000	\$18,000
			Walnut Street - Coburg Road to Jubilee Road	\$23,000	\$23,000
			<b>Total Integrated Projects</b>		<b>\$1,747,000</b>
January 23, 2014	April 4, 2014		Bedford West CCC - Oversized Wastewater Infrastructure	\$1,390,000	\$1,390,000
			<b>Accumulative total - January 2014</b>		<b>\$14,837,000</b>
February 27, 2014	May 2, 2014		Sewer Lateral Lining - Trenchless Pilot Project Crescent Avenue Sewershed	\$1,014,000	\$1,014,000
February 27, 2014			Gravity Sewer Little Albro Lake to Jamieson Street Pumping Station (DA1) from RWWFP	\$200,000	\$200,000

**WASTEWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR WASTEWATER \$25,531,200**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS TO BUDGET AMOUNT</u>
<u>HW</u>	<u>URB</u>			
		Halifax Harbour Solutions Plants - Various Energy Efficiency Update Projects: DWWTF - Variable Frequency Drive Upgrade - \$80,000 DWWTF - Domestic Hot Water Heat Pump - \$7,000 HWWTF - Variable Frequency Drive - \$83,000 Herring Cove WWTF - Variable Frequency - \$35,000 HCWWTF - Domestic Hot Water Heat Pump - \$7,200		
February 27, 2014			\$212,200	\$212,200
<b>Accumulative total - February 2014</b>				<b>\$1,426,200</b>
March 27, 2014	May 1, 2014	Shore Drive Golf Links - Forcemain Replacement and Twinning funding in the amount of \$626,000 is available under "Wastewater - Forcemains - Shore Drive Golf Links - Forcemain Replacement and Twinning"	\$626,000	\$626,000
March 27, 2014		Belmont Wastewater Treatment Facility Decommission - Design	\$150,000	\$150,000
March 27, 2014		Corporate Flow Monitoring Program - Flow Monitoring Zone Study	\$220,000	\$220,000
March 27, 2014		Mill Cove (CHP) Renewable Energy Project Feasibility Study COMFIT Application and Detailed Design Funding in the amount of \$100,000 is available within the 2013/14 CB under "Wastewater - Energy"	\$100,000	\$0
<b>Accumulative total - March 2014</b>				<b>\$996,000</b>
April 7, 2014		Aerotech BPF - Building Management System and Fire Protection System Re-commissioning Project \$95,000 in funding is available from underspending in the 2012/13 CB under "Aerotech BPF - Lighting Upgrades Project (SAP #6-0806)" and \$50,000 is available from underspending in the 2009/10 CB under Regional Disposal Site (SAP #6-0285)	\$95,000	\$0
April 7, 2014		HWWTF Fixed Monorail - Sludge Extraction/Recirculation Pumps	\$40,000	\$40,000
April 24, 2014	June 18, 2014	Bedford Fish Hatchery Park Pumping Station - Forcemain Condition Assessment	\$500,000	\$500,000
April 24, 2014	June 27, 2014	2014/15 Corporate GIS Data Plan - Funding in the amount of \$245,000 is available from the 2013/14 CB under "GIS Data Program Implementation and Corporate GIS Data Plan"	\$245,000	\$245,000

**WASTEWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR WASTEWATER \$25,531,200**

<b>HW</b>	<b><u>DATE OF APPROVAL</u></b>	<b>DESCRIPTION</b>	<b>APPROVED AMOUNT</b>	<b>NET ADDITIONS TO BUDGET AMOUNT</b>
	<b>URB</b>			
April 24, 2014	June 6, 2014	Wastewater Pumping Station Upgrade Program - Various Locations	\$550,000	\$550,000
April 24, 2014		Lateral Replacements	\$1,428,000	\$1,428,000
April 24, 2014	June 16, 2014	Mill Cove WWTF - Emergency Overflow Outfall Pipe Replacement - Treatment Facilities	\$365,000	\$365,000
April 24, 2014		2014/15 WW and SW Renewal Integrated Projects - Additional Scope Funding is available from underspending in the 2013/14 CB under "Colpitt Lake Road Pump Station Elimination Project"	\$110,000	\$110,000
<b>Accumulative Total - April 2014</b>				<b>\$3,238,000</b>
May 26, 2014		Alder Crescent Collection System Replacement	\$10,000	\$10,000
<b>Accumulative Total - May 2014</b>				<b>\$10,000</b>
June 3, 2014		Aerotech BPF - Building Management System and Fire Protection System Re-commissioning Project was not budgeted for in 2014/15. The increase in funding of \$65,000 is available from underspending in the 2013/14 CB under "Uplands WWTF Roof Replacement Project (SAP #6-0807)"	\$65,000	\$65,000
January 30, 2014	June 9, 2014	SIR Program Flow Meters and Related Equipment	\$75,000	\$75,000
January 30, 2014	June 9, 2014	Lateral Lining Equipment	\$50,000	\$50,000
January 30, 2014	June 9, 2014	Lifting Davit	\$12,000	\$12,000
January 30, 2014	June 9, 2014	Manhole Renewals	\$27,000	\$27,000
June 19, 2014	July 31, 2014	Halifax - Herring Cove Sewersheds Master Plan	\$499,000	\$499,000
June 19, 2014		Biosolids Processing Facility - Upgrade Program	\$150,000	\$150,000
<b>Accumulative Total - June 2014</b>				<b>\$878,000</b>



**WASTEWATER**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR WASTEWATER \$25,531,200**

<b>HW</b>	<b><u>DATE OF APPROVAL</u></b>	<b>DESCRIPTION</b>	<b>APPROVED AMOUNT</b>	<b>NET ADDITIONS TO BUDGET AMOUNT</b>
July 18, 2014		Herring Cove WWTF - Public Address System	\$19,000	\$19,000
		Facilities Study - Rationalization for the Combining of Central and Eastern Regions, Water, Wastewater and Stormwater Operations Centres - funding is available from the 2013/14 CB under <i>"Wastewater - Structures - East and Central Operations Facility Review"</i>		
July 25, 2014			\$24,000	\$24,000
July 31, 2014		Halifax WWTF - DensaDeg Inlet Penstocks	\$39,000	\$39,000
		Herring Cove WWTF Exterior Egress Door on Upper Level - funding in the amount of \$30,000 is available from underspending in the <i>"HCWWTF Treatment Upgrades Project"</i> and an additional \$38,000 is available from transferring \$38,000 from the <i>"HCWWTF Sludge Holding Tank Mixer Upgrade project"</i> from the operating budget		
July 31, 2014			\$30,000	\$30,000
		<b>Accumulative Total - July 2014</b>		<b>\$112,000</b>
		Tandem Axle Cargo Trailer Funding in the amount of \$24,000 is available from underspending on the 2014/15 <i>"Wastewater - Mill Cove WWTF Emergency Overflow Pipe Replacements Project"</i>		
August 26, 2014			\$24,000	\$0
		<b>Accumulative Total - August 2014</b>		<b>\$0</b>
September 19, 2014		HCWWTF Ventilation Heat Recover Project	\$15,000	\$15,000
September 22, 2014		Security Upgrade Projects at Various WWTF	\$50,000	\$50,000
September 25, 2014	October 28, 2014	Pump Station Rehabilitation Mill Cove WWTF	\$300,000	\$300,000
		<b>Accumulative Total - September 2014</b>		<b>\$365,000</b>
October 9, 2014		Dartmouth WWTF - Permanent Access Ladder to the Roof	\$18,000	\$18,000
		HWWWTF, Dartmouth WWTF, Herring Cove Treatment Facility UV Transmissions Funding \$50K was allocated for each treatment plant. Funding was from the 2013/14 capital budget under <i>"Wastewater - Energy"</i>		
October 15, 2014			\$150,000	\$150,000
		<b>Accumulative Total - October 2014</b>		<b>\$168,000</b>

**WASTEWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR WASTEWATER \$25,531,200**

<u>DATE OF APPROVAL</u>			<u>APPROVED</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TO BUDGET</u>
			<u>AMOUNT</u>	<u>AMOUNT</u>
		Main Street - Wastewater Sewer main Replacement project was not budgetted for in 2014/15. Funding in the amount of \$120,000 is available from underspending on the Lakeside Pumping Station Diversion Project which will be underbudget		
November 27, 2014			\$120,000	\$0
		Grit Pumps - Mill Cove WWTF: Funding in the amount of \$30,000 is available from "Wastewater Treatment Facilities Upgrades (Various Locations)		
November 28, 2014			\$30,000	\$30,000
<b>Accumulative Total for November 2014</b>				<b>\$30,000</b>
		Herring Cove WWTF Waste Oil Burner: Funding is available from 2014/15 CB under "Wastewater Treatment Facilities Upgrades Various Locations"		
December 1, 2014			\$50,000	\$50,000
<b>Accumulative Total for December 2014</b>				<b>\$50,000</b>
<b>Total To Date</b>				<b>\$21,114,200</b>

**STORMWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR STORMWATER \$8,912,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
<b>2014/15 Stormwater</b>				
<b>Advanced Funding Integrated Projects</b>				
January 30, 2014	March 31, 2014	<b>East</b>		
		Gaston Road - Galaxy Drive to Portland Street	\$15,000	\$15,000
		Galaxy - Gaston Road - End	\$9,000	\$9,000
		Spikenard Street - Valleyfield to Guysborough	\$29,000	\$29,000
		Carver Street to Portland Street - Day Street	\$13,000	\$13,000
		<b>West</b>		
		Sunnybrae Avenue - Willet Street to Hillcrest	\$13,000	\$13,000
		<b>Central</b>		
		Riverside Drive - Glendale to Civic 1530	\$414,000	\$414,000
		<b>Total Integrated Projects</b>		<b>\$493,000</b>
		<b>Accumulative Total - January 2014</b>		<b>\$493,000</b>
February 27, 2014	May 15, 2014	Sullivan's Pond Storm Sewer System Replacement	\$250,000	\$250,000
February 27, 2014		Metropolitan Avenue - Stormwater Improvements	\$586,000	\$586,000
February 27, 2014		Ellenvale Run - Retaining Wall Assets - Condition Assessment	\$210,000	\$210,000
February 27, 2014	May 1, 2014	Ellenvale Run - Retaining Wall Replacement - Mount Edward Road To Edwin Crescent	\$500,000	\$500,000
February 27, 2014		Sackville Cross Road Stormwater System Renewal	\$110,000	\$110,000
		<b>Accumulative Total - February 2014</b>		<b>\$1,656,000</b>
March 27, 2014	May 20, 2014	Clement Street Berm - Rehabilitation of Stormwater Control System - funding in the amount of \$75,000 is available from the 2013/14 CB under "Stormwater - Structures - Clement Street Berm" and the 2014/15 CB in the amount of \$325,000 under "Stormwater - Structures, Clement Street Berm - Rehabilitation of Stormwater Control Systems"	\$400,000	\$325,000
March 27, 2014		Stormwater Culvert Renewal Program 183 Lakeview Avenue - \$220,000	\$220,000	\$220,000
March 27, 2014		Stormwater Culvert Renewal Program 1250 Sackville Drive - \$220,000	\$220,000	\$220,000

**STORMWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR STORMWATER \$8,912,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
March 27, 2014		Stormwater Culvert Renewal Program Glendale Drive - \$157,000	\$157,000	\$157,000
March 27, 2014	June 23, 2014	Cow Bay Road Deep Storm Sewer Installation	\$4,560,000	\$4,560,000
<b>Accumulative Total - March 2014</b>				<b>\$5,482,000</b>
April 11, 2014		Dipper Crescent SW Integrated Project 13/14 Funding Increase - funding in the amount of \$25,000 was available from underspending in the 2013/14 Capital Budget - " <i>Colpitt Lake Road Pump Station Elimination Project</i> "	\$25,000	\$0
April 24, 2014	June 27, 2014	2014/15 Corporate GIS Data Plan - Funding in the amount of \$80,000 is available from the 2013/14 CB under " <i>GIS Data Program Implementation and Corporate GIS Data Plan</i> "	\$80,000	\$0
April 24, 2014		Driveway Culvert Replacements	\$427,000	\$427,000
April 24, 2014		2014/15 WW and SW Renewal Integrated Projects - additional scope in the amount of \$140,000 is broken down as follows: Funding in the amount of \$36,000 is available from underspending in the <i>"Spruce Grove Court Drainage Swale project"</i> Funding in the amount of \$7,000 is available from underspending in the <i>"Circassion Dr. Stormwater Integrated Project"</i> and Funding in the amount of \$97,000 is available from underspending in the stormwater component of the <i>"Colpitt Lake Road Pump Station Elimination Project"</i>	\$140,000	\$0
April 24, 2014		Pipes, Grafton and Argyle Streets - Sewer Separation	\$150,000	\$150,000
<b>Accumulative Total - April 2014</b>				<b>\$577,000</b>
May 7, 2014		Hammonds Plains Road Cross Culvert Replacement was not budgeted in 2014/15. Funding in the amount of \$20,000 was re-allocated from The Wilson Drive and Highway 2 - Culvert Replacement Project which will not be proceeding this year and will be re-budgeted in a future capital budget	\$20,000	\$20,000
<b>Accumulative Total - May 2014</b>				<b>\$20,000</b>

**STORMWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR STORMWATER \$8,912,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
June 3, 2014		Cow Bay Road Deep Storm Sewer Installation Funding Increase funding for this increase is available from the following projects: \$414,000 available from the 2013/14 CB under "Riverside Drive Project" which will not proceed. \$149,000 available from 2013/14 CB Stormwater - Wilson Drive Culvert Replacement project which will be completed in a future year \$100,000 is available from the 2013/14 Stormwater CB under Inverness Avenue Culvert Replacement project which will be completed in a future year	\$610,000	\$0
June 3, 2014		Metropolitan Avenue Stormwater Improvements Funding Increase- funding is available from "Riverside Drive Stormwater Integrated Project" which will not be proceeding this year	\$100,000	\$100,000
June 19, 2014		McPherson Road Stormwater project not budgeted for in 2014/15 Funding in the amount of \$48,000 is available from underspending in the "183 Lakeview Avenue Twin Culvert Replacement program in the 2014/15 CB"	\$48,000	\$0
January 30, 2014	June 9, 2014	Manhole Renewals	\$24,000	\$24,000
January 30, 2014	June 9, 2014	Catchbasin Renewal	\$24,000	\$24,000
<b>Accumulative Total - June 2014</b>				<b>\$148,000</b>
July 10, 2014		Kingswood Drive Ditch - Vertical Realignment was not budgeting for in the 2014/15 CB- Funding in the amount of \$20,000 is available from underspending in the "2014/15 CB under "183 Lakeview Avenue - Twin Culvert Project "	\$20,000	\$0
July 25, 2014		Facilities Study - Rationalization for the Combining of Central and Eastern Regions, Water, Wastewater and Stormwater Operations Centres - funding is available from the 2013/14 CB under "Stormwater - Structures - East and Central Operations Facility Review	\$6,000	\$0

**STORMWATER  
CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR STORMWATER \$8,912,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
July 31, 2014	August 12, 2014	Metropolitan Avenue Stormwater Improvements Funding Increase - Funding in the amount of \$264,000 is available from underspending in the 2014/15 CB - under "Stormwater - <i>Clement Street Berm project</i> " which will not be proceeding this fiscal year	\$264,000	\$264,000
July 31, 2014		2015/16 Culvert Program - Engineering Services funding in the amount of \$172,000 is available from the 2014/15 CB under "Stormwater - <i>Culverts/Ditches - 183 Lakeview Avenue - Twin Culvert Replacement Project</i> " which will not be proceeding this year	\$172,000	\$0
<b>Accumulative Total - July 2014</b>				<b>\$264,000</b>
November 27, 2014		Grafton and Argyle Streets - Sewer Separation Funding Increase: Funding in the amount of \$100,000 is available from underspending on the Lakeside Pumping Station Diversion Project which is under budget	100,000	\$0
<b>Total To Date</b>				<b>\$8,640,000</b>

**AEROTECH**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR AEROTECH \$596,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
		Aerotech WWTF Expansion and Upgrade Project - Design Phase Funding: Funding in the amount of \$1,305,000 was allocated as follows: Carry Over from Preliminary Design: \$75,000 Internal Funding 2014/15 Capital Budget: \$500,000 <u>Internal Funding: 2015/16 Capital Budget \$730,000</u> <b>TOTAL AMOUNT: 1, 305,000</b>		
October 30, 2014	Pending		\$1,305,000	\$1,230,000
		<b>Accumulative Total - October</b>		<b>\$1,230,000</b>
		Aerotech WWTF- Membrane Bioreactor Pre-selection: funding in the amount of \$25K is available under the 2012/13 budget under: Aerotech WWTF Preliminary Design Project (SAP 6-685)		
November 3, 2014			\$25,000	\$0
		<b>Accumulative Total - November</b>		
		<b>Total To Date</b>		<b>\$1,230,000</b>

**CORPORATE PROJECTS**  
**CAPITAL BUDGET APPROVALS TO DATE - 2014/15**

**TOTAL CAPITAL BUDGET FOR CORPORATE PROJECTS \$6,328,000**

<u>DATE OF APPROVAL</u>		<u>DESCRIPTION</u>	<u>APPROVED AMOUNT</u>	<u>NET ADDITIONS</u>
<u>HW</u>	<u>URB</u>			<u>TO BUDGET AMOUNT</u>
		<b>Corporate GIS Data Plan -</b>		
		Data Collection and Updating (BLT) \$250,000		
		Data Collection Dartmouth North - \$350,000		
		Data Collection Dartmouth Center - \$350,000		
		Data Collection Dartmouth East - \$300,000		
		Data Collection Bedford Area #2 - \$300,000		
		Service Lateral Project - \$300,000		
April 15, 2014	June 27, 2014			\$1,850,000
		<b>Total Accumulative Amount for April 2014</b>		<b>\$1,850,000</b>
		Landscaping at 455 Cowie Hill Road - Funding in the amount of \$25,000 is available from the 2014/15 CB under "Land Acquisition and Management Program" which will not be proceeding this year		
June 5, 2014			\$25,000	\$25,000
January 30, 2014	June 9, 2014	Desktop Computer Replacement Program	\$160,000	\$160,000
January 30, 2014	June 9, 2014	Network infrastructure upgrades	\$200,000	\$200,000
January 30, 2014	June 9, 2014	Fleet - Water	\$254,000	\$254,000
January 30, 2014	June 9, 2014	Fleet - Wastewater	\$960,000	\$960,000
January 30, 2014	June 9, 2014	Fleet - Stormwater	\$240,000	\$240,000
January 30, 2014	June 9, 2014	Survey Equipment - Robotic GPS Total Station	\$26,000	\$26,000
June 19, 2014		SCADA Control System Enhancements from IRP	\$200,000	\$200,000
June 19, 2014	on hold at HW	Document Management System	\$200,000	\$200,000
June 19, 2014		Asset Registry	\$248,000	\$248,000
		<b>Total Accumulative Amount for June 2014</b>		<b>\$2,513,000</b>
		Audio Visual Equipment for Board Rooms Funding for these projects in the amount of \$21,000 is available from the balance of the original program allocation of \$300,000 within the 2013/14 Capital Budget. \$52,000 was approved from the original \$300,000 for Phase 1 of this project, leaving \$248,000 unallocated from the 2013/14 Capital Budget.		
August 13, 2014			\$21,000	\$0
		<b>Total To Date</b>		<b>\$4,363,000</b>




# Item 3-I

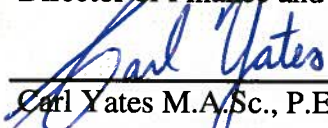
15-Jan-15

## FINANCIAL REPORT

Consolidated balance of the four operating accounts maintained by the Commission as of:	15-Jan-15	\$45,847,825
Rate of interest on the above balance - Investment Rate of Return	0.102%	\$45,847,824.63

**TO:** Kenneth Meech, Chair, and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
Cathie O'Toole, CGA, MBA  
Director of Finance and Customer Service

**APPROVED:**   
Carl Yates M.A.Sc., P.Eng., General Manager

**DATE:** December 24, 2014

**SUBJECT:** Pension Plan Investment Performance 3rd Quarter, 2014

**INFORMATION REPORT**

**ORIGIN**

The Pension Plan investment performance is reported to the Commission periodically throughout the year.

**BACKGROUND**

None

**DISCUSSION**

The tables below and the attached Investment Report outlines the performance update for the third quarter of 2014 (July to September) for the Halifax Regional Municipality (HRM) Pension Plan Master Trust, of which Halifax Regional Water Commission (HRWC) is a part. The HRWC's share of the total HRM Master Trust at December 31, 2013 was 5.28%, and totaled \$74.3 million. The fair value of the investment in the Master Trust is determined and updated at year-end.

Returns:

	3rd Quarter July to Sept.	1-Year	5-Year Annualized	Since October 1999
Fund Return	1.72%	12.25%	8.57%	6.79%
Policy Benchmark	.94%	9.53%	6.73%	5.54%

**ITEM 4-I**  
**HRWC Board**  
**January 29, 2015**

Asset Mix September 30, 2014:

Asset:	Actual	Policy
Cash & Equivalents	0.46%	
Canadian Equity	9.78%	9.7%
Global Equity	28.63%	25.1%
Bonds	35.18%	42.2%
Minimum Target Return	25.95%	23.0%

The total fund returned 1.72% in the 3rd Quarter, which outperformed the policy benchmark of .94% by 0.78%. The return for the year was 12.25% which exceeded the policy benchmark of 9.53% by 2.72%. Effective September 30, 2014, the policy benchmark is 6.7% (no change from the prior benchmark).

The total fund return is subject to investment management fees and plan expenses.

As at September 30, 2014, the Master Trust was in compliance with the Statement of Investment Policies and Procedures (SIP&P).

**ATTACHMENT**

Halifax Regional Municipality Pension Plan Investment Report 3rd Quarter, 2014



# Investment Report

## Q3 2014

Consent Agenda Item No. 1



# Executive Summary

## Compliance

As at September 30, 2014, the Master Trust (MT) was in compliance with the SIP&P.

## Funded Status

As at December 31, 2013, the accounting funded position was 98%, the going concern funded status was 86.2%, and the solvency funded ratio was 69.2%.

## Master Trust Performance

In Q3, the MT earned 1.72%, outperforming the policy benchmark return by 0.78%.

The YTD performance for the MT was 6.43%, outperforming the policy benchmark return by 0.87%.

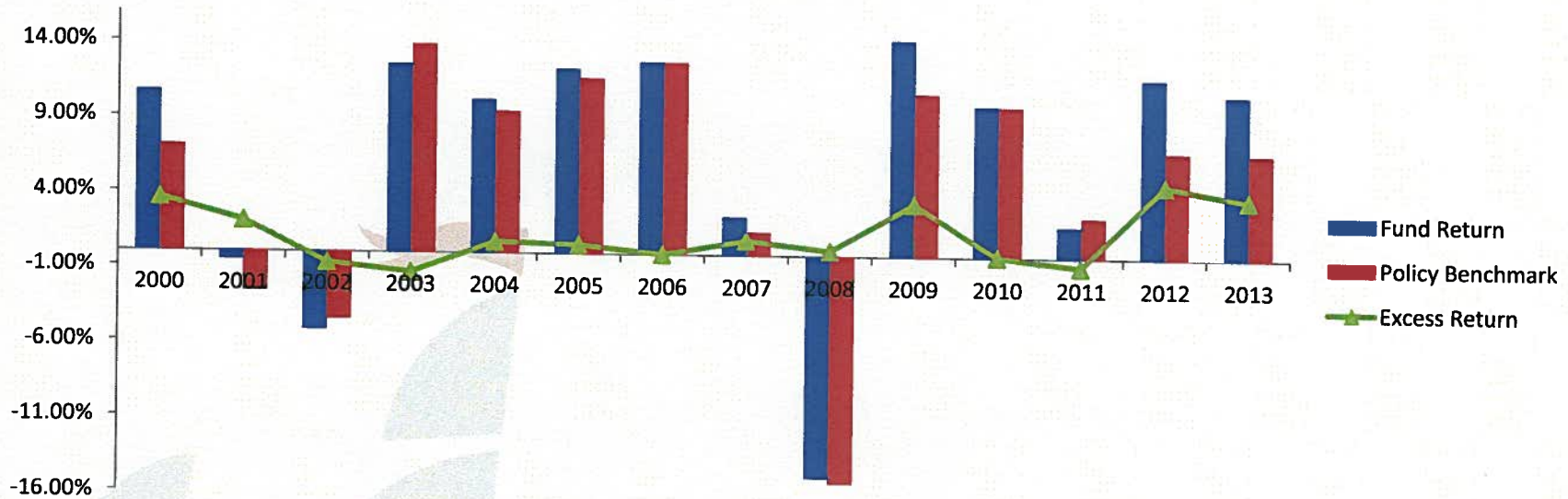
For the one-year period ending September 30, 2014, the MT earned 12.25%, outperforming the policy Benchmark by 2.72%.

The MT earned annualized returns of 8.57% over the 5-year ending September 30, 2014. The Since Inception (October 1999) annualized return of 6.79% has outperformed the Plan's long-term rate objective of 6.25%. The table on the next slide summarizes the calendar year returns for the MT.



# Executive Summary – Cont.

## Calendar Returns



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fund Return	10.71%	-0.56%	-5.21%	12.60%	10.27%	12.38%	12.88%	2.60%	-14.83%	14.47%	10.12%	2.11%	12.01%	10.94%
Policy Benchmark	7.12%	-2.64%	-4.50%	13.91%	9.50%	11.76%	12.85%	1.58%	-15.20%	10.92%	10.08%	2.71%	7.12%	7.01%
Excess Return	3.59%	2.08%	-0.71%	-1.31%	0.77%	0.62%	0.03%	1.02%	0.37%	3.55%	0.04%	-0.60%	4.89%	3.93%



# Executive Summary – Cont.

## Added Value

In Q3 of 2014, the MT outperformed its benchmark by 0.78%. Attribution: Minimum Target Return +0.75%, US Equity +0.09%, Universe Bonds +0.03%, Emerging Market Equity +0.03%, World Equity +0.01%, MSCI EAFE Equity -0.01%, Global Credit -0.04%, and CAD Equity -0.08%.

## Q3 Changes

- Committed \$20.0 mm USD to a European private debt fund targeting a net annualized return of 9.5-11.5%. The Fund targets floating rate debt with an interest rate floor. Provides downside protection when interest rates increase. Reduced management fees account for \$55,080 CAD in ongoing savings.
- Co-invested \$915,000 USD alongside one of our private equity managers. The investment is a Canadian consumer product business with a target annualized return of 16%+. Annual cost savings of \$19,151 CAD due to zero management fees. One time estimated cost savings of \$221,752 CAD due to zero performance fees. One-time legal fee savings of \$3,163 CAD.

\* Converted to CAD as if 21/10/2014



# Total Fund Returns – September 30, 2014

	Current Quarter	YTD	1-Year	3-Year Annualized	5-Year Annualized	Since Inception (Oct 1999)
Fund Return	1.72%	6.43%	12.25%	11.50%	8.57%	6.79%
Policy Benchmark*	0.94%	5.56%	9.53%	7.84%	6.73%	5.54%
Excess Return	0.78%	0.87%	2.72%	3.66%	1.84%	1.25%

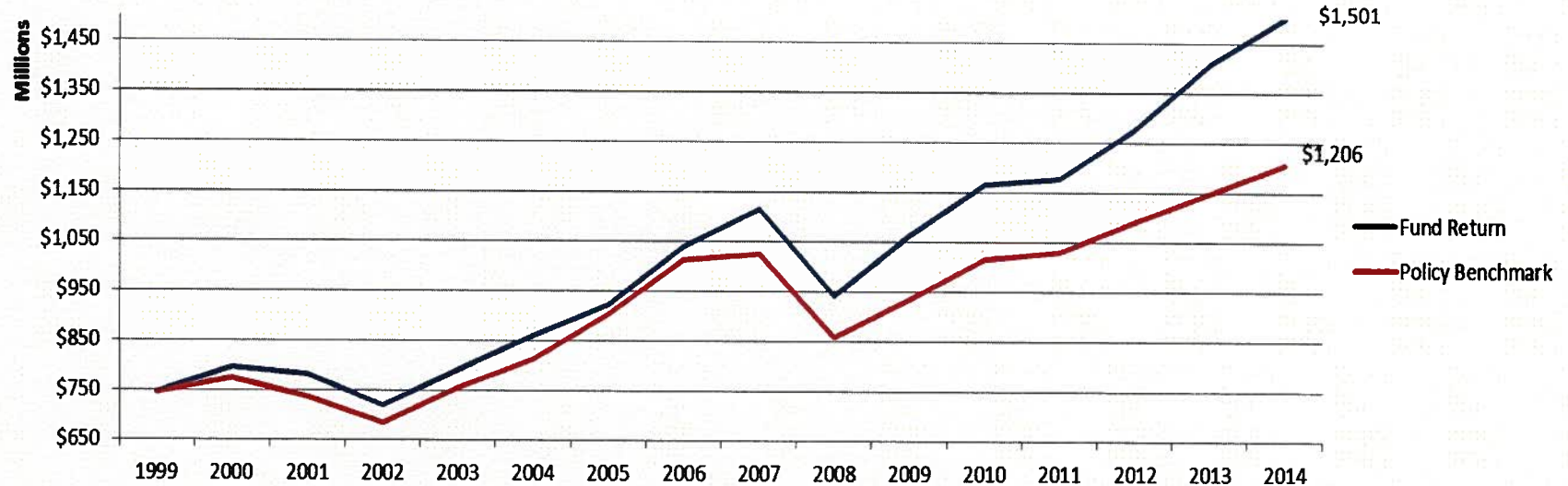
\*Effective September 30, 2014, the Policy Benchmark is 6.7% S&P/TSX Index + 3.0% S&P/TSX 60 + 2.6% S&P 500 Index (\$CAN) + 4.2% S&P 500 Index(\$USD) + 8.4% MSCI EAFE Index (\$CAN) + 3.3% MSCI Emerging Markets (CAN\$) + 6.60% MSCI World (CAN\$) +42.2% Canadian Bonds + 23.0% Min. Target Return. Effective September 30, 2014, the Canadian Bond Policy was 46.4% DEX Universe Bond Index, and 53.6% 3-month Canadian Banker Acceptances.







# Since Inception Performance



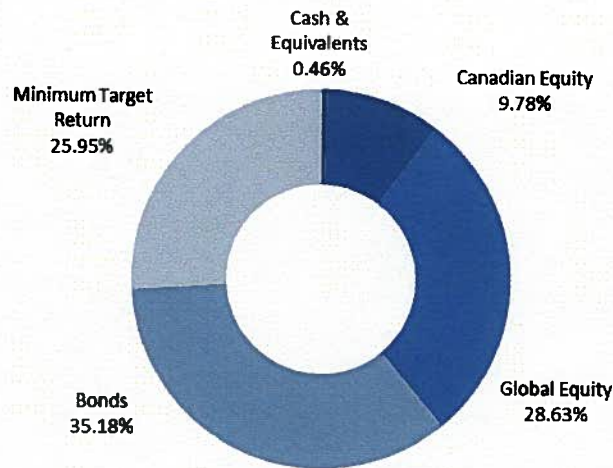
In dollar terms, the fund has grown \$295.0 mm in excess of the policy benchmark as at September 30, 2014.



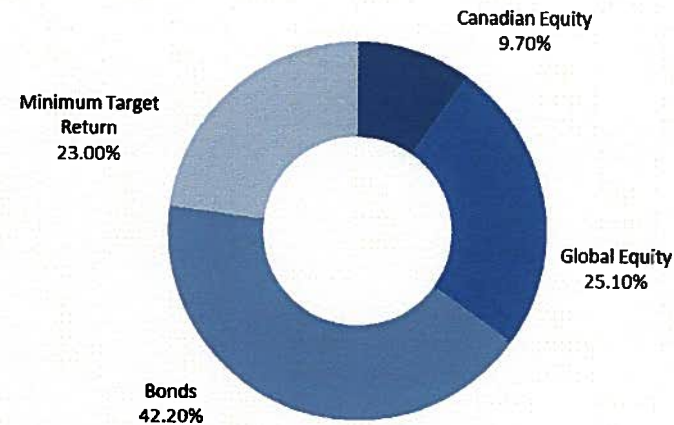


# Asset Mix – September 30, 2014

**Actual Asset Mix**  
As of September 30, 2014



**Asset Mix Policy**  
As of September 30, 2014



\*Effective September 30, 2014, the Policy Benchmark is 6.7% S&P/TSX Index + 3.0% S&P/TSX 60 + 2.6% S&P 500 Index (\$CAN) + 4.2% S&P 500 Index(\$USD) + 8.4% MSCI EAFE Index (\$CAN) + 3.3% MSCI Emerging Markets (CAN\$) + 6.60% MSCI World (CAN\$) + 42.2% Canadian Bonds + 23.0% Min. Target Return. Effective September 30, 2014, the Canadian Bond Policy was 46.4% DEX Universe Bond Index, and 53.6% 3-month Canadian Banker Acceptances.





# Market Index Returns

**US, global and emerging markets realized positive returns in Q3 2014;**

-0.59%	Canadian Equity (S&P/TSX Capped Index)
+6.17%	US Equity (S&P 500 C\$)
+1.13%	US Equity (S&P 500 U\$)
-1.19%	EAFE Equity (MSCI EAFE C\$)
+1.31%	Emerging Markets (MSCI EM C\$)
+2.72%	World Equity (MSCI World C\$)

**Stock returns have been positive in both the 1 and 4-year time periods.**

One-year period ending September 30, 2014:

+20.38%	Canadian Equity (S&P/TSX Capped Comp.)
+30.48%	US Equity (S&P500 C\$)
+19.73%	US Equity (S&P 500 U\$)
+13.61%	EAFE Equity (MSCI EAFE C\$)
+13.66%	Emerging Markets (MSCI EM C\$)
+22.27%	World Equity (MSCI World C\$)

Four-year period ending September 30, 2014:

+7.94%	Canadian Equity (S&P/TSX Capped Comp.)
+19.63%	US Equity (S&P500 C\$)
+17.12%	US Equity (S&P 500 U\$)
+9.70%	EAFE Equity (MSCI EAFE C\$)
+2.96%	Emerging Markets (MSCI EM C\$)
+14.31%	World Equity (MSCI World C\$)

**Corporate bonds have slightly underperformed universe bonds over the three months, but outperformed for 1 and 4 year periods.**

**Long bonds have outperformed universe bonds over the three months, 1 and 4 year periods.**

**Q3 2014:** +2.43% Canadian Long Duration Bonds (FTSE TMX Canada Long Government), +1.06% Canadian Universe Bonds (FTSE TMX Canada Universe) and +0.78% Canadian Corporate Bonds (FTSE TMX Canada All Corporate).

**One-year period ending September 30, 2014:** +10.95% Canadian Long Duration Bonds (FTSE TMX Canada Long Government), +6.34% Canadian Universe Bonds (FTSE TMX Canada Universe) and +6.57% Canadian Corporate Bonds (FTSE TMX Canada All Corporate).

**Four-year period ending September 30, 2014:** +6.07% Canadian Long Duration Bonds (FTSE TMX Canada Long Government), +4.24% Canadian Universe Bonds (FTSE TMX Canada Universe) and +5.07% Canadian Corporate Bonds (FTSE TMX Canada All Corporate).



## Fixed Income – Q3 Summary

- The MT's Fixed Income portfolio returned 0.82% which outperformed its benchmark return of 0.66% by 0.16%.
- The MT's Universe Bond returned 1.45%, outperforming the FTSE TMX Canada Universe Bond Index by 0.39% during Q3.
- The FTSE TMX Canada All Corporate Bond Index returned 0.78% in Q3 which weighed down on the performance of the FTSE TMX Canada Universe. The MT's corporate bond component of the FTSE TMX Canada Universe mandate returned 1.84%.
- Long duration bonds outperformed mid and short-term duration bonds. The FTSE TMX Canada Long Bond Index returned 2.28%, the FTSE TMX Canada Mid Bond Index returned 0.84%, and the FTSE TMX Canada Short Bond Index returned 0.37%.

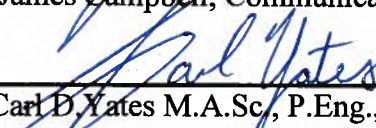


## Equity – Q3 Summary

- In absolute terms, the MT's Equity portfolio returned +1.12% during the quarter, outperforming the equity policy benchmark by +0.25%.
- International equity posted steep declines for the quarter due to concerns on global economic recovery and geopolitical risk. Canadian equity posted their first drop this year driven by a drop in energy and material sector. US equity had small positive return driven by large cap stocks.
- Within the Equity portfolio, the EAFE, Emerging Market and US equity allocations outperformed their benchmarks while the Canadian equity portfolio trailed its benchmark.

**TO:** Ken Meech, MPA, Chair, and Members of the Halifax Regional Water Commission Board

**SUBMITTED BY:**   
James Campbell, Communications & P.R. Coordinator

**APPROVED:**   
Carl D. Yates M.A.Sc., P.Eng., General Manager

**DATE:** January 13, 2015

**SUBJECT:** 2014 Annual Customer Survey

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### INFORMATION REPORT

#### ORIGIN

**Operational Requirement, Corporate Balanced Scorecard (CBS) Performance Measurement**

#### BACKGROUND/DISCUSSION

Since 2000, Halifax Water has been engaging Corporate Research Associates (CRA), a highly respected local research firm, to compile information on a number of topics critical to the operation of the utility as it relates to public confidence and perception. The questions generally focus on customer satisfaction with services and products provided for water and wastewater/stormwater services. For the 2014 survey, additional questions were added related to water taste and odours issues (ie.geosmin). The questions were added to get a sense of customer willingness to pay additional costs on their bills to improve odour or taste issues that are not a health concern. Surveys were conducted October 22-November 6, 2014 via telephone.

The overall results are based on 400 interviews with individuals from the HRM population. A sample of 400 respondents would be expected to provide results accurate to within plus or minus 4.9 percentage points in 95 out of 100 samples.

The results for this year continue to be stable and positive particularly in light of on-going, though reduced, customer concerns surrounding the issue of geosmin in the Pockwock water supply, a rate increase in place effective April 1, 2014, and the introduction of stormwater billing across our customer base.

Two of our Critical Success Factors as outlined in the Corporate Balanced Scorecard are: **High Quality Drinking Water and Service Excellence**. In these 2 categories the target for

organizational indicators is set high. Our target is 85% of customers rating drinking water as either good or excellent, and 90% of customers satisfied or very satisfied with overall service from Halifax Water.

This year's results indicate 82% of customers perceive water quality as good or excellent, effectively unchanged from 2013 results. A sub-category surveyed under drinking water quality was Water Safety. In this category Halifax Water came in at a very high 94% of customers rating our water as safe or very safe, consistent with 2013 ratings. These numbers continue to reflect favourably and speak to the overall quality, safety, and value customers place on our water, especially when geosmin is again taken into account.

For Service Excellence, 2 categories address this broader topic, Satisfaction with Halifax Water's Products & Services, and Satisfaction with Halifax Water's Overall Service Delivery. In these categories the results were 91% and 95% respectively. This represents a 2% increase in the Satisfaction with Halifax Water's Products & Services from 89% in 2013, and a repeat in Halifax Water's Overall Service Delivery from the 2013 results. These results are again favourable, when taken in the context of a third survey period where geosmin has been a factor for customers served by the Pockwock water supply, the introduction of stormwater billing across the rate base, and a rate increase which came into effect April 1, 2014.

We continue to monitor how well our public messaging related to the Pollution Prevention (P2) "Don't Dump This" program is recognized, and if the message is getting through.

The P2 campaign has been underway for a number of years. The targeted radio ad campaign continued last year, though the size of the campaign has been gradually reduced over the last few years with respect to the number of ads purchased and budget allocated. The focus continued on the issue of floatables/flushables and the proper disposal of a variety of products as they relate mainly to Halifax harbour, though other receiving waters are part of the messaging.

The results for campaign recognition were consistent with those in 2013. The results for intent of message, "Don't Dump Certain Products" increased from 78% in 2013 to 79%. Public recognition and message awareness related to the phrase, "Only Rain in the Storm Drain" decreased marginally from 80% in 2013 to 76%. With campaign message awareness remaining over 75% of those surveyed, it is clear the message continues to be heard and clearly understood, despite reduced investments in Radio and TV advertising.

Respondents also recognized related secondary campaign messaging in the categories of Pollution Prevention, Help Protect Halifax Harbour, Saving the Environment, and Increase Awareness/Educate People. This high level of primary and secondary message recognition continues to show excellent public awareness of harbour water quality related issues, flushables, and proper disposal practices.

There continues to be consistent customer support for Halifax Water's management of the wastewater and stormwater assets; the 2013 figure stood at 79% completely or mostly supporting. For 2014 the figure has decreased slightly to 76%. Halifax Water's overall public reputation as stewards of the water, wastewater & stormwater system continues to be strong. This support is again particularly gratifying in light of the significant rate increase, messaging around future infrastructure investments, the presence of geosmin, and the introduction of stormwater billing at the time of the survey.

This continued customer support reflects well as we continue to roll out long term programs such as the Integrated Resource Plan, new Regional Development Charge, and recent rate application. With another rate application hearing scheduled for February 23, 2015, continued targeted public messaging around the infrastructure deficit, regulatory compliance, asset renewal, system growth, and protection of the environment will help to keep the reasons for required rate increases clear for customers.

For the benefit of all staff, the survey has been placed on the Halifax Water Intranet, and hard copies distributed to all work locations.

Staff has been encouraged to take the time to read the survey results and provide any comments or suggestions they might have.

**ATTACHMENT**

**Copies of 2014 Annual Customer Survey Report**



# theurbanreport

Corporate Research Associates Inc. Fourth Quarter 2014

## Final Results

**Confidential**

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**Halifax Water**

*Prepared for:*

**Halifax Water**

**Fourth Quarter 2014**



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# Table of Contents

	<b>Page</b>
<b>Introduction .....</b>	<b>1</b>
<b>Executive Summary .....</b>	<b>2</b>
<b>Detailed Analysis .....</b>	<b>3</b>
<b>Water Issues .....</b>	<b>3</b>
<b>Odour and Taste Concerns .....</b>	<b>11</b>
<b>Safety of Halifax Harbour for Recreation .....</b>	<b>14</b>
<b>Customer Service Index.....</b>	<b>15</b>
<b>Water Source .....</b>	<b>16</b>
<b>Water Filter Use.....</b>	<b>18</b>
<b>Stormwater and Wastewater Systems.....</b>	<b>20</b>
<b>Electronic Billing .....</b>	<b>22</b>
<b>Information Campaigns.....</b>	<b>23</b>
<b>Study Methodology .....</b>	<b>25</b>
 <b>Appendices:</b>	
<b>Appendix A – Survey Questions</b>	
<b>Appendix B – Tabular Results</b>	
<b>Appendix C – Table Interpretation</b>	

## Introduction

Corporate Research Associates, Inc. (CRA) is pleased to present Halifax Water with the results of the **2014 Quality of Service Study**. Halifax Water commissioned questions on the Fourth Quarter 2014 *Halifax Urban Report* and the Fourth Quarter 2014 *CRA Atlantic Quarterly*<sup>®</sup>. These syndicated products provide information on consumer trends and public opinion on pivotal economic, political, social, and other issues across the region on a quarterly basis.

Information included this quarter from the *Halifax Urban Report* is based on telephone interviews with a sample of 400 adult residents of the Halifax, conducted from October 22 to November 6, 2014. A sample of 400 residents drawn randomly from the adult population of Halifax can be expected to yield a margin of sampling error of  $\pm 4.9$  percentage points in 95 out of 100 samples.

Halifax Water questions W1, W2, W3, W4, W5, W6a-e, W28, W29, W30, and W31 were also included on the *CRA Atlantic Quarterly*<sup>®</sup> survey. Information included this quarter from the *CRA Atlantic Quarterly*<sup>®</sup> is based on telephone interviews with 167 residents of Halifax conducted from November 7 to November 26, 2014. A sample of 167 residents drawn randomly from the adult population of Halifax can be expected to yield a margin of sampling error of  $\pm 7.6$  percentage points in 95 out of 100 samples.

Accordingly, the total sample size for questions asked on both the *Halifax Urban Report* and the *Atlantic Quarterly*<sup>®</sup> is 567. A sample of 567 residents can be expected to yield a margin of sampling error of  $\pm 4.1$  percentage points in 95 out of 100 samples. Of these 561 residents, 411 receive their household water from Halifax Water. A sample of 411 Halifax Water customers can be expected to yield a margin of sampling error of  $\pm 4.8$  percentage points in 95 out of 100 samples.

A copy of the questionnaire is appended (Appendix A), as well as comprehensive banner tables (Appendix B) that present the results for each question by key demographic subgroups. The tables are noted by number throughout the report for easy reference. Unless otherwise stated, all results in this report are expressed as a percentage.



## Executive Summary

Overall, results for the **2014 Quality of Service Study** indicate that Halifax Water is performing well, with a high proportion of the public offering positive ratings of the organization. Indeed Halifax Water's customer satisfaction index, which provides an overall assessment of service performance among Halifax Water customers and is calculated based on customers' ratings on six service-focused questions, remains high and shows an increasing trend over the past three years.

Changes are evident this year across various topics of interest. More residents are confident that the water quality of Halifax Harbour is safe for recreational use and electronic billing is more appealing to customers this year with almost six in ten indicating some level of interest.

In terms of the service Halifax Water provides, ratings for *overall delivery of service* are consistent compared with last year, however, ratings for key service indicators have rebounded after a period of decline. Specifically, ratings for *staff accessibility, promptness, ability to answer questions, and politeness* have improved. It is important to note that this increase in satisfaction for each of these indicators is related to a decrease in the number of residents who do not offer an opinion and not a decrease in the number of customers who are dissatisfied.

New this year, Halifax Water customers were asked their opinion on an increase in water rates to treat odour and taste that are not a health concern. Results indicate there is a low level of support for this service and among the minority who support it on average they are willing to spend approximately \$57 extra every year for this service.

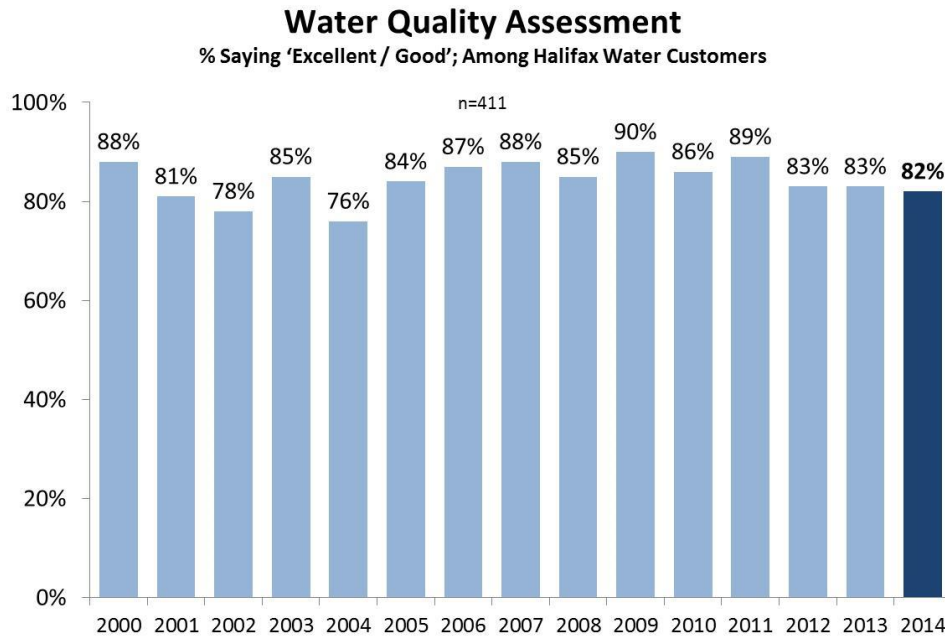
Overall, advertising awareness for the 'Don't Dump This' campaign is stable compared with 2013 and Halifax residents are clearly receiving the main message of the information campaign which is that certain products should not be dumped. Meanwhile, awareness of the 'Only Rain in the Storm Drain' advertisement is lower than the 'Don't Dump This' ad, and recall is down slightly from 2011 when recall was at its highest. Although recall is lower, the main message related to proper disposal of certain products is clear. Going forward, Halifax Water can be confident that the 'Don't Dump This' message is getting across to residents and should consider continuing this ad in the future.



## Detailed Analysis

### Water Issues

The number of Halifax Water customers offering a favourable assessment of their water quality is consistent compared with last year’s findings. Specifically, those who rate their water quality as *excellent* or *good* currently stands at 82 percent. (Table W1)

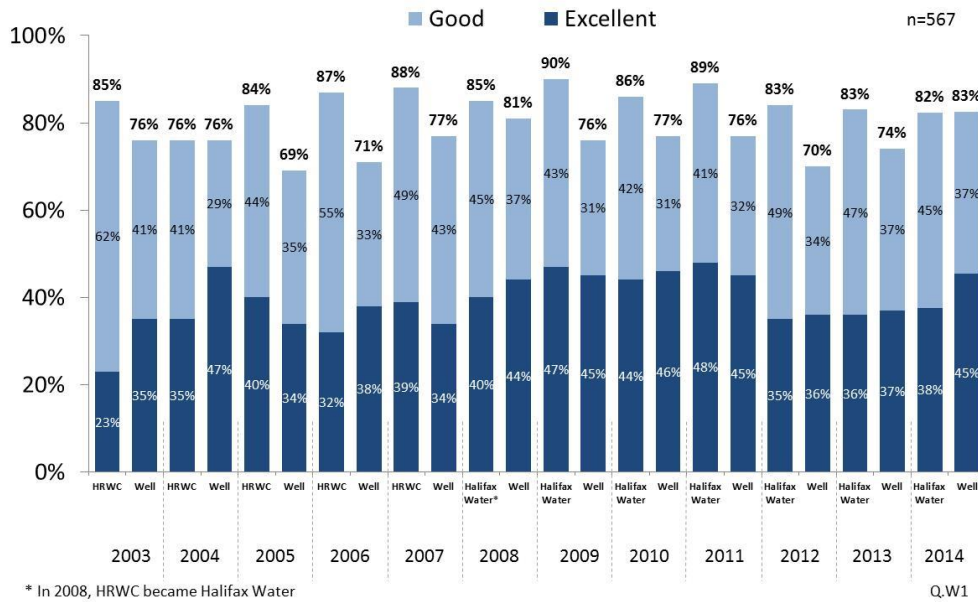


Q.W1

Across the population men are more likely than women to have a favourable rating. In addition, the likelihood of assigning favourable rating increases with household income. Unlike previous years, Halifax Water customers are equally as likely as those with a well to rate the quality of their water as *excellent* or *good*, mainly due to an increase in excellent ratings among well users.

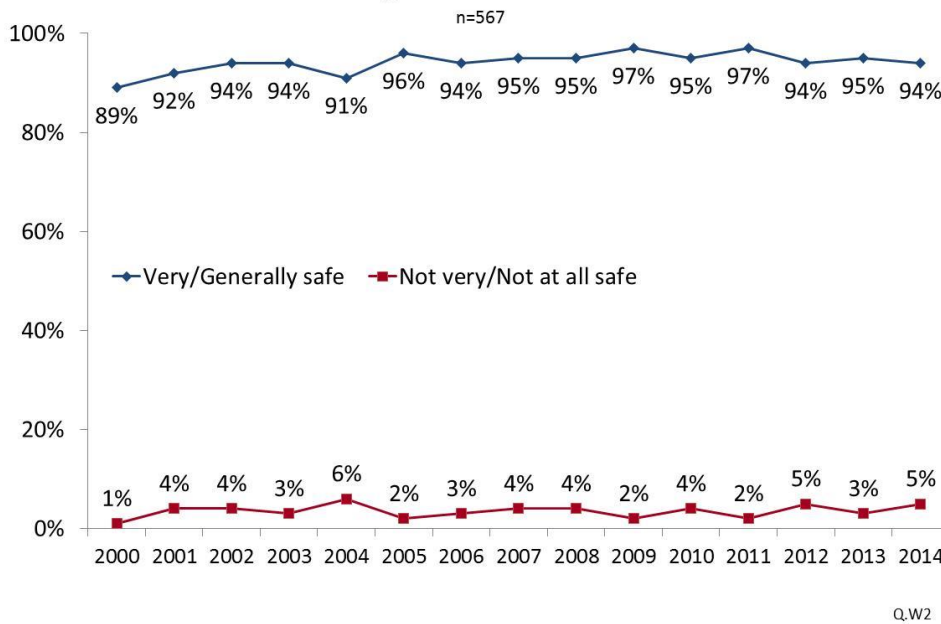


### Water Quality Assessment Halifax Water Compared With Well; % Saying 'Excellent/Good'

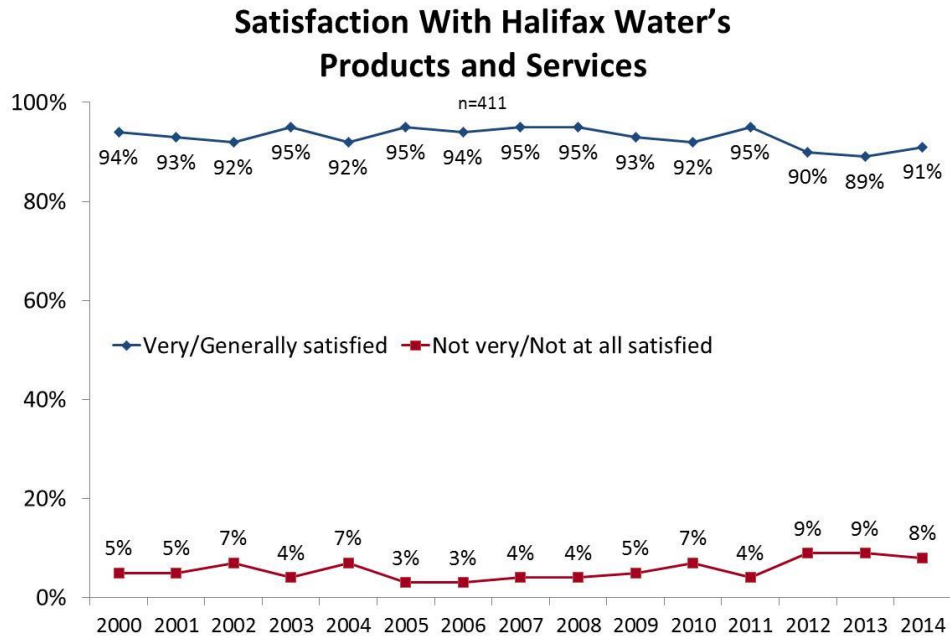


The vast majority of Halifax Water customers perceive their water as *very* or *generally* safe, while few rate their water as unsafe, similar to previous years. Regionally there is little difference in opinion while across the population, higher income earners are more likely to perceive their water as safe compared with lower income earners. (Table W2)

### Water Safety Assessment Among Halifax Water Customers



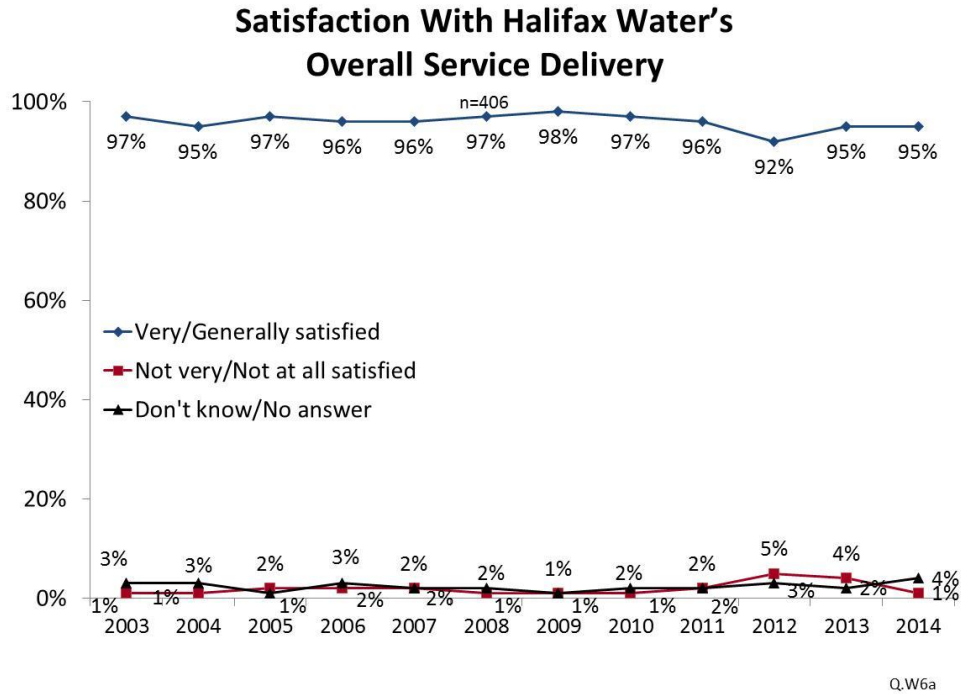
The vast majority of customers are *very or generally satisfied* with the products and services they receive from Halifax Water, similar to previous findings. Findings are consistent across the region and across demographic subgroups. (Table W5)



Q.W5

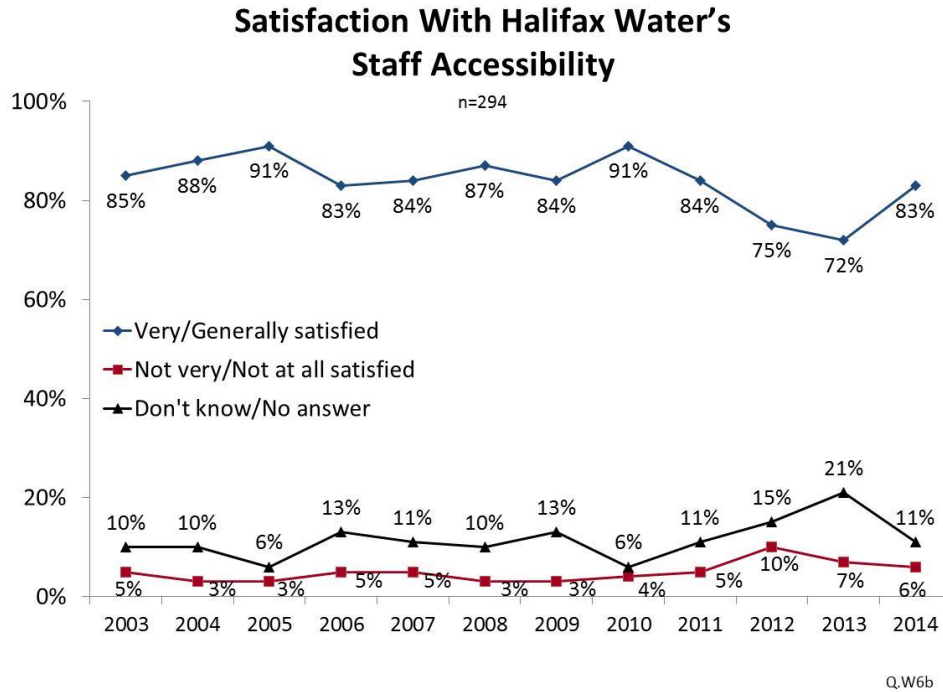


The number of customers satisfied with Halifax Water’s **overall delivery of service** is stable compared with last year’s findings. Specifically, 95 percent (unchanged) offers a rating of *very* or *generally satisfied*. Across the region no significant difference of opinion with regards to service delivery is apparent. Across the population, residents aged 55 years or older and those with less than a high school education offer lower ratings of Halifax Water’s delivery of service. (Table W6a)

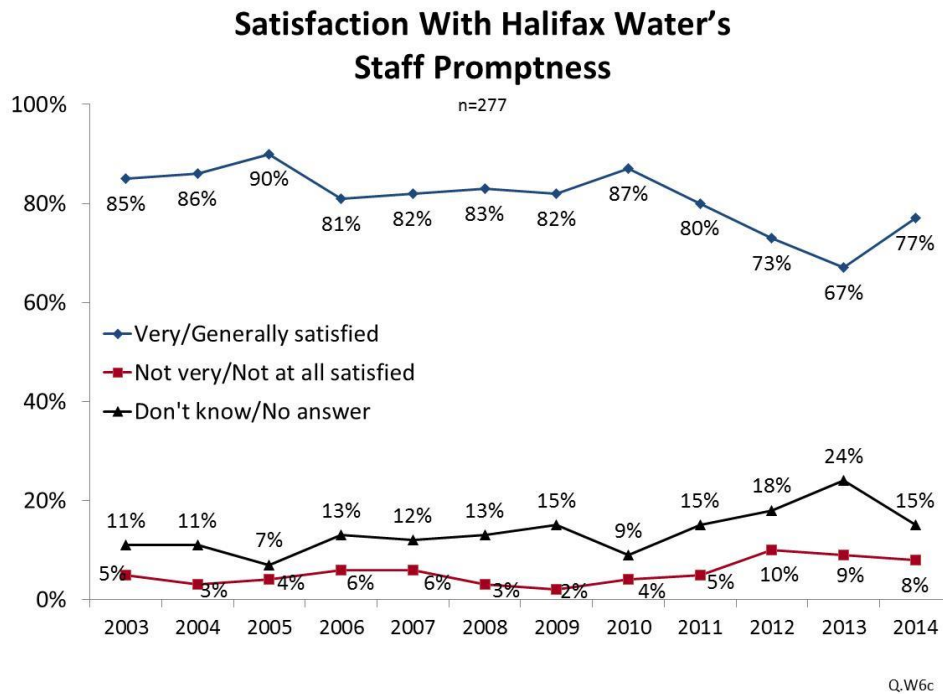




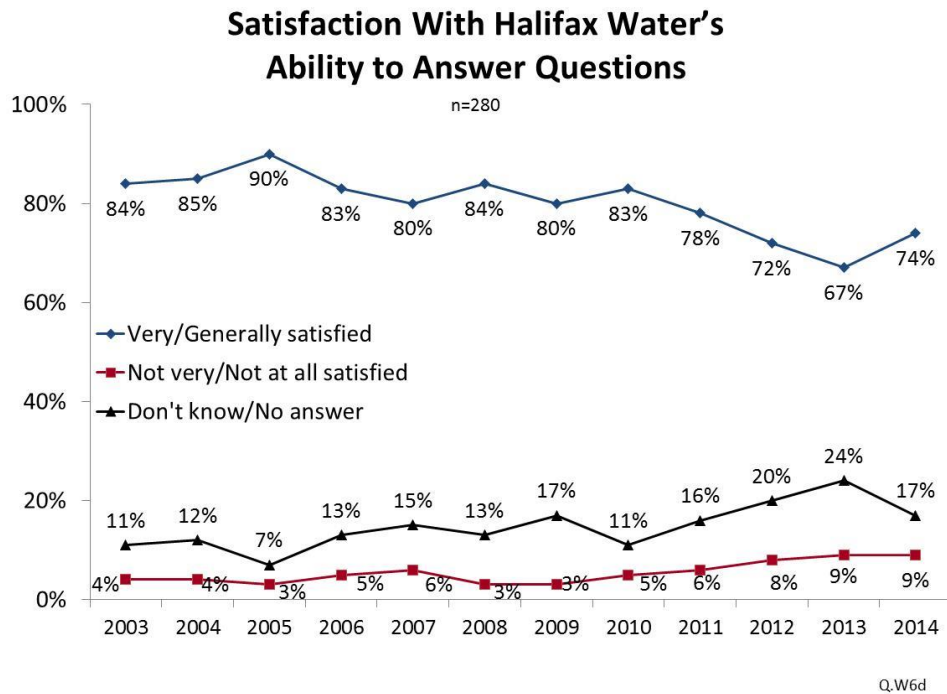
The vast majority of customers are satisfied with Halifax Water’s staff **accessibility**, an increase from last year. This increase is the result of a decline in the proportion of residents not offering a response (11%, down from 21%). There is little difference in opinion across the region and among demographic subgroups. (Table W6b)



A majority of customers remain satisfied with the **promptness** of Halifax Water staff (i.e., how quickly staff were able to respond to questions), with an increase noted this year. Again, the dissatisfaction proportion has not declined on this matter, rather the rate of residents not offering an opinion has decreased from 24 percent to 15 percent. Ratings in this regard are similar across the region while resident in the middle income category are more likely than others to be satisfied with the promptness of Halifax Water staff. (Table W6c)

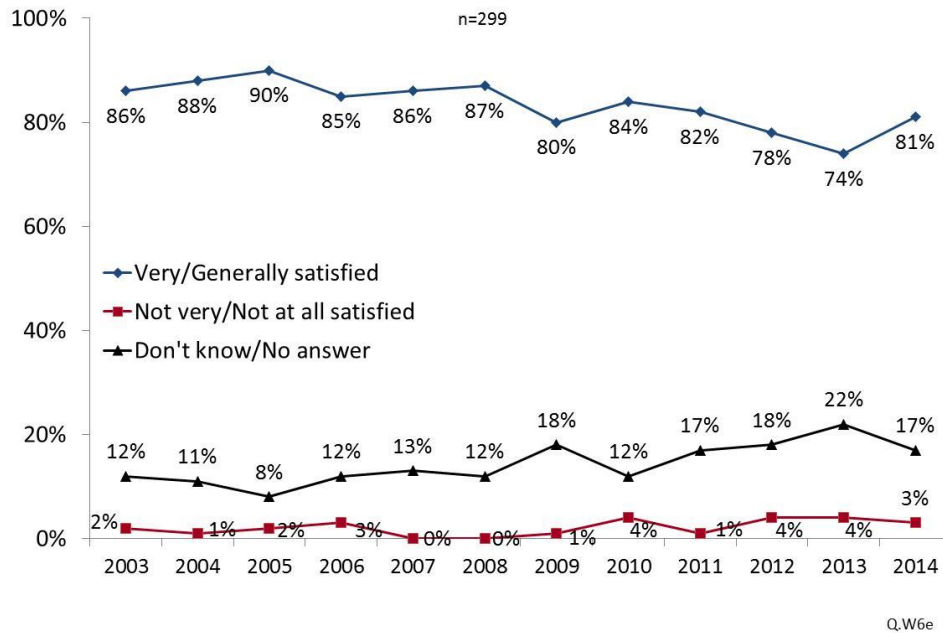


Satisfaction with Halifax Water’s **ability to answer questions** rebounded this year. Approximately three-quarters of customers offer a rating of *very* or *generally satisfied*. Again, the dissatisfaction rate has not declined on this matter, rather the rate of residents not offering an opinion has decreased from 24 percent to 17 percent. Ratings are similar across the region, while across the population, residents aged 35 to 54 years are more likely than others to be satisfied with Halifax Water staff’s ability to answer questions. (Table W6d)



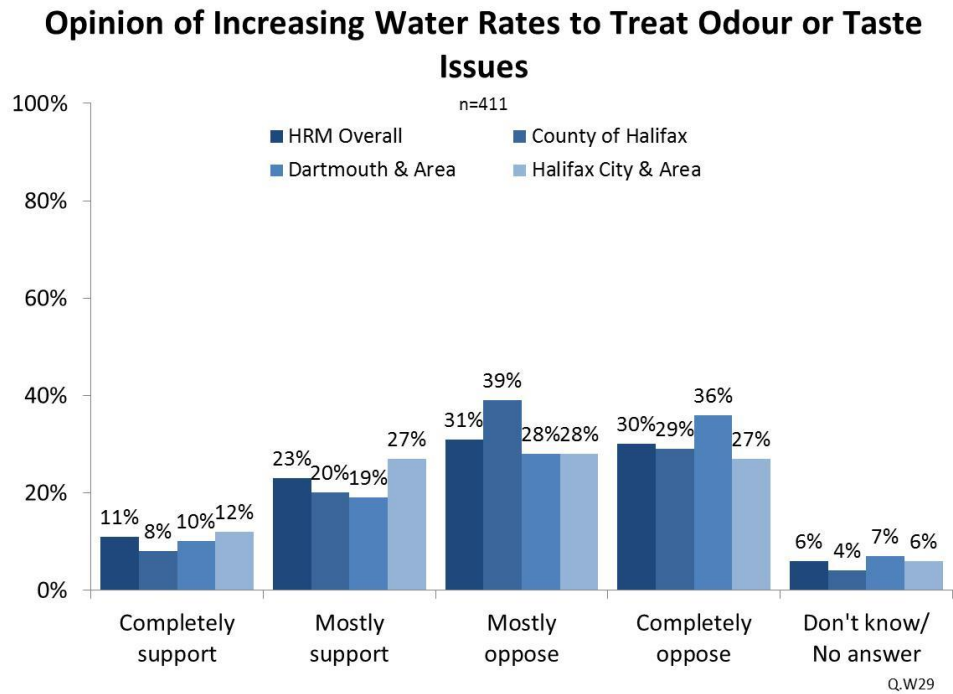
Similar to other Halifax Water services, the **politeness** of Halifax Water staff ratings have also improved slightly this year, with eight in ten offering a rating of *very* or *generally satisfied*. Of note, one-half offer the highest rating and are *very satisfied* in this regard. Satisfaction with politeness of staff is similar across the region, while across the population residents aged 35 to 54 years are more likely to be satisfied in this regard. (Table W6e)

### Satisfaction With Halifax Water’s Politeness



## Odour and Taste Concerns

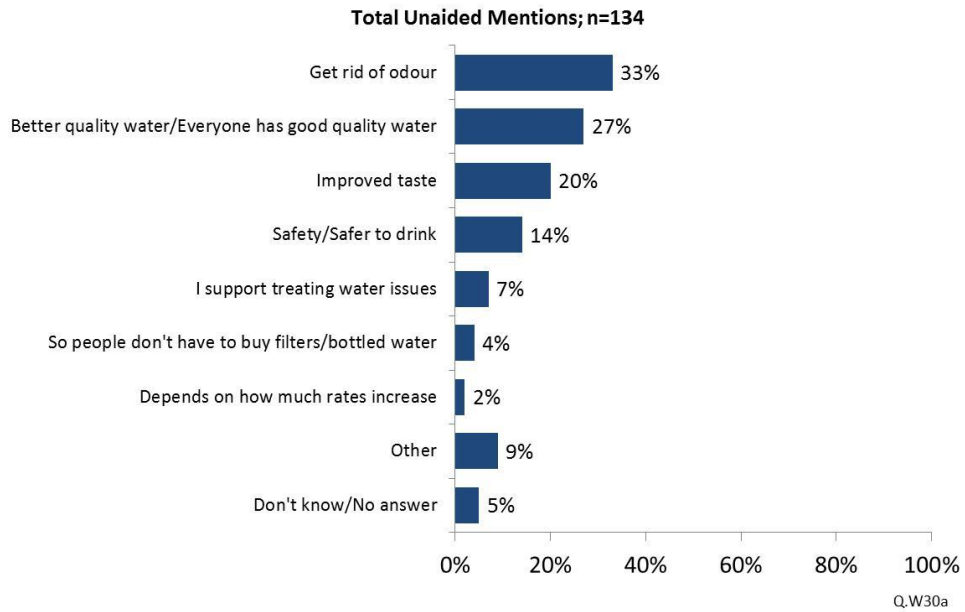
New this year, Halifax Water customers were asked whether they would support or oppose an increase in water rates to treat odour or taste issues that are not a health concern. Results indicate a majority oppose the idea of increasing water rates for this purpose with six in ten opposing the rate increase and one-third in support. Regionally, residents in the city of Halifax are more likely to support this increase in water rate while across the population, opposition increases with higher income. (Table W29)



Customers offer a variety of reasons why they support an increase in their water rates to treat odour or taste issues that are not a health concern. Over one-third mention getting rid of the **odour**, while one-quarter indicate **better quality water**. Other mentions by a few customers include **improved taste, safety, general support of water treatment issues, reduction of filters or bottled water**, and it **depends on rate increase**. (Table W30a)

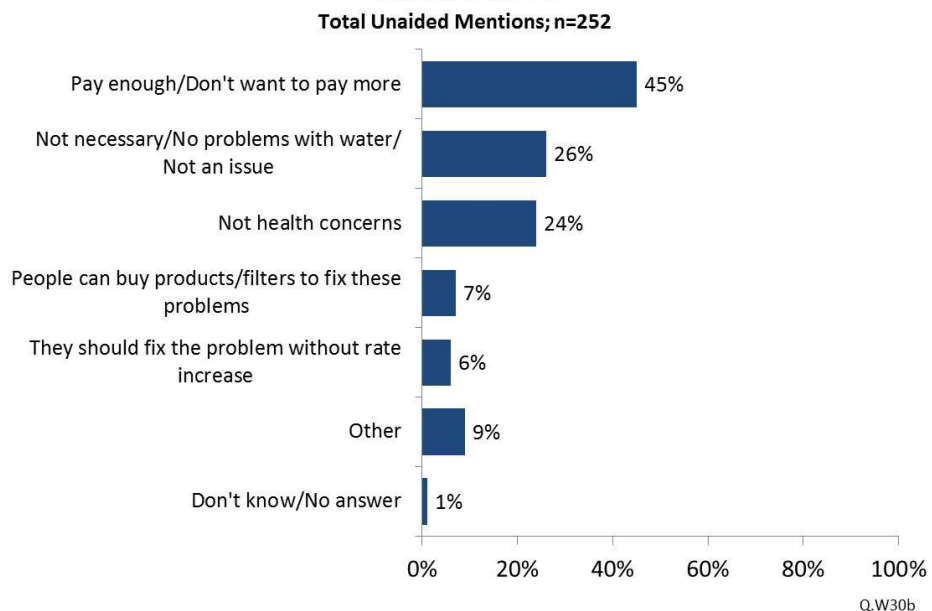


### Support an Increase in Water Rates to Treat Odour or Taste Issues



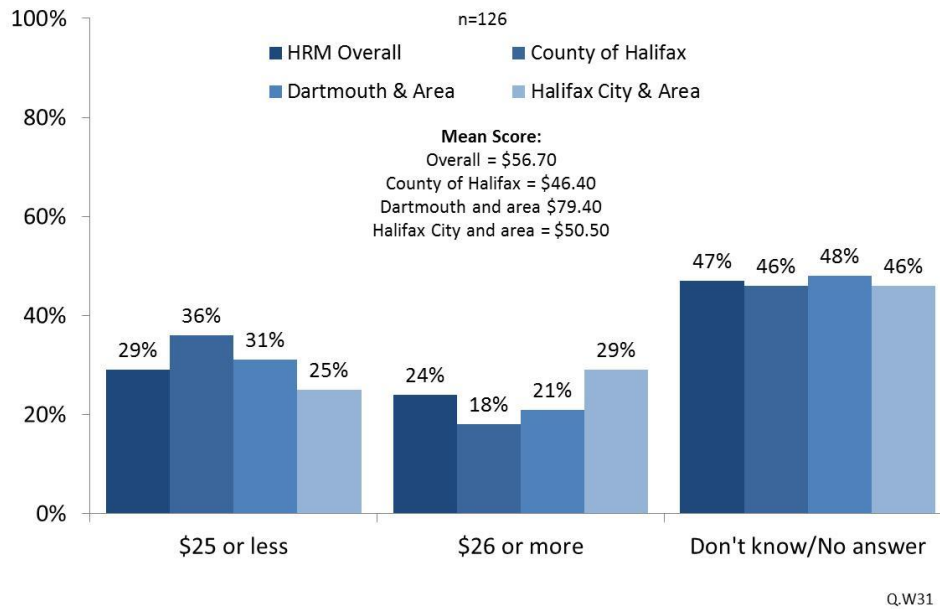
Of those who oppose an increase in water rates to treat odour or taste issues, over four in ten mention they **do not want to pay more** as a reason to oppose a rate increase such as this, whereas one-quarter each mention **it is not necessary** or that it is **not a health concern**. Other mentions by a smaller proportion of customers include the fact that **people can buy filters to fix this problem** and that **Halifax Water should fix the problem without a rate increase**. (Table W30b)

### Oppose an Increase in Water Rates to Treat Odour or Taste Issues



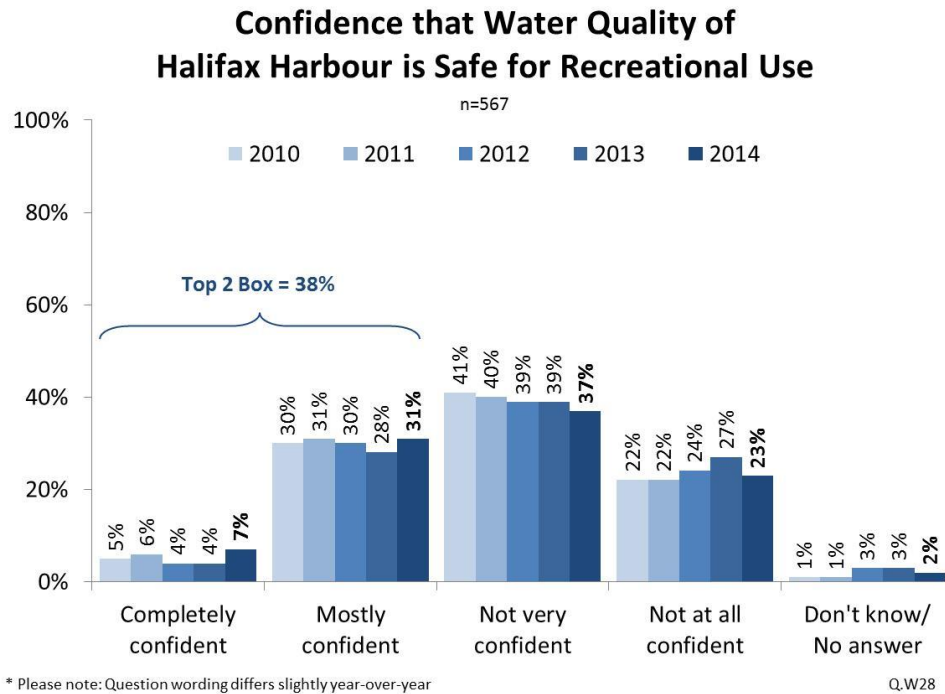
Among those who support an increase in water rates to improve odour or taste issues that are not a health concern, on average, customers are willing to spend approximately \$57 extra every year for this service. Specifically, three in ten would pay \$25 or less annually, while one-quarter would pay more. Meanwhile, one-half are not sure how much they would be willing to pay. Regionally, residents living in Dartmouth are willing to pay more for this service (mean score of \$79.40), while across the population, younger residents, those who have completed high school (but not higher), and residents with a household income of less than \$50K are willing to pay more. (Table W31)

### Amount Willing to Pay Annually to Improve the Odour and Taste of Your Water



## Safety of Halifax Harbour for Recreation

More residents this year compared with 2013 are confident that the water quality of Halifax Harbour is safe for recreational use. Specifically four in ten residents are *completely* or *mostly confident*, while six in ten have concerns and indicate they are *not very* or *not at all confident* in the water quality in the Halifax Harbour. Regionally, Dartmouth residents are less confident in this regard compared to others in the region. Across the population, men are more likely to be confident compared with women. (Table W28)





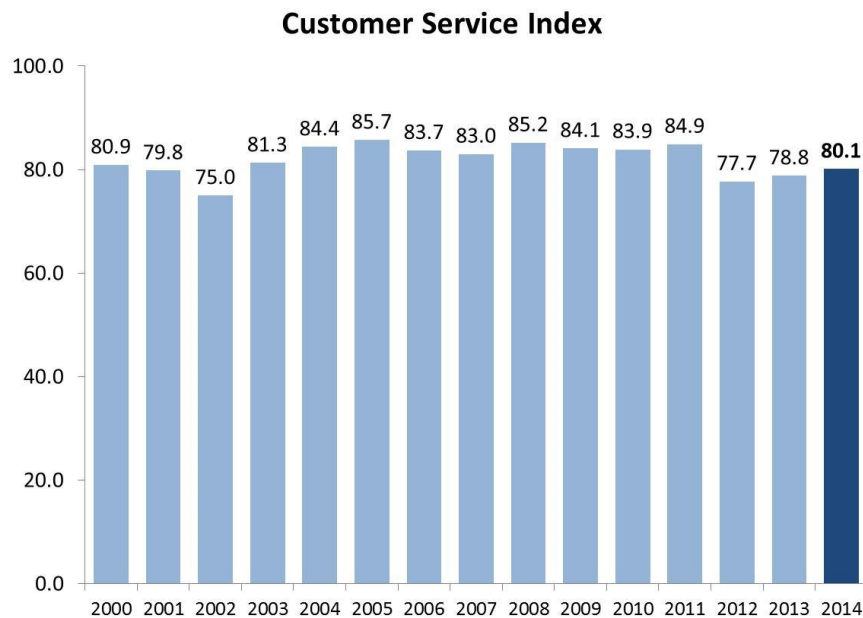
## Customer Service Index

Once again, CRA is pleased to present the Halifax Water Customer Service Index (CSI). To provide an overall assessment of service performance, the CSI was calculated based on customers' ratings on six service-focused questions, namely:

- Overall satisfaction with the Halifax Water (QW5);
- Satisfaction with overall service delivery (QW6a);
- Satisfaction with accessibility of Halifax Water staff (QW6b);
- Satisfaction with promptness of Halifax Water in responding to questions (QW6c);
- Satisfaction with Halifax Water's ability to answer questions (QW6d); and
- Satisfaction with the politeness of Halifax Water staff (QW6e).

The Index contains only those Halifax residents who receive Halifax Water products and services. In calculating Index scores for each year, ratings on these six questions were averaged and transformed into a scale ranging from a low of 0 to a high of 100. Thus, the maximum possible score on the CSI is 100, while the minimum is 0. Any question for which a customer did not provide a response was eliminated from the calculation, with the Index score for that customer being calculated on the remaining questions.

In 2014, the Customer Service Index is stable at 80.1 although small gains are evident over the past three years. Dartmouth area customers have a slightly lower index score, while those in the middle income category have a higher index score compared with others.

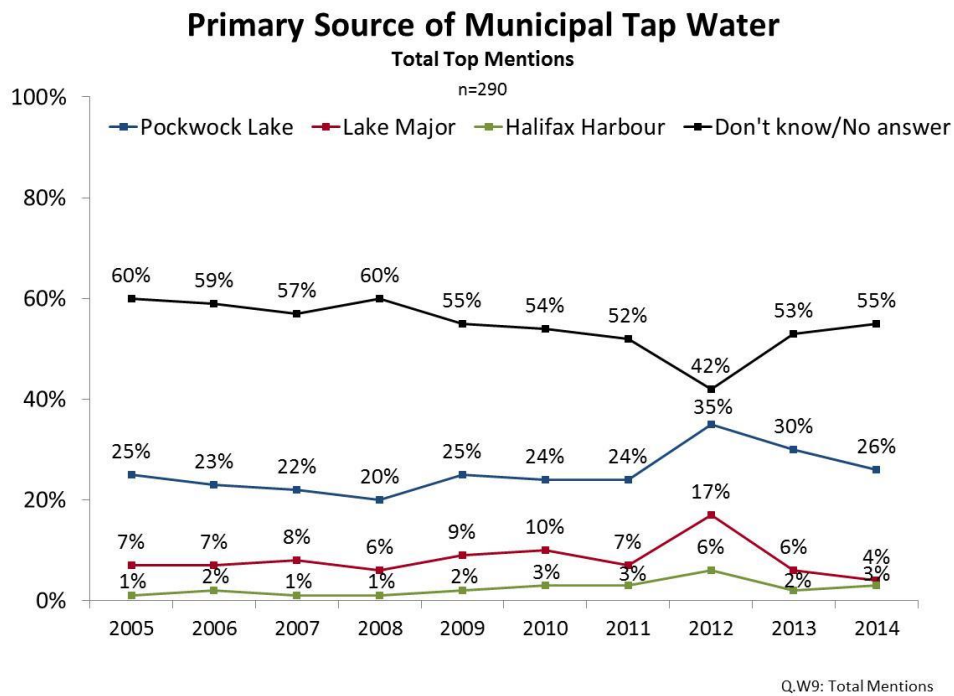


Please note: Results prior to 2011 only include residents who own their home. In 2011, the index calculation includes all Halifax Water residents.

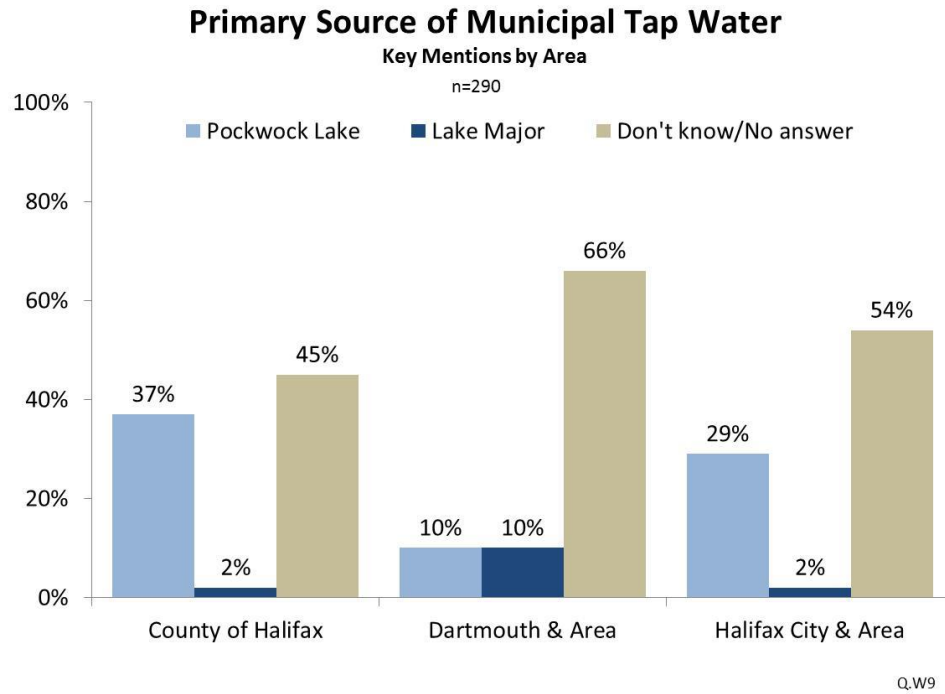


## Water Source

Similar to last year, over one-half of Halifax Water customers cannot name the source of their tap water. One-quarter of customers name Pockwock Lake as the primary source, while a small number mention other sources. Dartmouth residents, women, and younger residents are more likely than others to be unsure of the source of their tap water. (Table W9)

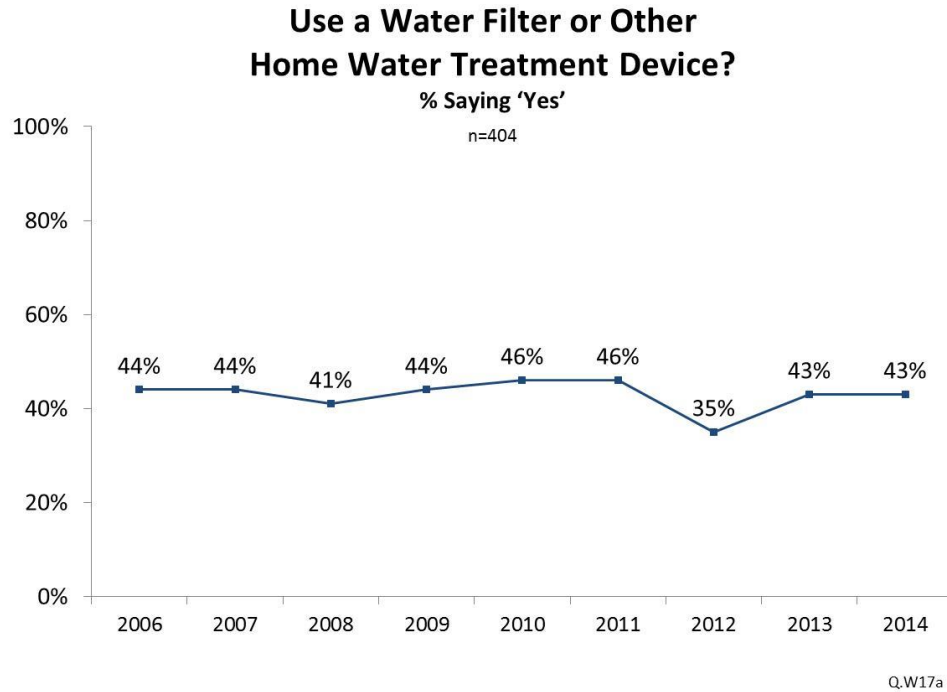


Regionally, residents outside of Dartmouth are more likely to mention Pockwock Lake as the primary source of tap water, while those in Dartmouth are more likely than others in the region to name Lake Major as the primary source of their tap water. (Table W9)



## Water Filter Use

Stable with last year, over four in ten Halifax residents use a water filter or home water treatment device. Across Halifax, County residents are most likely and Dartmouth residents least likely than others to use such a device. Across the population, likelihood of using such a device increases with the level of education. Finally, residents on a well are much more likely than Halifax Water customers to use a water filtration device. (Table W17a)



In terms of the type of water filter or home treatment device, three in ten Halifax residents report using a **pitcher with a water filter**. Approximately two in ten use a **water softener system**, while slightly fewer use a **water filter on their tap or a fridge filter**. Meanwhile, one in ten use **Ultra-violet purification system**. Other mentions are noted by less than one in ten Halifax residents. (Table W17b)

<b>Type of Water Filter or Other Home Treatment Device Used</b>									
Key Mentions; n=168									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Pitcher with water filter	54%	42%	43%	33%	33%	37%	21%	44%	<b>31%</b>
Water softener system	5%	1%	7%	12%	11%	9%	9%	10%	<b>18%</b>
Water filter on tap	21%	19%	19%	18%	16%	10%	33%	14%	<b>16%</b>
Fridge filter/ Part of refrigerator	-	2%	3%	6%	10%	10%	15%	10%	<b>14%</b>
Ultra-violet purification system	3%	2%	4%	0%	3%	5%	2%	4%	<b>9%</b>

W17b: Total Mentions



Halifax residents offer a number of reasons why they use a water filter or home treatment device. One-third of residents do so to **remove chemicals**, while one-quarter use a filtration system to **improve taste**. Meanwhile, two in ten residents report using a filtration device because they are **concerned about water quality**, while approximately one in ten do so to **remove bacteria**. (Table W17c)

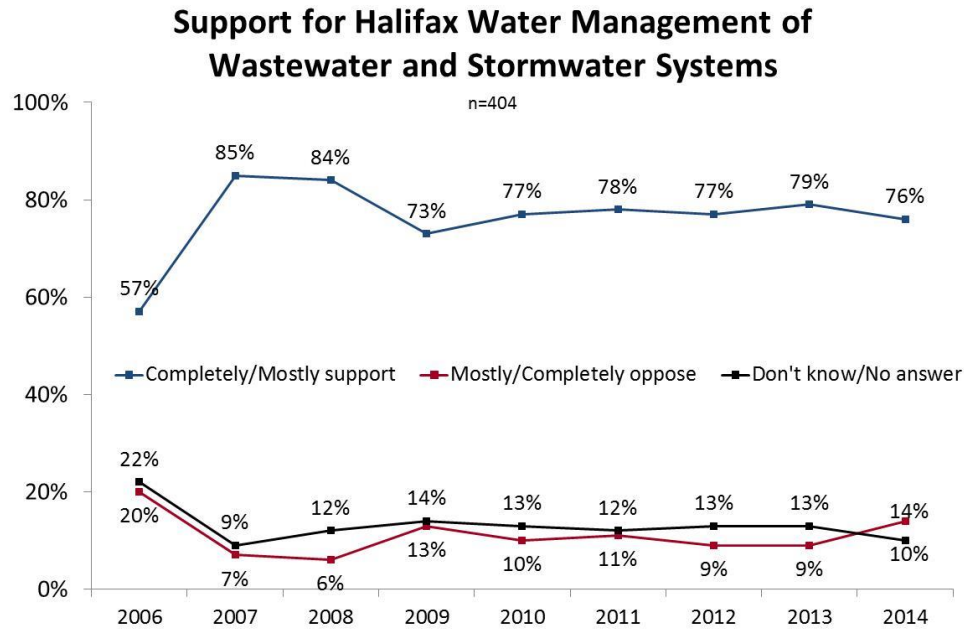
Why Use a Water Filter or Other Home Treatment Device							
Key Mentions; n=168							
	2008	2009	2010	2011	2012	2013	2014
To remove chemicals	23%	24%	32%	21%	27%	27%	<b>33%</b>
Improved taste	33%	32%	33%	31%	36%	36%	<b>25%</b>
Concerns about water quality	18%	29%	20%	25%	23%	19%	<b>20%</b>
To remove bacteria	8%	7%	8%	8%	23%	9%	<b>8%</b>

W17c: Total Mentions



## Stormwater and Wastewater Systems

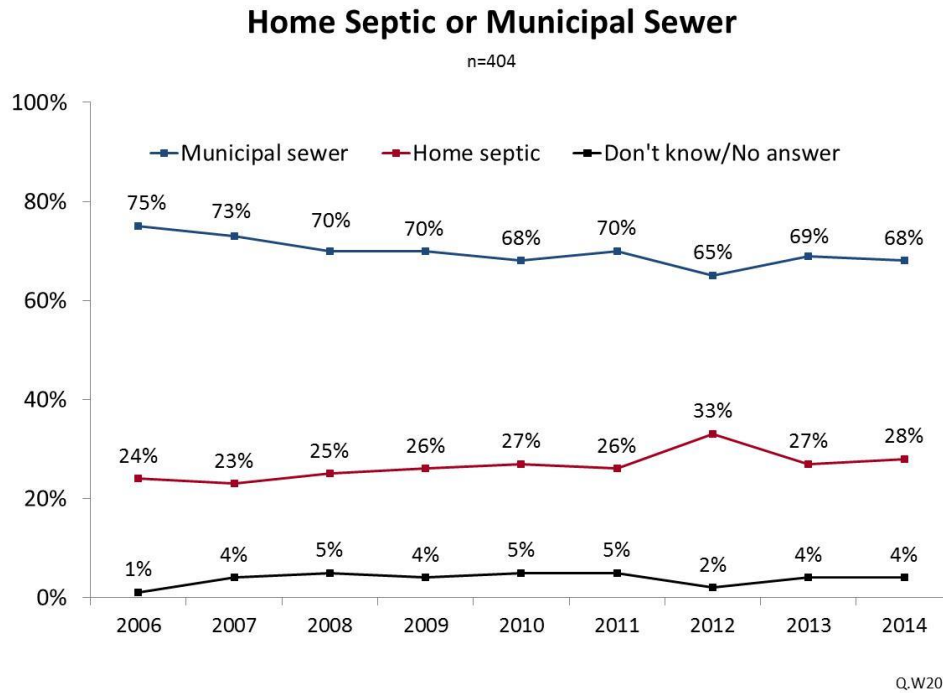
Three-quarters of Halifax residents support Halifax Water managing the wastewater and stormwater systems, consistent with previous years. Regionally, Halifax city residents are more likely to offer their support while those outside Halifax and Dartmouth are least likely. Meanwhile, younger residents and those with higher levels of education are more likely in support. In addition, Halifax water customers are much more likely than those on well to lend support. (Table W19)



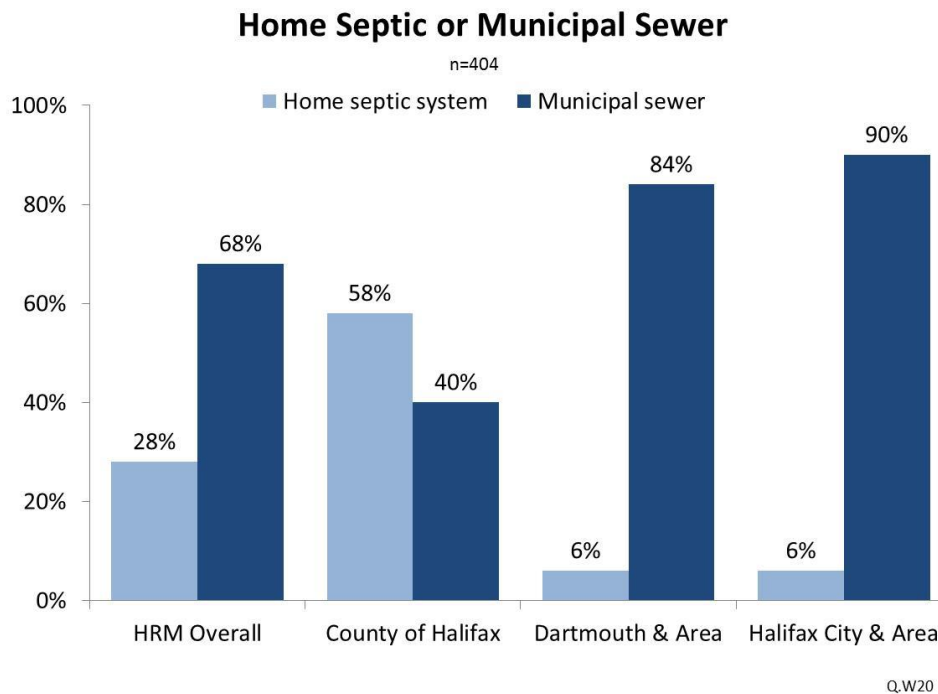
Q.W19



Seven in ten Halifax residents are on municipal sewer, while three in ten are on a home septic system. Results are similar to last year. (Table 20)

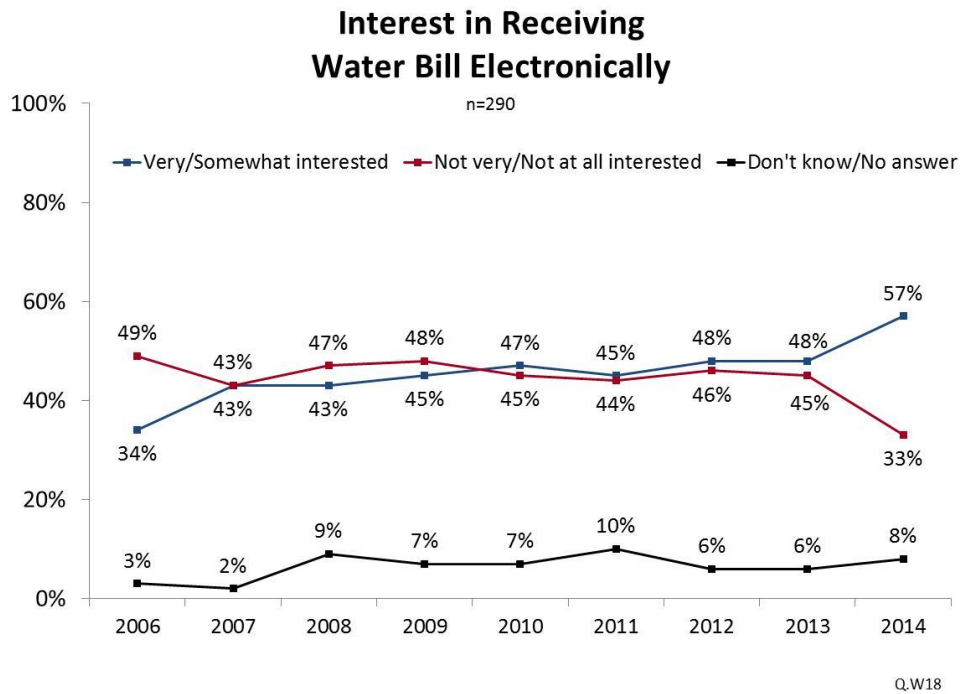


Across the region, residents of Halifax County (outside of Halifax and Dartmouth) are much more likely to be on a home septic system, while those in the former cities of Halifax and Dartmouth are more likely to be on municipal sewer. Results are consistent with previous findings.



## Electronic Billing

More Halifax Water customers are interested in electronic billing this year with just under six in ten indicating some level of interest. Across the region, Dartmouth residents are less likely to be interested in receiving a water bill electronically, as are residents 55 years or older, those with lower levels of education, and lower income earners. (Table W18)





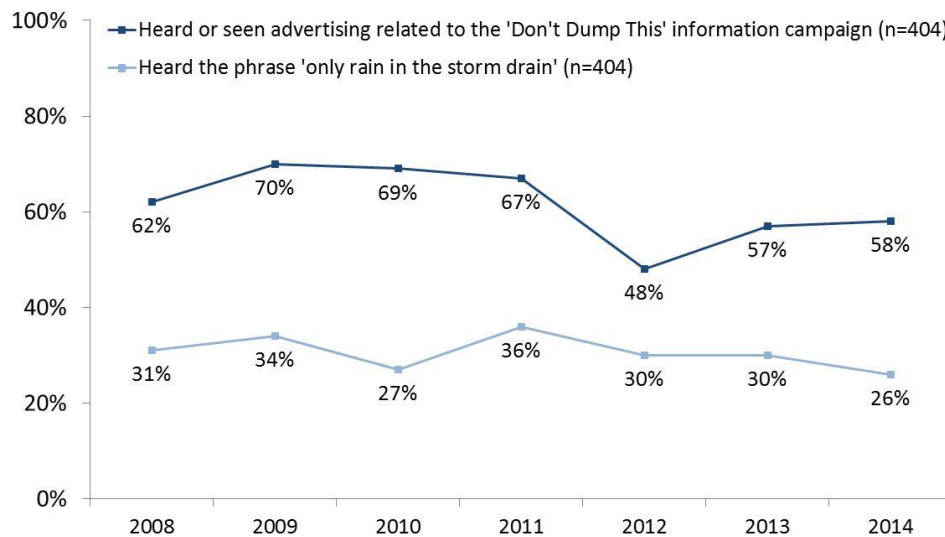
## Information Campaigns

Awareness levels of the ‘Don’t Dump This’ information campaign remains high and is consistent with last year. Meanwhile, awareness of the ‘Only Rain in the Storm Drain’ campaign is stable this year although a declining trend in recall is apparent from 2011 when recall levels were at their highest for this campaign.

Those most likely to be aware of the ‘Don’t Dump This’ campaign include younger residents under 55 years of age, those with higher levels of education, and residents in the higher income categories. Awareness of ‘Only Rain in the Storm Drain’ is higher among middle income earners. (Tables W21 and W23)

### Awareness of Information Campaigns

% Saying ‘Yes’



Q.W21 & Q.W23

Eight in ten residents who recall the campaign ‘Don’t Dump This’ mention that the main message of the campaign is to **not dump certain products**, while approximately one in seven state the main message is **pollution prevention**. Meanwhile one in ten mention the **environment** or that it **helps protect the Halifax Harbour**. (Table W22)

Main Message of the ‘Don’t Dump This’ Information Campaign							
Among those who recall advertising – Key Mentions; n=227							
	2008	2009	2010	2011	2012	2013	2014
Don't dump certain products	79%	73%	81%	76%	67%	78%	<b>79%</b>
Pollution prevention	13%	16%	15%	16%	30%	19%	<b>15%</b>
The environment	7%	8%	5%	5%	17%	12%	<b>11%</b>
Help protect Halifax Harbour	-	25%	17%	11%	12%	14%	<b>9%</b>

W22: Total Mentions



Among those who are aware of the ‘Only Rain in the Storm Drain’ campaign, three-quarters believe the main message is to **not dump certain products**. One in six indicates **pollution prevention**, while one in ten report that **only rain should go in the storm drain**. A small number also mention **the environment and helps protect the harbour**. (Table W24)

Main Message of the Phrase ‘Only Rain in the Storm Drain’ Among those who have heard the phrase – Key Mentions; n=108							
	2008	2009	2010	2011	2012	2013	2014
Don't dump certain products	77%	71%	72%	73%	64%	80%	<b>76%</b>
Pollution prevention	12%	12%	15%	17%	21%	19%	<b>17%</b>
Only rain should go in there	14%	15%	7%	8%	5%	6%	<b>11%</b>
Saving the environment/The environment	1%	5%	4%	3%	11%	10%	<b>6%</b>
Help protect harbour	-	4%	3%	4%	10%	8%	<b>1%</b>

W24: Total Mentions

The Internet is the preferred method to access information related to Halifax Water’s pollution prevention and water, wastewater, stormwater programs. Specifically, over six in ten Halifax residents prefer to access this information via the **Internet**, while one in ten each prefer **television** or **newspaper**. Other mentions by fewer residents include **phone, brochures, or radio**, among others. (Table W26)

Most Preferred Method for Accessing Pollution and Water Programs Information in Halifax Key Mentions; n=404							
	2008	2009	2010	2011	2012	2013	2014
Internet (general)	48%	53%	52%	51%	50%	54%	<b>63%</b>
Newspaper	20%	23%	20%	15%	21%	15%	<b>11%</b>
TV	15%	23%	19%	14%	23%	12%	<b>11%</b>
Phone/Would call them	3%	2%	2%	4%	13%	3%	<b>8%</b>
Brochures	10%	6%	4%	7%	3%	8%	<b>6%</b>
Radio	6%	10%	7%	7%	12%	9%	<b>5%</b>

W26: Total Mentions



## Study Methodology

### Questionnaire Design

The questions commissioned by Halifax Water and used in this study were designed by Corporate Research Associates Inc., in consultation with Halifax Water staff.

### Sample Design and Selection

Halifax Water questions were fielded on CRA's *Halifax Urban Report* survey, in addition to some questions being fielded on the Halifax portion of CRA's *Atlantic Quarterly*® survey.

#### Urban Report

The sample for this study was drawn using systematic sampling procedures from a list of randomly-selected households compiled from listed telephone numbers in Halifax, drawn from a database that is updated quarterly. The sample was selected to match the geographical distribution of the population within the region and was designed to complete interviews with a representative sample of 400 adult residents, 18 years of age and older, of Halifax.

#### *Atlantic Quarterly*®

The sample for this study was drawn using systematic sampling procedures from a list of randomly-selected households compiled from listed telephone numbers in Nova Scotia, drawn from a database that is updated quarterly. The sample was selected to match the geographical distribution of the population within the province and was designed to complete interviews with a representative sample of 400 adult residents, 18 years of age and older of Nova Scotia. Of these, 167 were conducted with residents of Halifax.

### Survey Administration

#### Urban Report

The survey was conducted by telephone from October 22 to November 6, 2014. All interviewing was conducted by fully-trained and supervised interviewers and a minimum of 10 percent of all completed interviews were monitored or subsequently verified.

#### *Atlantic Quarterly*®

The survey was conducted by telephone from November 7 to November 26, 2014. All interviewing was conducted by fully-trained and supervised interviewers and a minimum of 10 percent of all completed interviews were monitored or subsequently verified.



## Completion Results

### Urban Report

Among all eligible respondents contacted, the rate of interview completion was 19 percent. Completion rate is calculated as the number of cooperative contacts (1 389) divided by the total of eligible numbers attempted (7 306).

The final disposition of all telephone numbers called is shown below in the *Marketing Research and Intelligence Association's (MRIA) Standard Record of Contact Format*.

COMPLETION RESULTS	
<b>A. Total Numbers Attempted</b>	<b>8 016</b>
Disconnect / Not in service/Blocked	491
Fax / Modem	97
Cell Phone / Pager	5
Non Residential Number / Incorrect Number	117
Duplicate	0
<b>B. Eligible Numbers</b>	<b>7 306</b>
Busy	69
Answering Machine	2 111
No Answer	985
Scheduled Call Back / Mid Call Back / Qualified Not Available	246
Illness / Incapable	15
Language Problem	48
<b>C. Total Asked</b>	<b>3 832</b>
Respondent / Gatekeeper Refusal	1 359
Mid Terminate / Hang up	807
Never Call List	277
<b>D. Co-operative Contacts</b>	<b>1 389</b>
Did Not Qualify / Quota Full	985
<b>Complete</b>	<b>404</b>



**Atlantic Quarterly®**

Among all eligible Nova Scotia residents contacted, the response rate was 15 percent. Response rate is calculated as the number of cooperative contacts (917) divided by the total number of eligible telephone numbers called (6 314).

The final disposition of all telephone numbers called is shown below in the *Marketing Research and Intelligence Association’s (MRIA) Standard Record of Contact Format*.

COMPLETION RESULTS	
<b>A. Total Numbers Attempted</b>	<b>6 569</b>
Disconnect / Not in service/Blocked Number	82
Fax / Modem	81
Cell Phone / Pager	1
Non Residential Number / Incorrect Number	89
Duplicate	2
<b>B. Eligible Numbers</b>	<b>6 314</b>
Busy	38
Answering Machine	1 637
No Answer	995
Scheduled Call Back / Mid Call Back / Qualified Not Available	155
Illness / Incapable	9
Language Problem	34
<b>C. Total Asked</b>	<b>3 446</b>
Respondent / Gatekeeper Refusal	1 153
Mid Terminate / Hang up	1 164
Never Call List	212
<b>D. Co-operative Contacts</b>	<b>917</b>
Did Not Qualify / Quota Full	517
<b>Complete</b>	<b>400</b>



### Sample Distribution

The overall results are based on 567 interviews with individuals from the Halifax population. A sample of 567 respondents would be expected to provide results accurate to within plus or minus 4.1 percentage points in 95 out of 100 samples.

Region	Sample Distribution	
	Sample	Margin of Error
County of Halifax	247	± 6.2%
Dartmouth and Area	132	± 8.5%
Halifax City and Area	187	± 7.2%
<b>Halifax Water Customers</b>		
Halifax Water Customers	411	± 4.8%
Halifax	567	± 4.1%

<sup>1</sup>95% confidence interval

