

Ray Ritcey, Chair Halifax Water Halifax, Nova Scotia

\*REVISED

The regular meeting of the Halifax Water Board will be held on Thursday, March 30, 2017 at 9:00 a.m. in the Boardroom at 450 Cowie Hill Road, Halifax.

#### **AGENDA**

#### **In Camera Reports**

- 1C Approval of Minutes of the In-Camera Meeting held on Thursday, February 2, 2017
- 2C Business Arising from Minutes a)
- 3C Governance Matter (30 minutes)
- 4C Personnel Matter Report to Follow (10 minutes)
- 5C Personnel Matter Report to Follow (15 minutes)

#### **In Camera Information Reports**

- 1-IC Governance Matter
- 2-IC Personnel Matter

#### **Regular Reports**

- 1. a) Ratification of In-Camera Motions
  - b) Approval of the Order of Business and Approval of Additions and Deletions (5 minutes)
- 2. Approval of Minutes of the Regular Meeting held on Thursday, February 2, 2017
- 3. Business Arising from Minutes
  - a) Contractual Matter (15 minutes) Moved to "In Camera"
- 4. Operating Results for the Eleven Months Ended February 28, 2017 (5 minutes)
- 5. Capital Projects (N/A)
- 6. Signing Authority Protocol (15 minutes)
- 7. Unregulated Business Process and Authority (10 minutes)
- 8. Corporate Balanced Scorecard 2017/18 Program (20 minutes)
- 9. Halifax Regional Water Commission Employees' Pension Plan 2017 Budget (5 minutes)

#### **Information Reports**

- 1-I Operations and Financial Monthly Update
- 2-I Capital Budget Approvals to Date
- 3-I Bank Balance

- 4-I Customer Care Centre and Customer Dispute Resolution Process
- 5-I Communications Strategy Update
- 6-I Group Life and LTD Annual Renewal
- 7-I Halifax Water Committee on Environment, Health and Safety 2016 Annual Summary
- 8-I Pension Plan Investment Performance 4th Quarter 2016

#### Original Signed By:

James G. Spurr Secretary

### HALIFAX REGIONAL WATER COMMISSION MINUTES

#### **February 2, 2017**

PRESENT: Commissioner Ray Ritcey, Chair

Commissioner Russell Walker, Vice Chair

Commissioner Lisa Blackburn Commissioner Steve Streatch

Commissioner Don Mason (via teleconference)

REGRETS: Commissioner Mike Savage

Commissioner Jacques Dube Commissioner Darlene Fenton

STAFF: Carl Yates, General Manager, HRWC

Cathie O'Toole, Director, Corporate Services & Human

Resources, HRWC

James Spurr, Legal Counsel, HRWC

Jamie Hannam, Director of Engineering & IS, HRWC Lorna Skinner, Administrative Assistant, HRWC

#### **TABLE OF CONTENTS**

CALL	TO ORDER	. 3
1a.	RATIFICATION OF IN CAMERA MOTIONS	. 3
1b.	APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF DELETIONS	. 3
2.	APPROVAL OF MINUTES - November 24, 2016	. 3
3.	BUSINESS ARISING FROM MINUTESa) Lead Service Line Replacement	. 3
4.	OPERATING RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016	. 3
5.	2017/18 CAPITAL BUDGET	. 3
5.1 5.2 5.3 5.4 5.5	NORTHWEST ARM SEWER REHABILITATIONSULLIVAN'S POND STORM SEWER SYSTEM REPLACEMENTQUINPOOL ROAD PENINSULA TRANSMISSION MAIN REHABILITATIONLAKE MAJOR DAM REPLACEMENT	4 .4 .4
6.	2017/18 WATER,WASTEWATER AND STORMWATER OPERATING BUDGET	. 5
7.	2017/18 ANNUAL BUSINESS PLAN	. 5
8.	DATE OF NEXT MEETING	. 5

#### **CALL TO ORDER**

The Chair called the regular meeting to order at 9:05 a.m. in the Board Room of the HRWC, 450 Cowie Hill Road. The Board moved In Camera at 9:05 and the regular meeting reconvened at 10:00 a.m.

#### 1a. RATIFICATION OF IN-CAMERA MOTIONS

MOVED BY Commissioner Walker, seconded by Commissioner Mason that the Halifax Regional Water Commission Board ratify the In-Camera motions.

#### MOTION PUT AND PASSED.

#### 1b. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF DELETIONS

MOVED BY Commissioner Mason, seconded by Commissioner Streatch that the Halifax Regional Water Commission Board approve the order of business and approve additions and deletions.

#### MOTION PUT AND PASSED

#### 2. <u>APPROVAL OF MINUTES – November 24, 2016</u>

MOVED BY Commissioner Mason, seconded by Commissioner Walker that the Halifax Regional Water Commission Board approve the minutes of November 24, 2016.

#### MOTION PUT AND PASSED.

#### 3. <u>BUSINESS ARISING FROM MINUTES</u>

#### a) Lead Service Line Replacements

Carl Yates stated that HW is currently developing an application for lead service line replacements to submit to the Nova Scotia Utility & Review Board (NSUARB) as directed by the HW Board at the meeting of November 24, 2016. This application will include a proposal to cost-share with private homeowners in order to facilitate the replacement of lead service lines.

#### 4. OPERATING RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

A report dated January 23, 2017, was submitted.

#### 5. PROPOSED 2017/18 CAPITAL BUDGET

A report dated January 26, 2017, was submitted.

At this time Jamie Hannam, Director of Engineering & Information Services joined the meeting.

Mr. Hannam gave a presentation of the 2017/18 Capital Budget. This overview included a brief context of the Capital Budget as well as exposure to some of its core components. The drivers of the Budget are asset renewal, regulatory compliance and growth. Cathie O'Toole noted that this budget contains the largest capital expenditure for Stormwater service in 20 years. It was also noted that the capital budget incorporates \$31 million in external funding from the Clean Water and Wastewater Fund.

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

- 1. 2017/18 Capital Budget at a total value of \$109,507,501.
- 2. Routine capital expenditure items required for on-going departmental operation, at a total value of \$5,291,000 as indicated in Schedule 1.

#### MOTION PUT AND PASSED.

#### **CAPITAL PROJECTS**

#### 5.1 Northwest Arm Sewer Rehabilitation - \$19,793,168

A report Dated January 24, 2017, was submitted.

#### 5.2 <u>Sullivan's Pond Storm Sewer System Replacement - \$9,581,993</u>

A report dated January 24, 2017, was submitted.

#### 5.3 Quinpool Road/Peninsula Transmission Main Rehabilitation - \$\$8,500,000

A report dated January 24, 2017, was submitted.

#### 5.4 Lake Major Dam Replacement - \$7,789,391

A report dated January 24, 2017, was submitted.

#### 5.5 J.D. Kline Filter Media and Underdrain Replacement Program - \$5,747,060

A report dated January 24, 2017, was submitted.

It was acknowledged that these five projects are all funded by the Clean Water and Wasetwater Fund and have strict schedule requirements; all projects are to be substantially complete by March 31, 2018.

MOVED BY Commissioner Mason, seconded by Commissioner Blackburn that the Halifax Regional Water Commission Board approve the above-noted capital project items 5.1 through 5.5.

#### MOTION PUT AND PASSED.

At this time, Jamie Hannam exited the meeting.

#### 6. 2017/18 WATER, WASTEWATER AND STORMWATER OPERATING BUDGET

A report dated January 24, 2017, was submitted.

Cathie O'Toole gave a presentation of the 2017/18 Operating Budget and answered all questions posed by Commissioners.

MOVED BY Commissioner Mason, seconded by Commissioner Walker that the Halifax Regional Water Commission Board approve the attached 2017/18 Water, Wastewater and Stormwater Operating Budget covering the period April 1, 2017 to March 31, 2018, including the proposed 2017/18 budget for un-regulated activities.

#### MOTION PUT AND PASSED.

#### 7. PROPOSED 2017/18 BUSINESS PLAN

A report dated January 26, 2017, was submitted. Mr. Yates made note that once the Business Plan is approved by the Board, it will be submitted to Halifax Council for information.

MOVED BY Commissioner Mason, seconded by Commissioner Streatch that the Halifax Regional Water Commission Board approve the 2017/18 Business Plan to Halifax Council for information.

#### MOTION PUT AND PASSED.

The next meeting is scheduled for March 30, 20 <sup>-</sup>	Γ
---	---

The meeting was adjourned at 11:25 a.m.

Original Signed By:	Original Signed By:
James G. Spurr	Commissioner Ray Ritcey
Secretary	Chair

The following Information Items were submitted:

- 1-I Operations and Financial Monthly Update
- 2-I Capital Budget Approvals to Date
- 3-I Bank Balance
- 4-I Pension Plan Investment Performance 3<sup>rd</sup> Quarter, 2016
- 5-I 2016/17 Cost Containment
- 6-I AMI Project
- 7-I 2016 Customer Survey



ITEM # 4 HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** Original Signed By:

Cathie O'Toole, MBA, CPA, CGA, Director, Corporate Services

**APPROVED:** *Original Signed By:* 

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

**DATE:** March 23, 2017

**SUBJECT:** Operating Results for the Eleven Months Ended February 28, 2017

#### 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 eleven (11) months of the 2016/17 fiscal year, period ending February 28, 2017. 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).

HRWC is a fully regulated government business enterprise, falling under the jurisdiction of the Nova Scotia Utility and Review Board (NSUARB). The NSUARB requires that HRWC file Financial Statements and rate applications with the Board based on the NSUARB Handbook for Accounting and Reporting for Water Utilities. The Accounting Standards Board (AcSB) requires rate regulated entities to conform to International Financial Reporting Standards (IFRS). The Commission has converted the SAP financial records to IFRS for the purposes of the annual audit and consolidation of the financial statements with those of Halifax Regional Municipality

(HRM). The budget for the 2016/17 fiscal year was prepared using the NSUARB format and financial results will continue to be provided in NSUARB format.

Summary information is provided for the Balance Sheet on Page 1 and the Income Statement on Page 2. A detailed presentation of the Balance Sheet and Income Statement is provided on Pages 3 and 4. Pages 5 through 8 provide Income Statements by Service and for Regulated and Un-Regulated Services. Pages 9 and 10 provide the Balance Sheet and Income Statement in IFRS format.

#### **Consolidated Income Statement - Page 2**

Consolidated operating revenue of \$126.5 million is \$6.3 million greater than revenue reported for the same year-to-date period last year. Consolidated operating expenses of \$84.2 million are \$2.8 million lower than the same period last year.

Summarized Consolidated Operating Results					
	Actual YTD 2016/17	Actual YTD 2015/16			
	'000	'000	\$ Change	% Change	
Operating Revenue	\$126,478	\$120,174	\$6,304	5.2%	
Operating Expenses	\$84,245	\$87,051	(\$2,807)	-3.2%	
Operating Profit (Loss)	\$42,233	\$33,123	\$9,111	27.5%	
Non Operating Revenue	\$3,033	\$2,960	\$73	2.5%	
Non Operating Expenditure	\$31,714	\$30,903	\$811	2.6%	
Net Surplus (Deficit)	\$13,552	\$5,180	\$8,373	161.6%	

The Net Profit for the year is \$13.6 million, an improvement of \$8.4 million from the same time in the prior year. The budget for the year, approved at the January 28, 2016 Board meeting, was for a profit of \$154 thousand. Results for the year to date have been reviewed in conjunction with plans for the remainder of the year. An update to the Forecast reflects the change from the budget to a profit of \$9.2 million, a total change of \$9.1 million.

The Net Surplus to date is a result of both higher Operating Revenue and lower Operating Expenses relative to the Budget. Revenue is expected to follow the normal seasonal pattern and fall in line with the Budget and Forecast. It is anticipated that Operating Expenses will be higher in the final month of the fiscal year as planned initiatives are completed and the impact of the winter season is realized.

#### **Balance Sheet - Page 3**

The cash balance of \$58.7 million is up \$7.7 million from the prior year. A separate report has been prepared regarding the Municipal Finance Corporation's Spring Debenture and the 2017-18 Cash Flow.

The total Accounts Receivable balance of \$33.9 million is down \$0.7 million with a decrease in Customer Receivables offsetting an increase in Unbilled Services Receivables. The amounts

receivable from HRM of \$3.6 million are down \$0.2 million from the prior year. The liquidity on the balance sheet (ratio of current assets divided by current liabilities) is 2.17, up from the ratio of 1.84 at the same time last year.

Accounts Receivable				
<b>2016/17</b> 2015/16				
Customer Receivables	\$13,308	\$15,402		
Unbilled Services	\$17,010	\$15,381		
Halifax Regional Mun.	\$3,582	\$3,792		
Total	\$33,900	\$34,574		

Balance Sheet Liquidity (Current Ratio)					
<b>2016/17</b> 2015/16					
Current Assets ('000)	\$94,139	\$87,825			
Current Liabilities ('000)	\$43,421	\$47,658			
Current Ratio	2.17	1.84			

Plant in Service assets, net of Accumulated Depreciation, is \$1.09 billion and is \$49.0 million higher than at this time last year. Capital Assets Under Construction is down \$27.8 million to \$59.7 million. Numerous capital projects are nearing completion, with additions funded by the capital budget expected to be approximately \$40 million. An additional \$13 million in new infrastructure is expected to be capitalized via new developments and external funding. In the prior year, there were capital additions funded by the capital budget of \$31.9 million and capital additions funded through developers and external funding of \$52.4 million. The following table highlights the major projects currently underway:

Capital Assets Under Construction			
	Cumulative '000		
MacDonald Bridge Transmission Main	\$6,277		
Aerotech Wastewater Treatment Facility	\$5,318		
Geizer 158 Reservoir Rehabilitation	\$4,511		
All other projects	\$43,574		
Total	\$59,679		

Figures used in the various tables throughout the report may contain differences due to Excel rounding.

Current liabilities of \$43.4 million are down \$4.2 million from the prior year. Unearned Revenue is down \$2.2 million because the annual payment of \$2 million from the Province of Nova Scotia was received in March, which is later than in past years. The current portion of Long Term Debt balance of \$21.7 million is down \$0.7 million from the prior year despite obtaining new debt in the Fall debenture because there are no amounts to be refinanced in the next year.

Long Term Debt is down \$13.4 million from last year, which is a net of new debt of \$7.1 million and repayments of \$21.9 million. The debt service ratio of 21.7% is well below the maximum 35% ratio allowed under the blanket guarantee agreement with HRM.

Long Term Debt by Service					
<b>2016/17</b> 2015/16					
	'000	'000			
Water	\$59,599	\$62,204			
Wastewater	\$133,409	\$144,321			
Stormwater	\$11,324	\$11,245			
Combined	\$204,333	\$217,770			

Debt Servicing Ratio by Service				
YTD Debt Servicing Cost Rati				
	<b>2016/17</b> 2015/16			
Water	19.4%	19.6%		
Wastewater	25.0%	25.1%		
Stormwater	11.6%	14.5%		
Combined	21.7%	22.1%		

The cumulative Operating Surplus of \$7.8 million at the beginning of the fiscal year has grown to \$21.4 million with the year-to-date profit of \$13.6 million.

#### Income Statement - All Services - Page 4

The following table compares the results with an eleven month pro-rated forecast for the year. The forecast to the end of the year shows a projected surplus of \$9.2 million. The net surplus to date of \$13.6 million is \$5.2 million ahead of the pro-rated forecasted surplus of \$8.4 million. In the final month of the fiscal year, revenue is expected to fall in line with forecasts and expenses to rise.

Summarized Consolidated Operating Results					
		Eleven Month			
	<b>Actual YTD</b>	Forecast			
	2016/17	2016/17			
	'000	'000	\$ Variance	% Variance	
Operating Revenue	\$126,478	\$125,334	\$1,144	0.9%	
Operating Expenses	\$84,245	\$88,291	(\$4,046)	-4.6%	
Operating Profit (Loss)	\$42,233	\$37,043	\$5,190	14.0%	
Non Operating Revenue	\$3,033	\$3,038	(\$5)	-0.2%	
Non Operating Expenditure	\$31,714	\$31,690	\$24	0.1%	
Net Surplus (Deficit)	\$13,552	\$8,392	\$5,161	61.5%	

#### **Customer Rates**

The following table summarizes the most significant customer rates.

Summary of Rate Changes						
<u>-</u>	Effective April 1/16	Effective May 1/15	\$ Change	% Change		
Volumetric Charges (per m <sup>3</sup>	<u>)</u>					
Water	0.976	0.845	0.131	15.5%		
Wastewater	1.753	1.638	0.115	7.0%		
Combined	2.729	2.483	0.246	9.9%		
Base Charges (per year)						
Water	Varies by n	neter size	No Change	0.0%		
Wastewater	Varies by meter size		Varies	1.1%-7.7%		
Stormwater - Residential	33.39	33.39	No Change	0.0%		

#### **Operating Revenue**

Operating Revenue is \$1.1 million ahead of the pro-rated forecast for the year. This follows the seasonal pattern of consumption that is typically higher for the summer months and lower in the late fall and winter months. Consumption was sufficiently strong in the first nine months of the fiscal year will ensure revenue stays ahead of budget for the year.

Metered Sales revenue is up \$3.7 million (9.4%) for Water Service and \$2.5 million (4.1%) for Wastewater Service as compared to the prior year. Metered Sales consist of base and volumetric charges. Base charges are on par with budget expectations. Volumetric revenue budgets for 2016/17 were based on a 3% decrease in metered consumption. Year-to-date billed water consumption is down 2.5% compared to the prior year. As most of the increase in revenue is attributable to higher rates and seasonality, the financial benefit realized to date from consumption is approximately \$0.9 million.

Wastewater Metered Sales also 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 billed discharge volume to date has declined 3.0% which is the same rate of decline the budget was based upon.

Stormwater Site Generated revenue is on par with budget and slightly ahead of the prior year. Other Services and Fees are currently ahead of budget and the prior year, with notable increases in Private Fire Protection and Septage Tipping fees.

#### **Operating Expenses**

Operating Expenses of \$84.2 million are \$2.8 million below the prior year and \$4.0 million below the pro-rated forecast for the year. All expense areas are below budget and forecast. An updated Forecast was prepared based on February results, to have better information on the projected year end position. Increases over prior year expenditures are seen in Engineering and Information Services, Small Systems, SCADA Control & Pumping, and Depreciation. Administration and Pension shows the most significant decline. The following table summarizes Operating Expenses by department and indicates that the reduced expenditures relative to budget are being realized across the organization.

Summary of Operating Expenses by Department					
	Eleven Month				
	<b>Actual YTD</b>	Forecast			
	2016/17	2016/17			
	'000	'000	\$ Variance	% Variance	
Water Services	\$15,571	\$16,205	(\$634)	-3.9%	
WW Services	\$27,060	\$28,022	(\$961)	-3.4%	
SW Services	\$3,621	\$4,288	(\$667)	-15.6%	
Engineering & IS	\$6,838	\$7,148	(\$310)	-4.3%	
Regulatory Services	\$2,035	\$2,388	(\$353)	-14.8%	
Corporate Services	\$12,333	\$12,775	(\$442)	-3.5%	
Depreciation	\$16,785	\$17,465	(\$680)	-3.9%	
Total Operating Expenses	\$84,245	\$88,291	(\$4,046)	-4.6%	

#### **Financial Revenue**

Investment income is below budget and the prior year. The decline in investment income is offset by an increase in miscellaneous revenue, which includes various un-regulated activities such as tower leases, energy generation and rental properties.

#### **Financial Expenses**

Long Term Debt costs are up from the prior year due to higher levels of debt. New debt acquired in the Fall Debenture was less than anticipated so debt related costs are below budget.

The following table shows operating results for each service.

Year to Date Operating Results by Service						
	<b>2016/17</b> 2015/16					
	'000	'000				
Water	\$5,195	\$933				
Wastewater	\$5,750	\$2,904				
Stormwater	\$2,607	\$1,343				
Net Surplus (Deficit)	\$13,552	\$5,180				

#### Water Operations - Page 5

Water Operations show a profit of \$5.2 million, compared to a profit of \$0.9 million for the previous year at this time. Water revenue is up \$3.1 million. A reduction in the public Fire Protection rate is offset by higher Metered Sales revenue. Operating Expenses have decreased by \$1.8 million, which is primarily attributable to savings in Administration and Pension.

#### **Wastewater Operations - Page 6**

Wastewater Operations show a profit of \$5.8 million, up from a profit of \$2.9 million in the prior year. Wastewater revenue has increased \$2.7 million from the prior year, with Metered Sales and Septage Tipping Fees accounting for the increase. Operating expenses have decreased by \$0.8 million from the previous year. Higher costs in SCADA and Engineering allocated to Wastewater Services have been offset by savings in other categories.

#### **Stormwater Operations - Page 7**

Stormwater Operations show a profit of \$2.6 million, an improvement over the profit of \$1.3 million for the same period last year. Stormwater Site Generated Revenue is slightly higher and Stormwater Collection Expenses are slightly lower as compared to the prior year figures.

#### Regulated and Unregulated Operations - Page 8

Activities regulated by the NSUARB show a profit of \$12.8 million, ahead of the \$4.5 million profit for the same period last year.

Unregulated activities show a profit of \$0.8 million, an increase from the profit of \$0.7 million for the prior year. Notable increases in Unregulated Revenue are seen in Septage Tipping Fees and Energy Projects.

Results by Activity							
<b>2016/17</b> 2015/16							
	'000	'000					
Regulated Activities	\$12,771	\$4,496					
Unregulated Activities	\$782	\$683					
Net Surplus (Deficit)	\$13,552	\$5,180					

#### Results under International Financial Reporting Standards - Pages 9 & 10

As noted previously, the AcSB requires HRWC, as a rate regulated utility, to report financial results using International Financial Reporting Standards (IFRS).

On the IFRS Balance Sheet, Accumulated Depreciation is higher producing a lower value for assets, Contributed Capital is treated as a long term liability and amortized rather than being treated as a contribution to equity, and the Operating Surplus is much higher due to changes in the Income Statement.

On the IFRS Income Statement, Operating Revenue is the same. Depreciation Expense is higher as contributed assets are depreciated and some assets are depreciated more quickly. Financial Revenue is higher as the amortization of contributed capital is treated as revenue. The most significant change is Financial Expenses are lower as there is no expense for the Long Term Debt Principal appropriation – a difference of \$19.5 million to date and \$22.7 million for the full year.

The IFRS Net Profit for the year is \$31.1 million.

#### **ATTACHMENT**

Unaudited Operating Results for the eleven (11) months ended February 28, 2017

Report prepared by: Original Signed By:

Warren Brake, Manager, Accounting, B.Comm, CPA, CGA

902-490-4814

HRWC BOARD March 30, 2017 Page 1 of 10

## HALIFAX WATER UNAUDITED BALANCE SHEET - CONSOLIDATED AS OF FEBRUARY 28, 2017

	2017 '000	2016 '000
ASSETS		
Cash	\$58,719	\$50,997
Amounts Receivable	\$33,900	\$34,574
Materials & Supplies	\$1,604	\$1,591
Prepaid Expenses	(\$84)	\$663
	\$94,139	\$87,825
Regulatory Asset	\$3,404	\$3,596
Plant in Service	\$1,035,616	\$986,578
Assets Under Construction	\$59,679	\$87,476
	\$1,098,700	\$1,077,651
Unamortized Debt Discount & Issue Expense	\$1,049	\$1,171
	\$1,193,888	\$1,166,647
LIABILITIES & CAPITAL		
Trade Payables & Accrued Liabilities	\$22,136	\$23,449
Deposits & Unearned Revenue	(\$384)	\$1,835
Current Portion of Long Term Debt	\$21,669	\$22,374
	\$43,421	\$47,658
Pension & Accrued Retirement Benefits	\$61,295	\$71,906
RDC & Special Purpose Reserves	\$13,987	\$14,722
Long Term Debt	\$204,333	\$217,770
Total Liabilities	\$323,035	\$352,056
Capital Surplus, Committed Reserves, & Accumulated OCI	\$849,482	\$806,475
Operating Surplus	\$7,819	\$2,936
Excess (Deficiency) of Revenue over Expenditure - Consolidated	\$13,552	\$5,180
Total Capital & Surplus	\$870,853	\$814,591
	\$1,193,888	\$1,166,647

# HALIFAX WATER UNAUDITED INCOME STATEMENT - CONSOLIDATED APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS) 91.67%

ACTU (CURRENT		ACTUAL TH) (YEAR TO DATE)		-	APR 1/16 MAR 31/17	APR 1/16 MAR 31/17	
THIS YEAR '000	LAST YEAR '000	DESCRIPTION	THIS YEAR '000	LAST YEAR '000	BUDGET* '000	FORECAST '000	% of FORECAST
\$10,290	\$10,283	OPERATING REVENUE	\$126,478	\$120,174	\$135,675	\$136,728	92.50%
\$7,407	\$7,961	OPERATING EXPENSES	\$84,245	\$87,051	\$102,424	\$96,317	87.47%
\$2,883	\$2,322	OPERATING PROFIT	\$42,233	\$33,123	\$33,251	\$40,411	104.51%
		FINANCIAL REVENUE					
\$61	\$83	INVESTMENT INCOME	\$734	\$842	\$810	\$810	90.64%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,833	\$1,833	\$2,000	\$2,000	91.67%
\$33	\$19	MISCELLANEOUS	\$465	\$284	\$504	\$504	92.28%
\$261	\$269		\$3,033	\$2,960	\$3,314	\$3,314	91.51%
		FINANCIAL EXPENSES					
\$632	\$706	LONG TERM DEBT INTEREST	\$7,792	\$8,050	\$8,872	\$8,492	91.76%
\$1,645	\$1,684	LONG TERM DEBT PRINCIPAL	\$19,477	\$18,528	\$22,652	\$21,237	91.71%
\$17	\$17	AMORTIZATION DEBT DISCOUNT	\$183	\$170	\$199	\$199	91.51%
\$382	\$377	DIVIDEND/GRANT IN LIEU OF TAXES	\$4,218	\$4,151	\$4,663	\$4,578	92.13%
\$1	\$0	MISCELLANEOUS	\$44	\$4	\$24	\$64	69.24%
\$2,676	\$2,784		\$31,714	\$30,903	\$36,410	\$34,570	91.74%
		NET PROFIT (LOSS) BEFORE					
\$468	(\$193)	OTHER COMPREHENSIVE INCOME	\$13,552	\$5,180	\$156	\$9,154	148.04%
\$0	\$0	OTHER COMPREHENSIVE INCOME	\$0	\$0	\$0	\$0	
\$468	(\$193)	NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES	\$13,552	\$5,180	\$156	\$9,154	148.04%

Page 3 of 10

#### HALIFAX WATER UNAUDITED BALANCE SHEET AS OF FEBRUARY 28, 2017

ASSETS         Cash         \$58,719         \$50,997           Amounts Receivable         \$13,308         \$15,402           Customers & Contractual - Unbilled Services         \$17,010         \$15,381           Halifax Regional Municipality         \$3,582         \$3,792           Materials & Supplies         \$1,604         \$1,591           Prepaid Expenses         (\$84)         \$663           Regulatory Asset         \$3,404         \$3,596           Plant in Service - Water         \$564,992         \$567,576           Plant in Service - Water         \$586,202         \$643,425           Plant in Service - Water         \$586,202         \$643,425           Plant in Service - Water         \$131,602         \$119,340           Less Accumulated Depreciation - Water         \$130,003         \$150,048           Accumulated Depreciation - Stormwater         \$1,009,002         \$1,077,051           Assets Under Construction         \$3,997,00         \$1,077,051           Unamortized Debt Discount & Issue Expense         \$1,049         \$1,171           Trade         \$1,305,80         \$1,049           Interest on Long Term Debt         \$2,806         \$2,205           Hallak Regional Municipality         \$6,397         \$7,44 <tr< th=""><th></th><th>2017 '000</th><th>2016 '000</th></tr<>		2017 '000	2016 '000
Amounts Receivable	ASSETS		
Customers & Contractual - Unbilled Services         \$17,010         \$15,331           Customers & Contractual - Unbilled Services         \$17,010         \$15,331           Halifax Regional Municipality         \$3,582         \$3,792           Materials & Supplies         \$1,604         \$1,591           Prepaid Expenses         \$34,009         \$683           Sequilatory Asset         \$3,404         \$3,596           Plant in Service - Wastewater         \$564,992         \$567,502           Plant in Service - Wastewater         \$131,602         \$119,340           Less: Accumulated Depreciation - Water         \$131,602         \$119,340           Less: Accumulated Depreciation - Wastewater         \$10,013         \$(516,048)           Accumulated Depreciation - Stormwater         \$1,039,021         \$990,174           Assets Under Construction         \$56,679         \$36,7476           Assets Under Construction         \$1,098,700         \$1,077,651           Unamortized Debt Discount & Issue Expense         \$1,049         \$1,171           Trade         \$1,30,58         \$1,260           Interest on Long Term Debt         \$2,680         \$2,260           Ladifax Regional Municipality         \$5,397         \$7,944           Contractor & Customer Deposits	Cash	\$58,719	\$50,997
Customers & Contractual - Unbilled Services	Amounts Receivable		
Halifax Regional Municipality         \$3,582         \$3,792           Materials & Supplies         \$1,604         \$1,591           Prepaid Expenses         (\$84)         \$663           \$94,139         \$87,825           Regulatory Asset         \$3,404         \$3,596           Plant in Service - Waster         \$584,992         \$667,676           Plant in Service - Stormwater         \$131,002         \$119,340           Less: Accumulated Depreciation - Water         \$131,002         \$119,340           Accumulated Depreciation - Wastewater         \$180,113         \$159,211           Accumulated Depreciation - Stormwater         \$1,039,021         \$99,174           Assets Under Construction         \$59,679         \$92,675           Assets Under Construction         \$59,679         \$1,077,651           Unamortized Debt Discount & Issue Expense         \$1,098,700         \$1,077,651           Unamortized Debt Discount & Issue Expense         \$1,049         \$1,171           Trade         \$13,308         \$12,600           Interest on Long Term Debt         \$2,805         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearmed	Customers & Contractual	\$13,308	\$15,402
Materials & Supplies   \$1,604   \$1,591     Prepaid Expenses   \$(\$84)   \$663     \$294,139   \$87,825     Regulatory Asset   \$3,404   \$3,596     Plant in Service - Water   \$584,992   \$567,576     Plant in Service - Wastewater   \$696,202   \$643,425     Plant in Service - Stormwater   \$131,602   \$119,340     Less: Accumulated Depreciation - Water   \$131,602   \$119,340     Less: Accumulated Depreciation - Wastewater   \$180,113   \$(\$160,048)     Accumulated Depreciation - Stormwater   \$(\$180,113)   \$(\$159,211)     Accumulated Depreciation - Stormwater   \$(\$26,859)   \$(\$24,505)     Assets Under Construction   \$5,9679   \$37,476     Assets Under Construction   \$1,039,021   \$59,679   \$37,476     Unamortized Debt Discount & Issue Expense   \$1,049   \$1,177     Unamortized Debt Discount & Issue Expense   \$1,049   \$1,177     Trade   \$13,058   \$1,260     Interest on Long Term Debt   \$2,260   \$2,906     Halifax Regional Municipality   \$6,397   \$7,944     Contractor & Customer Deposits   \$199   \$195     Unearmed Revenue   \$53,305   \$1,641     Current Portion of Long Term Debt   \$21,669   \$22,374     Accrued Post-Retirement Benefits   \$43,421   \$47,658     Accrued Pre-Retirement Benefits   \$466   \$458     Accrued Pre-Retirement Benefits   \$3,735   \$3,613     Deferred Pension Liability   \$57,094   \$67,834     Special Purpose Reserves not allocated to projects   \$1,822   \$5,477     Regional Development Charge   \$12,164   \$9,245     Long Term Debt-Wastewater   \$33,409   \$144,321     Long Term Debt-Wastewater   \$313,409   \$144,321     Long Term Debt-Wastewater   \$33,409   \$44,324     Long Term Debt-Wastewater   \$33,409   \$44,324	Customers & Contractual - Unbilled Services	\$17,010	\$15,381
Prepaid Expenses	Halifax Regional Municipality	\$3,582	\$3,792
Regulatory Asset	Materials & Supplies	\$1,604	\$1,591
Regulatory Asset   \$3,404   \$3,596   Plant in Service - Water   \$584,992   \$567,576   Plant in Service - Water   \$696,202   \$643,425   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$119,340   \$110,300   \$119,340   \$110,300   \$110,000   \$100,0	Prepaid Expenses		
Plant in Service - Water   \$584,992   \$677,576   Plant in Service - Water water   \$696,202   \$484,325   Plant in Service - Stormwater   \$131,602   \$119,340   Less: Accumulated Depreciation - Water   \$131,602   \$119,340   Less: Accumulated Depreciation - Water   \$130,008   \$159,211   Accumulated Depreciation - Wastewater   \$180,113   \$155,211   Accumulated Depreciation - Stormwater   \$1,039,021   \$990,174   Assets Under Construction   \$59,679   \$87,476   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,171   \$1,098,700   \$1,077,651   \$1,171		\$94,139	\$87,825
Plant in Service - Wastewater			
Plant in Service - Stormwater			
Less: Accumulated Depreciation - Water			· ·
Accumulated Depreciation - Wastewater Accumulated Depreciation - Stormwater         (\$180,113) (\$159,211) (\$24,505) (\$24,505)           Assets Under Construction         \$1,039,021 (\$990,174) (\$990,174) (\$1,098,700) (\$1,077,651)           Unamortized Debt Discount & Issue Expense         \$1,049 (\$1,049) (\$1,077,651)           Unamortized Debt Discount & Issue Expense         \$1,049 (\$1,049) (\$1,047)           LIABILITIES & CAPITAL           Trade         \$13,058 (\$1,2600) (\$2,095) (\$1,000) (\$2,680) (\$2,905) (\$1,000) (\$1,00			
Accumulated Depreciation - Stormwater         (\$26,859)         (\$24,505)           Assets Under Construction         \$1,039,021         \$990,174           \$595,679         \$87,776           \$1,098,700         \$1,077,651           Unamortized Debt Discount & Issue Expense         \$1,049         \$1,171           LIABILITIES & CAPITAL           Trade         \$13,058         \$12,600           Interest on Long Term Debt         \$2,680         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$43,421         \$47,658           Accrued Pre-Retirement Benefits         \$466         \$458           Accrued Pre-Retirement Benefit         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$55,599         \$62,204			
\$1,039,021   \$990,174   \$55,679   \$87,476   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,098,700   \$1,077,651   \$1,049   \$1,171   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,166,647   \$1,193,888   \$1,193,899   \$1,195		,	
Assets Under Construction         \$59,679         \$87,476           \$1,098,700         \$1,077,651           Unamortized Debt Discount & Issue Expense         \$1,049         \$1,171           \$1,193,888         \$1,166,647           LIABILITIES & CAPITAL           Trade         \$13,058         \$12,600           Interest on Long Term Debt         \$2,680         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$466         \$458           Accrued Pre-Retirement Benefit         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Water         \$133,409         \$144,321           Long Term Debt-Stormwater         \$113,24         \$11,245 <td< td=""><td>Accumulated Depreciation - Stormwater</td><td></td><td></td></td<>	Accumulated Depreciation - Stormwater		
S1,098,700   \$1,077,651     Unamortized Debt Discount & Issue Expense   \$1,049   \$1,171     S1,193,888   \$1,166,647     LIABILITIES & CAPITAL	A	the state of the s	
Unamortized Debt Discount & Issue Expense         \$1,049         \$1,171           \$1,193,868         \$1,166,647           LIABILITIES & CAPITAL           Trade         \$13,058         \$12,600           Interest on Long Term Debt         \$2,680         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$466         \$458           Accrued Pre-Retirement Benefit         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Wastewater         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$87,8648         \$834,475           Committed Reserves         \$2,391	Assets Under Construction		
LIABILITIES & CAPITAL         \$1,193,888         \$1,166,647           Trade         \$13,058         \$12,600           Interest on Long Term Debt         \$2,680         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$466         \$458           Accrued Pre-Retirement Benefits         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Water         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$87,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensi			
Trade	Unamortized Debt Discount & Issue Expense	\$1,049	\$1,171
Trade         \$13,058         \$12,600           Interest on Long Term Debt         \$2,680         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$43,421         \$47,658           Accrued Pre-Retirement Benefits         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Water         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$878,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         (\$43,936)         (\$54,325)           Operati		\$1,193,888	\$1,166,647
Trade         \$13,058         \$12,600           Interest on Long Term Debt         \$2,680         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$43,421         \$47,658           Accrued Pre-Retirement Benefits         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Water         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$878,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         (\$43,936)         (\$54,325)           Operati	LIARII ITIES & CAPITAI		
Interest on Long Term Debt Halifax Regional Municipality         \$2,680         \$2,905           Halifax Regional Municipality         \$6,397         \$7,944           Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$4466         \$458           Accrued Pre-Retirement Benefit         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Water         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$87,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         \$43,936         \$54,225	EIABIETTEO & OAI TTAE		
Halifax Regional Municipality   \$6,397   \$7,944		· · · · · · · · · · · · · · · · · · ·	
Contractor & Customer Deposits         \$199         \$195           Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           Accrued Post-Retirement Benefits         \$466         \$458           Accrued Pre-Retirement Benefit         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Wastewater         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$87,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         \$43,936)         \$554,325)           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus used to Fund Capital         \$7,819         \$2,936           Excess (Deficiency) of Revenue over Expenditure - Consolidated		· · ·	
Unearned Revenue         (\$583)         \$1,641           Current Portion of Long Term Debt         \$21,669         \$22,374           \$43,421         \$47,658           Accrued Post-Retirement Benefits         \$466         \$458           Accrued Pre-Retirement Benefit         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Wastewater         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$878,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         \$43,936)         \$54,325)           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus used to Fund Capital         \$13,552         \$5,180           Total Capital & Surplus         \$870,853         \$814,591	Halifax Regional Municipality	\$6,397	\$7,944
Current Portion of Long Term Debt         \$21,669         \$22,374           \$43,421         \$47,658           Accrued Post-Retirement Benefits         \$466         \$458           Accrued Pre-Retirement Benefit         \$3,735         \$3,613           Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Wastewater         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$878,648         \$834,475           Committed Reserves         \$2,391         \$113,946           Accumulated Other Comprehensive Income         (\$43,936)         (\$54,325)           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Excess (Deficiency) of Revenue over Expenditure - Consolidated         \$13,552         \$5,180           Total Capital & Surplus         \$870,853         \$81	Contractor & Customer Deposits	\$199	\$195
Accrued Post-Retirement Benefits       \$466       \$458         Accrued Pre-Retirement Benefit       \$3,735       \$3,613         Deferred Pension Liability       \$57,094       \$67,834         Special Purpose Reserves not allocated to projects       \$1,822       \$5,477         Regional Development Charge       \$12,164       \$9,245         Long Term Debt-Water       \$59,599       \$62,204         Long Term Debt-Wastewater       \$133,409       \$144,321         Long Term Debt-Stormwater       \$11,324       \$11,245         Total Liabilities       \$323,035       \$352,056         Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591	Unearned Revenue	(\$583)	\$1,641
Accrued Post-Retirement Benefits       \$466       \$458         Accrued Pre-Retirement Benefit       \$3,735       \$3,613         Deferred Pension Liability       \$57,094       \$67,834         Special Purpose Reserves not allocated to projects       \$1,822       \$5,477         Regional Development Charge       \$12,164       \$9,245         Long Term Debt-Water       \$59,599       \$62,204         Long Term Debt-Wastewater       \$133,409       \$144,321         Long Term Debt-Stormwater       \$11,324       \$11,245         Total Liabilities       \$323,035       \$352,056         Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591	Current Portion of Long Term Debt	\$21,669	\$22,374
Accrued Pre-Retirement Benefit \$3,735 \$3,613 Deferred Pension Liability \$57,094 \$67,834  Special Purpose Reserves not allocated to projects \$1,822 \$5,477 Regional Development Charge \$12,164 \$9,245  Long Term Debt-Water \$59,599 \$62,204 Long Term Debt-Wastewater \$133,409 \$144,321 Long Term Debt-Stormwater \$11,324 \$11,245 Total Liabilities \$323,035 \$352,056  Capital Surplus \$878,648 \$834,475 Committed Reserves \$2,391 \$13,946 Accumulated Other Comprehensive Income \$\$12,380 \$12,380 Operating Surplus used to Fund Capital \$\$7,819 \$2,936 Excess (Deficiency) of Revenue over Expenditure - Consolidated \$13,552 \$5,180 Total Capital & Surplus \$870,853 \$814,591	•		\$47,658
Deferred Pension Liability         \$57,094         \$67,834           Special Purpose Reserves not allocated to projects         \$1,822         \$5,477           Regional Development Charge         \$12,164         \$9,245           Long Term Debt-Water         \$59,599         \$62,204           Long Term Debt-Wastewater         \$133,409         \$144,321           Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$878,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         (\$43,936)         (\$54,325)           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus         \$7,819         \$2,936           Excess (Deficiency) of Revenue over Expenditure - Consolidated         \$870,853         \$814,591	Accrued Post-Retirement Benefits	\$466	\$458
Special Purpose Reserves not allocated to projects       \$1,822       \$5,477         Regional Development Charge       \$12,164       \$9,245         Long Term Debt-Water       \$59,599       \$62,204         Long Term Debt-Wastewater       \$133,409       \$144,321         Long Term Debt-Stormwater       \$11,324       \$11,245         Total Liabilities       \$323,035       \$352,056         Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$313,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591	Accrued Pre-Retirement Benefit	\$3,735	\$3,613
Regional Development Charge       \$12,164       \$9,245         Long Term Debt-Water       \$59,599       \$62,204         Long Term Debt-Wastewater       \$133,409       \$144,321         Long Term Debt-Stormwater       \$11,324       \$11,245         Total Liabilities       \$323,035       \$352,056         Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591	Deferred Pension Liability	\$57,094	\$67,834
Regional Development Charge       \$12,164       \$9,245         Long Term Debt-Water       \$59,599       \$62,204         Long Term Debt-Wastewater       \$133,409       \$144,321         Long Term Debt-Stormwater       \$11,324       \$11,245         Total Liabilities       \$323,035       \$352,056         Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591	Special Purpose Reserves not allocated to projects	\$1,822	\$5,477
Long Term Debt-Wastewater       \$133,409       \$144,321         Long Term Debt-Stormwater       \$11,324       \$11,245         Total Liabilities       \$323,035       \$352,056         Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591			
Long Term Debt-Wastewater       \$133,409       \$144,321         Long Term Debt-Stormwater       \$11,324       \$11,245         Total Liabilities       \$323,035       \$352,056         Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591	Long Term Debt-Water	\$59.599	\$62.204
Long Term Debt-Stormwater         \$11,324         \$11,245           Total Liabilities         \$323,035         \$352,056           Capital Surplus         \$878,648         \$834,475           Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         (\$43,936)         (\$54,325)           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus         \$7,819         \$2,936           Excess (Deficiency) of Revenue over Expenditure - Consolidated         \$13,552         \$5,180           Total Capital & Surplus         \$870,853         \$814,591		The state of the s	\$144,321
Capital Surplus       \$878,648       \$834,475         Committed Reserves       \$2,391       \$13,946         Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591			
Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         (\$43,936)         (\$54,325)           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus         \$7,819         \$2,936           Excess (Deficiency) of Revenue over Expenditure - Consolidated         \$13,552         \$5,180           Total Capital & Surplus         \$870,853         \$814,591	Total Liabilities	\$323,035	\$352,056
Committed Reserves         \$2,391         \$13,946           Accumulated Other Comprehensive Income         (\$43,936)         (\$54,325)           Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus         \$7,819         \$2,936           Excess (Deficiency) of Revenue over Expenditure - Consolidated         \$13,552         \$5,180           Total Capital & Surplus         \$870,853         \$814,591	Capital Surplus	\$878,648	\$834,475
Accumulated Other Comprehensive Income       (\$43,936)       (\$54,325)         Operating Surplus used to Fund Capital       \$12,380       \$12,380         Operating Surplus       \$7,819       \$2,936         Excess (Deficiency) of Revenue over Expenditure - Consolidated       \$13,552       \$5,180         Total Capital & Surplus       \$870,853       \$814,591		the state of the s	
Operating Surplus used to Fund Capital         \$12,380         \$12,380           Operating Surplus         \$7,819         \$2,936           Excess (Deficiency) of Revenue over Expenditure - Consolidated         \$13,552         \$5,180           Total Capital & Surplus         \$870,853         \$814,591		· · ·	
Operating Surplus         \$7,819         \$2,936           Excess (Deficiency) of Revenue over Expenditure - Consolidated         \$13,552         \$5,180           Total Capital & Surplus         \$870,853         \$814,591	·		
Excess (Deficiency) of Revenue over Expenditure - Consolidated Total Capital & Surplus  State    \$13,552			
Total Capital & Surplus \$870,853 \$814,591	Excess (Deficiency) of Revenue over Expenditure - Consolidated	\$13,552	\$5,180
\$1,193,888 \$1,166,647			
		\$1,193,888	\$1,166,647

## HALIFAX WATER UNAUDITED INCOME STATEMENT - ALL SERVICES APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS) 91.67%

ACTI (CURRENT			ACTU		APR 1/16 MAR 31/17	APR 1/16 MAR 31/17		
THIS YEAR			THIS YEAR	LAST YEAR	BUDGET*	FORECAST	% of	% of
'000	'000	DESCRIPTION	'000	'000	'000	'000	BUDGET*	FORECAST
		REVENUE						
\$3,533	\$3,399	METERED SALES - WATER	\$43,293	\$39,593	\$46,475	\$46,675	93.15%	92.76%
\$5,168	\$5,095	METERED SALES - WASTEWATER	\$63,668	\$61,121	\$68,052	\$68,652	93.56%	92.74%
\$466	\$539	STORMWATER SITE GENERATED SERVICE	\$6,060	\$5,488	\$6,708	\$6,708	90.33%	90.33%
\$590	\$669	FIRE PROTECTION	\$6,485	\$7,362	\$7,074	\$7,074	91.67%	91.67%
\$323	\$323	STORMWATER RIGHT OF WAY SERVICE	\$3,558	\$3,558	\$3,881	\$3,881	91.67%	91.67%
\$143	\$191	OTHER SERVICES AND FEES	\$2,608	\$2,223	\$2,586	\$2,859	100.86%	91.24%
\$45	\$44	CUSTOMER LATE PAY./COLLECTION FEES	\$465	\$468	\$530	\$510	87.68%	91.12%
\$22	\$23	MISCELLANEOUS	\$341	\$360	\$369	\$369	92.56%	92.56%
\$10,290	\$10,283		\$126,478	\$120,174	\$135,675	\$136,728	93.22%	92.50%
		EXPENSES						
\$472	\$555	WATER SUPPLY & TREATMENT	\$6,236	\$6,676	\$7,983	\$7,658	78.12%	81.44%
\$635	\$757	TRANSMISSION & DISTRIBUTION	\$7,685	\$7,765	\$8,710	\$8,211	88.23%	93.60%
\$884	\$745	WASTEWATER COLLECTION	\$8,400	\$8,774	\$9,446	\$9,314	88.92%	90.18%
\$1,286	\$1,433	WASTEWATER TREATMENT PLANTS	\$15,675	\$15,469	\$19,425	\$17,979	80.70%	87.19%
\$238	\$300	STORMWATER COLLECTION	\$3,582	\$3,709	\$4,761	\$4,650	75.24%	77.03%
\$266	\$270	SMALL SYSTEMS AND OTHER SERVICES	\$2,768	\$2,636	\$3,132	\$3,026	88.40%	91.49%
\$170	\$163	SCADA, CONTROL & PUMPING	\$1,906	\$1,628	\$2,089	\$2,088	91.23%	91.29%
\$566	\$659	<b>ENGINEERING &amp; INFORMATION SERVICES</b>	\$6,838	\$6,217	\$8,067	\$7,798	84.77%	87.70%
\$166	\$178	REGULATORY SERVICES	\$2,035	\$2,164	\$2,605	\$2,605	78.13%	78.11%
\$340	\$368	CUSTOMER SERVICE	\$3,941	\$3,989	\$4,419	\$4,413	89.19%	89.30%
\$840	\$1,015	ADMINISTRATION & PENSION	\$8,392	\$11,264	\$10,631	\$9,523	78.94%	88.13%
\$1,544	\$1,517	DEPRECIATION	\$16,785	\$16,761	\$21,157	\$19,053	79.34%	88.10%
\$7,407	\$7,961		\$84,245	\$87,051	\$102,424	\$96,317	82.25%	87.47%
\$2,883	\$2,322	OPERATING PROFIT	\$42,233	\$33,123	\$33,251	\$40,411	127.01%	104.51%
004		FINANCIAL REVENUE	0704	00.10	0010	0010	00.040/	00.040/
\$61	\$83	INVESTMENT INCOME	\$734	\$842	\$810	\$810	90.64%	90.64%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,833	\$1,833	\$2,000	\$2,000	91.67%	91.67%
\$33	\$19	MISCELLANEOUS	\$465	\$284	\$504	\$504	92.28%	92.28%
\$261	\$269		\$3,033	\$2,960	\$3,314	\$3,314	91.51%	91.51%
		FINANCIAL EXPENSES						
\$632	\$706	LONG TERM DEBT INTEREST	\$7,792	\$8,050	\$8,872	\$8,492	87.83%	91.76%
\$1,645	\$1,684	LONG TERM DEBT PRINCIPAL	\$19,477	\$18,528	\$22,652	\$21,237	85.98%	91.71%
\$17	\$17	AMORTIZATION DEBT DISCOUNT	\$183	\$170	\$199	\$199	91.51%	91.51%
\$382	\$377	DIVIDEND/GRANT IN LIEU OF TAXES	\$4,218	\$4,151	\$4,663	\$4,578	90.46%	92.13%
\$1	\$0	MISCELLANEOUS	\$44	φ, 15 1 \$4	\$24	\$64	186.37%	69.24%
\$2,676	\$2,784	WIIOGELE/ WEOOG	\$31,714	\$30,903	\$36,410	\$34,570	87.10%	91.74%
<del>+</del> 2,0.0	<del>+-,</del>			400,000	400,	40 1,010	00,0	· · · · · · · ·
		NET PROFIT (LOSS) BEFORE						
\$468	(\$193)	OTHER COMPREHÉNSIVE INCOME	\$13,552	\$5,180	\$156	\$9,154	8705.17%	148.04%
\$0	\$0	OTHER COMPREHENSIVE INCOME	\$0	\$0	\$0	\$0		
\$468	(\$193)	NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES	\$13,552	\$5,180	\$156	\$9,154	8705.17%	148.04%

# HALIFAX WATER UNAUDITED INCOME STATEMENT - WATER OPERATIONS APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS) 91.67%

ACTUAL (CURRENT MONTH)			ACTU		APR 1/16	APR 1/16 MAR 31/17	
	LAST YEAR		(YEAR TO THIS YEAR	LAST YEAR	MAR 31/17 BUDGET*	FORECAST	% of
'000	'000	DESCRIPTION	'000	'000	'000	'000	FORECAST
		DEGGINI HON					TORLOAGI
		REVENUE					
\$3,533	\$3,399	METERED SALES	\$43,293	\$39,593	\$46,475	\$46,675	92.76%
\$590	\$669	FIRE PROTECTION	\$6,485	\$7,362	\$7,074	\$7,074	91.67%
\$64	\$55	PRIVATE FIRE PROTECTION SERVICES	\$758	\$617	\$840	\$840	90.19%
\$8	\$8	BULK WATER STATIONS	\$314	\$255	\$326	\$326	96.45%
\$27	\$20	CUSTOMER LATE PAY./COLLECTION FEES	\$254	\$185	\$203	\$273	93.11%
\$9	\$9	MISCELLANEOUS	\$141	\$173	\$142	\$142	98.97%
\$4,230	\$4,160		\$51,246	\$48,186	\$55,061	\$55,331	92.62%
		EXPENSES					
\$472	\$555	WATER SUPPLY & TREATMENT	\$6,236	\$6,676	\$7,983	\$7,658	81.44%
\$635	\$757	TRANSMISSION & DISTRIBUTION	\$7,685	\$7,765	\$8,710	\$8,211	93.60%
\$82	\$77	SMALL SYSTEMS (inc. Contract Systems)	\$955	\$963	\$883	\$964	99.03%
\$64	\$66	SCADA, CONTROL & PUMPING	\$695	\$640	\$846	\$846	82.20%
\$279	\$338	ENGINEERING & INFORMATION SERVICES	\$3,441	\$3,121	\$3,848	\$3,799	90.58%
\$29	\$37	REGULATORY SERVICES	\$422	\$459	\$515	\$515	81.89%
\$173	\$188	CUSTOMER SERVICE	\$2,008	\$2,033	\$2,251	\$2,249	89.31%
\$431	\$517	ADMINISTRATION & PENSION	\$4,292	\$5,732	\$5,416	\$4,852	88.47%
\$634	\$624	DEPRECIATION	\$6,797	\$6,899	\$8,561	\$7,831	86.79%
\$2,799	\$3,157		\$32,532	\$34,288	\$39,013	\$36,925	88.10%
\$1,431	\$1,004	OPERATING PROFIT	\$18,714	\$13,898	\$16,048	\$18,407	101.67%
		FINANCIAL REVENUE					
\$28	\$38	INVESTMENT INCOME	\$331	\$420	\$365	\$365	90.89%
\$26	\$14	MISCELLANEOUS	\$337	\$235	\$432	\$432	78.11%
\$54	\$52	Wildelia Wileso	\$669	\$655	\$796	\$796	83.96%
0474	<b>#</b> 000	FINANCIAL EXPENSES	<b>#0.004</b>	<b>#0.004</b>	<b>#0.400</b>	<b>CO 400</b>	04 500/
\$171 \$054	\$200	LONG TERM DEBT INTEREST	\$2,201	\$2,321 \$7,000	\$2,486	\$2,406	91.50%
\$654	\$659	LONG TERM DEBT PRINCIPAL	\$7,669 *07	\$7,062	\$8,576	\$8,446	90.79%
\$8	\$8 \$377	AMORTIZATION DEBT DISCOUNT	\$87	\$82	\$100 \$4,660	\$100	86.94%
\$382	\$377	DIVIDEND/GRANT IN LIEU OF TAXES	\$4,218	\$4,151	\$4,663	\$4,578	92.13%
\$0	\$0	MISCELLANEOUS	\$12	\$4 \$4	\$24	\$24	49.75%
\$1,215	\$1,245		\$14,187	\$13,620	\$15,848	\$15,554	91.21%
		NET PROFIT (LOSS) AVAILABLE FOR					
\$269	(\$189)	CAPITAL EXPENDITURES	\$5,195	\$933	\$996	\$3,649	142.38%

# HALIFAX WATER UNAUDITED INCOME STATEMENT - WASTEWATER OPERATIONS APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS) 91.67%

ACTUAL (CURRENT MONTH)			ACTU		APR 1/16 MAR 31/17	APR 1/16	
•	LAST YEAR		(YEAR TO THIS YEAR	LAST YEAR	BUDGET*	MAR 31/17 FORECAST	% of
1000	'000	DESCRIPTION	1000	'000	'000	'000	FORECAST
000	000	DESCRIPTION	000	000	000	000	FURECASI
		REVENUE					
\$5,168	\$5,095	METERED SALES	\$63,668	\$61,121	\$68,052	\$68,652	92.74%
\$0	\$12	WASTEWATER OVERSTRENGTH AGREEMENTS	\$23	\$127	\$0	\$23	100.00%
\$30	\$39	LEACHATE	\$314	\$292	\$389	\$389	80.82%
\$8	\$7	CONTRACT REVENUE	\$74	\$85	\$86	\$86	86.66%
\$17	\$33	DEWATERING FACILITY/SLUDGE LAGOON	\$192	\$192	\$210	\$210	91.65%
\$0	\$0	AIRLINE EFFLUENT	\$66	\$41	\$86	\$86	77.18%
\$16	\$37	SEPTAGE TIPPING FEES	\$867	\$613	\$650	\$900	96.30%
\$17	\$18	CUSTOMER LATE PAY./COLLECTION FEES	\$176	\$223	\$257	\$192	91.62%
\$7	\$9	MISCELLANEOUS	\$119	\$112	\$133	\$133	89.61%
\$5,263	\$5,249	MIGGLELANEOUS	\$65,499	\$62,807	\$69,862	\$70,669	92.68%
<b>\$3,203</b>	<b>\$3,249</b>	EXPENSES	<b>\$03,499</b>	φ02,60 <i>1</i>	φ09,002	Ψ10,009	92.00 /6
\$884	\$745	WASTEWATER COLLECTION	\$8,400	\$8,774	\$9,446	\$9,314	90.18%
\$1,286	\$1,433	WASTEWATER GOLLLOTTON WASTEWATER TREATMENT PLANTS	\$15,675	\$15,469	\$19,425	\$17,979	87.19%
\$1,200 \$106	\$116	SMALL SYSTEMS	\$1,062	\$941	\$1,251	\$1,225	86.73%
\$54	\$30	DEWATERING FACILITY/ SLUDGE MGM'T	\$410	\$387	\$556	\$396	103.61%
\$0 \$0	\$16	BIOSOLIDS TREATMENT	\$71	\$90	\$101	\$101	69.94%
\$25	\$31	LEACHATE CONTRACT	\$271	\$254	\$341	\$341	79.61%
\$102	\$94	SCADA, CONTROL & PUMPING	\$1,172	\$956	\$1,215	\$1,215	96.48%
\$102 \$247	\$276	ENGINEERING & INFORMATION SERVICES					84.93%
\$247 \$86	\$276 \$84	REGULATORY SERVICES	\$2,921 \$4,024	\$2,663	\$3,629	\$3,439 \$4,335	
			\$1,021	\$1,038	\$1,254	\$1,225	83.33%
\$144	\$155	CUSTOMER SERVICE	\$1,662	\$1,682	\$1,864	\$1,862	89.28%
\$352	\$429	ADMINISTRATION & PENSION	\$3,526	\$4,758	\$4,485	\$4,017	87.77%
\$860	\$854	DEPRECIATION	\$9,448	\$9,438	\$11,982	\$10,607	89.07%
\$4,145	\$4,264		\$45,639	\$46,450	\$55,549	\$51,720	88.24%
\$1,118	\$985	OPERATING PROFIT	\$19,860	\$16,357	\$14,312	\$18,949	104.81%
		FINANCIAL REVENUE					
\$28	\$45	INVESTMENT INCOME	\$331	\$422	\$365	\$365	90.89%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,833	\$1,833	\$2,000	\$2,000	91.67%
\$107	\$107 \$5	MISCELLANEOUS	\$128	\$1,833 \$49	\$2,000 \$72	\$2,000 \$72	176.87%
\$201	\$216	MISCELLANEOUS	\$2,293	\$2,305	\$2,437	\$2,437	94.08%
Ψ201	Ψ210	•	Ψ2,233	Ψ2,303	Ψ2,437	Ψ <b>2</b> ,437	34.00 /6
		FINANCIAL EXPENSES					
\$415	\$457	LONG TERM DEBT INTEREST	\$5,053	\$5,210	\$5,817	\$5,517	91.59%
\$940	\$929	LONG TERM DEBT PRINCIPAL	\$11,230	\$10,468	\$12,978	\$11,693	96.04%
\$8	\$8	AMORTIZATION DEBT DISCOUNT	\$87	\$81	\$89	\$89	98.02%
\$0	\$0	MISCELLANEOUS	\$32	\$0	\$0	\$40	80.77%
\$1,364	\$1,394	•	\$16,402	\$15,759	\$18,884	\$17,339	94.60%
	• •	•			• •	•	
		NET PROFIT (LOSS) AVAILABLE FOR					
(\$45)	(\$193)	CAPITAL EXPENDITURES	\$5,750	\$2,904	(\$2,135)	\$4,047	142.09%

# HALIFAX WATER UNAUDITED INCOME STATEMENT - STORMWATER OPERATIONS APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS) 91.67%

ACT (CURRENT THIS YEAR	Γ MONTH) LAST YEAR		ACTUAL (YEAR TO DATE) THIS YEAR LAST YEAR		APR 1/16 MAR 31/17 BUDGET*	APR 1/16 MAR 31/17 FORECAST	% of
'000	'000	DESCRIPTION	'000	'000	'000	'000	FORECAST
		REVENUE					
\$466	\$539	STORMWATER SITE GENERATED SERVICE	\$6,060	\$5,488	\$6,708	\$6,708	90.33%
\$323	\$323	STORMWATER RIGHT OF WAY SERVICE	\$3,558	\$3,558	\$3,881	\$3,881	91.67%
\$1	\$5	CUSTOMER LATE PAY./COLLECTION FEES	\$34	\$59	\$70	\$45	76.76%
<b>\$</b> 5	\$6	MISCELLANEOUS	\$81	\$75	\$93	\$93	86.97%
\$796	\$873		\$9,733	\$9,180	\$10,753	\$10,728	90.73%
		EXPENSES	•	. ,			
\$238	\$300	STORMWATER COLLECTION	\$3,582	\$3,709	\$4,761	\$4,650	77.03%
\$3	\$3	SCADA, CONTROL & PUMPING	\$39	\$32	\$28	\$28	140.69%
\$40	\$45	ENGINEERING & INFORMATION SERVICES	\$476	\$433	\$590	\$560	85.06%
\$51	\$57	REGULATORY SERVICES	\$592	\$667	\$835	\$865	68.46%
\$23	\$25	CUSTOMER SERVICE	\$270	\$274	\$303	\$303	89.28%
\$57	\$70	ADMINISTRATION & PENSION	\$573	\$774	\$729	\$653	87.77%
\$49	\$39	DEPRECIATION	\$540	\$424	\$614	\$614	87.96%
\$462	\$540		\$6,073	\$6,313	\$7,862	\$7,672	79.15%
\$334	\$334	OPERATING PROFIT	\$3,660	\$2,867	\$2,891	\$3,055	119.79%
		FINANCIAL REVENUE					
\$6	\$0	INVESTMENT INCOME	\$72	\$0	\$81	\$81	88.39%
\$0	\$0	MISCELLANEOUS	\$0	\$0	\$0	\$0	0.00%
\$6	\$0		\$72	\$0	\$81	\$81	88.39%
		FINANCIAL EXPENSES					
\$45	\$49	LONG TERM DEBT INTEREST	\$538	\$519	\$569	\$569	94.54%
\$51	\$95	LONG TERM DEBT PRINCIPAL	\$578	\$998	\$1,098	\$1,098	52.68%
\$1	\$1	AMORTIZATION DEBT DISCOUNT	\$9	\$7	\$11	\$11	79.89%
\$97	\$145		\$1,125	\$1,525	\$1,678	\$1,678	67.06%
		NET DROET (LOOS) AVAILABLE FOR					
\$243	\$189	NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES	\$2,607	\$1,343	\$1,294	\$1,459	178.69%
Ψ=+0	Ψ.00	JAN TITLE AND ENDITORIES	ΨΞ,007	Ψ1,545	Ψ.,=υτ	Ψ1,π00	110.0070

# HALIFAX WATER UNAUDITED INCOME STATEMENT - REGULATED AND UNREGULATED OPERATIONS APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS) 91.67%

DESCRIPTION		ACTUAL (YEAR TO DATE) THIS YEAR LAST YEAR		APR 1/16 MAR 31/17 FORECAST	% of FORECAST	
REGULATED ACTIVITIES						
REVENUE						
METERED SALES	\$113,021	\$106,202	\$121,235	\$122,035	92.61%	
FIRE PROTECTION	\$6,485	\$7,362	\$7,074	\$7,074	91.67%	
PRIVATE FIRE PROTECTION	\$758	\$617	\$840	\$840	90.19%	
STORMWATER SERVICE	\$3,558	\$3,558	\$3,881	\$3,881	91.67%	
OTHER OPERATING REVENUE	\$1,109 <b>\$124,931</b>	\$1,190 <b>\$118,930</b>	\$1,203 <b>\$134,234</b>	\$1,205 <b>\$135,036</b>	91.99% <b>92.52%</b>	
EXPENSES	\$124,931	\$110,930	\$134,234	\$133,030	92.32%	
WATER SUPPLY & TREATMENT	\$6,236	\$6,676	\$7,983	\$7,658	81.44%	
TRANSMISSION & DISTRIBUTION	\$7,685	\$7,765	\$8,710	\$8,211	93.60%	
WASTEWATER & STORMWATER COLLECTION	\$11,966	\$12,475	\$14,207	\$13,964	85.69%	
WASTEWATER TREATMENT PLANTS	\$15,675	\$15,469	\$19,425	\$17,979	87.19%	
SMALL SYSTEMS	\$2,002	\$1,897	\$2,116	\$2,170	92.25%	
SCADA, CONTROL & PUMPING	\$1,906	\$1,628	\$2,089	\$2,088	91.29%	
ENGINEERING & INFORMATION SERVICES	\$6,838	\$6,217	\$8,067	\$7,798	87.70%	
REGULATORY SERVICES	\$2,035	\$2,164	\$2,605	\$2,605	78.11%	
CUSTOMER SERVICE ADMINISTRATION & PENSION	\$3,909 \$8,365	\$3,957 \$11,244	\$4,384 \$10,610	\$4,378 \$9,502	89.28% 88.03%	
DEPRECIATION	\$16,780	\$16,756	\$10,610	\$19,053	88.07%	
DEFRECIATION	\$83,398	\$86,247	\$101,352	\$95,406	87.41%	
	400,000	<b>400,2</b> 47	ψ101,00 <u>2</u>	ψου,-του	01.4170	
FINANCIAL REVENUE	<b>\$72.4</b>	<b>CO42</b>	<b>CO10</b>	<b>CO10</b>	00.649/	
INVESTMENT INCOME MISCELLANEOUS	\$734 \$2,047	\$842	\$810	\$810	90.64% 96.32%	
MISCELLANEOUS	\$2,047 \$2,781	\$1,870 <b>\$2,713</b>	\$2,125 <b>\$2,935</b>	\$2,125 <b>\$2,935</b>	96.32%	
FINANCIAL EXPENSES	Ψ2,701	Ψ2,713	<b>\$2,933</b>	<b>\$2,933</b>	34.73 /0	
LONG TERM DEBT INTEREST	\$7,792	\$8,050	\$8,872	\$8,492	91.76%	
LONG TERM DEBT PRINCIPAL	\$19,477	\$18,528	\$22,652	\$21,237	91.71%	
AMORTIZATION DEBT DISCOUNT	\$183	\$170	\$199	\$199	91.51%	
DIVIDEND/GRANT IN LIEU OF TAXES	\$4,218	\$4,151	\$4,663	\$4,578	92.13%	
MISCELLANEOUS	(\$127)	\$0	\$0	\$0	0.00%	
NET PROFIT (LOSS) AVAILABLE FOR	\$31,543	\$30,899	\$36,386	\$34,507	91.41%	
NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES	\$31,543 \$12,771	\$30,899 \$4,496	\$36,386 (\$570)	\$34,507 \$8,058	91.41%	
	-	. ,	. ,			
CAPITAL EXPENDÍTURES  UNREGULATED ACTIVITIES  REVENUE	\$12,771	\$4,496	(\$570)	\$8,058	158.48%	
CAPITAL EXPENDITURES  UNREGULATED ACTIVITIES  REVENUE  SEPTAGE TIPPING FEES	<b>\$12,771</b>	<b>\$4,496</b> \$613	(\$570) \$650	<b>\$8,058</b>	<b>158.48%</b> 96.30%	
CAPITAL EXPENDÍTURES  UNREGULATED ACTIVITIES  REVENUE  SEPTAGE TIPPING FEES LEACHATE	\$12,771 \$867 \$314	\$4,496 \$613 \$292	(\$570) \$650 \$389	\$8,058 \$900 \$389	96.30% 80.82%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE	\$12,771 \$867 \$314 \$74	\$4,496 \$613 \$292 \$85	(\$570) \$650 \$389 \$86	\$8,058 \$900 \$389 \$86	96.30% 80.82% 86.66%	
CAPITAL EXPENDÍTURES  UNREGULATED ACTIVITIES  REVENUE  SEPTAGE TIPPING FEES LEACHATE	\$12,771 \$867 \$314 \$74 \$192	\$4,496 \$613 \$292 \$85 \$192	\$650 \$389 \$86 \$210	\$900 \$389 \$86 \$210	96.30% 80.82%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING	\$12,771 \$867 \$314 \$74	\$4,496 \$613 \$292 \$85	(\$570) \$650 \$389 \$86	\$8,058 \$900 \$389 \$86	96.30% 80.82% 86.66% 91.65%	
CAPITAL EXPENDITURES  UNREGULATED ACTIVITIES  REVENUE  SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34	\$4,496 \$613 \$292 \$85 \$192 \$41	\$650 \$389 \$86 \$210 \$86	\$900 \$389 \$86 \$210 \$86	96.30% 80.82% 86.66% 91.65% 77.18%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27	\$650 \$389 \$86 \$210 \$86 \$184	\$900 \$389 \$86 \$210 \$86 \$184	96.30% 80.82% 86.66% 91.65% 77.18% 81.04%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34 \$1,696	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% <b>90.46</b> %	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34 \$1,696	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34 \$1,696	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46% 80.00% 91.61%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34 \$1,696 \$15 \$767 \$40	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270 \$8 \$739 \$2	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% <b>90.46</b> % 80.00% 91.61% 107.83%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34 \$1,696 \$15 \$767 \$40 \$59	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270 \$8 \$739 \$2 \$51	\$650 \$389 \$86 \$210 \$86 \$184 \$22 <b>\$1,625</b> \$18 \$998 \$37 \$56	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% <b>90.46%</b> 80.00% 91.61% 107.83% 106.62%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34 <b>\$1,696</b> \$15 \$767 \$40 \$59 \$5	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270 \$8 \$739 \$2 \$51 \$5	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0	\$8,058 \$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46% 80.00% 91.61% 107.83% 106.62% 0.00%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION	\$12,771 \$867 \$314 \$74 \$192 \$66 \$149 \$34 \$1,696 \$15 \$767 \$40 \$59	\$4,496 \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270 \$8 \$739 \$2 \$51	\$650 \$389 \$86 \$210 \$86 \$184 \$22 <b>\$1,625</b> \$18 \$998 \$37 \$56	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% <b>90.46%</b> 80.00% 91.61% 107.83% 106.62%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION	\$12,771  \$867 \$314 \$74 \$192 \$66 \$149 \$34  \$1,696  \$15 \$767 \$40 \$59 \$5 \$886	\$4,496  \$613 \$292 \$85 \$192 \$41 \$27 \$20  \$1,270  \$8 \$739 \$2 \$51 \$5 \$805	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0 \$1,109	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0 \$948	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46%  80.00% 91.61% 107.83% 106.62% 0.00% 93.46%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION  FINANCIAL REVENUE MISCELLANEOUS	\$12,771  \$867 \$314 \$74 \$192 \$66 \$149 \$34  \$1,696  \$15 \$767 \$40 \$59 \$5 \$886	\$4,496  \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270  \$8 \$739 \$2 \$51 \$5 \$805	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0 \$1,109	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0 \$948	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46% 80.00% 91.61% 107.83% 106.62% 0.00% 93.46%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION  FINANCIAL REVENUE MISCELLANEOUS FINANCIAL EXPENSES	\$12,771  \$867 \$314 \$74 \$1192 \$66 \$149 \$34  \$1,696  \$15 \$767 \$40 \$59 \$5 \$886  \$143 \$143	\$4,496  \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270  \$8 \$739 \$2 \$51 \$5 \$805  \$223 \$223	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0 \$1,109	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0 \$948	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46% 80.00% 91.61% 107.83% 106.62% 0.00% 93.46% 61.41%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION  FINANCIAL REVENUE MISCELLANEOUS	\$12,771  \$867 \$314 \$74 \$192 \$66 \$149 \$34  \$1,696  \$15 \$767 \$40 \$59 \$5 \$886	\$4,496  \$613 \$292 \$85 \$192 \$41 \$27 \$20  \$1,270  \$8 \$739 \$2 \$51 \$5 \$805	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0 \$1,109	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0 \$948	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46%  80.00% 91.61% 107.83% 106.62% 0.00% 93.46%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION  FINANCIAL REVENUE MISCELLANEOUS FINANCIAL EXPENSES MISCELLANEOUS NET PROFIT (LOSS) AVAILABLE FOR	\$12,771  \$867 \$314 \$74 \$192 \$66 \$149 \$34  \$1,696  \$15 \$767 \$40 \$59 \$5 \$886  \$143 \$1143	\$4,496  \$613 \$292 \$85 \$192 \$41 \$27 \$20  \$1,270  \$8 \$739 \$2 \$51 \$5 \$805  \$223 \$44 \$4	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0 \$1,109 \$232 \$232 \$232	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0 \$948 \$232 \$232	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46%  80.00% 91.61% 107.83% 106.62% 0.00% 93.46%  61.41% 61.41%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION  FINANCIAL REVENUE MISCELLANEOUS FINANCIAL EXPENSES MISCELLANEOUS NET PROFIT (LOSS) AVAILABLE FOR	\$12,771  \$867 \$314 \$74 \$192 \$66 \$149 \$34  \$1,696  \$15 \$767 \$40 \$59 \$5 \$886  \$143 \$1143	\$4,496  \$613 \$292 \$85 \$192 \$41 \$27 \$20 \$1,270  \$8 \$739 \$2 \$51 \$5 \$805  \$223 \$223	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0 \$1,109 \$232 \$232	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0 \$948 \$232 \$232	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46% 80.00% 91.61% 107.83% 106.62% 0.00% 93.46% 61.41%	
UNREGULATED ACTIVITIES  REVENUE SEPTAGE TIPPING FEES LEACHATE CONTRACT REVENUE DEWATERING AIRLINE EFFLUENT ENERGY PROJECTS MISCELLANEOUS  EXPENSES WATER SUPPLY & TREATMENT WASTEWATER TREATMENT MISCELLANEOUS SPONSORSHIPS & DONATIONS DEPRECIATION  FINANCIAL REVENUE MISCELLANEOUS FINANCIAL EXPENSES	\$12,771  \$867 \$314 \$74 \$192 \$66 \$149 \$34  \$1,696  \$15 \$767 \$40 \$59 \$5 \$886  \$143 \$1143	\$4,496  \$613 \$292 \$85 \$192 \$41 \$27 \$20  \$1,270  \$8 \$739 \$2 \$51 \$5 \$805  \$223 \$44 \$4	\$650 \$389 \$86 \$210 \$86 \$184 \$22 \$1,625 \$18 \$998 \$37 \$56 \$0 \$1,109 \$232 \$232 \$232	\$900 \$389 \$86 \$210 \$86 \$184 \$22 \$1,875 \$18 \$837 \$37 \$56 \$0 \$948 \$232 \$232	96.30% 80.82% 86.66% 91.65% 77.18% 81.04% 156.75% 90.46%  80.00% 91.61% 107.83% 106.62% 0.00% 93.46%  61.41% 61.41%	

Page 9 of 10

### HALIFAX WATER UNAUDITED BALANCE SHEET - IFRS FORMAT AS OF FEBRUARY 28, 2017

	2017 '000	2016 '000
ASSETS		
Cash	\$58,719	\$50,997
Amounts Receivable		
Customers & Contractual	\$13,308	\$15,402
Customers & Contractual - Unbilled Services	\$17,010	\$15,381
Halifax Regional Municipality	\$3,582	\$3,792
Materials & Supplies	\$1,604	\$1,591
Prepaid Expenses	(\$84)	\$663
	\$94,139	\$87,825
Regulatory Asset	\$3,404	\$3,596
Plant in Service - Water	\$584,992	\$567,576
Plant in Service - Wastewater	\$696,202	\$643,425
Plant in Service - Stormwater	\$131,602	\$119,340
Less: Accumulated Depreciation - Water	(\$176,306)	(\$165,593)
Accumulated Depreciation - Wastewater	(\$187,449)	(\$166,363)
Accumulated Depreciation - Stormwater	(\$26,859)	(\$24,505)
,	\$1,025,586	\$977,477
Assets Under Construction	\$59,679	\$87,476
	\$1,085,265	\$1,064,953
Unamortized Debt Discount & Issue Expense	\$1,049	\$1,171
	\$1,180,453	\$1,153,950
LIABILITIES		
Trade	\$13,058	\$12,600
Interest on Long Term Debt	\$2,680	\$2,905
Halifax Regional Municipality	\$6,397	\$7,944
Contractor & Customer Deposits	\$199	\$195
Unearned Revenue	(\$583)	\$1,641
Current Portion of Deferred Contributed Capital	\$12,526	\$12,526
Current Portion of Long Term Debt	\$21,669	\$22,374
	\$55,947	\$60,184
Accrued Post-Retirement Benefits	\$466	\$458
Accrued Pre-Retirement Benefit	\$3,735	\$3,613
Deferred Pension Liability	\$57,094	\$67,834
Deferred Contributed Capital	\$704,137	\$691,874
Long Term Debt-Water	\$59,599	\$62,204
Long Term Debt-Wastewater	\$133,409	\$144,321
Long Term Debt-Stormwater	\$11,324	\$11,245
Total Liabilities	\$1,025,711	\$1,041,733
EQUITY		
Accumulated Other Comprehensive Income	(\$43,936)	(\$54,325)
Accumulated Surplus	\$167,607	\$144,655
Excess (Deficiency) of Revenue over Expenditure	\$31,071	\$21,887
Total Equity	\$154,742	\$112,217
	\$1,180,453	\$1,153,950

## HALIFAX WATER UNAUDITED INCOME STATEMENT - IFRS FORMAT - ALL SERVICES APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS) 91.67%

ACT (CURREN <sup>-</sup> THIS YEAR	Γ MONTH)		ACTUA (YEAR TO I THIS YEAR		APR 1/16 MAR 31/17 BUDGET*	APR 1/16 MAR 31/17 FORECAST	% of	% of
'000	'000	DESCRIPTION	'000	'000	'000	'000	BUDGET*	FORECAST
00.500	<b>#</b> 0.000	REVENUE	<b>#</b> 40, 000	000 500	0.10.175	<b>0.40.075</b>	00.450/	00.700/
\$3,533	\$3,399	METERED SALES - WATER	\$43,293	\$39,593	\$46,475	\$46,675	93.15%	92.76%
\$5,168	\$5,095	METERED SALES - WASTEWATER	\$63,668	\$61,121	\$68,052	\$68,652	93.56%	92.74%
\$466	\$539	STORMWATER SITE GENERATED SERVICE	\$6,060	\$5,488	\$6,708	\$6,708	90.33%	90.33%
\$590	\$669	FIRE PROTECTION	\$6,485	\$7,362	\$7,074	\$7,074	91.67%	91.67%
\$323	\$323	STORMWATER RIGHT OF WAY SERVICE	\$3,558	\$3,558	\$3,881	\$3,881	91.67%	91.67%
\$143	\$191	OTHER SERVICES AND FEES	\$2,608	\$2,223	\$2,586	\$2,859	100.86%	91.24%
\$45	\$44	CUSTOMER LATE PAY./COLLECTION FEES	\$465	\$468	\$530	\$510	87.68%	91.12%
\$22	\$23	MISCELLANEOUS	\$341	\$360	\$369	\$369	92.56%	92.56%
\$10,290	\$10,283	EXPENSES	\$126,478	\$120,174	\$135,675	\$136,728	93.22%	92.50%
\$472	\$555	WATER SUPPLY & TREATMENT	\$6,236	\$6,676	\$7,983	\$7,658	78.12%	81.44%
\$635	\$757	TRANSMISSION & DISTRIBUTION	\$7,685	\$7,765	\$8,710	\$8,211	88.23%	93.60%
\$884	\$737 \$745	WASTEWATER COLLECTION	\$8,400	\$8,774	\$9,446	\$9,314	88.92%	90.18%
\$1,286	\$1,433	WASTEWATER COLLECTION WASTEWATER TREATMENT PLANTS	\$15,675	\$15,469	\$19,425	\$17,979	80.70%	87.19%
\$238	\$300	STORMWATER COLLECTION	\$3,582	\$3,709	\$4,761	\$4,650	75.24%	77.03%
\$266	\$270	SMALL SYSTEMS AND OTHER SERVICES	\$2,768	\$2,636	\$3,132	\$3,026	88.40%	91.49%
\$170	\$163	SCADA, CONTROL & PUMPING	\$1,906	\$1,628	\$2,089	\$2,088	91.23%	91.29%
\$566	\$659	ENGINEERING & INFORMATION SERVICES	\$6,838	\$6,217	\$8,067	\$7,798	84.77%	87.70%
\$166	\$178	REGULATORY SERVICES	\$2,035	\$2,164	\$2,605	\$2,605	78.13%	78.11%
\$340	\$368	CUSTOMER SERVICE	\$3,941	\$3,989	\$4,419	\$4,413	89.19%	89.30%
\$840	\$1,015	ADMINISTRATION & PENSION	\$8,392	\$11,264	\$10,631	\$9,523	78.94%	88.13%
\$2,767	\$2,694	DEPRECIATION	\$30,365	\$30,006	\$21,157	\$33,682	143.52%	90.15%
\$8,630	\$9,137	22. 1.20	\$97,824	\$100,296	\$102,424	\$110,947	95.51%	88.17%
	<del>+0,.0.</del>		<b>40.,02</b> .	<b>V.00,200</b>	<b>4.02</b> , .2.	<b>4.10,011</b>	00.0170	,
\$1,659	\$1,146	OPERATING PROFIT	\$28,654	\$19,878	\$33,251	\$25,781	86.17%	111.14%
		FINANCIAL REVENUE						
\$61	\$83	INVESTMENT INCOME	\$734	\$842	\$810	\$810	90.64%	90.64%
\$167	\$167	PNS FUNDING HHSP DEBT	\$1,833	\$1,833	\$2,000	\$2,000	91.67%	91.67%
\$1,067	\$1,182	MISCELLANEOUS	\$11,960	\$11,709	\$504	\$13,029	2371.68%	91.79%
\$1,295	\$1,432		\$14,527	\$14,385	\$3,314	\$15,839	438.32%	91.72%
ተር ጋር	<b>#700</b>	FINANCIAL EXPENSES	<b>#7.700</b>	¢ο οσο	<b>#0.070</b>	<b>CO 400</b>	07.000/	04.700/
\$632	\$706	LONG TERM DEBT INTEREST	\$7,792	\$8,050	\$8,872	\$8,492	87.83%	91.76%
\$17	\$17	AMORTIZATION DEBT DISCOUNT	\$183	\$170	\$199	\$199	91.51%	91.51%
\$382	\$377	DIVIDEND/GRANT IN LIEU OF TAXES	\$4,218	\$4,151	\$4,663	\$4,578	90.46%	92.13%
(\$127) <b>\$903</b>	\$0 \$1,100	MISCELLANEOUS	(\$83) <b>\$12,110</b>	\$4 \$12,375	\$24 <b>\$13,758</b>	\$64 \$13.334	-351.99% <b>88.02%</b>	-130.77% <b>90.82%</b>
\$303	\$1,100		\$12,110	\$12,373	\$13,730	<b>Φ13,334</b>	00.0276	90.02 /6
		NET PROFIT (LOSS) BEFORE						
\$2,051	\$1,478	OTHER COMPREHENSIVE INCOME	\$31,071	\$21,887	\$22,807	\$28,287	136.23%	109.84%
\$0	\$0	OTHER COMPREHENSIVE INCOME	\$0	\$0	\$0	\$0	0.00%	0.00%
\$2,051	¢4 470	NET PROFIT (LOSS) AVAILABLE FOR CAPITAL EXPENDITURES	\$24 A74	¢24 007	\$22,807	\$28,287	136.23%	109.84%
\$2,031	\$1,478	CAPITAL EXPENDITURES	\$31,071	\$21,887	φ <b>∠∠,</b> 0U/	φ <b>2</b> 0,20 <i>l</i>	130.23%	103.0470



ITEM # 6 HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** Original Signed By:

Cathie O'Toole, MBA, CPA/CGA Director of Corporate Services/CFO

**APPROVED:** Original Signed By:

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

**DATE:** March 24, 2017

**SUBJECT:** Signing Authority Protocol

#### **ORIGIN**

January 16, 2012 HRWC Board Resolution regarding Signing Authority January 2016 HRWC Board Governance Manual

#### **RECOMMENDATION**

It is recommended that the Halifax Regional Water Commission Board approve:

- 1. The Signing Authority Guidelines as shown in Attachment A.
- 2. The Signing Authority for Halifax Regional Water Commission (Banking) approved at a regular Commission meeting on January 16, 2012 be rescinded and replaced with the Signing Authority Resolution in Attachment B.
- 3. The Financial Approval list as shown in Attachment C be approved.

#### **BACKGROUND**

Periodically Halifax Water reviews governance and internal controls to ensure the organization is keeping up to date with best practices and updating key policies to reflect any organizational changes.

The authority to authorize and conduct Unregulated Business is addressed in detail in a separate report Item #7 in the March 24, 2017 HRWC Board Package; however the Signing Authority Guidelines, Signing Authority Resolution for Banking and Documents Under Seal, and Financial Approval limits apply to both Rate Regulated and Unregulated transactions.

#### **DISCUSSION**

#### Signing Authority Guidelines

Regardless of the size of the entity, the Board of Directors or Commissioners ("The Board") has the ultimate responsibility for the good governance and management of the organization. It is the Board's fiduciary responsibility to set up the necessary checks and balances in order to ensure that the resources of the organization are well managed.

In January 2016, the Board approved a Governance Manual. The Governance Manual reflects how authority is delegated to the General Manager and outlines how the organization is governed. Through the process to develop the Governance Manual, it was identified that although there were clear signing authorities for financial transactions, there were many other types of transactions where authority levels needed to be documented or established to ensure proper management of risks, and use of resources.

The Signing Authority Guideline shown in Attachment A establishes six levels of signing authority and specifies what levels of approval are required for transactions in the following categories: Accounting and Finance, Human Resources, Procurement, Travel, Engineering Approvals, Environmental Engineering (Regulatory Enforcement), Water and Wastewater Operations, and Engineering and Information Services.

Approval of the signing authority guidelines will strengthen Halifax Water's internal control environment, assist with risk management, and will provide clarity for staff that will increase efficiency.

#### Signing Authority Resolution – Banking and Documents Under Seal

The current signing authority resolution has been in place since January 16, 2012. A review of the signing resolution revealed that the resolution does not reflect organizational structure changes since that time.

In September of 2015, the Secretary and Treasurer function was separated. The signing authority previously listed as Secretary and Treasurer, is now simply Treasurer.

In January 2016, the positions of Director of Human Resources and Controller were eliminated, and the Director of Finance and Customer Service became the Director of

Corporate Services, and the Director of Environmental Services became the Director of Regulatory Services.

A revised resolution reflecting these changes is shown in Attachment B.

#### Financial Approval List

Signing authority approval limits for initiation of financial transactions such as payment of invoices and cheque requests is covered in this approval list which is reviewed and approved by the HRWC Board periodically. The Board is asked to approve additions or elimination of positions and changes in authority levels. As staff within the positions change they are updated within the list. This list is maintained by the Accounting department.

#### **BUDGET IMPLICATIONS**

There are no human resource or budget implications associated directly with this report. The signing authorities are sufficient to ensure adequate internal control and meet operational requirements.

Any changes in transactions that various positions within the organization can authorize do not impact job title, job description, job rating or compensation.

#### **ALTERNATIVES**

The Board could choose to amend the proposed signing authority guideline, signing authority resolution for banking and documents under seal, or the financial approval list.

#### **ATTACHMENTS**

Attachment A – Signing Authority Guideline

Attachment B - Signing Authority Resolution – Banking and Documents Under Seal

Attachment C – Financial Approval List

#### SIGNING AUTHORITY GUIDELINE

#### Origin:

In January 2016, the Halifax Water Board approved a Governance Manual to provide direction and clarity on the roles and responsibilities of the Board and staff.

#### Purpose and Scope:

To ensure the efficient operation of Halifax Water by providing guidelines for the appropriate level of signing authority and delegation of authority required for various transactions and activities.

#### Guideline Statement

Accountability for the management of the property, assets, financial and human resources of Halifax Water rests with the General Manager who expects those with signing authority to safeguard utility resources by establishing and maintaining sound business controls for contractual commitments, management of risks and proper use of resources. The procedures outlined herein identify those situations in which it is appropriate to use delegations of authority and the procedures that should be followed to make such delegations. The procedures also outline the signature authority for various Halifax Water transactions, approvals and other decisions.

#### Guideline for Signature Authority

Halifax Water has provided signature authority to certain individuals based on their level in the organization. Level definitions are as follows:

Level 1: Board Chair, Board Vice-Chair

Level 2: General Manager, Corporate Treasurer

Level 3: Directors, Corporate Secretary

Level 4: Superintendents, Senior Managers, Operation Engineers,

Level 5: Supervisors, Intermediate Engineers

Level 6: Technical Staff, Junior Engineers

Levels 4 and above must be Management Personnel or equivalent.

The following responsibilities may not be delegated and must be approved by the level indicated in the matrix, or a level higher:

### Corporate Services Accounting & Finance

Type of Transaction	Authority to Execute
Budget Transfer Request	Level 4
Delegation Authority Request	Level 4
Establish Petty Cash Fund	Level 4
Establish Account or program	Level 3
Information submissions to Municipal Auditor General	Level 2
Financial submissions to NSUARB	Level 2
Financial information provided to Actuaries	Level 3
Correspondence with CRA	Level 2
Financial statements	Level 2
Management representation letters	Level 2
Financial Review of Board Reports	Level 3
Correspondence regarding Pensions	Level 3
Pension Annual Information Return	Level 2
Journal Entries	Level 4
Confirmation Letters	Level 4
Banking Contracts	Level 2 and 1
Annual Indexation for Pensioners	Level 2
Changes to SAP Hierarchy – New Cost Centres	Level 4 (Finance or Accounting)
or General Ledger Accounts	
Changes to SAP (FI/CO/AA modules)	Level 3 and Level 2
Creation of new orders in SAP	Level 4
Debentures Agreements	Level 2 and 1

#### **Human Resources**

In range progression	Level 2
Appointment Letters	Level 3
Professional Development Plan	Level 5
Position description	Level 2
Confirmation of Employment Letters (to provide to financial institutions)	Level 6
LTD Benefit Applications	Level 4
Life Insurance Claim applications (which includes beneficiary statements)	Level 4

Annual Adjustments to Non-Union	Level 1
compensation (CPI or Hay Survey	
implementation)	
Payroll Approvals	Level 4
Discipline Letters - Warning	Level 4
Discipline Letters - Suspension	Level 3
Discipline Letters - Termination	Level 2
Changes to SAP (payroll)	Level 3
Employment Contracts	Level 3
Collective Agreements	Level 2 and 1
MOU and LOU's with the Union	Level 2
Return to Work Agreements (Accommodations)	Level 4 in the Department
WCB Appeals on behalf of the Employer	Level 2

#### Procurement

Agreements/Contracts/MOUs > \$5,000,000	Level 1 and 2
Agreements/Contracts/MOUs > \$ 250,000 and <	Level 2
\$5M	
Agreements/Contracts/MOUs > \$15,000 and <	Level 3
\$250,000	
Purchases (invoices, cheque requests)	See Financial Approval List
Sole Source Approvals	Level 2
Purchase Card Administration	Level 5
Changes to SAP (MM module)	Level 3

#### Travel

Travel for GM	Level 1
Travel for Directors	Level 2
Travel Claims/Reimbursement for GM	Level 1
Travel Claims/Reimbursements for Directors	Level 2

Customer Service and Billing

Water Shut Off – Regulatory Non Compliance	Level 3
Water Shut Off – Collection Process	Level 3
Non Payment Letters?	Level 4
Acceptance of payment arrangements	Level 4
Wastewater Rebates payment	Level 2
SW Exemption Requests (Account)	Level 4
Changes to SAP (billing)	Level 3
Adjustment of Customer Accounts, including	Level 3
interest	

### Regulatory Services Engineering Approvals

Type of Transaction	Authority to Execute
Subdivision Approval Letter - Concept	Level 4 - Manager
Subdivision Approval Letter - Preliminary	Level 4
Subdivision Approval Letter - Final	Level 4
Water Systems Agreements Approval	Level 4
Infrastructure Acceptance	Level 4
Design and Construction Specification Variance	Level 4
Capital Cost Contribution Invoicing/Refunds	Level 4
Regional Development Charge Invoicing/Refunds	Level 4
Building Permit Approval Letter	Level 5 – Intermediate Engineer
New Service Application Approval Letter	Level 5
Demolition Permit Approval Letter	Level 5
Development Permit Approval Letter	Level 5
Pre-Tender Review Approval Letter	Level 5
Planning Applications Letter	Level 5
Domestic Meter and BFP Approval Letter	Level 5
Sprinkler and BFP Approval Letter	Level 5
BFP Testers List	Level 5
HP Updating	Level 6 – Engineering Technologist
Hansen Updating	Level 6
Clearance Letter	Level 6
Inter Office Memo Infrastructure Acceptance	Level 6
Change in Meter Size Approval	Level 6
Temporary Meter Approval	Level 6

Environmental Engineering (P2 / I/I)

Compliance Agreement	Level 3
Enforcement Action	Level 3
Corrective Action Agreement	Level 4
Corrective Action Required	Level 5
Temporary Discharge Agreement	Level 6
Requests for Customer Action / Information	Level 6
Distribution of Educational Material / Notices	Level 6

#### Stormwater

NSUARB Appeals	Level 2
Exemption Requests	Level 4
Drainage Complaint Letters	Level 4

**Water / Wastewater Operations** 

Type of Transaction	Authority to Execute
Locate Certifications	Level 5
Service Connection Inspections* (*Conforming to Approved Drawings. For Design and Construction Specification Variances, refer to Engineering Approvals)	Level 6

**Engineering & IS** 

Engineering & 15	
Financial	
Progress claims	Match to Spending Authority
Change orders	Match to Spending Authority
Contracts & Agreements that commit or	
bind the organization	
Consulting Agreement	Level 2
Construction Agreements	Level 2
Information Release Agreements	Level 3
Other Agreements	TBD
Technical Documents	
Request for Proposal	Level 3
RFP Evaluations	Level 4
Technical Study/Report(from consultant)	Level 4
Tender Documents	Level 4
Tender Evaluations	Level 4
Award Letters	Level 5

For transactions not specifically listed in the Signing Authority Guideline, please seek advice from the General Manager, Corporate Secretary or Treasurer.

ATTACHMENT B

BE IT RESOLVED THAT the signing authority for the Halifax Regional Water Commission approved at a regular Commission meeting on January 26, 2012, be rescinded;

BE IT RESOLVED THAT the signing authority for the Halifax Regional Water Commission be as follows:

**Documents Under Seal** 

Chair or Vice Chair
Together with
General Manager or Treasurer

**Promissory Notes** 

Chair or Vice Chair
Together with
General Manager or Treasurer

#### **General Fund Bank Accounts**

General Manager and Treasurer

OR

Any one of: General Manager

Or Treasurer

Together with Any one of: Chair

Vice Chair

Director of Water Services

Director of Wastewater & Stormwater Services Director of Engineering & Information Services

**Director of Regulatory Services** 

Payroll Account

Any two of: General Manager

Treasurer

Manager of Human Resources

I certify the above to be a true copy of resolution duly passed at a meeting of the Board of the Halifax Regional Water Commission held on March 30, 2017.

\_\_\_\_\_

James Spurr,

Corporate Legal Counsel and Board Secretary

#### ATTACHMENT C

#### HALIFAX WATER - Approval Authority List

(amounts shown on a before-tax basis)

Issue Date: March 2017 ENGINEERING & WASTEWATER/ REGULATORY CORPORATE SERVICES INFORMATION WATER SERVICES STORMWATER SERVICES SERVICES SERVICES Approvals - up to \$50,000 (over \$50,000 requires any two signatures) Yates, Carl Hannam, Jamie MacKenzie, Kenda Campbell, Reid Arora, Susheel O'Toole, Cathie Approvals - up to \$15,000 Bellemare, Rochelle Blades, David Bellemare, Pat Avery, Derek Eisnor, John Brake, Warren Ellis, David Blouin, Tony Feener, Mark Crouse, Nigel Campbell, Allan Fahie, Chris Campbell, Craig Geddes, Barry Deagle, Mike Comeau, Michelle Gillis, Rob Hiscock, Dave Edgar, Michael DeYoung, Josh Mathew, Shiju Gorman, Tom Gray, Kevin Houlihan, Andrew MacDonald, Ken Singer, Heather Guppy, Ian Isnor, Patricia Knowles, Alisha MacNeil, Rory Spuir, James Healy, Kevin Lloyd, Charles McMullin, Barry MacNab, Andrew Knapp, Jeffrey McGonnell, Mark Parsons, Sheldon Oxner, Garry Levesque, Roger Woszczynski, Meghan Stevens, Bill Patey, Danny MacDonald, Jonathan Waddell, Colin Patterson, Jerry MacNeil, Harold Reid, Rick Maynard, Peter Rowe, Shawn McAulay, Jeff Shea, Heather Miller, Heather Titus, Blair O'Reilly, Kevin White, Peter Pillay, Dayalan Rice, Greg Roberge, Renee Skinner, Steve Stewart, Jeremy Tagra, Sanieev Williams, Valerie Approvals - up to \$7,500 Cameron, Melvin Campbell, James Kendell, Lucie Amaral, Dino Kennedy, Mark Connolly, Todd Reid, Gail King, Cindy O'Grady, Melissa Doucette, Raymond Mosher, Jamie Thome, Terry Kaiser, Reid Pelley, Thoren Waterfield, David Murray, Alana Weeks, Chris Seguin, Robert Williams, Cedric Tooke, Tony Approvals - up to \$2,000 Fraser, Shelly Belliveau, Norma Boiduk, Paul Hood, Sandy Bruce, James Kearney, Karen Galbraith, Zach Kennedy, Bruce MacKinnon, Maria Masters, Todd MacLean, Cindy Rowe, Rebecca Taylor, Kerry-Anne Seguin, Amanda White, Chris Shatford, Tanya Slaunwhite, Dawn Whalen, Corey Approvals - up to \$1,000 Awalt, Reg Jodrey, Amanda Button, Nola Davis, Myra Barkhouse, Jason Barkhouse, Brian Lucas, Gina Jodrey, Patricia Clark, Colette Duffy, Lynn Marriott, Leigh St. Croix, Monica Clements, Mike Levangie, Sonya Bent, George Nolan, Rebecca (Term) Dauphinee, Rachel Peterson, Kim Burke, Mike Fraser, Jeannie Pottie, Brittany Ward, Ashley Hatch, Tracy Skinner, Lorna egassie, Andrea Oulette, Karen MacDonald, Jerry Parsons, Sherry Strathdee, Stephanie Sturgeon, Ann Marie MacEachern, Chervl Pictou, Murray Sellon, Mark Westhaver, Christine Rafuse, Doug Simms, Trish White, Melissa

Sutherland, Paul

Zinck Deborah



ITEM # 7 HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** *Original Signed By:* 

Cathie O'Toole, MBA, CPA/CGA Director of Corporate Services/CFO

**APPROVED:** Original Signed By:

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

**DATE:** March 24, 2017

SUBJECT: Unregulated Business Process and Authority

#### <u>ORIGIN</u>

HRWC Act Amendments, effective April 1, 2017 February 24, 2017 HRWC Audit and Finance Committee Meeting

#### **RECOMMENDATION**

It is recommended that the Halifax Regional Water Commission Board approve the Unregulated Business Process and Authority Guideline as attached, and seek ratification from Halifax municipality.

#### **BACKGROUND**

Periodically Halifax Water reviews governance and internal controls to ensure the organization is keeping up to date with best practices updating key policies to reflect any organizational or legislative changes.

HRWC Act amendments come into effect April 1, 2017, and one of the sections amended is in relation to authority to conduct unregulated business. This fact, combined with ongoing unregulated business opportunities and the continuing work on governance prompted the Audit and Finance Committee to ask that a policy for unregulated business be brought forward to the next Board meeting.

Halifax Water's unregulated business is growing slowly and steadily, and the administrative structure and governance for unregulated business should increase as the materiality of unregulated business increases.

This report addresses business process and authority to authorize and conduct Unregulated Business. There is a separate report (Item # 6 Signing Authority Protocol) in the March 24, 2017 Board package which addresses Signing Authority Guidelines, Signing Authority Resolution for Banking and Documents Under Seal, and Financial Approval limits which apply to both Rate Regulated and Unregulated transactions.

### **DISCUSSION**

### **Legislative Authority**

The HRWC Act was amended in the fall of 2016, with amendments coming into effect April 1, 2017. The HRWC Act gives Halifax Water the authority to engage in business activities which are incidental to its business or through the direct provision of water, wastewater and stormwater services to other municipalities, municipal utilities, provincial government, federal government or a band council under the Indian Act (Canada).

When the HRWC Act amendments were discussed with HRM senior staff, it was envisioned there would be a financial threshold where these types of contracts would require Council approval.

When authorizing and approving unregulated business, the General Manager, HRWC Board and HRM Council should be aware that while the Act authorizes Halifax Water to engage in certain types of unregulated business, Halifax Water would not likely be able to claim the various exemptions from liability set out in Sections 26 through 31 of the Act, which are available to it in the conduct of its regulated business. Those provisions generally protect the Commission, its officer and employees from liability for damages caused directly or indirectly by the design, construction, operation, maintenance, repair, breaking or malfunction of Halifax Water's water, wastewater or stormwater systems, unless the damage is shown to be caused by gross negligence. Gross negligence is defined as a careless and conscious disregard of the need to use reasonable care to prevent a foreseeable harm to persons, property, or both as compared to ordinary negligence, which is a mere failure to exercise reasonable care.

#### Regulatory Background and Requirements

HRWC defines unregulated business, as activities or services not required for the utility's core mandated services of water, wastewater and stormwater in accordance with the Public Utilities Act. This definition was developed based on statements made by the NSUARB in various Decisions or Letters pertaining to unregulated activities.

HRWC conducts unregulated business if there is a financial or operational benefit to the regulated business and rate base.

In the January 2013 Rate Application, HRWC articulated some principles to guide unregulated activities.

- The rate base cannot be exposed to undue financial risk associated with capital financing.
- Unregulated expenses must be funded by unregulated revenues.
- Cost causation principles must be employed and there should be no subsidization of unregulated activities from regulated activities.
- There should be a net return/benefit to the rate base from unregulated activities.

Information on unregulated activities is presented within the 5 Year Business Plan, including projected budgets. Additionally, unregulated activities are reported separately in a schedule in HRWC's Audited Financial Statements.

With respect to classification, HRWC's unregulated activities include treatment of septage (septage hauling & airline effluent), contract treatment of leachate, consulting services, contract leak detection, contract operation of small water and wastewater systems, land and tower leases to communication and other businesses, and energy related projects such as in-line turbines, wind energy, and bio-mass cogeneration.

To the extent that HRWC does not need to generate electricity, treat septage, or treat leachate directly as part of the provision of core water, wastewater, and stormwater services, it considers these services to be unregulated.

Historically, the majority of un-regulated activities were associated with the Airport/Aerotech system. The Board Order regarding the Airport/Aerotech Rate Application (June 11, 2012) directed HRWC to carry out a number of specific activities, one of which was to examine classification of regulated and unregulated activities.

[5] The Board directs HRWC to include in its rate application/consolidation filing noted above, information concerning the classification of some services as unregulated versus regulated, and whether that classification should continue.

In the subsequent Rate Application in 2013, which reflected consolidation of the Urban Core and Aerotech systems, HRWC proposed to continue operation of unregulated activities under the principle articulated on page 2 of this report.

In the 2013 NSUARB 127 Decision (M05463) the Board had the following Findings:

### 10.1 Findings

[214] The Board directs HRWC to review the projected revenues for unregulated activities to ensure they are on a full cost recovery basis and report its findings by September 30, 2013.

[215] In addition, the Board assumes that any supervisory time or use of common facilities is minimal. They should not distract senior staff from focusing on the effective, efficient and economic operation of the three systems. The Board directs HRWC to have senior staff record the time they are required to devote to unregulated activities and that this be reported on a percentage basis, annually.

On October 3, 2013, the HRWC Board approved submission of a report titled Full Cost Recovery for Unregulated Activities (Item#7 October 3, 2013) to the NSUARB.

The 2013 review of unregulated activities identified some areas where cost allocations to unregulated activities could be expanded, namely for existing revenue streams that are more administrative in nature and applied overheads.

Since 2013, more focus has been placed on the segregation between regulated and unregulated business, and the allocation of general overheads was increased. (Undertaking U-15 of the 2013 Rate Application).

#### **BUDGET IMPLICATIONS**

HRWC ensures ratepayers are protected by only implementing low risk activities pertaining to the delivery of its core services. In terms of financial magnitude, risk exposure is not material because unregulated gross expenses are less than 1% of HRWC's total gross expenses and there is also a portion of the existing accumulated surplus that pertains to unregulated business.

There will be a decrease in some unregulated business revenues after the 2017/18 fiscal year. The changes to the HRWC Act effective April 1, 2017 restricts HRWC's ability to contract with organizations other than municipalities, municipal bodies as defined in Section 461 of the Municipal Government Act (MGA), municipal water utilities, Provinces, the Government of Canada, or band councils pursuant to the Indian Act.

HRWC would no longer be able to contract with organizations registered as a commercial business (publicly or privately held) or a Not for Profit (NFP) corporations.

For example, there are at least two on-going contracts that would not be permitted under the revised HRWC Act.

### **ALTERNATIVES**

The Board could choose to amend the proposed Guidelines.

### **ATTACHMENTS**

Proposed Unregulated Business Process and Authority Guideline

### UNREGULATED BUSINESS PROCESS AND AUTHORITY GUIDELINE

### Origin:

HRWC Act, Section 7 which provides legislative authority to conduct unregulated business.

- 7 (1) Subject to the supervision and regulation of the Board pursuant to the *Public Utilities Act*, the Commission may
  - (a) acquire, own or operate
    - (i) water systems, facilities and utilities,
    - (ii) wastewater systems, facilities and utilities, and
    - (iii) stormwater systems, facilities and utilities,

for the purpose of providing water, wastewater and stormwater services to customers located within the Regional Municipality;

- (b) subject to the approval and direction of the Council, acquire, own or operate
  - (i) water systems, facilities and utilities,
  - (ii) wastewater systems, facilities and utilities, and
  - (iii) stormwater systems, facilities and utilities,

for the purpose of providing water, wastewater and stormwater services to customers located outside of the Regional Municipality;

- (c) subject to the approval and direction of the Council, engage in business activities incidental to any of the operations of the Commission referred to in clause (a) or (b), including the generation of heat or electricity in whole or in part from by-products of any of those operations;
- (d) subject to any applicable municipal by-law, lease land owned by the Commission for the erection, maintenance and operation of wind turbines;
- (e) exercise all necessary powers in relation to the activities, operations and purposes of the Commission as set out in this Act or any other Act, including the power to
  - (i) subject to subsections (4) and (5), enter into and carry out contracts,
    - (ii) buy, sell or lease interests in real or personal property,
    - (iii) borrow and invest money,
    - (iv) receive and issue negotiable instruments, and
  - (v) hire employees and participate in pension plans or provide pension benefits.

- (2) For greater certainty, the authority contained in clauses (l) (a) and (b) includes the authority to acquire, own or operate systems, facilities and utilities not located within the Regional Municipality.
- (3) The Commission may only carry out an activity authorized under clause (1)(b) or (c) if the activity is carried out without subsidy from any of the operations of the Commission referred to in clause (1)(a).
- (4) The Commission may not enter into a contract with a person other than a municipality, a municipal body as defined in Section 461 of the *Municipal Government Act*, a municipal water utility, the Government of the Province or of Canada or a band council pursuant to the *Indian Act* (Canada) for the purpose of providing water, wastewater or stormwater services.
- (5) The entering into of a contract with a municipality, a municipal body as defined in Section 461 of the *Municipal Government Act*, a municipal water utility, the Government of the Province or of Canada or a band council pursuant to the *Indian Act* (Canada) for the purpose of providing water, wastewater or stormwater services to the municipality, municipal body, municipal water utility, Government or band is subject to the approval and direction of the Council.

### Purpose and Scope

To ensure the efficient operation of Halifax Water by providing guidelines for the appropriate level of signing authority and delegation of authority required for various transactions and activities.

#### Guideline Statement

Accountability for the management of the property, assets, financial and human resources of Halifax Water rests with the General Manager who expects those with signing authority to safeguard utility resources by establishing and maintaining sound business controls for contractual commitments, management of risks and proper use of resources.

### **Business Process and Authority**

Unregulated Business Plans and Budget - Unregulated business activities will be reported separately within HRWC's annual and Five-Year Capital and Operating Budgets; and approved by the HRWC Board.

Accounting and Reporting – Unregulated business will be reported separately within HRWC's Audited Financial statements which will be approved by the HRWC Board.

Unregulated Business Opportunities (Response to RFPs, RFQs, Tenders or Contracts) will be authorized as shown in the following table.

	General Manager	HRWC Board	HRM Council
Existing lines of	<\$250,000	\$250,000 and higher	
Unregulated Business			
approved within the			
Business Plan and			
Budget * See below			
Unregulated Business	<\$250,000	\$250,000 and higher	
Opportunities from			
existing lines of			
Unregulated Business			
arising outside the			
Business Plan and			
Budget cycle			
Unregulated Business	<\$250,000	\$250,000 - \$500,000	>\$500,000
contracts with			
municipalities,			
municipal bodies,			
municipal water			
utilities, a Province,			
Government of			
Canada or a band			
council pursuant to			
the Indian Act			
Unregulated business	<\$250,000	\$250,000 - \$500,000	>\$500,000
activities involving			
the generation of heat			
or electricity			
New lines of	<\$250,000	\$250,000 - \$500,000	>\$500,000
Unregulated Business			
Activity			

<sup>\*</sup>Existing unregulated business includes treatment of septage (septage tipping and airline effluent), leachate treatment, contract operation of small water and wastewater systems, land and tower leasing with communication and other businesses, energy related projects such as in-line turbines wind energy, and bio-mass cogeneration, and occasional contract services for leak detection and consulting.

Individual Financial Transaction Signing Authority for authorization of invoices, cheque requests, procurement awards, etc.; shall be in accordance with the Financial Signing Authority List which is periodically updated and approved by the HRWC Board.



ITEM # 8 HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair, and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** Original Signed By:

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

**DATE:** March 23, 2017

**SUBJECT:** Corporate Balanced Scorecard - 2017/18 Program

### **ORIGIN**:

Annual Corporate Performance Measurement.

### **RECOMMENDATION:**

The Board approve:

- 1. Corporate Balanced Scorecard targets for the 2017/18 fiscal year as detailed in the attached presentation.
- 2. The Organizational Award Program tied to the outcomes of 12 Organizational Indicators as detailed in the attached presentation.

### **BACKGROUND:**

Halifax Water has been utilizing a Corporate Balanced Scorecard (CBS) to measure performance since 2001. At that time, the CBS was viewed to be an excellent way to connect the mission of the utility with the everyday activities of staff. The CBS development was very inclusive in 2001 and followed a process to identify Critical Success Factors (CSFs) in support of the mission, establish Organizational Indicators (OIs) to measure performance and set targets for continuous improvement. In March 2002, the Board approved an organizational award program tied to eight OIs which were the most objective and outward looking. This program was well received by staff and ensured that rewards were linked to strategic outcomes.

### **DISCUSSION:**

With the transfer of wastewater/stormwater assets from HRM to Halifax Water on August 1, 2007, it was evident that a new mission, vision and CBS would need to be developed to ensure we were inclusive of all services provided by the utility. Building on the success of the process utilized in 2001 to develop the CBS, a similar process was established in the fall of 2007 with the selection of a steering committee to oversee the CBS development. The steering committee consisted of the executive staff, two non-union employees from middle management, two employees from CUPE Local 227, and two employees from CUPE Local 1431. As part of the process, the steering committee engaged a broader audience of staff and conducted two major workshops to ensure direct input from all levels of the organization. As a result of this process, a consensus was developed on the mission, vision, critical success factors, and OIs. The mission of Halifax Water is "to provide world class services to our customers and our environment". The statement is simple, recognizes the connection between customers and the environment with our expanded mandate, and places the challenge on employees to make Halifax Water a world class utility.

The vision statement for Halifax Water is:

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

The vision statement expanded on the values and principles of a world class utility in fulfilling its mission and captures the medium to long term aspirations of Halifax Water. With the vision statement developed, staff then selected the critical success factors that support the mission, and through an interactive process, settled on the following:

- 1. High Quality Drinking Water
- 2. Service Excellence
- 3. Responsible Financial Management
- 4. Effective Asset Management
- 5. Safety and Security
- 6. Regulatory Compliance
- 7. Environmental Stewardship
- 8. Motivated and Satisfied Employees

With the CSFs established, staff set about the task of developing OIs under each CSF to enable performance measurement and establishment of targets. Each year, the OIs are reviewed and refined based on operational objectives and approved budgets. Of note, this year's CBS includes a continued focus on Asset Management with an OI related to closing the information gaps within the corporate geographic information system (GIS). It is expected that the GIS updating project will be essentially complete this year with a target to be 99% complete by March 31, 2018. For the second year running, staff recommend the inclusion of an OI to track capital budget funding approval from the NS Utility and Review Board.

One of the OIs related to Safety reflects a corporate commitment to reduce lost-time accidents by setting a target threshold at no more than 4.5 lost time accidents/100 employees (this is the same target that was set for 2016/17). Failure to meet this target will result in no organizational award.

Two indicators related to our annual customer survey have been modified this year, namely, customer perception of water quality and service. The OIs for these indicators have a reduced range of outcome with the water quality OI target pegged at 80 to 85% of customers rating water quality as good or excellent and the service OI set at 85 to 90% of customers being satisfied or very satisfied with our service.

The attached presentation provides detail on the process including identification of CSFs and OIs for 2017/18.

Similar to the past process, the most objective OIs have been considered for the organizational award program. Of the 28 OIs detailed in the attachment, 12 are recommended for inclusion in the award program. These 12 OIs are reflective of seven CSFs which are critical to our mission and the most objective and outward looking. Again, similar to the previous process, the recognition of an organizational award hinges on a minimum score of 7.0 to give a passing grade out of a maximum score of 12.0. Funds for the award program are connected to the operating expense to revenue ratio being below the target for the fiscal year. In this regard, if the operating expense to revenue ratio is met, funds are already embedded in the operational budget.

It should also be recognized that the targets for these OIs are meant to be stretch goals, such that the utility is pushing for both efficiency and effectiveness in its service delivery. In many cases, the improvements in efficiency will realize enough savings to pay for the award program itself. The water loss control initiative is a prime example of how the utility has realized gains in efficiency with financial savings in the order of \$650,000 per year. In keeping with the cost containment theme, water and wastewater service cost measures under Responsible Financial Management have targets to realize 2% savings compared to the approved operations budget. In addition, under the Environmental Stewardship theme, the utility is expected to reduce energy consumption as a result of capital improvements. In that regard, staff are confident that the continued

implementation of the organization award tied to the outcomes of the CBS will realize future savings for the utility.

### **BUDGET IMPLICATIONS**

Funds for the Award Program are available with the realization of the operating expense to revenue ratio below the target amount. In this regard, funds would be embedded within the 2017/18 Operations Budget. In many cases, meeting the OI targets will realize direct savings to the utility, improved operational effectiveness, and/or improved customer service.

### **ALTERNATIVES**

None recommended.

### **ATTACHMENT**

Presentation - Measuring Performance through a Corporate Balanced Scorecard, dated March 30, 2017



### Background of Corporate Balanced Scorecard

- HRWC embarked on a Continuous Improvement Program in 1999
- In 2000, HRWC looking for methodology to measure organizational performance that was meaningful
- Introduced to concept of Corporate Balanced Scorecard [CBS] through association with Bridgeport Hydraulics, Connecticut
- HRWC Board approved CBS in 2001 and Organizational Award Program on March 28, 2002
- · CBS ensured all employees focused on strategic outcomes
- After the wastewater merger on August 1/07, recognition that CBS should be expanded to include wastewater/stormwater performance measures and opportunity to recalibrate water measures

www.halifaxwater.ca

### **▶** The Process

- In late fall 2007, struck a steering committee and selected a group of forty employees to review the utility mission, vision and develop expanded scorecard
- Good cross section of employees representing all departments, all levels, union and management [front line to General Manager]
- Three steering committee meetings and two staff workshops held with facilitation by an outside consultant, Jack Duffy

www.halifaxwater.ca

3



### **▶** The Process

- Developed a new mission statement which had to change as a result of the merger in 2007
- Identified critical success factors [CSFs] in support of the new mission
- Developed organizational indicators [OIs] to measure performance
- Received approval of the revised CBS from the Halifax Water Board and a revised organizational award program on March 6, 2008

www.halifaxwater.ca

1



### **▶** The Mission of Halifax Water



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

www.halifaxwater.ca

5



### ▶ The Vision of Halifax Water

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

www.halifaxwater.ca

### Critical Success Factors

- · High Quality Drinking Water
- Service Excellence
- Responsible Financial Management
- Effective Asset Management
- Workplace Safety and Security
- Regulatory Compliance
- Environmental Stewardship
- Motivated and Satisfied Employees

www.halifaxwater.ca

7



### Organizational Indicators

- Organizational Indicators (OI's) are the measures of our performance within each CSF and provide the definition and detail to best understand them. The OI's are organizational, not individual measures.
- The Ol's provide both a detailed clarification of the CSF and allow a target or goal for performance to be established and tracked.

www.halifaxwater.ca

### Organizational Performance Award Program

- Based on a subset [12] of our strategic Ol's which are the most objective.
- Program pays for itself by meeting operating expense to revenue ratio target; ratio is reduced from approved budget to accommodate the award program potential.
- It is not a given; a threshold of 7.0 in scoring must be reached in a given year.
- To be eligible for the award, employees must work a minimum of nine months during the fiscal year [April 1st to March 31st]

www.halifaxwater.ca

Halifax Water

### ▶ The CBS Targets for 2017/18 Fiscal Year

 Organizational Indicators with a star \* are tied to the Award Program

www.halifaxwater.ca

# CSF: High Quality Drinking Water

### **Organizational Indicator:**



· Adherence with 5 objectives from the Water Quality Master Plan for all water systems; we must own system for one year to include results.

Objective	Total Sites	Result to March 31/16 (% of Sites Achieving Target)	Target	Distrib. Pts.
Disinfection – Chlorine Residual	65	%	80 – 100%	x/20
Disinfection By-products (THMs)	24	%	< 80 ug/l	x/20
Disinfection By-products (HAAs)	25	%	< 60 ug/l	x/20
Particle Removal	5	%	<0.2 &< 1.0 NTU	x/20
Corrosion Control	n/a	ug/L	Lead; <15 ug/l	x/20
Summary Total				x/100

Disinfection – Achieve 0.2 mg/L at all sites (100% of sites achieving residual of 0.2 on 95% of tests)
THMs – Annual Avg. of < 80 ug/L at all THM sampling sites
HAAs - Annual Avg. of < 60 ug/L at all HAA sampling sites
HAAs - Annual Avg. of < 60 ug/L at all HAA sampling sites
Particle removal – Surface water plant achieves furbidity of <0.2 NTU 95% of the time and <1.0 100% of the time
Corrosion Control – Achieve 90th percentile standing lead sample of <15 ug/L for all sample sites

www.halifaxwater.ca



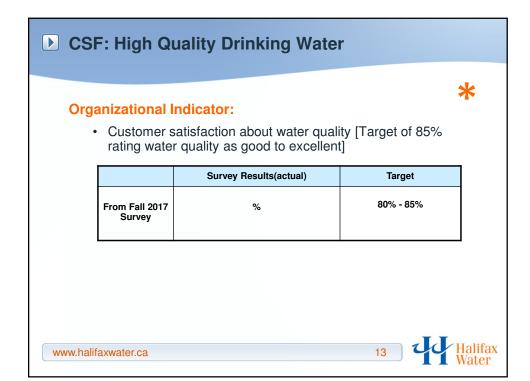
### CSF: High Quality Drinking Water

### **Organizational Indicator:**

Bacteriological tests [monthly target of 99.3% free of Total Coliform]

	% Samples Free of Coliform	Target
2017/18	%	99.3%

www.halifaxwater.ca





### **CSF: Service Excellence**

### **Organizational Indicator:**

Service outages of water [# connection hours / 1000 customers]

	Hours (actual)	Target
2017/18		200

www.halifaxwater.ca

15



### **▶** CSF: Service Excellence

### **Organizational Indicator:**

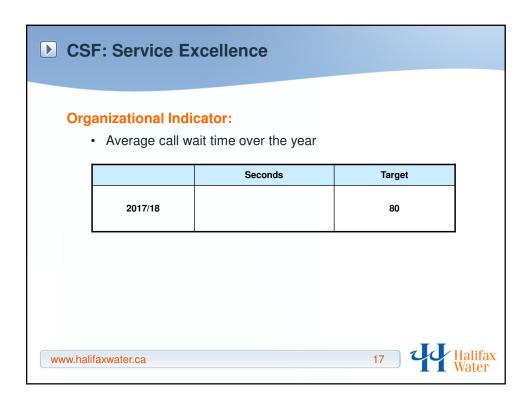
 Service outages of wastewater [# connection hours / 1000 customers]. (N.B. the clock starts after we know it is our problem)

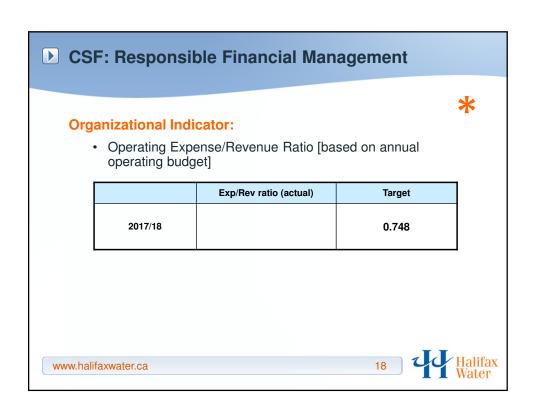
	Hours (actual)	Target	
2017/18		8	

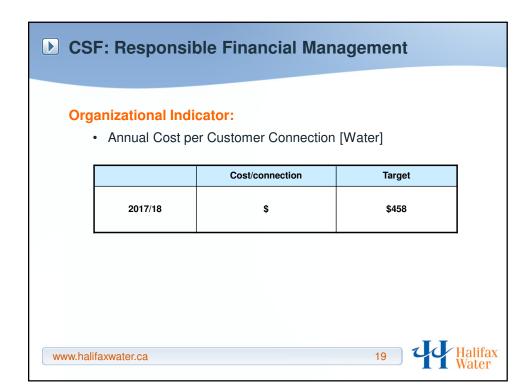
www.halifaxwater.ca

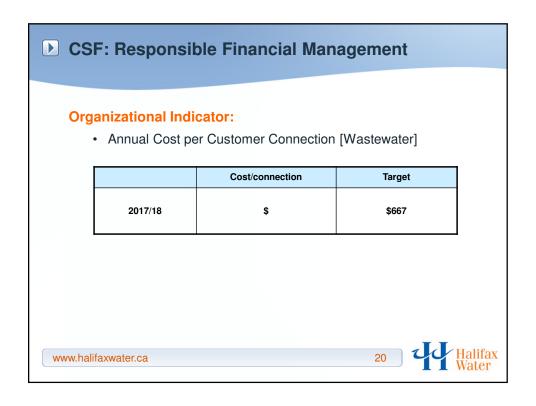
16

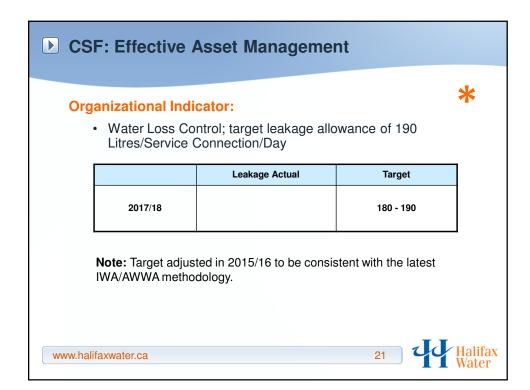


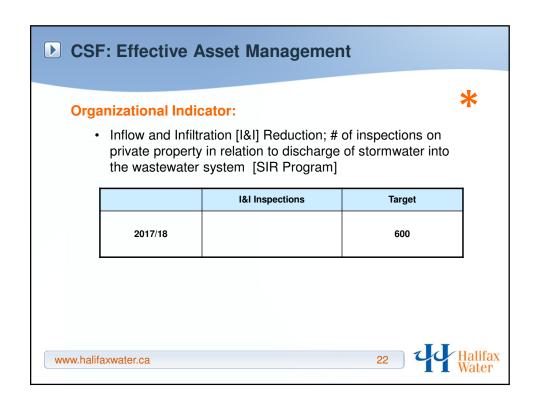


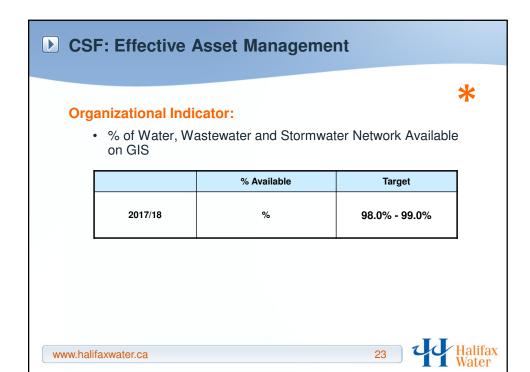


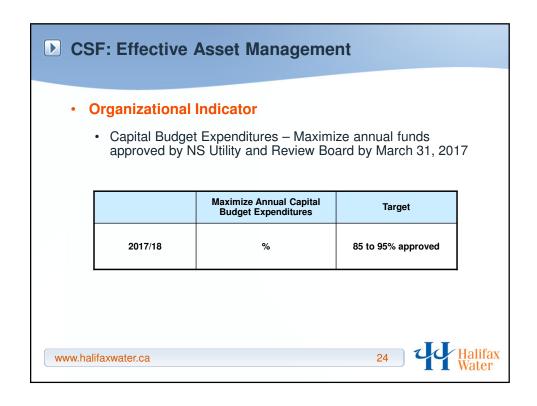


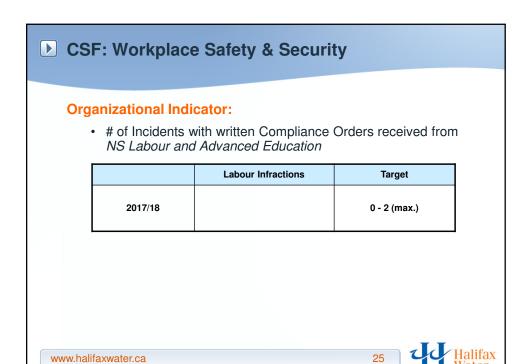


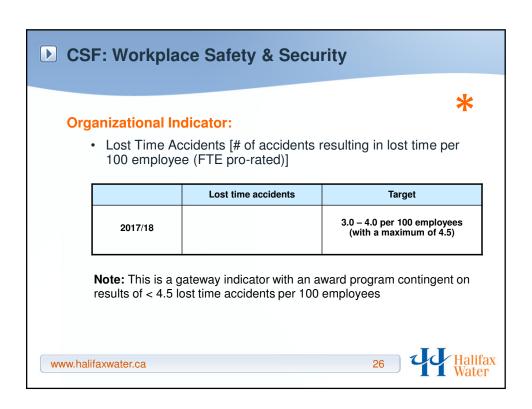


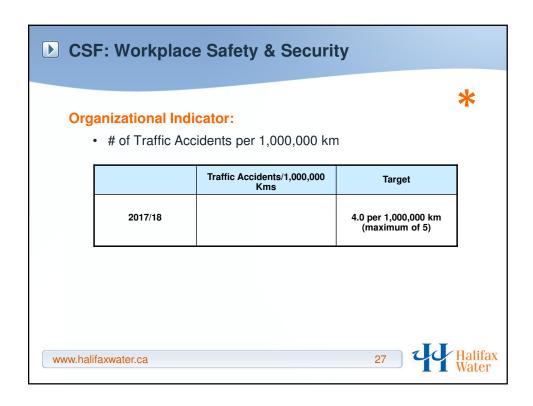


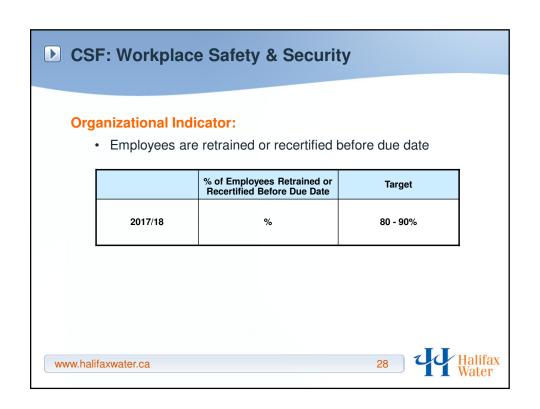


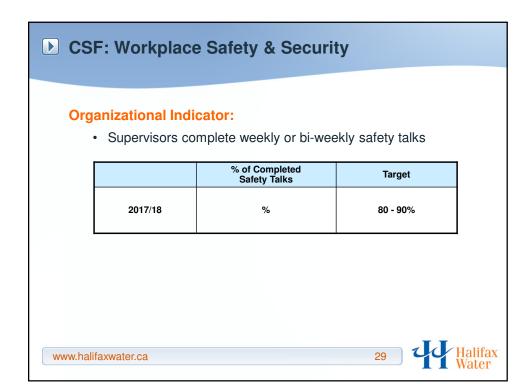


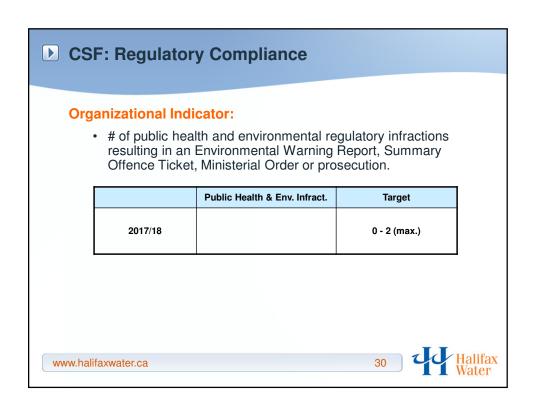


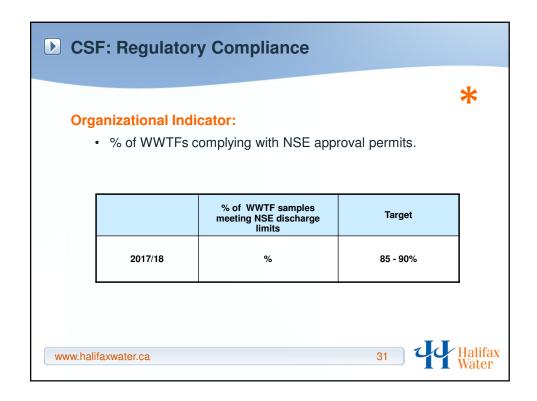


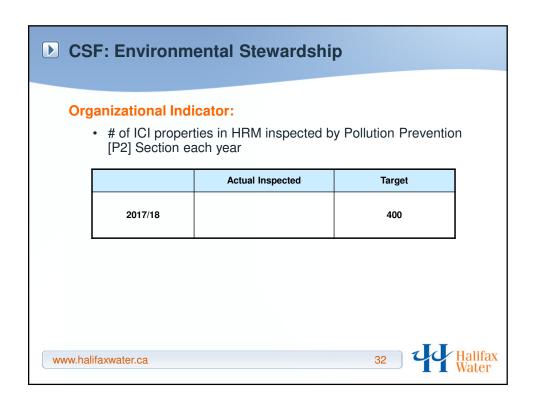


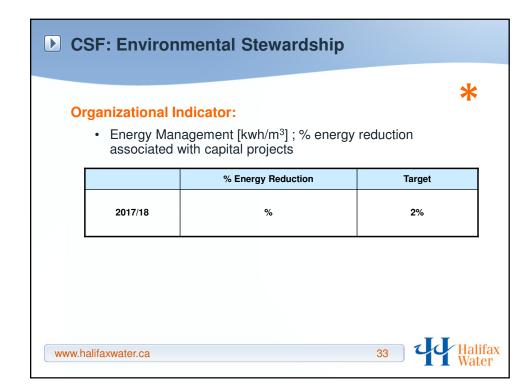


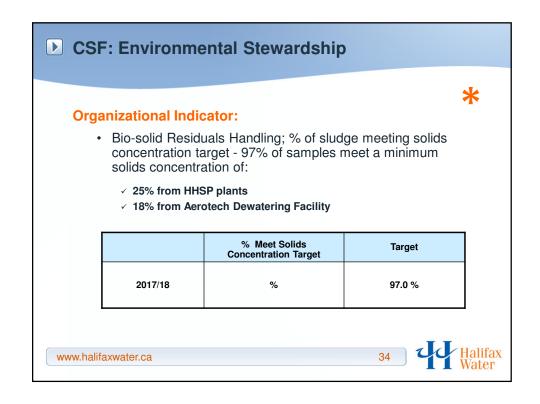


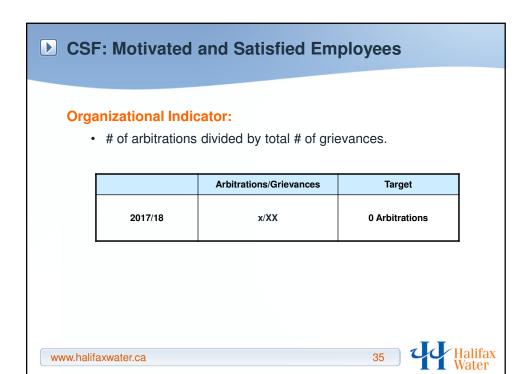


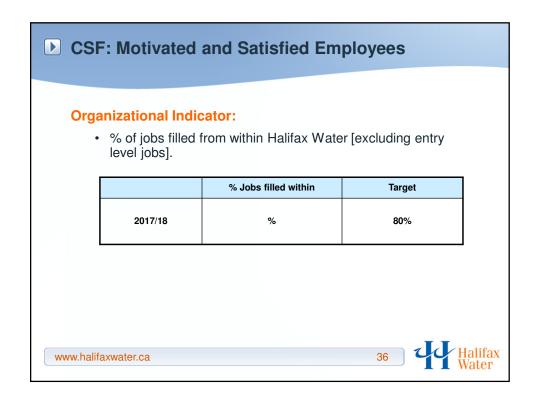


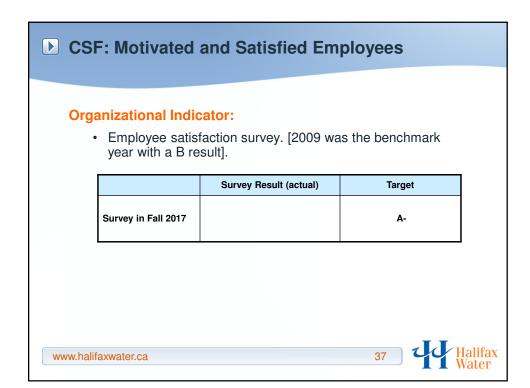


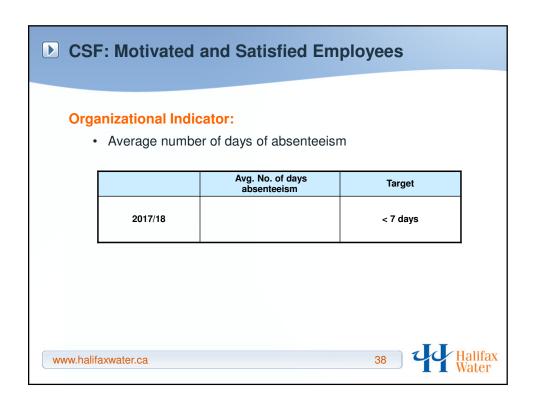












# Based on a subset of 12 Ols which are the most objective:

Organizational Indicator	Max. Score
Water Quality Master Plan Objectives	1.0
Customer Water Quality Survey Results	1.0
Customer Service Survey Results	1.0
Operating Expense/Revenue Ratio [Gateway Indicator]	1.0
Water Loss Control Reduction	1.0
Inflow & Infiltration Reduction	1.0
Percentage of Network on GIS	1.0
# of Lost Time Accidents per 100 Employees [Gateway Indicator]	1.0
# of Traffic Accidents per 1,000,000 km	1.0
Percentage of WWTFs Compliant with NS Environment Permits	1.0
Energy Management – Water & Wastewater	1.0
Biosolids Residual Handling	1.0
TOTAL MAXIMUM SCORE	12.0

www.halifaxwater.ca



### Employees Organizational Award

The highest possible score is 12.0 [1.0 for each OI]. If HRWC performs well, then everyone should be rewarded as follows:

Total Ol Score	<b>OP Award Amount</b>	
<u>≥</u> 11.0	\$1,000	
10.0	\$900	
9.0	\$800	
8.0	\$700	
7.0	\$600	
< 7.0	<b>\$0</b>	

These values will be pro-rated if a score falls between them.

*Example*: For the total OP Award score of 8.5, each employee will get an organizational award of \$750.

www.halifaxwater.ca

# Summary

- The track record of the CBS at Halifax Water has been very positive; it has made us a better utility.
- The CBS process continues to be an inclusive and consensus building exercise for employees.
- Staff obtains Board approval of the Organizational Award Program on an annual basis
- Organizational Award Program funding is available by meeting the Operating Expense to Revenue Ratio Target.
- The Organizational Award Program is not a given; the organization must score at least 7.0 to have an award.
- Financial targets are consistent with approved annual operating budget.

www.halifaxwater.ca

41



ITEM # 9 HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** Original Signed By:

Cathie O'Toole, MBA, CPA, CGA, Director, Corporate Services

**APPROVED:** *Original Signed By:* 

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

**DATE:** March 22, 2017

**SUBJECT:** Halifax Regional Water Commission Employees' Pension Plan

(the "Pension Plan") 2017 Budget

### **ORIGIN**

The Halifax Regional Water Commission Board (the "Board") approves the annual Pension Plan Budget.

### **RECOMMENDATION**

It is recommended the Board approve the attached 2017 Pension Plan Budget covering the period January 1, 2017 to December 31, 2017.

#### **BACKGROUND**

On September 29, 2016 Pension Plan administration submitted an Information Report to the Board containing a budget for the period January 1, 2016 to December 31, 2016. This marked the first time a budget with respect to the Pension Plan had been introduced to the Board. Although the 2016 Budget was in the form of an information report, it was the intent at that time to submit annual budgets to the Board for review and approval on a goforward basis.

The 2017 Operating Budget is the first operating budget submitted to the HRWC Board for formal approval. The attached Statement of changes in net assets available for benefits outlines the various revenues, contributions and expenses for the Pension Plan, and projects net assets available as at December 31, 2017.

### **DISCUSSION**

For 2017 the net assets available for benefits is projected to increase by \$6.5 million, increasing from \$106.2 million to \$112.7 million. Revenues consist mainly of investment income and the increase in the fair value of investment assets. Investment income has been fairly consistent over the past several years, averaging \$2.3 million. Budgeted investment income for 2017 of \$2.4 million represents a \$50 thousand or 2% increase over actual amounts for 2016. Revenue resulting from the increase in the fair value of investment assets in 2017 amounts to \$3.0 million, which is \$0.2 million or 7% lower compared to 2016 actual. Changes in the fair value of investment assets tends to be more volatile compared to investment income. Increases over the past 3 years went from \$5.2 million in 2014, to a high of \$7.3 million in 2015, then to a low of \$3.2 million in 2016. The budgeted amount for 2017 is based on the downward trend experienced in 2016 coupled with early results of the Halifax Regional Municipality (HRM) Master Trust for 2017.

Overall contributions are expected to increase in 2017 compared to the 2016 actual, increasing from \$5.6 million to \$5.9 million, representing an increase of \$0.3 million or 6%. This is the result of normal salary and wage increases, in addition to new hires employed at Halifax Water.

Budgeted expenses for 2017 are decreasing 11% or \$0.6 million compared to 2016 actual, to \$4.7 million. Reductions are forecasted in termination payments, which are budgeted at \$0.8 million, representing a decrease of 19% or \$0.2 million from 2016 actual. In addition, no death benefits have been budgeted in 2017, whose actual totaled \$0.5 million in 2016. Termination payments and death benefits are extremely difficult to predict year over year. Increases in expenditures are budgeted for benefit payments, which will increase in 2017 to \$3.7 million from \$3.5 million in 2016, a difference of \$0.2 million or 5%. This is the result of the increase in the number of pensioners each year through retirement. Changes within other expense categories are relatively minor and are comparable to prior years.

#### **ATTACHMENT**

Statement of changes in net assets available for benefits, for the twelve (12) month period ended December 31, 2016.

Report Prepared by: *Original Signed By:* 

Allan Campbell, B.Comm, CPA, CMA, Manager, Finance

902-490-4288

### Attachment HRWC Board March 30, 2017

Dranaaad

### Halifax Regional Water Commission Employees' Pension Plan Statement of changes in net assets available for benefits January 1, 2017 to December 31, 2017

	Budget 2016	Actual 2016 (Unaudited)	Proposed Budget 2017
Revenue <sup>1</sup>			
Net investment income:			
Total investment income	\$2,056,000	\$2,389,377	\$2,440,000
Investment manager fees	(\$151,000)	(\$138,922)	(\$140,000)
Increase (decrease) in the fair value of investment assets	(\$3,550,000)	\$3,184,155	\$2,960,000
2	(\$1,645,000)	\$5,434,610	\$5,260,000
Contributions <sup>2</sup>			
Participants:			
Current service (inc AVC's)	\$2,420,000	\$2,493,266	\$2,594,000
Sponsors:			
Current service	\$2,207,000	\$2,275,977	\$2,487,000
Unfunded liability	\$825,000	\$825,200	\$825,000
	\$5,452,000	\$5,594,443	\$5,906,000
Expenses <sup>3</sup>			
Benefit payments:			
Benefit payments	\$3,524,000	\$3,536,894	\$3,699,000
Termination payments	\$550,000	\$992,572	\$800,000
Death benefit payments	\$0	\$509,236	\$0
Administrative:			
Actuarial & consulting fees	\$170,000	\$152,163	\$130,000
Audit & accounting fees	\$9,000	\$9,244	\$8,000
Bank custodian fees	\$23,000	\$26,511	\$22,000
Insurance	\$8,000	\$7,950	\$8,000
Miscellaneous	\$13,000	\$14,093	\$13,000
Professional fees	\$20,000	\$12,845	\$20,000
Registration fees	\$2,000	\$2,158	\$2,000
Training (Trustees/ Administration/ Pension Committee)	\$8,000	\$1,127	\$5,000
	\$4,327,000	\$5,264,793	\$4,707,000
Increase (decrease) in net assets available for benefits	(\$520,000)	\$5,764,261	\$6,459,000
Net assets available for benefits, beginning of period	\$100,434,444	\$100,434,444	\$106,198,705
Increase (decrease) in net assets available for benefits	(\$520,000)	\$5,764,261	\$6,459,000
Net assets available for benefits, end of period	\$99,914,444	\$106,198,705	\$112,657,705

#### Assumptions:

- 1 Budgeted amounts for revenue are derived by calculating the average change in investment income and increase / decrease in the fair value of net assets and assuming this average change to continue.
- 2 Budgeted amounts for contributions are derived by using the actual amounts remitted for the two (2) month period ended Feb 28, 2017, then adding forecasted amounts for the remainder of the year, as reported in the annual contribution planner filed with the trustee.
- Budgeted amounts for benefit payments are derived by using the actual amounts paid to pensioners for the three (3) months of the year, then adding an estimated amount for the remainder of the year based on actual benefit payments paid March 1, 2017. All other expenses are based on best estimates.



Page 1 of 8 HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water Commission

Board

**SUBMITTED BY:** Original Signed By:

Cathie O'Toole, MBA, CPA, CGA, Director, Corporate Services

Original Signed By:

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

Original Signed By:

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

Original Signed By:

Kenda MacKenzie, P.Eng., Director, Regulatory Services

**APPROVED:** *Original Signed By:* 

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

**SUBJECT:** Financial and Operations Information Report

### **INFORMATION REPORT**

#### **ORIGIN**:

Regular update.

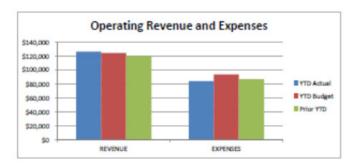
This report provides a high level overview of financial and operational performance for the utility. Financial results are presented first, followed by indicators and statistics for water and wastewater.

Page 2 of 8 HRWC Board March 30 2017

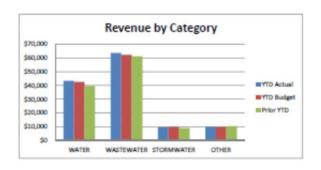
#### **FINANCIAL**

## HALIFAX WATER UNAUDITED FINANCIAL INFORMATION APRIL 1/16 - FEBRUARY 28/17 (11 MONTHS)

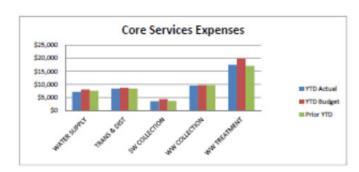
March 30, 2017



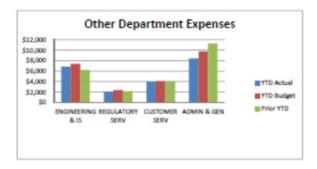
OPERATING REVEN	JUE AND EXPENSES			
	YTD Actual	YTD Budget	Prior YTD	% of Budget
REVENUE	\$126,478	\$124,369	\$120,174	93.22%
EXPENSES	\$84,245	\$93,889	\$87,051	82.25%
	\$42,233	\$30,480	#33,123	127.01%



	\$128,478	\$124,389	\$120,174
OTHER	\$9,899	\$9,679	\$10,414
STORMWATER	\$9,617	\$9,707	\$9,046
WASTEWATER	\$63,668	\$62,381	\$61,121
WATER	\$43,293	\$42,602	\$39,593
	YTD Actual	YTD Budget	Prior YTD
REVENUE BY CATEGORY			



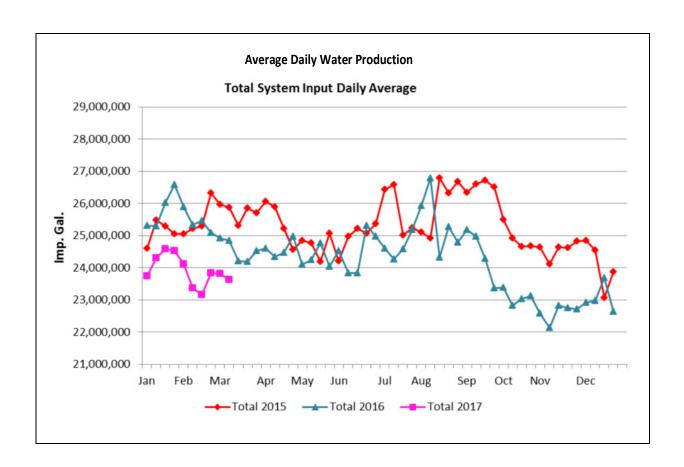
	YTD Actual	YTD Budget	Prior YTD	% of Budget
WATER SUPPLY	\$7,191	\$8,127	\$7,639	81.11%
TRANS & DIST	\$8,380	\$8,760	\$8,404	87.70%
SW COLLECTION	\$3,621	\$4,390	\$3,741	75.61%
WW COLLECTION	\$9,571	\$9,773	\$9,730	89.78%
WW TREATMENT	\$17,489	\$19,868	\$17,141	80.69%
	\$48,263	\$60,917	\$48,858	83.27%



OTHER DEPARTMENT E	XPENSES .		
	YTD Actual	YTD Budget	Prior YTD
ENGINEERING & IS	\$6,838	\$7,395	\$6,217
REGULATORY SERV	\$2,035	\$2,388	\$2,164
CUSTOMER SERV	\$3,941	\$4,050	\$3,989
ADMIN & GEN	\$8,392	\$9,745	\$11,264
	\$21,207	\$23,678	\$23,634

### **ITEM# 1-I**

Page 3 of 8 HRWC Board March 30 2017

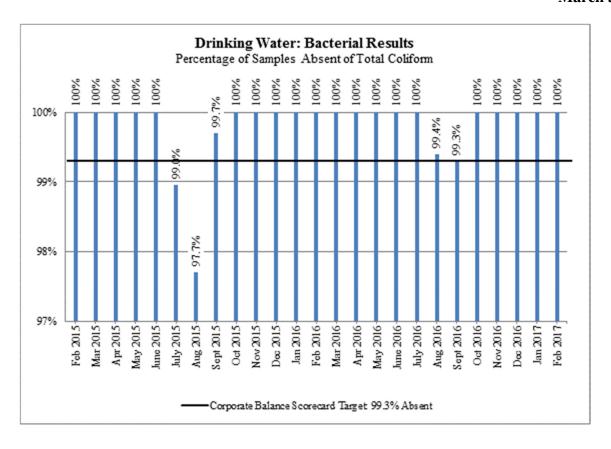


Re	Regional Water Main Break/Leak Data										
Year	Total Breaks/Leaks	Current 12 Month Rolling Total (up to February 28/17)									
2015/16	226										
2014/15	210										
2013/14	213	237									
2012/13	262	23,									
2011/12	205										
Total	1116										
Yr. Avg.	217.6										

Water Accountability
Losses per Service Connection/Day (International Water Association Standard)
Period Ending December 31, 2017
Real Losses: 237 litres
CBS Target: 180

**ITEM# 1-I** 

Page 4 of 8 HRWC Board March 30 2017



In this report each facility is assessed using monthly or quarterly averages, depending on the averaging period specified in its Approval to Operate.

							Was	towntor	Treatm	ant Fac	ility Co	mnlian	o Sum	norv				
		Wastewater Treatment Facility Compliance Summary Rolling Averages - December 2016, January and February 2017																
Wastewater Treatment	CBODs (mg/L)		TSS (mg/L)		E. coli (counts/ 100mL)		pH		Amm (mg	onia	Phospl (mg	norous	TI (mg	RC	Disso Oxy (mg	olved gen g/L)	Toxicity	Trend
Facility	NSE Limit	Avg.	NSE Limit	Avg.	NSE Limit	Avg.	NSE Limit	Avg.	NSE Limit	Avg.	NSE Limit	Avg.	NSE Limit	Avg.	NSE Limit	Avg.		
Halifax	50	32	40	27	5000	594	6-9	7.1	-			-				-	Not acutely lethal	Continued
Dartmouth	50	28	40	27	5000	517	6-9	7.0	-			-				-	Not acutely lethal	Continued
Herring Cove	50	15	40	15	5000	149	6-9	7.3	-			-		-			Not acutely lethal	Continued
Eastern Passage	50	8	40	11	5000	77	6-9	7.0	-			-				-	Not acutely lethal	Continued
Mill Cove	25	13	25	17	200	736	6.5-9	6.8	-			-		-		-	Not acutely lethal	Improved
Springfield	20	6	20	12	200	166	6-9	7.2	-			-		-		-	Not acutely lethal	Continued
Frame	20	10	20	37	200	293	6-9	7.6	-			-		-		-	-	Continued
Middle Musq.	20	7	20	9	200	34	6-9	7.5	-			-		-		-	-	Continued
Uplands	20	8	20	5	200	296	6-9	7.0	-			-		-		-	-	Declined
Aerotech	5	5	5	8	200	12	6-9	7.4	5.7 W 1.2 S	7.9	0.5	0.4			6.5	8.7	Not acutely lethal	Continued
North Preston	10	5	10	7	200	10	6-9	7.0	3	0.2	1.5	0.5				-	-	Continued
Lockview	20	5	20	5	200	17	6.5-9	7.1	8.0 S	2.1	1.2 S	0.3		-		-	-	Continued
Steeves (Wellington)	20	5	20	11	200	10	6.5-9	7.6	14.4 S	0.1	1.0 S	0.4		-		-	-	Continued
BLT	15	11	20	23	200	35	6-9	7.4	5 W 3 S	10.1	3 W 1 S	2.0	0.02	0.15	5	8.4	Not acutely lethal	Continued
Avg. of all Facilities	1	1	1	5	2	11	7	.2	4.	1	0.	.7	0.	18	8	.5		

NSE Compliant

NSE Non-Compliant

NOTES & ACRONYMS:

CBOD5 - Carbonaceous 5-Day Biochemical Oxygen Demand

TSS - Total Suspended Solids

TRC - Total Residual Chlorine

W / S - Winter / Summer compliance limits

NSE requires monthly averages be less than the NSE Compliance Limit for each parameter (Dartmouth, Eastern Passage, Halifax, Herring Cove, Mill Cove)

 $NSE\ requires\ quarterly\ averages\ be\ less\ than\ the\ NSE\ Compliance\ Limit\ for\ each\ parameter\ (Aerotech,\ Lockview,\ Mid.\ Musq.,\ Frame,\ BLT,\ Uplands\ ,\ North\ Mid.\ Musq.,\ North\ Mus$ 

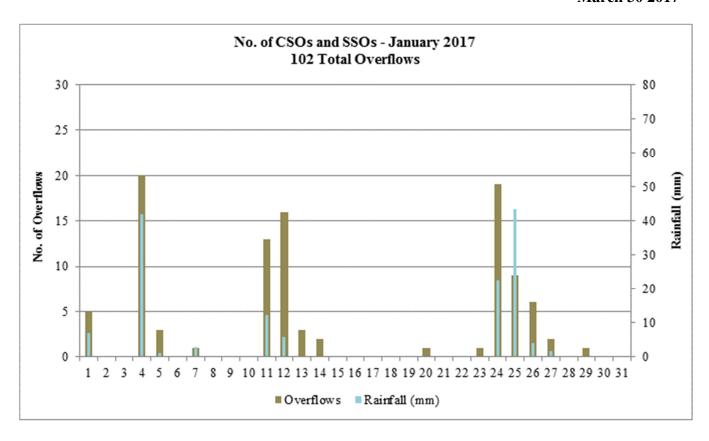
Preston, Steeves, Springfield)

Continued - All parameters remain essentially unchanged since the last report

Improved - One or more parameter(s) became compliant since the last report

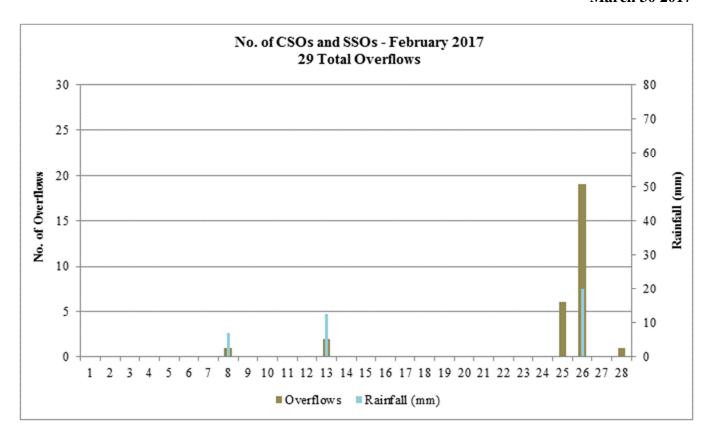
Declined - One or more parameters(s) became non-compliant since the last report

Page 6 of 8 HRWC Board March 30 2017



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 eight overflows on days when there was no recorded rainfall, as follows:
  - 1. January 13: The CSO at the Maitland St PS & CSO was due to a blockage caused by debris. The SSO at the Beaver Crescent PS was due to snowmelt/runoff. The SSO at the Bissett Lake PS was due to snowmelt/runoff and maintenance being performed on the surge tank.
  - 2. January 14: The CSOs at the Maitland St PS & CSO were due to blockages caused by debris.
  - 3. January 20: The CSO at the Lyle St CSO was due to a shutdown of the pumping station by the Dartmouth WWTF.
  - 4. January 23: The CSO at the Chain Rock PS & CSO resulted from minimal rainfall.
  - 5. January 29: The CSO at the Maitland St PS & CSO was due to a blockage caused by debris.

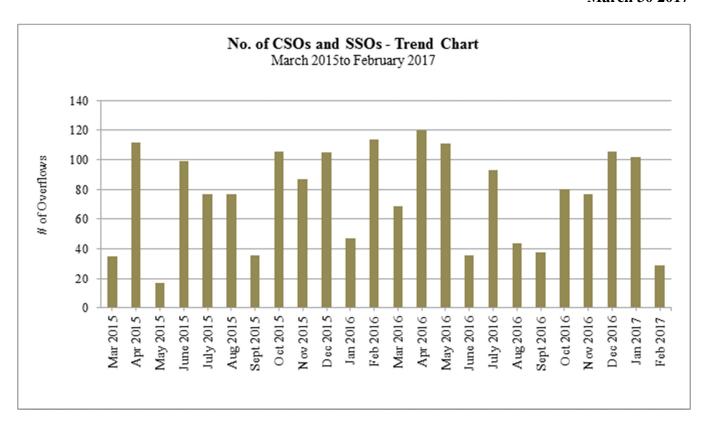


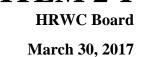
NOTES & ACRONYMS: CSO - Combined Sewer Overflow SSO - Sanitary Sewer Overflow

- Rainfall data is from Halifax Water's rain gauge at the Halifax WWTF.
- There were seven overflows on days when there was no recorded rainfall, as follows:
  - February 25: The CSOs at the Old Ferry Rd PS & CSO, Duffus St PS, and Grove St CSO were due to snowmelt and rain on the previous day. The SSOs at the Armdale SSO, Crescent Ave PS, Dingle PS, and Roaches Pond PS were due to snowmelt and rain on the previous day.
  - 2. February 28: The CSO at the Duffus St PS was due the station being disconnected from line power while NSPI did some work on the pad transformer and also moved the meter to the outside of the building.

**ITEM# 1-I** 

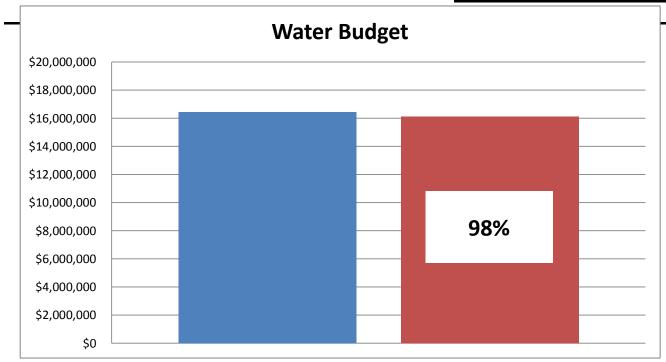
Page 8 of 8 HRWC Board March 30 2017

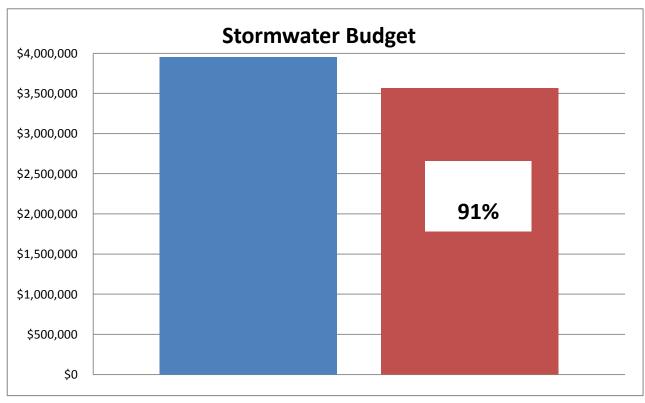


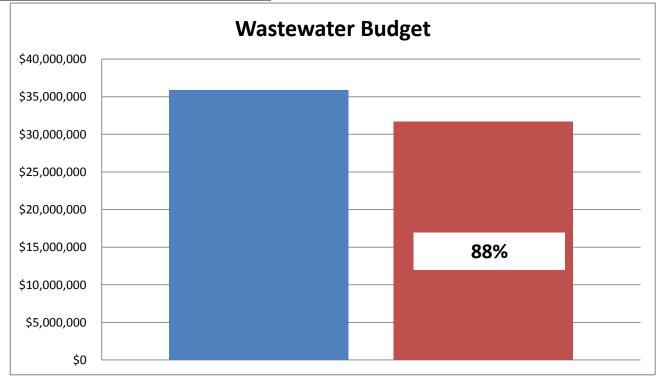


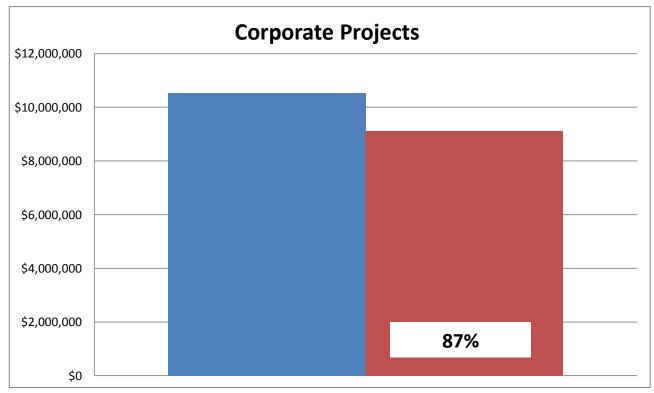


## **CAPITAL BUDGET APPROVALS TO DATE - 2016/17**









WATER		
Approved Budget	\$16,453,000	98%
Approvals to date	\$16,132,600	
STORMWATER		
Approved Budget	\$3,951,000	90%
Approvals to date	\$3,563,000	

WASTEWATER			
Approved Budget	\$35,838,000 88%	Total Budget:	\$66,777,000.00
Approvals to date	\$31,685,200	Total To Date:	\$60,498,800.00
CORPORATE PROJECTS			
Approved Budget	\$10,535,000 <b>87%</b>	Total % to date	91%
Approvals to date	\$9,118,000		



# WATER CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

Date	e of Appro	oval						
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
			2016/17 Capital Budget					
28-Jan-16		24-Mar-16	Advanced Funding Integrated Projects					
			East					
			Murray Hill Drive W/M Renewal	\$455,000	\$455,000	Dexter	\$377,077	\$479,730
			Farquharson Street Water Main Renewal	\$500,000	\$500,000	Dexter	\$387,693	\$458,858
			Brompton Road	\$215,000	\$215,000	Dexter	\$166,299	\$190,582
			Everette Street Water Main Renewal	\$410,000	\$410,000	Dexter	\$251,384	\$328,500
		24-Mar-16	West					
			Scarlet Rd	\$335,000	\$335,000	Dexter		
			Foxglove Lane	\$150,000	\$150,000	Dexter	\$563,792	\$631,009
			Parmbelle Lane	\$250,000	\$250,000	Dexter		
			George Dauphinee Drive	\$620,000	\$620,000	Deferred to 2017		
			Layton Road	\$325,000	\$325,000	Deferred to 2017		
			Inverness Avenue	\$260,000	\$260,000	Dexter	\$169,621	\$223,214
		24-Mar-16	Central					
			Tillock Drive	\$380,000	\$380,000	Sackville Trenching	\$256,059	\$351,245
						Included in Tillock		
			Tillock Court	\$100,000	\$100,000	Drive Tender		
			Total Integrated Project	\$4,000,000	\$4,000,000			
			Macdonald Bridge Transmission Main Replacement project \$7,700,000: funding in the amount of \$354,000 is available from underspending on the Kearney Lake Road Water Transmission Main Phase 2: funding in the amount of \$3,750,000 is available from the 2015/16 apital Budget under "Macdonald Bridge Transmission Main Replacement" and funding in the amount of \$3,295,000 will be included in the 2016/17 Capital					
5-Mar-15		13-Apr-15	Budget	\$7,700,000	\$3,295,000	CBCL		
28-Jan-16		13-Apr-16	Valve Renewals	\$125,000	\$125,000			
28-Jan-16		13-Apr-16	Hydrant Renewals	\$75,000	\$75,000			

# WATER CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

HRWC	ne of Approva			Approved	Net Additions	Consultant/	Construction Tender	Construction Budget
BOARD	GM	NSUARB	Description	Amount	to Budget	Contractor	Price	Estimate
28-Jan-16		13-Apr-16	Service Line Renewals	\$190,000	\$190,000			
28-Jan-16		13-Apr-16	Large Tapping Machine c/w electric operator and 4" to 12" cutters	\$34,000	\$34,000			
28-Jan-16		13-Apr-16	Small Hydro Vac for valve box maintenance	\$25,000	\$25,000			
28-Jan-16		13-Apr-16	Plastic Shell Cutters for Tapping Machine	\$12,000	\$12,000			
28-Jan-16		13-Apr-16	Portable valve Exerciser	\$10,000	\$10,000			
28-Jan-16		13-Apr-16	Confined Space Entry System for Bennery Lake Water Supply Plant	\$14,000	\$14,000			
28-Jan-16		19-Feb-16	Geizer 158 Reservoir Rehabilitation	\$2,170,000	\$2,170,000 \$5,950,000	MacDonald Appl.	\$1,711,189	\$1,971,005
					. , ,			
			Accumulative Total - January, 2016		\$9,950,000			
	23-Feb-16		JD Kline Replace Power Pole at Low Lift Station	\$40,000	\$40,000			
	23-Feb-16		Bedford Connector Transmission Main Phase 3 - Design	\$90,000	\$90,000			
	23-Feb-16		Lyle Street Control Chamber Access Improvement	\$30,000	\$30,000			
			Topsail Control Chamber - Confined Space Energy Retrofit - funding available from underspending in 2015/16 CB under "Geizer 158 Retrofit Chamber					
	23-Feb-16		Retrofit which did not proceed last year	\$43,000	\$0			
	23-Feb-16		Confined Space Entry Retrofit - Bridgeview PRV Chamber	\$79,000	\$79,000			
			Interim Engineering Approvals System: Funding in the amount of \$96,900 is available from the 2006/07 budget from (SAP CWO					
	23-Feb-16		3-0721)	\$160,000	\$160,000			
	23-Feb-16		Automated Flushing Program	\$20,000	\$20,000			
	24-Feb-16		Relocated CT Calculation Equipment Lucasville Meter Chamber	\$31,000	\$31,000			

WATER
CAPITAL BUDGET APPROVALS TO DATE - 2016/17
TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

HRWC	it of Approv	<del></del>		Approved	Net Additions	Consultant/	Construction Tender	Construction Budget
BOARD	GM	NSUARB	Description	Amount	to Budget	Contractor	Price	Estimate
	23-Feb-16		Critical Valves Bedford Hwy - funding in the amount of \$57,000 is available from underspending in SAP #3-1921 2015/16 Capital Budget	\$57,000	\$0			
25-Feb-16		6-Apr-16	Lake Major Water Supply Plant - New Diesel Generator	\$1,900,000	\$1,900,000			
			Accumulative Total - February, 2016		\$2,350,000			
	8-Mar-16		Bennery Lake WSP Surge Protection	\$17,000	\$17,000			
	8-Mar-16		Lake Major WSP Purchase Fluorescence Meter	\$90,000	\$90,000			
	8-Mar-16		Lake Major WSP - Replace Contactors in the MCC	\$34,000	\$34,000			
	8-Mar-16		Lake Major WSP - Integrate Chlorine Alarms	\$50,000	\$50,000			
	8-Mar-16		Lake Major WSP Chemical Feed Pump Replacements	\$85,000	\$85,000			
	8-Mar-16		JD Kline WSP New Laptop system to Backwash Filters	\$12,000	\$12,000			
	8-Mar-16		JD Kline WSP - Ampgard III to Vacuum Contactor Conversion Program	\$40,000	\$40,000			
	8-Mar-16		Purchase Inline Zeta Potential Meters for Water Plants	\$100,000	\$100,000			
	8-Mar-16		Purchase Particle Counters for Water Plants	\$235,000	\$235,000			
	30-Mar-16		Lake Major WSP - Dewatering Equipment	\$100,000	\$100,000			
	30-Mar-16		Cliff Street Watermain Replacement was not originally budgeted for in 2016/17. Funding in the amount of \$60K is available from underspending in the "First Street Watermain Renewal Project" (SAP3-2028)	\$60,000	\$0			
	30-Mar-16		Lake Major WSP - Dedicated Service Water Pumping Station Design Phase	\$60,000	\$60,000			

WATER
CAPITAL BUDGET APPROVALS TO DATE - 2016/17
TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

HRWC	ate of Approv	<del></del>		Approved	Net Additions	Consultant/	Construction Tender	Construction Budget
BOARD	GM	NSUARB	Description	Amount	to Budget	Contractor	Price	Estimate
	30-Mar-16		Bennery Lake WSP - Power Monitoring	\$20,000	\$20,000			
	30-Mar-16		Lake Major WSP - Replace Fluoride System	\$10,000	\$10,000			
	30-Mar-16		J.D. Kline Replace Turbidimeters and ph. Meters project was not identified for 2016/17. Funding in the amount of \$11K is available from underspending in the 2015/16 JD Kline Chemical Feed Pump Replacement Program	\$11,000	\$0			
	30-Mar-16		2015/16 CB Governor's Brook Transmission Main Oversizing	\$197,000	\$0			
	30-Mar-16		Lakeside Timberlea CCC 2015/16	\$2,000	\$0			
31-Mar-16		22-Apr-16	JD Kline WSP - Replacement of the Lime Feed and Delivery System	\$300,000	\$300,000			
			Accumulative Total - March, 2016		\$1,153,000			
	15-Apr-16	4-May-16	Bennery Lake WSP Plate Settlers	\$440,000	\$440,000			
			Accumulative Total - April , 2016		\$440,000			
	25-May-16		Rechlorination Station Upgrades	\$26,000	\$26,000			
	25-May-16		Versa Valve Removal Project	\$20,000	\$20,000			
	25-May-16		Temporary Water Line - Pipe Materials Purchase East Region	\$18,000	\$18,000			
	25-May-16		Water Distribution Pressure Monitoring Equipment	\$10,000	\$10,000			
	25-May-16		Belmont PRV Valve Replacement	\$10,000	\$10,000			

# WATER CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

Date	of	Ap	pro	val

HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
-	25-May-16	TIBETITE	Zinck PRV Meter Replacement	\$8,000				
	25-May-16		Bedford Reservoir Inflow Meter Replacement	\$8,000	\$8,000			
			Accumulative Total - May , 2016		\$123,000			
	24-Jun-16		Gander Avenue Water Main Renewal Integrated Project This project was not budgeted for in 2016/17: Funding in the amount of \$140,000 from underspending in the Farquaharson Street WM Project, and \$100,000 is available from underspending in the Everette Street and Brompton Avenue Water Main Renewal IP	\$240,000	\$0 D	exter Construction	\$230,480	\$240,000
			Courtney Road Meter Chamber Abandonment project was not budgeted for in the 2016/17 CB. Funding in the amount of \$17,000 is available from the 2015/16 CB - Renfrew abandonment project which has been deferred to another					
	27-Jun-16		budget year	\$17,000	\$0			
	29-Jun-16		Lake Major Water Supply Plant - Isolating the Treatment Trains	\$68,000	\$68,000			
30-Jun-16		7-Jul-16	Geizer 158 Reservoir Rehabilitation - Floor Replacement project was not budgeted for in 2016/17. Funding in the amount of \$2.75 M is available from underspending on the Macdonald Bridge Transmission main project which will be re-budgeted in 2017_18	\$2,750,000	\$0			
			Accumulative Total - June, 2016		\$68,000			
	5-Jul-16		JD Kline WSP Industrial Water Pump Upgrade	\$160,000	\$160,000			
	13-Jul-16		JD Kline - Pump Station MCC Ventilation	\$72,000	\$72,000			
	22-Jul-16		JD Kline WSP Geosmin Taxonomy Study	\$165,000	\$165,000			
	29-Jul-16		Water Treatment Facility Security Upgrades	\$50,000	\$50,000			
	29-Jul-16		Horne's Road Bridge Watermain Replacement Project was not budgeted for in 2016/17: Funding in the amount of \$90,000 is available from underspending on the Tillock Drive WM Renewal Project (SAP \$3-2307)	\$90,000	\$0			
			Accumulative Total - July , 2016		\$447,000			

WATER
CAPITAL BUDGET APPROVALS TO DATE - 2016/17
TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
DOMAD	GM	NSUARD	Description	mount	to Budget	Contractor	THE	Estimate
	22-Aug-16		Bennery Lake Water Supply Plant - Low Lift VFD Pump Replacement Program	\$110,000	\$110,000			
	23-Aug-16		Water Sampling Station Relocation Program	\$29,000	\$29,000			
	31-Aug-16		CSE Retrofits - Central Region project was not included in the 2016/17 CB: Funding in the amount of \$100K is available from underspending in the (SAP #3-2307) Tillock Court Water Main Project	\$100,000	\$0			
	31-Aug-16		Hare Lane WM Emergency Renewal Project was not budgeted for in 2016/17: Funding in the amount of \$25K is available from underspending in the Murray Hill WM Renewal Project	\$25,000	\$0			
			Accumulative Total - August, 2016		\$139,000			
	06-Sep-16		Water transmission Main Condition Assessment Program	\$75,000	\$75,000			
	06-Sep-16		Water Structures Condition Assessment Program	\$150,000	\$150,000			
			JD Kline WS Plant Building Roof Renewal project was not identified in 2016/17: Funding in the amount of \$155K is available from the 2015/16 CB under: Wastewater - JD Kline Entrance Road Project which will be deferred to					
	15-Sep-16		2017/18	\$145,000	\$0			
	23-Sep-16		Lake Major HVAC Study	\$100,000	\$100,000			
	23-Sep-16		JD Kline WSP Raw Water Pump Upgrade Study	\$230,000	\$230,000			
			JD Kline WSP Uninterruptible Power Supply System Replacement project in the amount of \$30,000 was not budgeted for in 2016/17 Funding in the amount of \$30,000 is available from underspending in SAP #3-1420 (2010/11 CB) (JD Kline Replace Raw Water Pump) which is under					
	23-Sep-16		budget	\$30,000	\$0			

# WATER CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

Da	ate of Approv	al						
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
	23-Sep-16		Peninsula Low North Transmission Main Rehabilitation Design	\$40,000	\$40,000			
29-Sep-16		31-Oct-16	Quinpool Road/Peninsula Transmission Main Rehabilitation was not budgeted for in 2016/17 funding from CWWF provides 75% cost sharing, with HW providing 25% of eligible costs, and 100% of ineligible costs. This will equate to \$469,500 from CWWF and \$206,500 from HW Funding in the amount of \$206,500 is available from underspending in the "Water - Critical Valves project which is not proceeding this year	\$676,000	\$676,000			
			Accumulative Total - September, 2016		\$1,271,000			
	11-Oct-16		Lake Major WSP Fire Alarm System Upgrades project was not budgeted for in 2016/17: Funding in the amount of \$30K is available from underspending in the Lake Major WSP Replace Lime Feed & Delivery	\$30,000	\$0			
	12-Oct-16		Bedford West CCC (Wastewater) Various Phases 2016/17 \$6,600 from the \$14,000 in Item 3.045 Bedford West CCC and \$11,200 from the \$66,000 in Item 2.074 Bedford West CCC	\$6,600	\$6,600			
			Accumulative Total - October, 2016		\$6,600			
	9-Nov-16		JD Kline Water Supply Plant - Man Down System was not budgeted for in 2016/17 Funding in the amount of \$10,000 is available from underspending in the 2016/17 CB under "JD Kline Electric Motor Power Efficiency Upgrades Projects (SAP #3-1521)	\$10,000	\$0			
	10-Nov-16		Wiring Upgrades - Water Supply Plants project was not identified in the 2016/17 CB. Funding in the amount of \$150,000 is available from underspending in ( SAP 3-2364) WSP Purchase Particle Counters	\$150,000	\$0			
			Operations Equipment Purchase was not budgeted for in 2016/17: Funding in the amount of \$34,000 is available from underspending in the "Water - Equipment Large Tapping Machine project" which will not be proceeding this					
	24-Nov-16		year	\$34,000	\$0			
	24-Nov-16		JD Kline WSP Backwash Flow Control Improvements	\$185,000	\$185,000			

# WATER CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
			Accumulative Total - November, 2016		\$185,000			
	6-Dec-16		JD Kline WSP Crane and lifting systems upgrade project was not identified in the 2016/17 CB. Funding in the amount of \$20K is available from underspending in the JD Kline Replace Raw Water Pump (SAP #3-1420) which is not proceeding this year	\$20,000	\$0			
	6-Dec-16		Purchase Noise Correlators was not identified within the 2016/17 CB. Funding in the amount of \$40,000 is available from the "Water - JD Kline Replace Power Pole at Low Lift Station which will not proceed this year.	\$40,000	\$0			
	14-Dec-16		Bennery Lake Land Purchase was not budgeted for in 2016/17. Funding in the amount of \$19,000 for the down payment of the PID's is available from "Purchase Small Hydro-Vac project" which is not proceeding this year. The balance of the purchase in the amount of \$211,000 will be budgeted for in 2017/18	\$19,000	\$0			
			Accumulative Total - December, 2016		\$0			
	27-Jan-17		Bedford Connection Phase 3 - Easement was not identified in 2016/17 CB: Funding in the amount of \$15,000 is available from underspending in the "Water - JD Kline Ventilation Improvements at Lift Station (SAP \$3-1930)	\$15,000	\$0			
	27-Jan-17		JD Kline WSP Building Roof Renewal: Funding in the amount of \$25k is available from underspending in the "JD Kline Industrial Water Pump Study": \$145k was previously approved on September 15, 2016	\$25,000	\$0			
			Accumulative Total - January 2017		\$0			

WATER
CAPITAL BUDGET APPROVALS TO DATE - 2016/17
TOTAL CAPITAL BUDGET FOR WATER \$16,453,000

HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
	9-Feb-17		JD Kline WSP Multilin Replacements project was not budgeted for in 2016/17: Funding in the amount of \$25,000 is available from underspending on the JD Kline Replace Backwash Pump project (SAP #3-1422) which came in under budget	\$25,000	\$0			
	16-Feb-17		Three Activetrack Total Station Controllers project was not identified in the 2016/17 CB: Funding in the amount of \$30,000 is available from underspending in the "Water - Purchase Survey Equipment - GPS Total Station (SAP #3-2424)	\$30,000	\$0			
			Accumulative Total - February 2017		\$0			
	16-Mar-17		Lake Major WSP Isolating the Treatment Trains: Funding increase of \$30K is available from underspending on the Kearney Lake Road Transmission Main Final Paving Project (SAP #3-2061)	\$30,000	\$0			
			Accumulative Total - March 2017		\$0			
			Total To Date		\$16,132,600			



### WASTEWATER CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

Date of Appro	val
---------------	-----

Da	ate of Appr	oval					G 4 4	<u> </u>
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
28-Jan-16		24-Mar-16	2016/17 Capital Budget Advanced Funding Integrated Projects					
			East					
			Murray Hill Drive W/M Renewal	\$38,000	\$38,000	Dexter Construction	\$6,166	\$27,810
			Farquharson Street Water Main Renewal	\$109,000	\$109,000	Dexter Construction	\$56,966	\$78,215
			Brompton Road	\$278,000	\$278,000	Dexter Construction	\$141,471	\$199,881
			Everette Street Water Main Renewal	\$97,000	\$97,000	Dexter Construction	\$52,608	\$69,524
			Alfred Street	\$199,000	\$199,000	Dexter Construction	\$55,663	\$148,477
			Beckfoot Drive	\$9,000	\$9,000	to be undertaken by HW Ops		
			Strath Lane	\$226,000	\$226,000	Dexter Construction	\$86,977.00	\$147,739.00
			Westwood Drive	\$121,000	\$121,000	Dexter Construction	\$5,769.00	\$8,690.00
28-Jan-16		24-Mar-16	West			Dexter Construction	\$20,112.00	\$56,488.00
			Scarlet Rd	\$206,000	\$206,000			
			Foxglove Lane	\$13,000	\$13,000			
			Parmbelle Lane	\$79,000	\$79,000			
			George Dauphinee Drive	\$54,000	\$54,000	deferred to 2017		
			Layton Road	\$13,000	\$13,000	work not required		
			Inverness Avenue	\$22,000	\$22,000	work not required		
28-Jan-16		24-Mar-16	Central					
			Tillock Drive	\$13,000	\$13,000	to be undertaken by HW Ops		
			Tillock Court	\$9,000	\$9,000	to be undertaken by HW Ops		
			Doyle Street	\$19,000	\$19,000			
			McQuarrie Bridge (Fall River)	\$150,000	\$150,000	work not required		
			Lydgate Drive	\$9,000	\$9,000	to be undertaken by HW Ops		
			Total Integrated Projects		\$1,664,000			
28-Jan-16		13-Apr-16	Manhole Renewals	\$32,000	\$32,000			
		-						
28-Jan-16		13-Apr-16	Lateral Replacements	\$2,190,000	\$2,190,000			
28-Jan-16		13-Apr-16	SIR Program Flow Meters and Related Equipment	\$40,000	\$40,000			

## CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

HRWC	Date of Appro			Approved	Net Additions	Consultant/	Construction Tender	Construction Budget
BOARD	GM	NSUARB	Description	Amount	to Budget	Contractor	Price	Estimate
26-Nov-16		12-Jan-16	Corporate Flow Monitoring Program (2015/16, 2016/17)	\$660,000	\$660,000			
28-Jan-16		13-Apr-16	Miscellaneous Equipment Replacement	\$70,000	\$70,000			
28-Jan-16		10-Mar-16	Wastewater System - Trenchless Rehabilitation Program: Funding in the amount of \$300,000 from underspending in the 2015/16 Sewer Lining Program: and \$1,500,000 is available from the 2016/17 Capital Budget	\$1,800,000	\$1,500,000	Insituform Tec Limited	\$805,192	\$1,472,779
	29-Jan-16		Leiblin Pumping Station Elimination Preliminary Design Halifax	\$75,000	\$75,000	HW staff		
					\$4,567,000			
			Accumulative Total - January, 2016		\$6,231,000			
	03-Feb-16		The \$42,500 in regulated activity funding is available from two sources. \$20,000 is available from underspending on the <i>Mill Cove CHP Fatal Flaw/Due Diligence Analysis</i> , and the <i>Preliminary Design and Cost Analysis</i> , with the remaining \$22,500 available from projected under spending within the 2015/16 <i>Wastewater – Energy – Energy Management Capital Program.</i> The \$42,500 in unregulated activity funding is available from within the 2016/17 Unregulated Capital Budget - Mill Cove Biogas CHP.	\$85,000	\$0			
	19-Feb-16		Bisset Pumping Station Forcemain Replacement project from 2015/16 Capital Budget	\$240,000	\$0			
25-Feb-16		8-Apr-16	Balsam Road Pumping Station (PS) Elimination	\$770,000	\$770,000	Dexter Construction		
25-Feb-16		5-Apr-16	Northwest Arm Sewer Rehabilitation - Detailed Design	\$300,000	\$300,000	Robinson Consultants	\$588,150	\$585,900
25-Feb-16		6-Apr-16	Waterfront Drive Wastewater System Replacement Interim Engineering Approvals System: Funding in the amount of \$96,900 is available from the 2006/07 budget from (SAP CWO 3-0721)		\$500,000	Project deferred pending outcome of other capital work		
			Accumulative Total - February 2016		\$1,570,000			

## CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

	ate of Approv	vai					Construction	Construction
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Tender Price	Budget Estimate
			Wastewater Pump Station Upgrade Program - East Region		4.0			
	09-Mar-16		2015/16 Capital Budget	\$110,000	\$0			
			HRM Land Transfer - Subdivision Costs					
			Project was not included in the 2016/17 Budget. Funding in the					
			amount of \$75,000 is available from underspending in the					
	10-Mar-16		Lakeside Pumping Station Diversion Project in the 2015/16 CB	\$75,000	\$0			
			Halifax WWTF - Various Upgrades: \$76,000:					
			Funding available from underspending in 2012/13 CB in the					
			following projects:					
			Dartmouth WWTF HHSP Upgrades \$5,000 Herring Cove WWTF HHSP Upgrades 13/14 CB \$41,000					
			Halifax WWTF HHSP Upgrades 13/14 CB \$14,000					
	29-Mar-16		Lakeside PS Diversion to HFX Sewershed: \$16,000	\$76,000	\$0			
			WW Pump Station Upgrade Program					
	29-Mar-16		Central Region (2015/16 CB)	\$70,000	\$0			
			Bedford PS Rehabilitation (at Mill Cove WWTF) funding in the					
			amount of \$2.85M is available from the 2016/17 CB					
			The remainder of funds in the amount of \$400K is available					
			from underspending in the 2015/16 Lakeside Pumping Station					
31-Mar-16		26-May-16	Diversion Project which came in under budget	\$3,250,000	\$2,850,000	Filtrum Inc.		\$1,495,600
			2015/16 Wastewater Pumping Station Upgrade Program -					
31-Mar-16		14-Apr-16	West Region	\$420,000	\$0			
			Accumulative Total - March 2016		\$2,850,000			
			120001110111111111111111111111111111111		Ψ <b>2</b> ,020,000			
			North Park Upgrade Integrated Project - Additional scope					
			funding in the amount of \$55K is available from under spending					
	04-Apr-16		in the 2015/16 CB under Lahey Road Integrated Project	\$55,000	\$0			
	04-Whi-10			φ33,000	φυ			

## CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

HRWC BOARD	Oate of Appro  GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
DOARD	GM	NSUARD	HWWTF Halifax Wastewater Treatment Facility	Amount	to budget	Contractor	Tite	Estimate
			Ventilation Air Heat Recovery Project					
			This project was originally scheduled for 2017/18. Due to the					
			successful results from Herring Cove WWTF Vent Air Heat					
			Recovery project, it was decided to use the funds allocated					
			from 2015/16 CB under "WW HCWWTF - Heat Recovery					
	15-Apr-16		Phase 2 - Effluent Heat Recovery	\$250,000	\$0			
			Aerotech WWTF Expansion and Upgrade Project -					
28-Apr-16		22-Aug-16	Construction / Design	\$22,755,000	\$13,960,000			
			Accumulative Total - April 2016		\$13,960,000			
	3-May-16		Eastern Passage WWTF Secondary Clarifier Launder Covers	\$49,000	\$49,000			
			Mill Cove WWTF - Various Capital Projects:					
			Compressor Replacement: \$20,000					
			Entrance Gate Replacement: \$20,000					
			Wet Scrubber Media Replacement: \$20,000					
	03-May-16		Digester Roof Coating: \$135,000	\$195,000	\$195,000			
	04-May-16		Roach's Pond Pumping Station - Trash Rack	\$75,000	\$75,000			
	24-May-16		EPWWTF Process Water Filter Upgrades	\$26,000	\$26,000			
	24-May-16		EPWWTF Automation of RAS Gates	\$97,000	\$97,000			
	2.1.1.1.1		22	437,000	ψ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
			EPWWTF - Fall Protection Grates - Sludge Tank and Inlet					
	24-May-16		Chamber	\$6,000	\$6,000			
	25-May-16		DWWTF - Influent Duty Pump Installation	\$160,000	\$160,000			
			Mill Cove TF - Clarified Access - Project not budgeted for in					
			2016/17: Funding in the amount of \$55K is available under					
			2016/17 "Emergency Wastewater Treatment Facility Equipment					
	31-May-16		replacement	\$55,000	\$55,000			
			Accumulative Total - May 2016		\$663,000			
	<b>20 Y</b>			<b>4.2.7</b> 0.00	<b>4427</b> 000			
	29-Jun-16		Pumping Station Standard	\$135,000	\$135,000			

## CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

	Date of Appro	val						
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
	29-Jun-16		Autoport Pleasant Street PS Replacement	\$200,000	\$200,000			
	29-Jun-16		Additional Funding - Bedford CCC for Temporary Pumping Station#1 and Phase 5-4: Funding in the amount of \$12,000 is available from underspending in the 2016/17 CB under: Leiblin PS Elimination Project that came in under budget	\$12,000	\$0			
			Accumulative Total - June, 2016		\$335,000			
	05-Jul-16		NS Power Meter Relocations Funding is available from the 2015/16 CB from underspending in the Energy Management Retrofit Project	\$22,750	\$0			
	05-Jul-16		Beechville Lakeside Timberlea WW Treatment Facility Clarifier Access funding in the amount of \$16K is available from 2016/17 CB - Emergency WW Treatment Facility Equipment Replacements)	\$16,000	\$16,000			
	06-Jul-16		HWWTF Installation of TSS Analyzer	\$82,000	\$82,000			
	05-Jul-16	6-Sep-16	Eastern Passage Pumping Station - Efficiency/Pump Control	\$650,000	\$650,000			
	19-Jul-16		Smallwood Avenue WW IP (2016) project was not budgeted for in 2016/17: Funding in the amount of 72,000 is available from the Waterfront Drive WW System Replacement project which will not be proceeding at this time	\$72,000	\$0	Dexter Construction	\$57,043	\$46,929
	25-Jul-16		Centrifuge Dewater Equipment - Mill Cove WWTF project was not budgeted for in 2016/17: Funding in the amount of \$167,000 is available from the Dartmouth Wastewater Treatment Facility - Fine Screen Upgrade project which will not be proceeding this year	\$167,000	\$167,000			
	27-Jul-16		Springfield Lake WWTF - UV Installation was not budgeted for in 2016/17. Funding in the amount of \$245K is available from the 2015/16 CB under "Frame Subdivision Wastewater Collection System Replacement and Wastewater Treatment Facility Upgrade which is under budget	\$245,000	\$0			

# CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

	ate of rippio						Construction	Construction
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Tender Price	Budget Estimate
	27-Jul-16		5000 lb. Forklift Acquisition Mill Cove Project was not budgeted for in 2016/17: Funding in the amount of \$25,000 is available from the Corporate Projects - Fleet Upgrade Program Wastewater	\$25,000	\$0			
	22-Jul-16		Bedford Hwy SW System Emergency Repair was not budgeted for in the 2016/17 CB: Funding in the amount of \$75K is available from underspending in the 2015/16 CB under the Lakeview Ave Twin Culvert Replacement Project which came in under budget	\$75,000	\$0			
	29-Jul-16		Hines Road Sewer Odour Issue: Funding in the amount of \$25K is available under 2016/17 CB and the reminder of \$35,000 is available from underspending in the Shore Drive Forcemain Replacement & Twinning project:	\$60,000	\$25,000			
	29-Jul-16		Wastewater Treatment facility security upgrades	\$200,000	\$200,000			
	29-Jul-16		Hornes Road Bridge Wastewater Main Replacement project was not budgeted for in 2016/17: Funding in the amount of \$90K is available from the Waterfront Drive WW System Replacement project which will not proceed at this time	\$90,000	\$0			
			Accumulative Total - July, 2016		\$1,140,000			
	11-Aug-16		Inglis Street Sewer - Hydraulic Analysis - Funding in the amount of \$33,000 is available from the 2015/16 CB and there is \$250K in the 2016/17 CB in which we are only using \$19K at this time					
	12-Aug-16		Emergency Pumping Station Pump Replacements	\$250,000	\$250,000			
	12-Aug-16		Wastewater Pumping Station Upgrade Program - West Region	\$210,000	\$210,000			
	12-Aug-16		Wastewater Pumping Station Upgrade Program - East Region	\$200,000	\$200,000			

## CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

	Pate of Approv	/ai					G	<b>Q</b> ( )
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
	12-Aug-16		Wastewater Pumping Station Upgrade Program - Central Region	\$65,000	\$65,000			
	23-Aug-16		BLT WWTF Lighting Upgrade	\$35,000	\$25,000			
	31-Aug-16		EPWWTF - Storage Shed	\$41,000	\$41,000			
	31-Aug-16		HWWTF Pump Replacement Sludge Mixing Systems	\$82,000	\$82,000			
	31-Aug-16		Hammonds Plains Road SW IP (2016) was not budgeted for in the 2016/17 CB. Funding is available from underspending in the following three approved projects:  Herring Cove Road Culvert: \$85,000  Drainage Remediation Program: \$25,000 and Sackville Cross Road Stormwater system: \$85,000	\$195,000	\$0			
	31-Aug-16		Mill Cove Biogas CHP - Detailed design and Cost Analysis Funding in the amount of \$16K is available from underspending in the HWWTF OCS VDF Project (SAP 6-1028) which came in under budget	\$16,000	\$0			
			Accumulative Total - August, 2016		\$873,000			
	06-Sep-16	19-Sep-16	BFP - Front End Loader Replacement	\$253,000	\$253,000			
	06-Sep-16		Wastewater Forcemains Condition Assessment	\$75,000	\$75,000			
	06-Sep-16		East and Central Wastewater Infrastructure Plan	\$225,000	\$125,000			
	08-Sep-16		HWWTF - Emergency Raw Water Pump VFD Replacement: Funding in the amount of \$125K is available from the 2016/17 CB Under "WWTF - Emergency Equipment Replacement	\$200,000	\$125,000			
	12-Sep-16	5-Oct-16	Mill Cove WW Treatment Facility UV Upgrade	\$2,080,000	\$2,080,000			
	12-Sep-16		WWTF Plant Optimization Program	\$175,000	\$175,000			

## CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

D	ate of Appro	val						
HRWC	GM	NSUARB	Description	Approved	Net Additions	Consultant/	Construction Tender Price	Construction Budget
BOARD	GM	NSUARB	Description	Amount	to Budget	Contractor	Price	Estimate
			Northwest Arm Rehabilitation - Detailed Design					
			The project is funded from the CWWF, the total cost to HW is					
20.0		27.0	estimated to be \$187,500 (25% of eligible costs) (25% of	Φ200.000	Φ200.000			
29-Sep-16		27-Oct-16	\$550,000) plus 100% ineligible costs (100% of \$50,000)	\$300,000	\$300,000			
			Accumulative Total - September, 2016		\$3,133,000			
	11-Oct-16		RWWP Projects MCs, MC3, WW Storage Project	\$245,000	\$245,000			
			Bedford West CCC (Wastewater) Various Phases 2016/17					
			\$6,600 from the \$14,000 in Item 3.045 Bedford West CCC and					
	12-Oct-16		\$11,200 from the \$66,000 in Item 2.074 Bedford West CCC	\$11,200	\$11,200			
	12-001-10		\$11,200 from the \$60,000 in Rein 2.07   Bearota West Cee	\$11,200	\$11,200			
			Mill Cove Secondary Flow Instrumentation Replacement Project					
			was not budgeted for in 2016/17. Funding in the amount of					
			\$45K is available from underspending in the DWWTF Fine					
	18-Oct-16		Screen Upgrade project which came in under budget	\$45,000	\$45,000			
	16-001-10		Screen Opgrade project which came in under budget	\$43,000	\$45,000			
			Harbour Solutions WWTF Fine Screen Upgrades projects					
			(Various location):					
			Dartmouth WWTF: \$109,000					
			Halifax WWTF Screen Upgrade: \$75,000					
			Herring Cove WWTF - Screen Upgrade: \$65,000					
			Funding in the amount of \$249,000 is available from					
			underspending in the Dartmouth WWTF Fine Screen Upgrade					
	24-Oct-16		Project	\$1,000,000	\$249,000			
			Accumulative Total - October 2016		\$550,200			
	09-Nov-16		2016/17 Wet Weather Management Program	\$100,000	\$100,000			
			Accumulative Total - November 2016		\$100,000			
					· ,			
			Hammonds Plains Road SW IP (2016) was not budgeted for in					
			2016/17: Funding in the amount of \$35K is available from					
			underspending in the Wilson Drive Culvert replacement project					
			(2013/14) which is now substantially completed and is under					
			budget	<b>.</b>				
	19-Dec-16			\$35,000	\$0			
	22-Dec-16		Inglis Street Sewer - Hydraulic Improvement Project	\$25,000	\$25,000			
			5	, - ,	,			

# CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR WASTEWATER \$35,838,000

**Date of Approval** 

HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
	23-Dec-16		Northwest Arm Rehabilitation Armdale Pump Station Modifications	\$150,000	\$150,000			
			Accumulative Total - December 2016		\$175,000			
	09-Feb-17		Cow Bay Road Deep Storm Sewer Additional costs: funding in the amount of \$8,700 is available from the 2014/15 CB under SCADA Master Plan which came in under budget	\$8,700	\$0			
	27-Feb-17		Middle Musquodoboit WWTF Bank Stabilization 50K: Additional funding in the amount of \$25,000 is available from underspending in the "Dartmouth WWTF Fine Screen Upgrade which came in under budget	\$50,000	\$25,000			
	27-Feb-17		Biosolids Processing Facility (BPF) Biofilter Media Replacement	\$50,000	\$50,000			
			Accumulative Total - February 2017		\$75,000			
	08-Mar-17		Gantry Road Manhole Rehabilitation	\$30,000	\$30,000			
	21-Mar-17		Springfield Lake WWTF UV Installation project was not budgeted for in 2016/17: Funding in the amount of \$245K is available from underspending in the Dartmouth WWTF Fine Screen Project #6-1347	\$245,000	\$0			
			Accumulative Total - March 2017		\$30,000			

**Total To Date:** 

\$31,685,200



# STORMWATER CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR STORMWATER \$3,951,000

Da	ate of Appro	oval					Construction	Construction
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Tender Price	Budget Estimate
			2016/17 Stormwater Advanced Funding Integrated Projects					
			East					
28-Jan-16		24-Mar-16	Murray Hill Drive W/M Renewal	\$28,000	\$28,000	Dexter Construction	\$17,520	\$21,292
			Farquharson Street Water Main Renewal	\$19,000	\$19,000	Dexter Construction	\$14,391	\$13,036
			Brompton Road	\$151,000	\$151,000	Dexter Construction	\$35,835	\$108,631
			Everette Street Water Main Renewal	\$28,000	\$28,000	Dexter Construction	\$5,319	\$21,075
			Alfred Street	\$11,000	\$11,000	work to be undertaken by HW Ops		
			Beckfoot Drive	\$9,000	\$9,000	work not required		
			Strath Lane	\$122,000	\$122,000			
28-Jan-16		24-Mar-16	West					
			George Dauphinee Drive	\$34,000	\$34,000	deferred to 2017		
28-Jan-16		24-Mar-16	Central					
			Tillock Court	\$19,000	\$19,000	work to be undertaken by HW Ops		
			Doyle Street	\$75,000	\$75,000 \$75,000	deferred to 2017		
			Baker Drive	\$52,000	\$52,000	work not required		
			Baket Drive	\$32,000	\$32,000	work not required		
			Second Avenue	\$70,000	\$70,000	work to be undertaken by HW Ops		
			<b>Total Integrated Projects</b>	\$618,000	\$618,000	J I		
28-Jan-16		13-Apr-16	Manhole Renewals	\$29,000	\$29,000			
20 I 16		12 A 16	Civilia i B	<b>#20.000</b>	¢20,000			
28-Jan-16		13-Apr-16	Catchbasin Renewals	\$29,000	\$29,000			
28-Jan-16		13-Apr-16	Lateral Replacements	\$87,000	\$87,000			
		•	•		\$145,000			
			Accumulative Total January, 2016	_	\$763,000			

### STORMWATER

### CAPITAL BUDGET APPROVALS TO DATE - 2016/17

### TOTAL CAPITAL BUDGET FOR STORMWATER \$3,951,000

HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
	23-Feb-16		Wilson Drive & Highway 2 - Culvert Replacement	\$223,000	\$223,000 H	Iarbour Constru.	\$109,270	\$167,400
25-Feb-16		6-Apr-16	Sackville Cross Road Stormwater System Renewal	\$1,090,000	\$1,090,000 D	Dexter Construction	\$659,680.71	\$970,902.66
25-Feb-16		6-Apr-16	Bedford Highway at Shaunslieve Drive Culvert Upgrade	\$407,000	\$247,000 B	erycon Construction	\$152,128	\$336,141
25-Feb-16		21-Mar-16	Sullivan's Pond Storm Sewer System Replacement - Design Funding in the amount of \$100,000 is available from 2015/16 CB under "Stormwater Pipes - Sullivan's Pond Storm Sewer Replacement - Phase 1 and \$300,000 is available from the 2016/17 CB Under "Stormwater Pipes Sullivan's Pond Storm Sewer Replacement Phase 1. The total approved to date is \$950,000	\$400,000	\$300,000	CBCL		
			Accumulative Total February, 2016		\$1,860,000			
	7-Apr-16	25-Apr-16	2016/17 Driveway Culvert Program	\$450,000	\$450,000			
			Accumulative Total April, 2016		\$450,000			
	30-May-16		Yankeetown Road (near Civic 258) Culvert Replacement was not budgeted for in 2016/17: Funding in the amount of \$200,000 is available from underspending in the 2015/16 CB under Cow Bay Road Deep Storm Sewer project which came in under budget	\$200,000	<b>\$0</b> H	Iarbour Construction		
			Accumulative Total for May, 2016		\$0			
	6-Jun-16		Bank of Montreal Stormwater Lateral - 5151 George Street	\$90,000	\$90,000			
			Accumulative Total for June, 2016		\$90,000			

### STORMWATER

### CAPITAL BUDGET APPROVALS TO DATE - 2016/17

### TOTAL CAPITAL BUDGET FOR STORMWATER \$3,951,000

HRWC	ite of Approv	'aı		Approved	Net Additions	Consultant/	Construction Tender	Construction Budget
BOARD	GM	NSUARB	Description	Amount	to Budget	Contractor	Price	Estimate
			Bedford Hwy SW System Emergency Repair was not budgeted for in					
			the 2016/17 CB: Funding in the amount of \$75K is available from					
			underspending in the 2015/16 CB under the Lakeview Ave Twin					
	22-Jul-16		Culvert Replacement Project which came in under budget	\$75,000	\$0			
	22-Jul-16		Clement Street Berm - SW Control System	\$264,000	\$264,000			
	29-Jul-16		Inverness Avenue Culvert Replacement Project	\$136,000	\$136,000 Ha	arbour Construction	\$83,496.24	\$146,000.0
			Interim Engineering Approvals System: Funding in the amount of \$96,900 is available from the 2006/07 budget from (SAP CWO 3-0721)					
			Accumulative Total for July, 2016		\$400,000			
			Sycamore Lane Storm Sewer Replacement project was not budgeted					
			for in 2016/17 CB: Funding in the amount of \$150,000 is available from underspending in the Sackville Cross Road Stormwater System					
	23-Sep-16		Renewal project which came in under budget	\$150,000	\$0			
			Accumulative Total for September 2016		<b>\$0</b>			
			Ellenvale Run Retain Wall System project was not identified in the					
			2016/17 CB. Funding in the amount of \$125,000 is available from					
10-Nov-16			underspending in the Sackville Cross Road Stormwater System Renewal Project which came in under budget	\$125,000	\$0			
10 1101 10				Ψ1 <b>20,</b> 000	Ψ.			
			Accumulative Total for November 2016		\$0			
			Cow Bay Road Deep Storm Sewer (funding increase): Funding in					
			the amount of \$8,700 is available from underspending in the					
	2-Feb-17		2014/15 WW CB under: SCADA Master Plan #3-2193	\$8,700	\$0			
			Accumulative Total for February, 2017		\$0			
			Total to Date		\$3,563,000			



# CORPORATE PROJECTS CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR CORPORATE PROJECTS \$10,535,000

Date	e of Appro	vai					Construction	Construction
HRWC BOARD	GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Tender Price	Budget Estimate
		TIBETHE	Description					
			Computerized Management Maintenance System Phase 2					
30-Jul-15		15-Oct-15	(Project was approved in October 15, 2015 by NSUARB)	\$1,500,000	\$1,500,000			
28-Jan-16		13-Apr-16	Desktop Computer Replacement Program	\$180,000	\$180,000			
28-Jan-16		13-Apr-16	Network Infrastructure Upgrades	\$200,000	\$200,000			
28-Jan-16		13-Apr-16	Survey Equipment - GPS Total Station	\$30,000	\$30,000			
28-Jan-16		13-Apr-16	Document Management Program	\$200,000	\$200,000			
28-Jan-16		13-Apr-16	SharePoint	\$200,00	\$200,000			
			AMI/AMR Meter System Upgrades	\$3,300,000	\$3,300,000			
28-Jan-16		13-Apr-16	Fleet Upgrade Program Water	\$505,000	\$505,000			
28-Jan-16		13-Apr-16	Fleet Upgrade Program Wastewater	\$920,000	\$920,000			
28-Jan-16		13-Apr-16	Fleet Upgrade Program Stormwater	\$230,000	\$230,000			
			Accumulative Total January, 2016		\$7,265,000			
28-Apr-16		12-Aug-16	GIS Hardware/Software Program 2015/16	\$400,000	\$0			
	31-May-16	5	CRM Interfaces	\$200,000	\$200,000			
			Accumulative Total May, 2016		\$200,000			



# CORPORATE PROJECTS CAPITAL BUDGET APPROVALS TO DATE - 2016/17 TOTAL CAPITAL BUDGET FOR CORPORATE PROJECTS \$10,535,000

Da	te of Approv	al					Construction	Construction
HRWC				Approved	Net Additions	Consultant/	Tender	Budget
BOARD	GM	NSUARB	Description	Amount	to Budget	Contractor	Price	Estimate
		- 1.0						
	15 1 16			Ф220,000	Ф220 000			
	15-Jun-16		Customer Service Portal	\$220,000	\$220,000			
			Accumulative Total June 2016		Ф220 000			
-			Accumulative Total June, 2016		\$220,000			
	5 T 1 1 C		SCADA Control System Enhancements 2016/17 (cost are split 50/50 for	Φ200.000	Φ200.000			
	5-Jul-16		W/WW	\$200,000	\$200,000			
				<b>** *</b> • • • •	4			
	29-Jul-16		450 Cowie Hill Road External Lighting Project	\$25,000	\$23,000			
			A community of Trade Line 2017		<b></b>			
			Accumulative Total July, 2016		\$223,000			
	6-Sep-16		Asset Management Program Development	\$100,000	\$100,000			
	6-Sep-16		Assess Asset Management Software - Part 2	\$50,000	\$50,000			
			Furniture & Building Improvements - Billing Services Project was not					
			budgeted for in the 2016/17 Capital Budget					
			Funding in the amount of \$60,000 is available from underspending in the					
	22 9 16		2016/17 CB Under "Corporate Projects - IT Disaster Recovery Site"	¢<0.000	Φ <i>c</i> 0.000			
	23-Sep-16		which will not be proceeding this year	\$60,000	\$60,000			
			Accumulative Total September, 2016		\$210,000			
			Accumulative Total September, 2010		\$210,000			
	445		070	<b>#1</b> 000 000	<b>#4.000.000</b>			
	14-Dec-16	6-Jan-17	GIS Data Program	\$1,000,000	\$1,000,000			
			Assessed Alexander Translation 1 2017		<b>44.000.000</b>			
			Accumulative Total November, 2016		\$1,000,000			

March 30, 2017



### **CORPORATE PROJECTS** CAPITAL BUDGET APPROVALS TO DATE - 2016/17

### TOTAL CAPITAL BUDGET FOR CORPORATE PROJECTS \$10,535,000

Date of Approva	٧a
-----------------	----

HRWC BOARD	te of Approv GM	NSUARB	Description	Approved Amount	Net Additions to Budget	Consultant/ Contractor	Construction Tender Price	Construction Budget Estimate
			Customer Service Building Improvements project was not budgeted for in					
			2016/17: Funding in the amount of \$43,000 is available from the					
	11-Jan-17		"Corporate Projects - Asset Management - Expand Prioritization Methodology project" which will not be proceeding this year	\$43,000	\$0			
			Interim Engineering Approvals System: Funding in the amount of					
			\$96,900 is available from the 2006/07 budget from (SAP CWO	40.4000	4.0			
	27-Jan-17		3-0721)	\$96,900	\$0			
			Accumulative Total January 2017					
			Audio Visual Equipment for meeting Room 1041 Phase 3: Funding					
			available from the Asset Management Program split from the following					
	15-Feb-17		projects: 3-2107, 6-1118 and 7-697	\$7,300	\$0			
			Accumulative Total February 2017		\$0			
			Total to date		\$9,118,000			

# Item 3-I

### **FINANCIAL REPORT**

Consolidated balance of the four operating accounts maintained by the Commission as of:

Rate of interest on the above balance 
Investment Rate of Return

\$60,268,725.00



ITEM # 4-I HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair, and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** *Original Signed By:* 

Cathie O'Toole, MBA, CPA, CGA, Director, Corporate Services

**APPROVED:** Original Signed By:

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

**DATE:** March 22, 2017

**SUBJECT:** Customer Care Centre and Dispute Resolution Process

#### **INFORMATION REPORT**

#### **ORIGIN**

On-going initiatives to enhance customer service, and the NSUARB Decision M07559 approving establishment of the Dispute Resolution Officer.

#### **BACKGROUND**

HRWC is taking several steps to improve delivery of customer service and communication with its customers, partially as a result of observations made since implementation of the first stormwater charges, feedback from the exemption review process, and community engagement.

### **DISCUSSION**

#### **Customer Care Centre**

The first major initiative involves centralizing all calls for water, wastewater stormwater service at HRWC. Until March 2016, calls for Wastewater and Stormwater service were going through the municipality's 311 Call Centre.

In February 2016, Halifax Water implemented a Customer Relationship Management (CRM) system that will help promote accountability in tracking and closing service requests, and providing information to customers. The second major improvement in 2016 was implementation of a Computerized Maintenance Management System (CMMS) that enables better management and operational tracking of repair and maintenance activities.

On February 27, 2017, the final phase of centralizing calls was completed, with Water Operations calls being moved to the Customer Care Centre. There will be continued enhancement of Customer Service with improvements to the website, development of a Customer Portal in conjunction with the AMI project, and investigation of new telephony systems.

With centralization of all water, wastewater, and stormwater calls at the Customer Care Centre, the utility is well positioned to take advantage of information received through AMI and the ongoing maintenance management system to track Operations activities. A corporate communications strategy is being developed that will facilitate website improvements and a new phone number H20-WATR is proposed for implementation in 2017/18 to make it easier for customers to access direct service.

#### H20-WATR

The new phone number is active now, but is not being promoted until May 2017. Communications materials are being prepared, including a fridge magnet shaped like a blue water drop with the new phone number, which will be sent to all customers.

Other customer communication initiatives are underway. The Spring 2017 issue of "Water Talk" will promote the new phone number, describe changes to stormwater charges resulting from the recent NSUARB application, and provide an overview of the customer dispute resolution process.

#### Dispute Resolution Officer

Halifax Water has completed the process to establish a Dispute Resolution Officer. Amendments to the HRWC Rules and Regulations were approved (M07559) in November 2016; and a recruitment process was conducted by an external agency, Knightsbridge Robertson Surette.

Effective April 1, 2017, Kulvinder S. Dhillon, MBA, P.Eng., FEC will be the Dispute Resolution Officer for Halifax Water customers. Mr. Dhillon recently retired from the Nova Scotia Utility and Review Board, and has extensive experience in water, wastewater and stormwater service delivery.

Currently, Halifax Water does as much as possible to proactively resolve customer issues before they escalate to the NSUARB. Notwithstanding, there are situations where the customer is not satisfied with the end result and wishes to pursue a complaint to the NSUARB. With the establishment of a revised business process, the complaint would escalate to the DRO instead of directly to the NSUARB. Complaints could still be filed with the NSUARB, but only after they have gone through the DRO process. The Customer Complaint Escalation Policy is attached as Attachment 1, and a Business Process Flow Chart showing the escalation process is shown in Attachment 2.

To initiate the process, the customer would be provided the DRO contact information and must give permission for complete disclosure of all the account details, communications, field notes etc. on the customer account. Everything is fact based, and Halifax Water staff would provide full access to details and data regarding the issue. The dispute resolution process and exchange of information will be all electronic unless the customer does not have email, and in that case it will be by mail.

After a customer contacts the DRO, the DRO will clarify their role and let the customer know they are not an employee of Halifax Water or the NSUARB. This helps assure the customer they are getting an independent unbiased opinion.

The DRO works within the regulations and will not deal with issues that do not pertain to Halifax Water regulations. The DRO will not deal with repeat complaints for the same issue, but will deal with a new escalation from the same customer.

The DRO process provides an opportunity to get a different perspective on how customers are served that may help the utility refine their regulations in the future. It is envisioned that the DRO will make suggestions about how customer service can be improved further.

#### **ATTACHMENTS**

Attachment 1 - Customer Complaint Escalation Policy

Attachment 2 - Business Process Flow Chart

Report Prepared by: *Original Signed By*:

Cathie O'Toole, MBA, CPA/CGA, Director, Corporate Services

902-490-3685



Standard Operating Procedures  Halifax Water	Page 1 of 5
Escalation & Complaint	HW - SOP – CCC - 26
Management Policy	February 28, 2017

### 1. Purpose:

The Escalation & Complaint Management Policy is a set of procedures designed to ensure the right people are alerted at the right time in the resolution of a customer reported issue.

### 2. Objective:

To ensure issues are resolved in a timely manner and provide information that can lead to service delivery improvements.

To communicate to Halifax Water customers and HRM residents that a feedback and complaint system is available

To ensure all feedback and complaints are captured in Halifax Water's Customer Relationship Management (CRM) system for record keeping, tracking and monitoring purposes.

To ensure feedback and complaint handling are assigned to the appropriate business unit.

Follow up with the customer to ensure that he or she is satisfied and when necessary, refer the complaint to a third party Dispute Resolution Officer (DRO) or the Nova Scotia Utility and Review Board (NSUARB) if applicable.<sup>1</sup>

### 3. Scope:

This procedure applies to all Halifax Water employees who interact with customers and HRM residents to resolve and/or investigate inquiries/complaints.

Customer Care Centre (CCC) management team are responsible to acknowledge the complaint and record the complaint in HW CRM.

Business Units are responsible to investigate and analyze the complaint fairly and keep records of all correspondence and developments. Business Units are responsible to communicate to CCC management team when the issue has been resolved.

<sup>&</sup>lt;sup>1</sup> The DRO's jurisdiction is any matters covered within Halifax Water's Rules and Regulations. On occasion, there may be matters that are very broad or general in nature that do not relate to the application of Halifax Water's Rules and Regulations.



Page 2 of 5

### Escalation & Complaint Management Policy

HW - SOP - CCC - 26

February 28, 2017

### 4. Responsibilities:

### **Customer Service Representatives**

It is the responsibility of the CCC staff to investigate and resolve customer concerns, issues and complaints at first point of contact. If the issue cannot be resolved, it is the employee's responsibility to follow CRM4005 – Escalation and Redirect Process.

### **CCC Management Team**

Are responsible to ensure this SOP is being followed and the content is up to date.

CCC management team are the owners of the escalation and complaint management process responsible to closely monitor escalations to determine if there is a gap in service delivery, training, etc. The objective is to decrease the number of escalations by increasing customer satisfaction.

### **Halifax Water Employees**

Are responsible to ensure CCC management team has an escalation/complaint recorded in HW CRM system. Customers can be referred to <a href="mailto:Complaints@halifaxwater.ca">Complaints@halifaxwater.ca</a> to initiate the complaint process or an employee can initiate the process on behalf of the customer.

Halifax Water employees are responsible to resolve the issue according to company policy as well as keeping the customer informed throughout the process, including the outcome.

CCC management team must be notified of the settlement to initiate closure of the issue in CRM.

### 5. Definitions:

<u>Service Request</u> - A service request is a document that tracks information about a customer's service issue. A service request is generated in CRM and is managed by CCC management team.

### **Customer Feedback System**

A customer feedback system allows a customer to provide comments or questions to Halifax Water. This system presents an opportunity for early detection and resolution of issues as well as a system to improve service, policy and/or procedures.

Customer can provide comments or ask questions by phone or email at <a href="mailto:Comments@halifaxwater.ca">Comments@halifaxwater.ca</a>



Page 3 of 5

### Escalation & Complaint Management Policy

**HW - SOP - CCC - 26** 

February 28, 2017

### **Proactive Escalations**

A system that is in place to monitor situations before a crisis occurs (billing alert flags to notify customers of high usage, reminder tasks for follow-up etc.).

### **Supervisory Escalations**

Are generally initiated by a customer who is not satisfied and the issue requires an action to resolve the situation. Escalations must be tracked to determine which customer complained, when the complaint was logged, who the complaint was assigned to and if the problem was resolved.

### **Supervisory Redirect**

Are generally initiated by a customer who does not require immediate follow-up action; they want specific information recorded. The customer may have a recommendation to improve service or they may want to compliment a Halifax Water employee on the service they provided.

### **CRM Issue Codes**

A CRM Issue Code: **ACC08** issue creates an escalation/redirect task that is used to record, track and resolve customer inquiries that require a review by a CCC supervisor. ACC08 issues are generally initiated by a customer via telephone or email to HW Customer Contact Centre. See CRM4005 – Escalation & Redirect Process.

A CRM Issue Code: **DRO01** issue creates an escalation task used to resolve or record customer inquiries that requires a review by the Dispute Resolution Officer (DRO). A customer who wishes to take their complaint to the DRO is required to have a CRM DRO service request number. A service request number will be issued by CCC management team.

The creation of DRO01 issue is restricted to the CCC management team.

### 6. Escalation Procedure

### **CRM Issue: ACC08:**

CCC Customer Service Representatives (CSR) will try to resolve the issue and provide an approximate time to fulfill the request. If the issue cannot be resolved, the CSR will create a CRM ACC08 for CCC supervisory staff to start an investigation. If necessary, the CCC Manager or appropriate business unit will be involved.

ACCO8 - Escalations will be addressed within two (2) business days.



Page 4 of 5

### Escalation & Complaint Management Policy

HW - SOP - CCC - 26

February 28, 2017

### 7. CRM Issue: DRO01

### **Customer Initiated Complaint**

If a customer indicates that they would like to take their complaint further, CCC management team are responsible to register the complaint. The complaint will be registered in CRM system as an Issue code (DRO01); the Issue code will create an individual customer Service Request Number.

A Halifax Water employee or other affiliated organizations, can direct a customer to initiate a DRO complaint by contacting <a href="mailto:Complaints@halifaxwater.ca">Complaints@halifaxwater.ca</a>. An employee can initiate the complaint process on behalf of a customer following the same process.

Following the registration of the complaint, CCC management team will provide the customer with their Service Request number and request the customer to submit the details of their complaint in writing to the DRO.

### **Complaint Received by DRO**

The DRO will ensure the customer has signed a Customer Information Release form into to formally commence any investigation into a Customer Complaint.

The DRO will ensure the dispute is registered with Halifax Water by confirming a Service Request number has been issued to the customer. If the complaint has not been registered, the DRO will contact CCC management team via email at <a href="mailto:Complaints@halifaxwater.ca">Complaints@halifaxwater.ca</a> and provide a copy of the Customer Information Release form.

If the complaint has not been registered, CCC management team will investigate and contact the customer to attempt to resolve the dispute. If the customer is still unsatisfied, their complaint will be registered with a DRO01 Issue code and the customer will be provided a Service Request Number.

The DRO will initiate their investigation by sending a request to <u>Complaints@halifaxwater.ca</u> and a copy of the Customer Information Release form to obtain information pertaining to the customer's issue.

CCC management team with review email daily and respond to the DRO providing requested information and/or to advise that the information request has been forwarded to the appropriate Halifax Water business unit.

CCC management will send within 2 days, acknowledgement of any requests for investigations into a customer complaint sent to <a href="mailto:complaints@halifaxwater.ca">complaints@halifaxwater.ca</a> by the DRO.

The CCC management team or the HW business unit must provide the DRO with a response within two (2) weeks.



Page 5 of 5

### Escalation & Complaint Management Policy

HW - SOP - CCC - 26

February 28, 2017

The DRO will review the dispute response from Halifax Water before contacting the customer with their decision. The customer will have two (2) weeks to either accept the decision or take their dispute to the NS Utility and Review Board. The DRO will notify the appropriate HW business unit of the dispute decision.

The Halifax Water business unit will review the DRO decision and take the appropriate action (if necessary).

The Halifax Water business unit will provide a complaint update to CCC management team to close the DRO issue.

### 8. References:

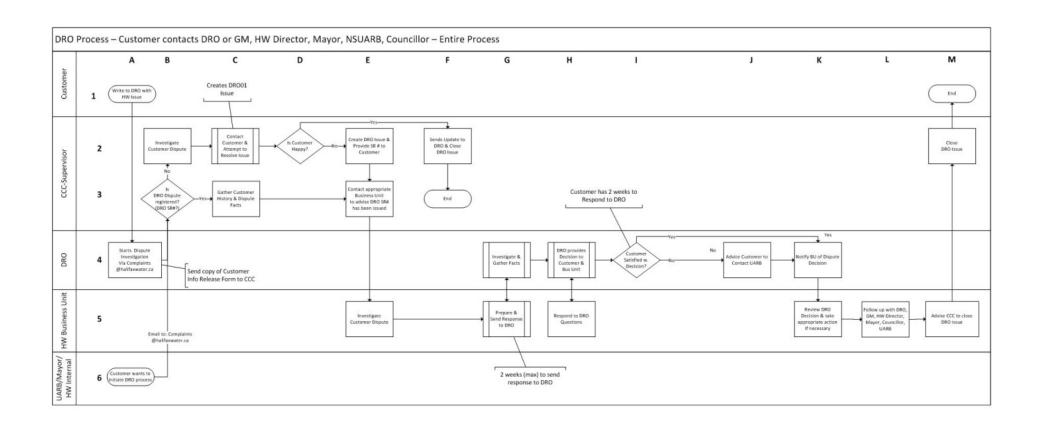
CRM4005 - Customer Contact Centre Escalation & Redirect Process

### 9. DOCUMENTATION AND NOTIFICATION $\ensuremath{\mathsf{N}/\mathsf{A}}$

Approved By:	Date:
Original Signed By:	March 23, 2017
Cathie O'Toole, BA, MBA, CPA/CGA. Director of Corporate Services/CFO	

ITEM # 4-I HRWC Board March 30, 2017

### **ATTACHMENT 2**





HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** Original Signed By:

James Campbell, Communications & Public Relations Coordinator

**APPROVED:** Original Signed By:

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

**DATE:** March 21, 2017

**SUBJECT:** Communications Strategy Update

### **INFORMATION REPORT**

### **ORIGIN**

The 2016/17 Annual Business Plan

### **BACKGROUND**

Halifax Regional Water Commission (publicly branded as Halifax Water in 2007) is in the process of implementing an overall communications strategy, in recognition of a changing utility landscape and customer expectations.

The utility currently has a low public profile. While our customers rely on our critical water, wastewater and stormwater services every day, there is a perceived lack of understanding and/or interest in what the utility does and the essential role it plays in the social, economic, and environmental well-being of our communities.

Notwithstanding the importance of the services Halifax Water provides, they are generally not top of mind with customers or other stakeholders.

Halifax Water has a number of initiatives underway that will fundamentally change the way we do business and provide the opportunity for enhanced two way real-time interaction with our customers. These projects include, but are not limited to, Advanced Metering Infrastructure (branded as Customer Connect), Customer Relationship Management and Operational Maintenance Management. These initiatives, along with a focus on a redesigned Halifax Water website and overall enhanced customer service are

the impetus for this Strategy. Halifax Water is interested in transforming the utility from a silent service provider to a utility that is valued and regarded as essential to the sustainability of the communities it serves.

In order to implement a Communications Strategy, Halifax Water sought proposals for the design, development and delivery framework to assist Halifax Water in better serving customers, external clients and internal staff. The successful proponent would provide recommendations and a clear program outline that will enable Halifax Water staff to implement the strategy.

### DISCUSSION

On June 30, 2016 Halifax Water issued an RFP entitled Halifax Water Communications Strategy.

On September 8, 2016 Revolve Branding and Marketing was awarded the contract at a price of \$132,025.00, including HST, under the amount budgeted of \$200,000 from the Capital Budget under "Corporate Projects – Website Strategy".

To date Revolve has:

- Held a meeting with a large and diverse group of Halifax Water staff to gain insights into the internal culture, philosophy and opinions that staff have of the utility and how they feel we are viewed by the public;
- Condensed this information into a Brand DNA document that provides an overview of key themes, purpose, mission, vision that the utility would like to project internally and externally;
- Met with key Halifax Water staff to better understand the main Operational issues that our utility faces currently and into the future.

Over the next few months Revolve will:

- Be hosting a series of Pop Up engagements sessions at various high profile locations throughout our service area to gauge customer thoughts about how Halifax Water is viewed, and why;
- Conduct online surveys to gauge customer feedback on Halifax Water's reputation with its customers;
- Develop an overall Communications Strategy that includes such things as the overall look and feel of public information materials we produce; educational videos; social media strategy; and Communications Guidelines.

It is anticipated Communications Strategy will be complete in mid-late May 2017.

### Report Prepared by:

### Original Signed By:

James Campbell, Communications & Public Relations Coordinator, 902-490-4604

Page 2 of 2



HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** *Original Signed By:* 

Cathie O'Toole, MBA, CPA, CGA, Director, Corporate Services

**APPROVED:** *Original Signed By:* 

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

**DATE:** March 23, 2017

**SUBJECT:** Group Life and LTD Annual Renewal

### **INFORMATION REPORT**

### **ORIGIN**

Halifax Water's Group Life and LTD Annual Renewal

### **BACKGROUND**

The contracts for HRWC's Group Life Insurance and LTD expire March 31, 2017. To maintain the current program, the rates will be increasing effective April 1, 2017. HRWC's renewal with the Life and LTD provider Desjardins, was negotiated by HRWC's benefits consultant Mercer, in conjunction with the HRM renewal.

### **BACKGROUND/DISCUSSION**

HRWC's benefit consultant recommended that Basic Life decrease by 4.8%, Dependent life increase by 5.1 % and Long Term Disability increase by 3.0 %. These benefits form part of the total compensation package offered to employees and are 50/50 cost shared with the Employer. These rate adjustments were recommended by Mercer, Benefit Consultants, after conducting their annual renewal analysis and reporting these analysis at the March 1st, 2017 Pension and Benefit Committee meeting.

Rate adjustments for the plans take into consideration the experience history from the previous year as well as future projections and current trends in the market. HRWC also benefits from the economies of scale due to being a division under HRM's policy. Overall, the plans have been fairly stable over the past few years with some minor increases due to experience and market adjustments.

HRWC continues to strategize on ways to improve employees' health to have a positive impact on future experience ratings.

### **BUDGET IMPLICATIONS**

Due to the complexity in forecasting this expense, it is challenging to predict and budget for these costs however the overall rate adjustment of 1.8 % is lower than anticipated and therefore can be fully absorbed in the budget.

Due to HRWC's size and demographics, the more cost effective options to provide the same benefits are limited. It is beneficial to remain under HRM's policy.

Report Prepared by: *Original Signed By:* 

Rochelle Bellemare, Manager, Human Resources, 902-490-4807

Financial Review by: *Original Signed By:* 

Cathie O'Toole, MBA, CPA, CGA, Director, Corporate Services

902-490-3572



HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** *Original Signed By:* 

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

**APPROVED:** *Original Signed By:* 

Darlene Fenton, Chair, Environment and Safety Planning Committee

**DATE:** March 23, 2017

SUBJECT: Halifax Water Committee on Environment, Health and Safety – 2016

**Annual Summary** 

### **INFORMATION REPORT**

### **ORIGIN**

Environment, Health and Safety Committee

### **BACKGROUND**

In accordance with the Terms of Reference of the Environment, Health & Safety Committee, the full Board of Halifax Water shall be kept informed of the committee's activities in the form of a report. The following shall serve as a summary of the Environment, Health & Safety Committee meetings and activities during 2016.

### **DISCUSSION**

There were three (3) meetings held of the Environment, Health & Safety Committee in 2016: January 19th, May 26th, and September 7th. The September 7th meeting was held at the Halifax Wastewater Treatment Facility (WWTF) following a tour of the facility.

### **ENVIRONMENT ITEMS:**

**Seasonal Disinfection** was discussed at all of the meetings and will continue to be a standing agenda item for future meetings. Halifax Water applied to Nova Scotia Environment to shut off the Ultra Violet (UV) lamps in the Halifax, Dartmouth, Herring Cove and Eastern Passage WWTFs, during the winter months when there would be minimal human contact with receiving waters. The rationale for this request was twofold: one for maintenance, to give staff the opportunity to clean and replace the UV lamps to ensure that during the peak recreation season the lamps would be in good working order, and second as a cost containment exercise for the utility.

To ensure transparency, Halifax Water notified 20-25 direct harbour users, sampled for bacteria to gather baseline data, and continued to sample during the shutdown period. The results of the sampling during the shutdown period indicated bacteria were still below the recommended levels for health concern.

Nova Scotia Environment is not prepared yet to make this a permanent change to the operating approvals; however, they are prepared to allow the shutdown of the UV lamps as a variance under the operating approval for another year.

Lead Service Lines were discussed at two of the meetings and will be a standing agenda item for future meetings. There are major health concerns associated with lead in drinking water especially for young children and expectant mothers. This issue came to the forefront during discovery of lead in the drinking water in Flint Michigan. Halifax Water's lead situation is not like Flint's efforts have been made in the past to replace lead pipes in the distribution network in Halifax, and secondly the utility has a strong corrosion control program. Staff presented reports on Lead Service policy and a Business Plan which were approved by the Environment, Health & Safety Committee last year. One of the current issues facing Halifax Water is the lack of good data; Halifax Water does not have an accurate account of how many private lead service lines exist. They will also explore ways to find a financing option for the customer to replace their section of the lateral. Halifax Water has the direct responsibility for any lead lines within the right-of-way but not for the portion of the lateral on private property.

Halifax Water partnered with Dalhousie University and studies through its NSERC Industrial Research Chair show partial replacement of the line results in higher lead levels than if the service line had been left untouched. As a result of this study, Halifax Water has stopped undertaking partial replacements and will only replace a lead service line if the property owner participates.

Following a presentation to the Environment, Health & Safety Committee, staff made a presentation to the full Board on June 30, 2016 regarding this issue and on October 27, 2016, the Environment Health & Safety Committee gave a presentation to the full Board on a proposed business plan to address this issue. The cost associated with this issue is estimated to be \$25

million over the next 30 years. The business plan was approved which, amongst other things, includes an application to the NSUARB for approval to cost share the private side replacement of the lateral.

Lake Recovery was discussed at our September 7th meeting; acidification of surface waters has been an issue in Atlantic Canada for some time. However, we have seen a reduction of emissions from acid-precursors, mainly SO<sub>2</sub>. As a result we are starting to see an increase in the pH of our lakes. The increase in pH allows for more aquatic growth in relation to an increase in natural organic matter which is creating problems for our Pockwock and Lake Major water treatment plants, Staff informed our committee that we have tripled our alum dosage at Lake Major resulting in an increase of \$200,000 in our chemical budget for the plant. The Pockwock plant, which is a direct filtration plant, has an upper limit on alum dosage. Normal alum dosages are approaching this upper limit placing significant constraints on our ability to operate it efficiently. Halifax Water will continue with research through the NSERC Industrial Chair to look at how we design or modify the water treatment plants based on the changing water quality. This will continue to be a standing item on our agenda.

The Committee discussed the various **operating approvals**, held by Halifax Water, the status of any renewals, any non-compliance issues and the corrective action plans to bring the utility into compliance.

Staff informed the committee they have a database of all operating approvals and water withdraw approvals and they track all noncompliance issues and have regular meetings with Nova Scotia Environment.

### **SAFETY:**

The development of **Safe Work and Standard Operating Procedures** is a priority for the utility. During an audit conducted at the end of 2015, and through a Workers Compensation Board review, it was identified that many of the safe works practices and standard operating procedures were not documented and located in multiple locations.

Due to the large volume of standard operating procedures, approximately 400, an intern was retained to review the existing safe work procedures, work with operational staff to finalize the standard operating procedures and identify the best location to house these documents.

The committee was also notified of a Department of Labour Order respecting an issue with an excavation job on Morningside Drive and a near miss at the Roach's Pond Pumping Station.



ITEM #8-I HRWC Board March 30, 2017

**TO:** Ray Ritcey, Chair, and Members of the Halifax Regional Water

**Commission Board** 

**SUBMITTED BY:** *Original Signed By:* 

Cathie O'Toole, MBA, CPA, CGA, Director, Corporate Services

**APPROVED:** *Original Signed By:* 

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

**DATE:** March 23, 2017

**SUBJECT:** Pension Plan Investment Performance 4<sup>th</sup> Quarter, 2016

### **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 provide a performance update for the fourth quarter of 2016 (October to December) for the Halifax Regional Municipality (HRM) Pension Plan Master Trust, of which Halifax Regional Water Commission (HRWC) is a part. The fair value of the investment in the Master Trust is determined and updated at year-end, and HRWC's share of the total HRM Master Trust at December 31, 2016 was 6.01%, and totaled \$106.2 million.

Table 1 - Returns

	Current				Since
	Quarter		3 - Year	4 - Year	Inception
	(Oct to Dec)	1-Year	Annualized	Annualized	(Oct 1999)
Fund Return	1.60%	5.13%	8.30%	8.96%	6.97%
Policy Benchmark	1.12%	5.55%	6.02%	6.26%	5.54%
Excess Return	0.48%	-0.42%	2.28%	2.70%	1.43%

Table 2 – Asset Mix, as at December 31, 2016

Asset:	Actual	Policy
Cash & Equivalents	0.49%	0.00%
Canadian Equity	8.23%	8.50%
Global Equity	30.19%	29.50%
Bonds	22.75%	28.40%
Minimum Target Return	38.34%	33.60%

The total fund returned 1.60% in the  $4^{th}$  Quarter, which outperformed the policy benchmark of 1.12% by 0.48%. The return for the one-year period ended December 31, 2016 is 5.13%, underperforming the policy benchmark of 5.55% by -0.42%. Other historical returns are provided in the Table 1 above.

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

As at December 31, 2016 the Master Trust was in compliance with the Statement of Investment Policies and Procedures (SIP&P).

### **ATTACHMENT**

Halifax Regional Municipality Pension Plan Investment Report 4<sup>th</sup> Quarter, 2016

Report Prepared by: *Original Signed By*:

Allan Campbell, B.Comm, CPA, CMA Manager, Finance, 902-490-4288

Page 2 of 2

ITEM #8-I **HRWC Board** March 30, 2017

**ATTACHMENT** 



### Investment Report



### **Executive Summary**

### Compliance

As at December 31, 2016, the Master Trust (MT) was in compliance with the SIP&P.

### Funded Status\*

As at December 31, 2016, the accounting funded position, the going concern funded status, and the solvency funded ratio are estimated to be 105%, 92%\*\*, and 62%.

### Master Trust Performance (net of fees)

- In Q4, the MT earned 1.6%, outperforming the policy benchmark return by 0.5%.
- For the one-year period ending December 31, 2016, the MT earned 5.1%, underperforming the policy benchmark by -0.4%.
- The MT earned an annualized return of 9.0% over the 4-year ending December 31, 2016 outperforming the policy benchmark by 2.7% annualized.
- term rate objective of 6.5%. The table on the next slide summarizes the calendar year returns for Since inception (October 1999), the MT earned 7.0% annualized outperforming the Plan's long-



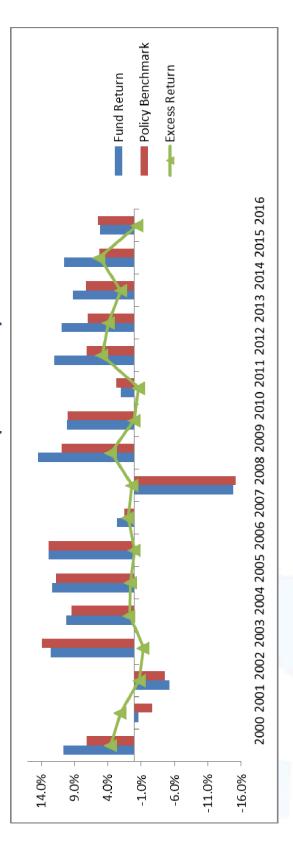
<sup>\*</sup>Assumes discount rates of 7.25% for Accounting and 6.5% for Going Concern. Preliminary funded status has been estimated using updated market values only and a roll forward of 2015 liabilities. 2016 liabilities will be updated as part of the actuarial valuation process.

<sup>\*\*</sup> If a 6.25% going concern discount rate is used, the going concern funded status is estimated to be 89%.



## Executive Summary - Cont.

Calendar Returns (net of fees)



	2000	2001	2002	2000 2001 2002 2003 2004 2005	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fund Return 10.71% -0.56% -5.21% 12.60% 10.27% 12.38%	10.71%	-0.56%	-5.21%	12.60%	10.27%		12.88%	2.60%	12.88% 2.60% -14.83% 14.47% 10.12% 2.11% 12.01%	14.47%	10.12%	2.11%	12.01%	10.94%	9.27%	10.59%	5.13%
Policy Benchmark	7.12%	-2.64%	-4.50%	7.12% -2.64% -4.50% 13.91% 9.50% 11.76%	9.50%		12.85% 1.58%	1.58%	-15.20%	10.92%	10.08%	2.71%	7.12%	7.01% 7.24%	7.24%	5.27%	5.55%
Excess Return	3.59%	2.08%	-0.71%	3.59% 2.08% -0.71% -1.31% 0.77% 0.62%	0.77%	0.62%	0.03%	1.02%	0.37%	3.55%	0.04%	-0.60%	4.89%	3.93%	2.03%	5.32%	-0.42%





## Executive Summary – Cont.

### Added Value

Return +0.62%, Universe Bonds +0.14%, Global Credit +0.08%, US Equity 0.01%, MSCI EAFE Equity -In Q4 of 2016, the MT outperformed its policy benchmark by 0.48%. Attribution: Minimum Target 0.01%, CAD Equity -0.03%, World Equity -0.12% and Emerging Market Equity -0.21%.

### Q4 Update:

- During Q4, we co-invested CAD 13mn in a US based telecommunications company alongside a General Partner with whom we have a strategic relationship.
- During Q4, we increased our allocation to a private equity fund by \$5mm USD, which provided an immediate 20% increase on the added amount.
- Terminated active EAFE manager who was proposing a change in account structure that would have resulted in additional fees and expenses. We moved the assets to a passive EAFE mandate, saving approx. \$67,000 in fees over the quarter.
- Assets remain with the passive manager, so cost savings will continue at approximately \$268,000 per year





# HRM PENSION Total Fund Returns - Dec 31, 2016

	Current Quarter	1-Year	3-Year Annualized	4-Year Annualized	Inception (Oct 1999)
Fund Return	1.60%	5.13%	8.30%	8.96%	%26.9
Policy Benchmark*	1.12%	5.55%	6.02%	6.26%	5.54%
Excess Return	0.48%	-0.42%	2.28%	2.70%	1.43%

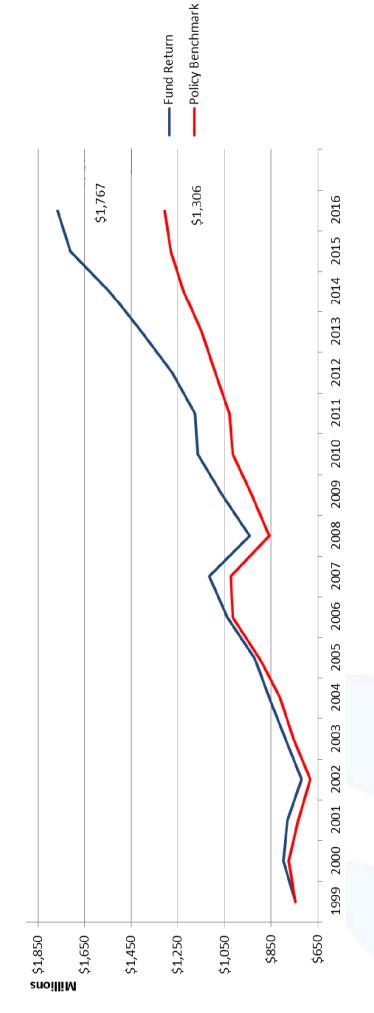
\*Effective December 31, 2016, the Policy Benchmark is 5.9% S&P/TSX Index + 2.6% S&P/TSX 60 + 4.6% S&P 500 Index(\$USD) + 9.1% MSCI EAFE Index (\$CAN) + 4.2% MSCI Emerging Markets (CAN\$) + 11.6% MSCI World (CAN\$) +15.0% FTSE TMX Canada Universe + 13.4% 3 Month Bankers Acceptance + 33.6% Minimum Target Return.

Fund returns are shown net of fees and expenses





# Since Inception Performance



In dollar terms, the fund has grown \$461.0 million in excess of the policy benchmark since inception.

Fund returns are shown net of fees and expenses

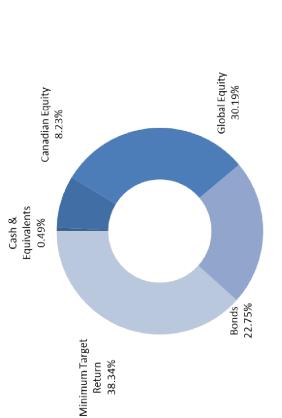


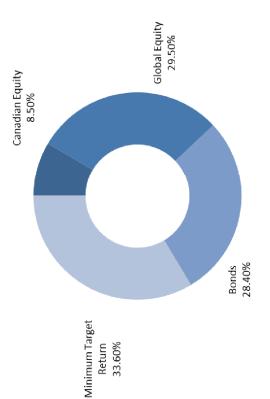


### Asset Mix - Dec 31, 2016

### As of Dec 31, 2016 **Actual Asset Mix**







33.60% Return

EAFE Index (\$CAN) + 4.2% MSCI Emerging Markets (CAN\$) + 11.6% MSCI World (CAN\$) +15.0% FTSE TMX Canada Universe + 13.4% 3 \*Effective December 31, 2016, the Policy Benchmark is 5.9% S&P/TSX Index + 2.6% S&P/TSX 60 + 4.6% S&P 500 Index(\$USD) + 9.1% MSCI Month Bankers Acceptance + 33.6% Minimum Target Return.





# **Equity Market Index Returns**

		1-Year Ending	4-Year Ending
Indexes	Q4 2016	Dec 31, 2016	Dec 31, 2016
Canadian Equity (S&P/TSX Composite Index)	4.54%	21.08%	8.52%
US Equity (S&P 500 C\$)	5.94%	8.09%	23.16%
US Equity (S&P 500 U\$)	3.82%	11.96%	14.33%
EAFE Equity (MSCI EAFE C\$)	1.31%	-2.49%	12.03%
Emerging Markets (MSCI EM C\$)	-2.21%	7.34%	4.96%
World Equity (MSCI World C\$)	3.93%	3.79%	17.53%

\*Source: Mercer Insight and Northern Trust

- All stock markets earned positive returns in 4 -year time periods.
- Over the 1-year time period all markets with the exception of the EAFE (non North American Equity) earned positive returns.
- Only Emerging Market Equities earned negative returns in Q4 2016.





## **Bond Market Index Returns**

Bond Indexes	Current Quarter	1-Year Ending Dec 31, 2016	4-Year Ending Dec 31, 2016
Canadian Long Duration Bonds (FTSE TMX Canada Long Term Government)	-4.04%	0.89%	2.92%
Canadian Universe Bonds (FTSE TMX Canada Universe)	-3.45%	1.64%	3.12%
Canadian Corporate Bonds (FTSE TMX Canada Universe Corporate)	-1.82%	3.73%	3.69%

\*Source: Mercer Insight and Northern Trust

- Corporate bonds have outperformed Long government bonds and Universe bonds over the Q4, 1 and 4 year periods.
- Bond yields increased significantly in Q4, especially post-US election.
- This had an extremely negative impact on bond valuations world-wide.





# Fixed Income – Q4 Summary

The MT's Fixed Income portfolio earned -0.84%, which outperformed it's benchmark return of -1.71% by +0.88%.

MT Fixed Income	Current Quarter	Benchmark	Relative Performance
Universe Bond	-2.54%	-3.45%	0.91%
Credit Bond	1.26%	-1.82%	3.08%
Government Bond	-4.36%	-4.04%	-0.32%
Global Credit Absolute Return	1.35%	0.23%	1.12%
MT Fixed Income Total	-0.84%	-1.71%	0.88%

\*Source: Mercer Insight and Northern Trust

- The MT Fixed Income portfolio maintained an average duration of 3.7 years compared to average benchmark duration of 4.6 years, which softened the negative impact of bond yield increases.
- In addition, strong performance by our corporate bond manager boosted returns relative to the benchmark.





# Fixed Income – 1 Year Summary

The MT's Fixed Income portfolio returned 3.35%, which outperformed it's benchmark return of 1.29% by +2.06%.

MT Fixed Income	One Year	Benchmark	Relative Performance
Universe Bond	2.48%	1.64%	0.84%
Canadian Corporate Bond	7.92%	3.73%	4.19%
Government Bond	0.58%	0.89%	-0.31%
Global Credit Absolute Return	4.79%	%06.0	3.89%
MT Fixed Income Total	3.35%	1.29%	2.06%

\*Source: Mercer Insight and Northern Trust

Outperformance was driven primarily by Canadian corporate bond investments and global credit.





# MTR - Q4 & 1 Year Summary

- The Minimum Target Return portfolio returned 3.49% in Q4, versus a benchmark of 1.59%, outperforming by +1.90%.
- For one year, the Minimum Target Return portfolio returned 6.59%, which outperformed it's benchmark return of 6.50% by +0.09%.
- Contributions from individual private asset classes in CAD terms are as follows:

	1 year Return
Infrastructure (C\$)	-1.80%*
Private Debt (C\$)	3.80% **
Real Estate (C\$)	8.50%
Private Equity (C\$)	18.90%

<sup>\*</sup> Negative return from Infrastructure was driven by Canadian dollar strength.



<sup>\*\*</sup> USD-denominated investments represent approx. 54% of CAD value of the private debt portfolio and returned 7.42% in local currency terms

<sup>\*\*</sup> EUR-denominated investments represent approx. 41% of CAD value of the private debt portfolio and returned 10.38% in local currency terms



### Equity - Q4 Summary

- The MT's Equity portfolio returned 1.76% during the quarter, underperforming the equity policy benchmark return of 2.82% by -1.06% primarily due to the underperformance of emerging and world equity markets.
- driven stocks. Cyclical stocks that we do not own but are part of the index, performed well. See slide 15 for Emerging Market Equity underperformed the benchmark because our mandates are focused on consumer information on the longer term performance of our mandates.
- World Equity performance is expected to deviate from the MSCI World (CAD) index because it is made up of a blend of factor index investments (value, quality, high dividend, min vol) which are designed to have strong risk-adjusted returns over the long term – the next slide shows that for the one year this was the case.
  - All equity managers excluding Emerging Markets had strong absolute returns.

	Current		Relative
MT Equity	Quarter	Benchmark	Performance
Canadian Equity (S&P/TSX Composite Index)**	4.65%	4.86%	-0.21%
US Equity (S&P 500 C\$)	4.07%	3.82%	0.25%
EAFE Equity (MSCI EAFE C\$)	1.24%	1.31%	-0.07%
Emerging Markets (MSCI EM C\$)	-7.70%	-2.21%	-5.49%
World Equity (MSCI World C\$)	2.62%	3.93%	-1.31%
MT Equity Total	1.76%	2.82%	-1.06%

<sup>\*</sup>Source: Northern Trust



<sup>\*\*</sup>Canadian Equity is a blended index of S&P TSX 60 and S&P/TSX Composite



### Equity – 1 Year Summary

- 7.55% by -1.59% primarily due to the underperformance of emerging market and Canadian equites (see The HRM MT Equity portfolio returned 5.96% year to date, underperforming its benchmark return of next page for discussion).
- Note World Equity outperformance, compared to Q4 on previous slide.
- See next slide for a discussion of Canadian and Emerging Market Equity long term performance.

MT Equity	One Year	Benchmark	Relative Performance
Canadian Equity (S&P/TSX Composite Index)**	17.46%	21.17%	-3.70%
US Equity (S&P 500 C\$)	11.13%	11.96%	-0.83%
EAFE Equity (MSCI EAFE C\$)	-1.85%	-2.49%	0.64%
Emerging Markets (MSCI EM C\$)	-2.05%	7.34%	-9.39%
World Equity (MSCI World C\$)	5.04%	3.79%	1.25%
MT Equity Total	2.96%	7.55%	-1.59%

<sup>\*</sup>Source: Northern Trust



<sup>\*\*</sup>Canadian Equity is a blended index of S&P TSX 60 and S&P/TSX Composite



# **Equity Return Additional Notes**

- Active Canadian Equity underperformed in a market that favored momentum over fundamentals, whereas our managers are more value driven.
- industrials) our managers have more of a local market, consumer focus which do no invest in these Emerging Market Equity indexes benefited from strength in more cyclical industries (Energy, Materials,
- Since inception returns have been favorable, and the portfolio-negative trends in emerging markets have largely reversed in Q1 2017.

MT Active Equity	Since Inception	Benchmark	Relative Performance
Active Canadian Equity (S&P/TSX Composite Index)	8.61%	7.76%	0.85%
Emerging Market Consumer (MSCI EM C\$)	6.74%	5.31%	1.43%
Emerging Market Local (MSCI EM C\$)	7.40%	3.68%	3.72%

Source: Northern Trust

Dec 31, 2013 July 31, 2011 Emerging Market Consumer inception: Active Canadian Equity inception:

Emerging Market Local inception:

