

**HALIFAX REGIONAL WATER COMMISSION
MINUTES**

March 28, 2019

PRESENT: Commissioner Russell Walker, Vice Chair
Commissioner Jacques Dube
Commissioner Darlene Fenton
Commissioner Colleen Rollings
Commissioner Richard Zurawski
Commissioner Lisa Blackburn
Commissioner Craig MacMullin (via teleconference)

REGRETS: Commissioner Lorelei Nicoll

STAFF: Carl Yates, General Manager, HRWC
Cathie O'Toole, Director, Corporate Services, HRWC
James Spurr, Legal Counsel, HRWC
Lorna Skinner, Administrative Assistant, HRWC

TABLE OF CONTENTS

CALL TO ORDER 3

1.a) RATIFICATION OF IN CAMERA MOTIONS..... 3

**1.b) APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF
ADDITIONS AND DELETIONS 3**

2. APPROVAL OF MINUTES - January 31, 2019 3

3. BUSINESS ARISING FROM MINUTES 3
a) Ratification of 2019/20 Capital Budget Amendment..... 3

4.1 OPERATING RESULTS FOR THE ELEVEN MONTHS ENDED FEBRUARY 28, 2018. 4

4.2 2019 SPRING MFC DEBENTURE 4

5. CAPITAL PROJECTS 4

5.1 LUCASVILLE WATER TRANSMISSION MAIN TWINNING PHASE 1 4

5.2 ELLENVALE RUN RETAINING WALL - PHASE 2 4

5.3 PAYROLL SYSTEM REPLACEMENT 5

**5.4 AEROTECH WWTF EXPANSION AND UPGRADE PROJECT -
FUNDING INCREASE 5**

5.5 BEDFORD-BURNSIDE CONNECTOR WATER TRANSMISSION MAIN..... 5

6. HRWC REGULATIONS - AMENDMENTS 6

7. HALIFAX WATER FRAUD POLICY..... 6

8. CORPORATE BALANCED SCORECARD - 2019/20 PROGRAM 7

9. DATE OF NEXT MEETING..... 7

CALL TO ORDER

The Vice Chair called the regular meeting to order at 9:02 a.m. in the Board Room of the HRWC, 450 Cowie Hill Road. The Board moved In Camera at 9:03 and the regular meeting was reconvened at 9:04 a.m. to elect a new Board Chair.

Commissioner Blackburn nominated Commissioner Fenton for the position of Chair. The nomination was seconded by Commissioner Nicoll. There were no further nominations. Commissioner Fenton accepted the nomination for Chair of the Halifax Water Board of Commissioners. A vote was held and Commissioner Darlene Fenton was elected Chair.

The Board moved back into In Camera at 9:06 and the regular meeting reconvened at 10:14.

1.a) RATIFICATION OF IN CAMERA MOTIONS

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

MOTION PUT AND PASSED.

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

Commissioner Zurawski requested that Legal Counsel seek consultation on whether there is an avenue for cost recovery from the fossil fuel industry for climate change and its associated increased incremental costs to the utility. Mr. Yates agreed to discuss with the incoming legal counsel and provide an In Camera staff report in the future.

MOVED BY Commissioner Walker, seconded by Commissioner Nicoll that the Halifax Regional Water Commission Board approve the order of business and approve additions and deletions with the above noted request.

MOTION PUT AND PASSED

2.a) APPROVAL OF MINUTES – January 31 , 2019

MOVED BY Commissioner Blackburn, seconded by Commissioner Nicoll that the Halifax Regional Water Commission Board approve the minutes of the regular meeting of January 31, 2019.

3. BUSINESS ARISING FROM MINUTES

- a) Ratification of 2019/20 Capital Budget Amendment.

Mr. Yates, General Manager, reminded the Board that there was an error in the amount stipulated for Routine Capital Expenditures within the recommendation text and budget attachment of the 2019/20 Capital Budget Report. The correct value is \$9,090,000 and

includes an additional \$2,600,00 funding for new meters. There was no change in the overall capital budget amount. He asked that the Minutes reflect that this amendment to the 2019/20 Capital Budget Report and Schedule 1 was ratified earlier via an email vote.

4.1 OPERATING RESULTS FOR THE ELEVEN MONTHS ENDED FEBRUARY 29, 2019

A report dated March 20, 2019, was submitted.

Cathie O'Toole gave a brief overview of the operating results.

4.2 2019 SPRING DEBENTURE

A report dated March 20, 2019, was submitted.

Cathie O'Toole stated that Halifax Water will not be participating in the 2019 Spring Debenture.

MOVED BY Commissioner Zurawski, seconded by Commissioner Blackburn that the Halifax Regional Water Commission Board approve the deferral of the debt financing of the 2018/19 Capital Budget until the Fall 2019 Municipal Finance Corporation Debenture issue.

MOTION PUT AND PASSED.

5. CAPITAL PROJECTS

5.1 Lucasville Transmission Main Twinning: Phase 1 Construction

A report dated March 15, 2019, was submitted.

RECOMMENDATION:

The Halifax Water Board approve funding for the Lucasville Transmission Main Twinning – Phase 1 Construction at an estimated cost of \$6,799,000 for a total project cost of \$6,979,000.00, with funding as described in the report.

5.2 Ellenvale Run Retaining Wall – Phase 2 & John Cross Drive Culvert Replacement

A report dated March 20, 2019, was submitted.

The Chair asked if any measures have been taken to attempt to counteract the recent discrepancies between cost estimating and cost actuals in construction projects. Mr. Yates responded that a letter has been sent to all consultants reminding them of the importance of accuracy in cost estimating.

RECOMMENDATION:

The Halifax Water Board approve the construction phase of:

1. the *Ellenvale Run Retaining Wall – Phase 2* at an estimated cost of \$2,860,000 for a total project cost of \$2,908,000, and
2. the *John Cross Drive Culvert Replacement* project at an estimated cost of \$295,000 for a total project cost of \$309,000.

5.3 Payroll System Replacement

A report dated March 18, 2019, was submitted.

Commissioner Dube inquired whether Halifax Water sought to partner with HRM on this project. Ms. O’Toole stated that the question was put to HRM three years ago and there was no interest in a partnership at that time. Ms. O’Toole added that Halifax Water may not continue with the next SAP upgrade and may outsource payroll. However, Halifax Water would be willing to share the recently completed business case analysis on the payroll system replacement project.

RECOMMENDATION:

The HRWC Board approve additional funding of \$1,031,892 for the New Payroll System, for a revised total project cost of \$1,631,892.

5.4 Aerotech Wastewater Treatment Facility (WWTF) Expansion and Upgrade Project – Funding Increase

A report dated March 19, 2019, was submitted.

RECOMMENDATION:

The Halifax Water Board approve an increase in the capital funding for the Aerotech WWTF – Expansion and Upgrade Project in the amount of \$1,000,000 for a revised total project cost of \$23,755,000.

5.5 Bedford – Burnside Connector Water Transmission Main

A report dated March 20, 2019, was submitted.

At the request of Commissioner Dube, Carl Yates gave a brief overview of this project.

RECOMMENDATION:

The Halifax Water Board approved funding in the amount of \$750,000 for the detailed design of the Bedford – Burnside Connector Water Transmission Main as an addition to the 2019/20 Capital Budget with funding to come from debt.

MOVED BY Commissioner Blackburn, seconded by Commissioner Walker that the Halifax Regional Water Commissioner Board approve Capital Projects Items 5.1 – 5.5 as noted above and as described in the Board Reports at a total cost of \$12,685,892.

MOTION PUT AND PASSED.

6. HALIFAX REGIONAL WATER COMMISSION REGULATIONS - AMENDMENTS

A report dated March 26, 2019, was submitted.

James Spurr stated that the usual practice is to ask for amendments to the Regulations in conjunction with an application to the NSUARB. As there will not be a general rate application to the Board for some time, it was decided to request amendments as a stand-alone application. The NSUARB has been informed of Halifax Water's intent.

MOVED BY Commissioner Blackburn, seconded by Commissioner Nicoll that the Halifax Regional Water Commission Board approve an Application to the Nova Scotia Utility and Review Board requesting amendments to the Halifax Regional Water Commission (the "Regulations") in the substantive form attached.

MOTION PUT AND PASSED.

7. HALIFAX WATER FRAUD POLICY

A report dated March 28, 2019, was submitted.

Cathie O'Toole stated that this policy was tabled at the most recent Audit and Finance Committee meeting and the Committee decided that it would be best to sever recommendations #2 and #3 from the Motion. Staff are requesting approval of the first recommendation with respect to the Fraud Policy. The Audit and Finance Committee will do additional work on the Conflict of Interest Policy and re-submit it to the Board once completed.

Ms. O'Toole added that the external Auditors did attend the Audit and Finance Committee meeting where the Fraud Policy was discussed. Ms. O'Toole also stated that she consulted with the Municipal Auditor General (MAG) to ensure that Halifax Water staff, in the event they are not comfortable reporting fraud internally, are able to report fraud via the "Tips Hotline" with the MAG's office.

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

- 1. The Fraud Policy as attached, with implementation effective May 1, 2019.**

MOTION PUT AND PASSED.

8. CORPORATE BALANCED SCORECARD – 2019/20 PROGRAM

A report dated March 20, 2019, was submitted.

Carl Yates gave a brief presentation on the Corporate Balanced Scorecard.

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

- 1. Corporate Balanced Scorecard targets for the 2019/20 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.**

MOTION PUT AND PASSED.

9. DATE OF NEXT MEETING

The next meeting is scheduled for June 20, 2019.

The meeting was adjourned at 11:34 a.m.

Original Signed By: _____
Heidi Schedler
Secretary

Original Signed By: _____
Commissioner Darlene Fenton
Chair

The following Information Items were submitted:

- 1-I Operations and Financial Monthly Update
- 2-I Capital Budget Approvals to Date – 2018/19 AND 2019/20
- 3-I Bank Balance
- 4-I HRWC Employees' Pension Plan Financial Report
- 5-I HRM Pension Plan Investment Performance – 4th Quarter 2018
- 6-I Cogswell Redevelopment Project