

August 15, 2023

VIA EMAIL (crystal.henwood@novascotia.ca)

Ms. Crystal Henwood, Regulatory Affairs Officer/Clerk of the Board
N.S. Utility and Review Board
3rd Floor, Summit Place, 1601 Lower Water Street
P. O. Box 1692, Postal Unit M
Halifax, NS B3J 3S3

Re: Autoport Pump Station Replacement

Dear Ms. Henwood:

Halifax Water is currently seeking funding for the Autoport Pump Station Replacement for an estimated total project cost of \$8.9 million.

The existing Autoport wastewater pump station is located between Howard Avenue and Morris Avenue on Main Road in Eastern Passage. The station was constructed in 1974 and has reached the end of its useful life and requires replacement. Due to the station's location within the street right of way and its configuration under the sidewalk, maintenance activities are difficult, unsafe and require significant resources as compared to other similar pump stations. This is compounded by the busy and multi-modal nature of Main Road and municipal restrictions on traffic disturbances during peak hours.

For the foregoing reasons, and to facilitate construction of a station that meets current standards and capacity for current and future flow rates, Halifax Water has been seeking to acquire a suitable parcel of land for the new station for the past several years while the design work has continued in parallel.

Initial concept planning and data collection for replacement of the Autoport pump station began in 2016 and it became evident that the station could not be re-built in its existing location in the street right of way. Over the past several years numerous land options and station configurations were reviewed with CN, the adjacent landowner, and in April of this year an agreement was signed with CN for a suitable parcel of land at the intersection of Main Road and Morris Avenue.

In August of 2020, Engineering Services were awarded to WSP to further develop design concepts to assist in the land acquisition process and to ensure that the project design was well developed and generally ready for tender when the land purchase was concluded. The design report is attached for information. This report is being filed confidentially due to the sensitive nature of engineering details within the report.

Halifax Water acknowledges that it has, in the past, filed design reports without redaction. We have reconsidered our approach to what information is made available publicly because every day, threat actors are becoming more aggressive, creative, and nimble. We acknowledge that the Board requires this information to adjudicate this application. However, it is the position of Halifax Water that, even without the design report, the public will have the necessary information to understand this project and how ratepayer funds are being expended. Permitting Halifax Water to file this design report confidentially will protect the security of Halifax Water systems, while also respecting the open and transparent nature of this process.

Based on the construction cost estimate in the design report, the estimated total project cost is \$8.9 million (see attached project cost estimate). Subject to approval of this funding request, this project will proceed to tender immediately.

The following budget amounts were previously approved for the Autoport Pump Station Replacement project:

- \$200,000 (2016/17 Capital Budget)
- \$3,000,000 (2020/21 Capital Budget)
- \$250,000(2022/23 Capital Budget)

Citing a lack of progress in acquiring land for the Autoport project, a report was submitted in 2021 requesting the diversion of \$2,950,000 from the Autoport project to the Williams Lake Road Wastewater Pumping Station Rehabilitation project. The request was approved by the Halifax Water Board on March 25, 2021 (Item #5.2) and subsequently the UARB on June 30, 2021 (M10130). This allowed the Williams Lake Road project to proceed to construction. Additional funding in the amount of \$2,550,000 was included in the 2023/24 Capital Budget resulting in \$3,050,000 currently available for the Autoport project.

Further funding in the amount of \$2,000,000 was projected for the 2024/25 Capital Budget, however this will be revised to \$5,850,000 to support the total project cost of \$8.9 million. This funding implementation plan will support the cash flow requirements of this project as construction will extend into 2024.

The current estimate for this project is significantly more than what has been allocated in previous budget planning. This increase is attributed to the following:

1. During previous budget planning exercises, Halifax Water had not yet identified a suitable parcel of land which we would be able to acquire and therefore, there was no certainty on the location of the new station. Previous budgets assumed that the new station would be in close proximity to the existing station. The parcel that has been acquired is approximately 130 m southeast of the existing station requiring extension of the pump station forcemain and re-laying of the gravity sewer on Main Road over this same distance;

2. Until the land acquisition became more certain, only concept designs were developed to avoid wasting or duplicating design effort. As such, there was only a preliminary estimate of cost at that time;
3. There has been significant inflation in the cost of construction since the initial budget estimates were completed.

The proposed expenditure meets the “NO REGRETS- UNAVOIDABLE NEEDS” approach of the 2012 Integrated Resource Plan. The proposed work meets the NR-UN criteria of “Required to ensure infrastructure system integrity and safety”. The project meets these criteria based on the following: The current equipment is failing due to age and end of life (Asset Management), causing treatment performance/operational issues (Infrastructure System Integrity).

Accordingly, we are now requesting approval from the Nova Scotia Utility and Review Board for the Autoport Pump Station Replacement. If you have any questions with regard to this submission, or any aspect of the Commission’s operation, please do not hesitate to contact me at 902-490-4840.

Respectfully submitted,

Tareq Al-Zabet
Tareq Al-Zabet (Aug 15, 2023 12:42 ADT)

Tareq Al-Zabet, Ph.D., CRSP, P.Geo
Chief Executive Officer and General Manager, Halifax Water

Attachments:

1. Project Cost Estimate
2. Autoport Wastewater Pumping Station Upgrades, 100% Detail Design Report (WSP, May 2023) – Confidential

1-Jun-2023

**Autoport Pump Station Replacement
Project Cost Estimate**

Item	Total Cost
Construction (See Engineer's estimate in design report)	\$6,953,110
Consultant Costs (Tender/Construction Phase)	\$398,785
Construction Contingency (10% of above)	\$735,190
Consultant Costs (Design Phase)	\$145,200
Land Purchase	\$157,540
Sub-total	\$8,389,825
Net HST (4.286%)	\$359,588
Construction Easement Costs	\$75,600
Sub-total	\$8,749,412
Halifax Water Staff and Related Expenses	\$60,000
Sub-total	\$8,809,412
Overhead (1%)	\$88,094
Total Project Cost Estimate	\$8,900,000