

**HALIFAX REGIONAL MUNICIPALITY**

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**HALIFAX REGIONAL COUNCIL**

**COMMITTEE OF THE WHOLE  
MINUTES  
APRIL 6, 1999**

**PRESENT:**

Deputy Mayor Larry Uteck  
Councillors: Bill Dooks  
Gordon R. Snow  
David Hendsbee  
Ron Cooper  
Harry McInroy  
Jack Greenough  
Condo Sarto  
Bruce Hetherington  
Clint Schofield  
John Cunningham  
Jerry Blumenthal  
Graham L. Downey  
Sheila Fougere  
Russell Walker  
Bill Stone  
Graham Read  
Stephen Adams  
Barry Barnet  
Robert Harvey  
Peter Kelly  
Reginald Rankin

**ABSENT WITH  
REGRETS:**

His Worship Mayor Walter Fitzgerald  
Councillor Jack Mitchell

**STAFF MEMBERS:**

Mr. Ken Meech, Chief Administrative Officer  
Mr. Wayne Anstey, Municipal Solicitor  
Ms. Vi Carmichael, Municipal Clerk  
Ms. Barbara Moar, Assistant Municipal Clerk

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The meeting was called to order at 1:00 p.m. by Deputy Mayor Uteck.

1. APPROVAL OF MINUTES - MARCH 2 AND 3, 1999

**MOVED By Councillors Hetherington and Blumenthal that the Minutes from Committee of the Whole meetings held on March 2 and March 3, 1999 be approved as circulated. THE MOTION WAS PUT AND PASSED.**

2. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

There were no additions or deletions to the Agenda.

**MOVED By Councillors Snow, and Fougere THAT the Order of Business be approved. THE MOTION WAS PUT AND PASSED.**

3. HALIFAX HARBOUR SOLUTIONS PROJECT - NEXT STEPS

- A document entitled *Halifax Harbour Solutions Project, Next Steps*, dated March 24, 1999, prepared by Tony Blouin, and approved by Maurice Lloyd, Harbour Solutions Project Manager had been presented at the March 30, 1999 Halifax Regional Council meeting. This document was again before Council for today's meeting.

Mr. Meech reported that as a follow up from the presentation given at the March 30th Council meeting, today's presentation is intended to incorporate in the suggested proposal the assumption with regard to Federal/Provincial assistance, and also to provide two revised options with regard to the waste water charges with these assumptions factored into the calculations.

Councillor Kelly questioned why assume only 1/3 total from the Federal and/or Provincial governments. He suggested HRM consider 1/3 Federal, 1/3 Provincial and 1/3 HRM, or even 50% from the Federal/Provincial governments. Deputy Mayor Uteck responded that it was felt this was a reasonable amount to assume. In response to cost sharing the Mill Cove expansion, Mr. Meech stated that even though this project was under the infrastructure program, HRM received only 1/3 combined contribution from the Federal and Provincial governments. Mr. Dhillon confirmed that Mill Cove cost approximately \$22M Gross and HRM received just under \$8M total from the Federal and Provincial governments, which is about 1/3 of the total cost.

Based on these assumptions, Councillor Rankin said it would be his understanding that HRM is the lead partner, and the major agent in the remedying of the harbour clean up.

He stated that people recognize that it is imperative to act and the burden is on HRM to act. The Councillor said it is his understanding that if Council moves from the assumption of 1/3 cost sharing, the scale and scope of the project can be reviewed, and would proceed at least on the basis of HRM's affordability.

**MOVED By Councillors Rankin and Greenough THAT Council confirms the assumption that HRM is recognized as the lead agent, and the assumption that the Federal/Provincial governments will contribute a total of 1/3 funding, and that the project would proceed based on HRM's affordability.**

Deputy Mayor Uteck stated that before calling for the vote on this motion, Council should hear staff's presentation.

Councillor McInroy stated that he had difficulty in proceeding with this project based on an assumption that HRM would receive 1/3 funding from the Federal/Provincial governments. At this point, the Councillor said he is not prepared to take this step forward. He will support the clean-up of Halifax Harbour, but only to the extent that HRM can afford, and only when solid commitments have been received from others.

Councillor Sarto asked for clarification. The basic assumption is pending on external funding. Councillor Rankin responded that he understands that the projects are integrated, but to start the project does not require external funding. The motion on the floor is to proceed. It is imperative to proceed with or without external funding.

Before continuing with any further discussion, it was agreed that staff would make the presentation to Council. With the aid of overheads, Mr. Maurice Lloyd, Harbour Solutions Project Manager gave a brief review of the two scenarios that had been presented at the last Council meeting.

In the report distributed for the March 30th Council meeting, staff had indicated, assuming HRM would be paying the full cost, that the best options were either Option (A) which recommends an immediate increase of \$0.24/m<sup>3</sup> in the PC rate for this fiscal year, and two increases of \$0.12/m<sup>3</sup> in each of the next two fiscal years. The second Option (B) which recommends an immediate increase of \$0.12/m<sup>3</sup> in the PC rate for this fiscal year, and \$0.12/m<sup>3</sup> in each of the next four fiscal years through to the year 2003.

The impact of Option (A) on the average household water bill would see an initial increase over 1998 (\$270) of \$52.00 in this fiscal year, and further increases up to a total of \$105.00 by the year 2003, with a maximum of \$412.00 average household water bill by the year 2026.

The impact of Option (B) on the average household water bill would see an initial increase over 1998 (\$270) of \$22.00 in this fiscal year, and further increases up to a total of \$123.00 by the year 2006, with a maximum of \$423.00 average household water bill by the year 2024. Mr. Lloyd pointed out that on the long term water bills, Option (A) and (B) are similar.

Mr. Lloyd reported that staff had looked at two other options to put forward, based on the assumption that HRM receives 1/3 funding from the Federal/Provincial governments. Option (C) recommends an immediate increase of \$0.16/m<sup>3</sup> in PC Rate for the fiscal year, and two increases of \$0.08/m<sup>3</sup> in each of the next two fiscal years. Option (D) recommends an immediate increase of \$0.10/m<sup>3</sup> in PC Rate for the fiscal year, and three increases of \$0.10/m<sup>3</sup> in each of the next three fiscal years.

The impact of Option (C) on the average household water bill would see an initial increase over 1998 (\$270) of \$32.00 in this fiscal year, and further increases up to a total of \$66.00 by the year 2004, with a maximum of \$385.00 average household water bill by the year 2029.

The impact of Option (D) on the average household water bill would see an initial increase over 1998 (\$270) of \$17.00 in this fiscal year, and further increases up to a total of \$79.00 by the year 2004, with a maximum of \$381.00 by the year 2026.

Mr. Lloyd referred to a suggestion at the previous Council meeting that the increase in the pollution control rate should be a percentage of the total water bill rate. If the total of \$0.32, Option (C), is added to \$0.38, it totals \$0.70. If the total \$0.40, Option (D), is added to \$0.38, it totals \$0.78. When compared to other cities, Mr. Lloyd said this would put HRM in a very favourable position.

For clarification, Mr. Meech asked if Council is still talking about a project cost of \$315M, with the assumption that HRM would access \$105M from a combination of Federal/Provincial governments, and that HRM would be committed to \$210M in terms of the capital costs. Mr. Lloyd responded that these assumptions were correct.

Councillor Rankin asked Mr. Lloyd how Council would proceed with the RFP if the motion is passed. Mr. Lloyd responded it would be a function of the timing of finding out whether the Federal/Provincial partners are going to participate. He stated that the basic and fundamental RFP would be the same, but the project description would change quite a bit. Mr. Lloyd suggested that if HRM had only \$210M he believes a couple of the main phases could be handled. Over time, if the fund can be built up, other phases could be handled. Alternatively, one of the components could be taken out and funded in a different way.

Councillor Harvey said Council had given a lot of signals to the public that this project would be going forward. His preference would be to proceed with the entire project, but if this is not possible then it should proceed with the phases at an appropriate time. He believes there is a public expectation that HRM is going to do something to clean up the harbour and he does not feel HRM can step back now and lose the momentum. He said he would support the motion if it means that HRM is progressing to get a couple of the phases done and keep the other phases on track to be done.

Deputy Mayor Uteck stated that Council accepts the fact that HRM has the ultimate responsibility for cleaning up the harbour, and agreed with Councillor Harvey that there should be no hesitancy in moving forward. The first issue to deal with is affordability and then the phasing in of the project.

Councillor Sarto noted that a 30 year amortization period had been proposed and questioned if consideration had been given to a 40 or 50 year amortization period and if so, what would be the costs. Mr. Lloyd responded that staff had not worked out the exact numbers, but he pointed out that as you move from 30 to 40 years, the long term costs go up quite considerably. In the first 10 years, there is little change in the reduction of principal, and after 25/30 years, there is no significant benefit to the municipality. There is only a minimum lower cost, but over the course of time adds up to a much higher number.

Councillor Sarto expressed the public's concern with the added increases for pollution control that are added every time water bills are increased, but there has been no action taken on the harbour cleanup. Deputy Mayor Uteck responded that funds from the pollution control fund had been used for the consolidation of the outfalls in Dartmouth.

Councillor Stone joined the meeting.

Councillor Dooks felt Council is sending out the wrong message to the Federal and Provincial Governments asking them if they want to be a partner, they can be. He suggested that it would be unlikely that the provincial government would be willing to send HRM \$50M. This would mean that everyone in the Province of Nova Scotia would be paying for the HRM harbour cleanup. He is not against the harbour cleanup but he does have some concerns about the process being proposed.

Mr. Meech stated that it is not being suggested that HRM commit to the entire project at this point in time unless funding is received from the provincial/federal governments. He believes HRM is stating it is prepared to act and do its part, but if the 1/3 contribution is not received, then the project would have to be scaled back to within HRM's financial resources. Mr. Meech said HRM is not asking the provincial/federal governments to give

the \$100M contribution up front. It would be acceptable if it was spread over a period of time, consistent with the construction phasing or possibly contributed on a percentage basis towards the amortization of the debt.

Deputy Mayor Uteck stated this project makes sense for the environment and economic development of HRM. He pointed out that what is good for HRM is good for the province, HRM pays 60% of the taxes. This is something that makes sense, and if this is successful, it will help not only HRM, but also the Province of Nova Scotia and the federal government.

Councillor Greenough said he agreed with Deputy Mayor Uteck. In describing the economic benefits this would create, he gave the example of employment during the construction and the income tax that both these governments would collect. He believes it is a reasonable position for HRM to expect at least 1/3 of the funding from the provincial/federal governments. Councillor Greenough stated that he was prepared to make an amendment to the motion that HRM Council adopt Option (D) as it spreads the cost more evenly over the initial years of the project.

**MOVED BY Councillors Greenough and Rankin THAT the motion be amended to incorporate THAT HRM Council adopt Option (D).**

Councillor Hendsbee stated that there are 3 conditions for the North Preston community that would have to be done before going forward. Water meters have to be installed in all the units, rather than continuing with the current flat billing. There has to be an increase of fire hydrants in the North Preston community area, and also a slight adjustment to the water service boundaries for the North Preston community. There has been requests from some residents of the North Preston community to do for some sub-division potentials.

In response to a question from Councillor Hendsbee, Mr. Lloyd responded that the capital debt financing for this whole project would be done by the pollution control fund. He stated that the project has been divided into two components. One is the collection system which would be design/built and this would be paid for by cash out of the fund. The treatment plants would be built and operated by the private sector and HRM would pay an annual fee. This would also come out of the pollution control fund.

Mr. Meech reminded Council that when the policy decision was made to combine all the cost recoveries for waste water and storm water in HRM, the rates were harmonized. With this harmonization, the pollution control charge was reduced to \$1.74 and this is still the current charge. He pointed out that a very strategic decision was made at that time that waste water was to be financed through the pollution control fund, but it does not make provision for new serviceable areas or expansion.

Councillor Schofield stated that he believes it would be wrong to approve the whole project on the assumption that there would be money from the Federal/Provincial governments. Mr. Meech responded that in endorsing the whole project, it would clearly be on the condition that there is a commitment from the Federal/Provincial governments for a 1/3 contribution. When staff brings back the final RFP to Council, if there is no commitment from the other levels of government, then staff would advise Council on what can be done with the financial resources that are available as a result of increasing the rates under Option (D).

Councillor Adams stated that it is time that members of HRM Council look back at the history behind this whole project, and be realistic about contributions from the Federal/Provincial governments. Pointing out that there are a number of ways to finance it, he strongly recommended that Council make the decision to proceed with this project and not wait for the decision of others. He will support the project whether or not HRM receives funding from the Federal/Provincial governments.

Councillor Fougere stated that Council would be grossly irresponsible not to proceed in any manner that it can and to leave it for someone else in the future. She believes the proposed plan allows HRM to bridge the gap from where it is now to where it would like to be. If action is not taken now, it could be another 250 years of people saying HRM cannot go ahead without some kind of funding. Referring to water bills that homeowners receive every three months, the Councillor pointed out that Option (D) works out to an average water bill of between \$1.33 and \$1.66 per month. Looking at the long term benefits in terms of the harbour clean up, she did not believe there would be a public outcry. Councillor Fougere stated she would very strongly be supporting the motion.

Councillor Blumenthal agreed that the harbour cleanup is very important and Council has to find a solution. But, he had concerns about committing to something without funding from the Federal/Provincial governments. He can support a scaled down version if funding is not received from the Federal/Provincial governments. But, he will not support any increase in taxes.

Deputy Mayor Uteck asked Councillors Rankin and Greenough to confirm the motion that is now on the floor. The motion reads:

**THAT HRM reaffirm its intent to move forward (on the basis of Option D) with the Harbour Solutions Project on the basis that the entire project be undertaken if one-third cost sharing is received from a combination of the Federal/Provincial Governments; otherwise, the project be scaled back to coincide with the two-thirds funding available from HRM sources; AND FURTHER, that HRM authorize the Harbour Solutions Project Manager to so inform the successful RFQ respondents.**



Councillor Cooper asked what kind of analysis was done to estimate what would be the annual operating charges from the private sector. Mr. Lloyd responded that an assumption was made on the interest rate that would be available on the loan to amortize the private sector's capital cost. An assumption was made on the operating costs as a percentage of the capital cost of the treatment plants and a certain level of profit that the private partner would want to make was also assumed.

Councillor Cooper referred to the \$1M per year that will be set aside from the reserve fund to be used for capital improvements to the current sewage treatment plants. He asked if there were plans in place for these improvements. Mr. Alan Brady responded to the Councillor's question explaining the kinds of improvements that would be required. He stated that it is difficult to know what amount of funds would be required, but staff had estimated that \$1M would be enough to handle them. Mr. Kulvinder Dhillon stated that the trunk systems of the sanitary/storm sewers are part of the general tax to the capital budget process.

Councillor Cooper asked if new development occurs is HRM going to increase the capital cost so that the new development goes through sewage treatment plants. Mr. Dhillon responded that if there is an extension to the existing systems, they will end up at a sewage treatment plant. The system that will be designed for the overall treatment plants will have the capacity to deal with servicing boundaries that are established now and any additional infilling within those boundaries.

Councillor Cooper suggested that there would be cost increases if the project is done in phases. Mr. Lloyd responded that there would be some benefits in economy of scale in doing the entire project and also if it was done in a shorter period of time. But, then a lot of money would have to be raised very quickly and there would be a heavy impact on the water rates. The Councillor stated that he believed if the work is done in phases and some phases are not done, there would be a lot of residents that would not want to participate. Deputy Mayor Uteck said if the project does have to be phased in, there would be discussions with the proponents to see what are the options.

Councillor Kelly questioned why staff are not recommending design/build in the RFP. Mr. Lloyd responded that the current collection system is being operated by HRM staff and it was felt there was a need to create a clear break between responsibilities. It seemed logical to have HRM staff continue to operate the collection system. This component was made design/build, to be operated by HRM staff.

Mr. Lloyd gave a number of reasons, including financial, why staff are recommending that the treatment plants become the responsibility of a private partnership. Councillor Kelly asked if it is proven that it is not cheaper to go with a design/build/finance/own/operate,

would HRM have other options. Mr. Lloyd responded that until HRM gets to the point where it signs an agreement with a private partner, HRM has the option to do any number of things. But, he suggested that if it was decided to make this significant change, HRM is going to have to be sure that it has sufficient cause to do so.

Deputy Mayor Uteck stated that it is not just a matter of moving the financing off the books. He pointed out that a private partner is not burdened by the tendering process and operation that governments are burdened by. Following some further comments by Councillor Kelly, Mr. Lloyd responded that HRM has to be careful about 'cherry picking' components because it may impact on other components. This can only be dealt with at the time HRM sits down to negotiate with the private partner.

Councillor McInroy said he would be prepared to endorse the phasing of the project, but expressed concerns about proceeding without Federal/Provincial cost sharing. He believes it is the responsible thing to move forward, but does not believe it is financially responsible to move forward on the whole project without cost sharing. Deputy Mayor Uteck stated that he had asked staff to bring back something that would be more acceptable to the citizens of HRM, in terms of the cost. Council wanted to make sure it had a cost that was affordable. Reiterating his earlier comments, Deputy Mayor Uteck stated that this project makes sense, and the motion is a compromise. It gives HRM time to proceed with their presentation to the federal and provincial governments, and does not put an undue burden on the citizens of HRM.

Councillor Read said he agreed with Councillor Adams that it is time to move ahead, whether or not funding is received from the Federal/Provincial governments. Without this funding, it may be necessary to modify the timing, phasing, scale or the technology, but he believes HRM should work on the assumption that at some point in the not too distant future that all effluent will be treated. The Councillor stated that he is not too worried about cost changes by stretching out construction, and suggested that new technology may likely evolve that may reduce the cost somewhat.

Councillor Read said he was not convinced that the PPP route is the most cost effective route for HRM to follow, and suggested that HRM should retain some flexibility on how this project is financed before making the final decision. Councillor Read will be supporting the motion.

Councillor Hetherington referred to the knowledge and expertise of the groups that will respond to the RFP stating that these groups will bring to the table the best of any new technology that is available today. The Councillor expressed his concern with the suggestion that this should not go forward without funding from the other governments. He said a phased in project means the project is moving ahead, and he believes this is the

best way to go. Councillor Hetherington referred to the thousands of harbours across Canada that want money for harbour clean ups and he doubts very much that the Federal Government will make a contribution to this project. But, he pointed out that HRM has put in a bid for a major container pier, and maybe the money could be given on that basis. Councillor Hetherington said he would support the motion that is on the floor.

Councillor Stone stated that he agreed that HRM has to move ahead, and the only way that everyone can be included is by the phased approach over a period of years. He has a little concern on how it will be financed, and he believes HRM needs to keep its options open. The Councillor referred to a possible new infrastructure program that is related to environmental factors. This project is environmental and economic development. He felt that if this project gets far enough ahead, HRM would be able to provide detailed information that would allow HRM to look for an infrastructure program. Councillor Stone said the public wants to see the harbour cleaned up, they want to see some action, not talk.

Councillor Dooks asked if the Minister of Environment has had any recent involvement in this project. Mr. Lloyd stated that staff have not approached the Province from that point of view. There has been some discussions with the Province in terms of the project and what kind of environmental assessment would be needed. Staff have not approached the Province to pressure them to move the project forward. Mr. Blouin stated that staff are aware that the Province does have a desire to bring forward a comprehensive policy on sewage treatment for the Province for other municipalities. He suggested they may not feel they can proceed with that policy while the situation exists with the Halifax harbour.

In response to a question from Councillor Dooks, Mr. Brady said the residents are currently paying \$1.74 environmental charge. If the community wanted to go to an area rate, it would cost substantially more than the \$1.74, probably for an average system it would cost approximately \$2.70 for Eastern Passage, Mill Cove and Musquodoboit areas. Mr. Brady further advised this would be the approximate cost if HRM was not all under the same wastewater and environmental umbrella.

Noting that Mill Cove and Eastern Passage are the only two plants that discharge into the harbour, and that the rest of the plants discharge into streams, rivers, etc., Councillor Dooks asked if this plan includes looking at areas that receive the discharge of waters to clean up any type of pollution for these communities. He asked if HRM is getting any feedback from the other communities on water problems in these bodies of water.

Mr. Brady responded that as part of the funding proposal, staff have requested that there be money set aside for future upgrading or any major capital repairs these plants may require. Mr. Lloyd pointed out that in doing the financial model, staff allowed for increases

in the operating costs and this is also built into the financial analysis.

Following some further discussion and comments, Councillor Dooks stated that he is not necessarily arguing the charge today, but is asking if there is a provision put in the plan, not only for Middle Musquodoboit, but for other central services to protect them in the future if there is a problem. He would like to see this written down so he can take it back to his residents.

Councillor Snow said he believes this is 250 years overdue. He pointed out that one treatment plant, whether it be a big one or a small one is a start. The Councillor said that all the residents of his district have been using the Halifax harbour because all treatment plants on private properties have been dumped into a manhole in Dartmouth or Halifax. He stated that there would be no treatment plant in his district if not for all the people in Nova Scotia.

Councillor Snow asked if 1/3 cost sharing is received from the Federal/Provincial governments, can HRM afford to do the four phases immediately. Deputy Mayor Uteck responded that HRM can do it, financing the project over 10 years. If Council accepts the motion, staff would have the RFP done by the end of June and the proponents would be given 4/5 months to respond.

Councillor Barnet stated that Council should take pride that HRM has recently been leaders in environmental issues. The solid waste issue has been resolved in a reasonable and conscientious manner. He pointed out that when leaders from across the country attend the FCM Conference this year they will see HRM's accomplishments in solid waste. When questions are raised on waste floating in the harbour, HRM will know that cleaning up the harbour is the right thing to do.

With respect to the small systems, Councillor Barnet said he suspected they have had a good deal for a long time. Giving examples of this in his district, he stated that they had no grounds for complaint. At amalgamation, the rates in the County were harmonized and brought down. He suggested that these rates should have been flat lined at the former County of Halifax or Bedford rate. In fact, by bringing them down, the responsibility of the additional capital cost for the Mill Cove treatment plant was not added. The residents of Halifax and Dartmouth have paid for the Mill Cove treatment plant and have offset the cost for the last 3 years because of this harmonized rate.

Councillor Barnet asked if staff had determined what the impact would have had on the \$2.00 rate. Mr. Brady responded that he could only give approximate numbers, but since amalgamation, in addition to the Mill Cove expansion, there had also been a couple of smaller capital projects. Using the wastewater charge and environmental charge paid

previously by the County of \$2.00 per 1,000 gallons, and incorporating the expansion of some other capital costs, if amalgamation had never occurred, the previous serviced County area would have been paying \$3.43 per 1,000 gallons.

Councillor Adams said he agreed with the motion, but asked if the movers would be willing to split it. He believes it would be more appropriate to go with Option (C). Deputy Mayor Uteck said an amended motion would be required.

**MOVED By Councillors Adams and Harvey THAT the motion be amended to split the recommendation and that Option (C) be adopted instead of Option (D). MOTION PUT AND DEFEATED.**

Councillor Harvey asked what would be the impact of Option (D) on the rate per 1,000 gallons which is now at \$1.74. Mr. Lloyd responded that the new rate would add approximately \$.45. Councillor Harvey stated his concern that Option (D) is not aggressive enough and believes that more should be paid up front.

Councillor Hendsbee asked staff to provide some more information with regard to the urban/rural wastewater treatment systems. Of the 11 that are listed, he would like a summary sheet of the 9 that are outside the harbour catchment area. He would like a breakdown of the yearly operational costs, the year the systems were implemented, the life expectancy of the current design, as well as what capacity they are currently operating at, and what future capacity staff anticipate these systems to be serving.

Councillor Hendsbee questioned if financial arrangements in the RFP would allow for an opportunity to provide municipal financing. Mr. Meech responded that the Municipal Finance Corporation would not be available to a private consortium, unless HRM as part of the agreement with the successful proponent took on the responsibility of the long term financing. Referring to an earlier reference by Councillor Hendsbee to the solid waste negotiations, Mr. Meech stated that in the final negotiations with the successful proponent, it was decided that it made more financial sense for HRM to do the complete long term financing as opposed to having the private partner take a portion of it. But, he did point out that this may have been structured differently than the harbour cleanup.

Responding to Councillor Hendsbee's concerns on possible penalty clauses, Mr. Meech stated that if Council endorses the motion that is presently on the floor, that before the RFP is issued, it would be brought back to Council to indicate exactly what is being requested from the three short listed candidates. Mr. Lloyd added that at the time the RFQ was released, it was indicated that staff felt the phasing of the project would be over five or six years. As staff got into the more detailed financial analysis, it became very obvious that this kind of phasing would not work.

Mr. Lloyd reported that he has since advised all the proponents that it was very likely the phasing would be spread over a 10 year period. He asked the proponents if this decision would in any way affect their interest in the project, and everyone indicated that they were still interested. Mr. Lloyd stated that If the motion is passed today, he would make the proponents aware that the project would be scaled over 10 years and that it may also be scaled back to a \$2M project. He will solicit their interest and see where they stand, and take it from there.

Responding to a further question from Councillor Hendsbee on who is exempt from paying the pollution control charge, Mr. Lloyd responded that there are a number of institutions that are exempt. For example, the Halifax Port Corporation, Department of National Defence, Public Works Canada, a mobile home park, the Nova Scotia Hospital and the Nova Scotia Power Corporation. Mr. Lloyd stated that in the initial staff report, it was recommended that staff be instructed to undertake a review of these exemptions.

Responding to a question from Councillor Cooper, Mr. Lloyd said the level of service proposed for this project is enhanced primary treatment, plus additional treatment given at the outfalls. Councillor Cooper questioned what phases would go forward if there are no contributions from the Federal/Provincial Governments. Mr. Meech responded that if HRM is unable to do the whole project, staff would consult with the three short listed proponents, and, based on their input, staff would have time to design the process. When the final RFP is brought back to Council, staff would have the benefit of this input.

Councillor Adams suggested that the words *the project be scaled back to coincide* be changed to read *the project **may** be scaled back to coincide*. The Councillor said he agreed with the project going forward but he does not agree with the funding option, and asked if the motion could be split. The mover and seconder agreed with the motion being amended to add the word **may**, but would not agree to splitting the motion.

Following some further comments and discussion, the motion as amended which reads as follows:

**THAT HRM reaffirm its intent to move forward (on the basis of Option D) with the Harbour Solutions Project on the basis that the entire project be undertaken if one-third cost sharing is received from a combination of the Provincial/Federal Governments; otherwise, the project may be scaled back to coincide with the two-thirds funding available from HRM sources; AND FURTHER, that HRM authorize the Harbour Solutions Project Manager to so inform the successful RFQ respondents.**

**THE CHAIRMAN CALLED FOR THE QUESTION AND THE MOTION PASSED.**

Councillor Adams said he would like to make a motion re immediate implementation for extension of water to Herring Cove.

Mr. Lloyd stated that in the phasing program that is on the back of the report to Council, there is a *Summary of Phasing Components*. Herring Cove is included in the phasing but it was suggested that it be part of the 3rd phase. Councillor Adams is asking that this be brought into the first phase. Deputy Mayor Uteck felt a staff report was required as to the implications of how this would impact on the other phases of the project.

**MOVED BY Councillors Adams and Dooks**

**THAT staff be directed to undertake a review of moving the Community Integration funding for Herring Cove to be immediately implemented to allow for extension of desperately needed water for this community. This will allow for lead time required by the Water Commission to make application to the URB.**

**MOTION PUT AND PASSED UNANIMOUSLY**

Deputy Mayor Uteck referred to a recommendation that was in the March 30th staff report to direct staff to review the status of major water users currently exempt from payment of the pollution control charge. He asked for a motion on this recommendation.

**MOVED BY Councillors Rankin and Greenough**

**THAT staff be directed to undertake a review of the status of major water users currently exempt from payment of the pollution control charge on their water bills, with the results and recommendations to be reported back to Council.**

**MOTION PUT AND PASSED UNANIMOUSLY**

#### **4. ADJOURNMENT**

**MOVED By Councillors Dooks and Blumenthal THAT the meeting adjourn. MOTION PUT AND PASSED UNANIMOUSLY**

The meeting adjourned at 3:50 p.m.

Original Signed

**Vi Carmichael  
Municipal Clerk**