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5.

Halifax Regional Council
September 6, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Brad Anguish, P.Eng., PMP, MBA,
Director, Environmental Management Services

DATE: August 25, 2005

SUBJECT: Application for PCAP Funding - Wastewater Projects

INFORMATION REPORT

ORIGIN

Staff.

BACKGROUND

The Provincial Capital Assistance Program (PCAP) is a funding program administered by Service Nova Scotia and Municipal Relations.

HRM applied in May of this year for PCAP funding for three high priority wastewater projects:

1. Riverwood Drive Pumping Station, Lakeside/Timberlea
2. Whimsical Lake Pumping Station, Halifax
3. Uplands Park Sanitary and Storm Sewers

DISCUSSION

The Province rejected HRM's application for funding for the three projects. The reason cited was that HRM is already receiving \$2 million in PCAP funding for the Harbour Solutions Project for 2005/06, out of the entire PCAP budget of \$2.75 million.

The correspondence related to HRM's PCAP application is attached.

BUDGET IMPLICATIONS

The three projects for which PCAP funding was requested are all high priority wastewater projects. All three will be considered for next year's capital budget as part of HRM's annual capital budget process. Staff will also consider whether any of the three projects are eligible for other external funding as it becomes available, e.g. the MRIF Program.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

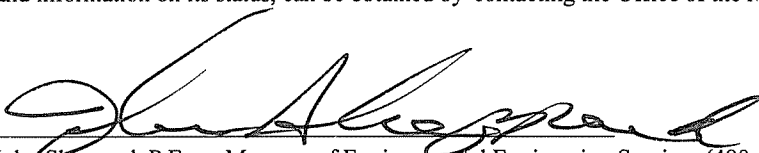
None.

ATTACHMENTS

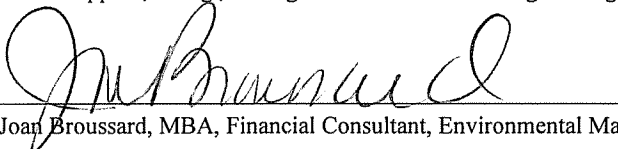
1. Correspondence related to HRM's application for PCAP funding.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by:


John Sheppard, P.Eng., Manager of Environmental Engineering Services (490-6958)

Financial Review by:


Joan Broussard, MBA, Financial Consultant, Environmental Management Services (490-6267)

AK

**Halifax
Regional
Municipality**



Peter J. Kelly
Mayor

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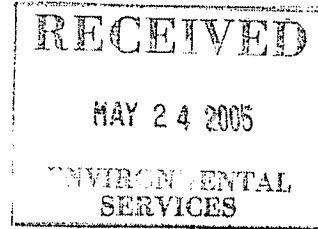
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Protect our waters now

May 13, 2005

Honourable Barry Barnet
Minister of Service Nova Scotia
and Municipal Relations
P. O. Box 216
Halifax, NS B3J 2M4



Dear Minister Barnet:

I am writing to you to apply for funding from the Provincial Capital Assistance Program (PCAP) for 2005/2006.

The Halifax Regional Municipality is in the process of developing a more sustainable funding strategy to allocate limited infrastructure funding in a manner that maximizes the environmental and safety benefit for every dollar spent. Recently, HRM developed a 25-year Stormwater and Wastewater Forecast that identified the long term financial needs of HRM's stormwater and wastewater infrastructure. The forecast predicted funding requirements in the order of \$540 million for stormwater and wastewater projects over the next 25 years. This represents a tremendous challenge for HRM, and we are seeking financial assistance from other levels of government.

The Halifax Regional Council recently approved the 2005/2006 capital budget, including that related to prioritized stormwater and wastewater projects. Funding available for stormwater and wastewater projects on HRM's overall priorities was limited, as such, some projects could not be accommodated within the available allocation. HRM, is therefore, requesting funding from PCAP for the three projects listed below. In order of highest to lowest priority, they are:

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1. Riverwood Drive Pumping Station, Lakeside/Timberlea	\$250,000
2. Whimsical Lake Pumping Station, Halifax	490,000
3. Uplands Park Sanitary and Storm Sewers	250,000
Total	\$999,000

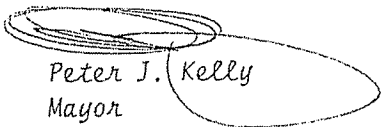
Detailed descriptions of each project are attached, including sketches. If more information is required, design drawings are available for each project and copies can be provided at your request. These projects were selected on the basis of the eligibility criteria stipulated in the PCAP website. Consistent with the focus of PCAP, each is a wastewater project that will address environmental and potential health problems. Furthermore, since design work has been completed for each project, the projects can be tendered, completed, and invoiced before the end of the 2005/2006 fiscal year.

All of these projects are high priority for the Halifax Regional Municipality in that each is required to get the local wastewater system into compliance with provincial and federal regulatory requirements.

On behalf of Halifax Regional Council, we thank you in advance for your cooperation. If you require further clarification, please contact me John Sheppard, P. Eng., Manager of Environmental Engineering Services at 490-6958.

We look forward to your positive response.

Respectfully, I remain


Peter J. Kelly
Mayor

cc - Members of Halifax Regional Council

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Service Nova Scotia
and Municipal Relations
Office of the Minister

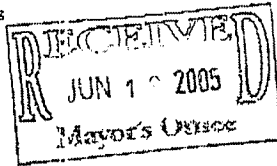
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Our File Number:

xc - George
- Brad
- John S.

JUN 09 2005



Peter J. Kelly
Mayor
Halifax Regional Municipality
PO Box 1749
Halifax, Nova Scotia
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Dear Mayor Kelly:

Re: HRM - Request for Funding - Provincial Capital Assistance Program

Thank you for your recent letter outlining the top priority infrastructure projects for Halifax Regional Municipality and requesting assistance under the Capital Assistance Program (PCAP) to fund the projects in fiscal year 2005/2006.

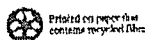
The PCAP program receives an annual budget appropriation based on the available provincial funds in that fiscal year. This year's total budget for PCAP is \$2,750,000, of which the Provincial contribution of \$2,000,000 funding for the Halifax Harbour Solutions project constitutes the largest portion of the program budget. The balance of \$750,000 will be used for small projects throughout the province that have a high priority related to health and environmental concerns.

One of the criteria for PCAP funding is the ability of the municipal unit to pay for the infrastructure project. The projects listed in your letter are certainly important, and as I understand have already received Council's approval and are included in HRM's capital budget for 2005/2006.

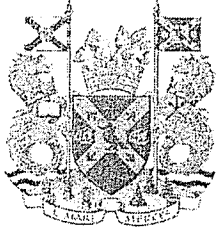
If you have any questions on the PCAP program please contact Marvin MacDonald, Director Grants and Programs at 424-3858.

Yours truly,

Barry Barnett



*Halifax
Regional
Municipality*

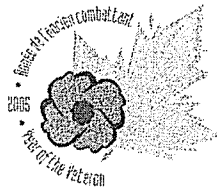


Peter J. Kelly
Mayor

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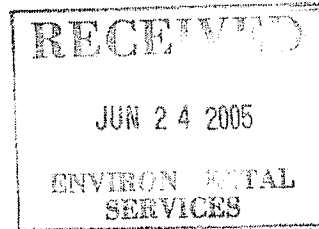
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June 16, 2005

Honourable Barry Barnet
Minister of Service Nova Scotia
and Municipal Relations
P. O. Box 216
Halifax, NS B3J 2M4



Dear Minister Barnet:

I am writing in response to your letter dated June 9, 2005. We are disappointed that we were not successful in our request for PCAP funding.


You indicate in your letter that the three projects for which we applied were already approved by Regional Council. This is not so. Unfortunately, neither project was approved as adequate funds are not available at this time.

You indicate that one of the criteria for PCAP funding is the ability of the municipal unit to pay for such work. HRM's funding requirements are relatively great as compared to other municipalities, because of our size and also because of the age of our infrastructure.

We would appreciate if you would reconsider your previous position. All three projects are required to prevent overflow of wastewater into the local environment and therefore are high priority. Even approval of one of the three projects would be very helpful in enabling us to get into compliance with provincial regulations.

Thank you for re-considering our request. If you require discussions with staff on our application, please contact John Sheppard, Manager of Environmental Engineering Services at 490-6958.

Respectfully, I remain


Peter J. Kelly
Mayor

cc - Members of Halifax Regional Council

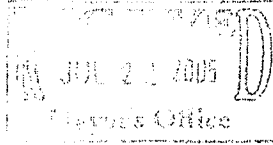
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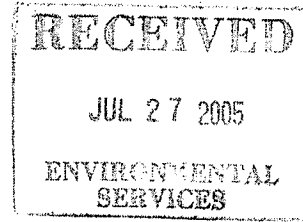
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Our File Number:

JUL 27 2005



Peter J. Kelly
Mayor
Halifax regional Municipality
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Halifax, Nova Scotia
B3J 3A5



XC George
Dan
Brad A
John Sheppard

Dear Mayor Kelly: *Peter*

Re: Provincial Capital Assistance Program - HRM Projects

This will acknowledge receipt of your June 16th letter regarding HRM's funding request under the Provincial Capital Assistance Program (PCAP).

I apologize for the misunderstanding that the projects in question already had HRM Council budget approval for fiscal year 2005/2006. However, as stated in my earlier response, the entire PCAP budget for this fiscal year is \$2,750,000. Of this total, HRM's Harbour Solution project will receive \$2,000,000.

The overall shortfall in municipal infrastructure in Nova Scotia and across the entire country has been a topic of discussion for some time. The Province and Federal Governments are working towards finalizing the new Municipal Rural Infrastructure Fund (MRIF) and the New Deal for Cities and Communities (Gas Tax Program). When these programs are in place it is expected that in excess of \$240 million in federal/provincial government funding will be available over the next five years, primarily for core municipal infrastructure projects in Nova Scotia. It is anticipated that this funding will allow many of the projects, such as those identified as a priority for HRM, to move forward.

If you have any questions on the programs, please contact Marvin MacDonald, Director of Grants and Programs at 424-3858.

Yours truly,

Barry Barnett