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Regional Council
July 4, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Brad Anguish", written over a horizontal line.

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

A handwritten signature in black ink, appearing to read "Carl Yates", written over a horizontal line.

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

DATE: June 22, 2006

SUBJECT: HRWC/HRM Relationship Working Group - 12 month update

INFORMATION REPORT

ORIGIN

HRM/HRWC Relationship Report to HRM Regional Council; Jan. 25, 2005
Ongoing review of HRM/HRWC relationship; HRWC Board motion of April 14, 2005
HRM/HRWC Relationship Report/Action plan, Regional Council; June 28, 2005

BACKGROUND

During 2005 Regional Council and the HRWC Board identified that increased cooperation between the two organizations could serve to create operational, technical and financial benefits for one or both of the organizations, to the ultimate benefit of the residents of HRM.

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During June 2005 a working group of Senior HRM and HRWC staff met to explore possible areas of synergies between the organization and, from those meetings, presented an action plan outlining areas for further investigation and action. At the same time, Environmental Management Services was conducting two complimentary tasks:

- 5 year waste water rate increase forecast to be presented to the HRWC Board in conjunction with the proposed water rate increases
- A comparison of HRM's Aerotech water treatment plant operating costs in association with the proposed transfer to the HRWC.

The HRWC Board and Regional Council adopted a joint action plan with a progress update to be provided within 12 months.

DISCUSSION

The joint HRM/HRWC working group met on a regular basis and advanced the investigation, and where appropriate, implementation of joint initiatives. The working group, and senior management of Environmental Management Services and the HRWC, will continue to meet as necessary to ensure operational, technical and financial benefits are coordinated as efficiently as possible.

Over 20 issues/opportunities were identified for discussion between HRM and HRWC in the June 2005 report to Council. The following table provides an update on the status of the joint initiatives.

	<u>Issue/Opportunity</u>	<u>Status</u>
	Strategic	
1.	Joint long term projections for rate increases including 5 year HRM waste water rate increase forecast prepared in conjunction with proposed water rate increases.	Interim strategy for wastewater rates approved by Council and 5 year strategy for water rates approved by HRWC Board and NSURB
2.	Operating cost comparison and proposed transfer of operation of HRM's Aerotech water purification plant to HRWC.	Successful transition of plant to HRWC April 1, 2006
3.	Investigate other operating efficiencies.	Ongoing
4.	Integrate HRWC performance indicators with HRM Scorecard.	Completed - ongoing
5.	Report Sign-Off.	HRWC incorporated into HRM review process.

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6.	Investigate opportunities for better coordination of management of street cuts.	Phase 1 of response to HRM report - Initiated a project to better integrate the data on ownership & location information regarding street cuts Phase 2 discussions will commence discussions in regard to the best practise for ongoing management.
Information Services/Technology		
7.	Investigation of migration of HRWC SAP installation from Province to HRM.	Consultant's report completed. Recommendation to maintain status quo. HRM and HRWC to study SAP HR/Payroll opportunities.
8.	Investigation of migration to a common GIS platform and associated Service Level Agreement.	Ongoing - GIS future architecture and upgrade blueprint completed - including HRWC. Sets the path for future integration of systems & platforms. - pilot to utilize GIS to map HRWC and HRM integrated project opportunities within the proposed capital budgets.
9.	Collaboration on delivery of HRWC web service requirements.	Phase 1 completed & ongoing - better integration and HRWC cost avoidance
10.	Blackberry/GroupWise Integration	Completed - better integration of communications and HRWC cost avoidance.
11.	Collaboration regarding Radio Communications.	Ongoing - working well Discussions re; AVL, SCADA, etc. Current HRWC radio system cost effective. Emergency TMR has been installed at HRWC to enhance interoperability during EMO events.
Service Delivery		
12..	Call Centre/Dispatch/Tier 1 Service <ul style="list-style-type: none"> • Investigate shared phone system • Investigate real time account information 	No opportunities identified at this time. Real time account information will be on future joint work plans.

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13.	Investigate common bill printing. Utilize opportunities for customer messaging on/in bills.	Completed Ongoing
14.	Advance Private Hydrant Maintenance.	Ongoing-HRWC have met with Fire Services - intend to start with a pilot in Bayers Lake industrial park. Opportunity to enhance community safety.
15.	Partnering on Hay compensation survey and investigating aligning compensation & benefits strategies.	Completed - before HRWC Board and EMT.
16.	Credit card payment and joint banking agreements.	Sharing banking agreement and preferred ratings on credit card payment. HRWC intends to implement pilot for residential billing- fall 2006.
17.	Advance opportunities for enhanced security <ul style="list-style-type: none"> • HRWC utilization of HRM park patrol • HRWC security coordinator support of HRM security working group 	Very successful initiative resulting in enhanced security.
18.	Investigate opportunity for automated meter reading - pilot.	No supportable business case for residential conversion. HRWC will continue to investigate with NSP to determine a feasible pilot area.
19.	Investigate Call Before You Dig program.	HRM presentation made to HUCC in October for decision. Gas utilities will be taking the lead in pursuing a provincial solution.
20.	Capital Project Integration	Joint working committee established in 2002 and continuing. Gone extremely well. FCM <i>Infraguide</i> case study completed. Recognition of HRWC and HRM as best practise in this area.
Joint Procurement		
21.	Fleet	Timing & different specifications did not facilitate a joint tender.

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22.	Cell Phone Services	Delayed by 12 months - by mutual agreement- due to pending CRTC decision on portability of cell phone numbers.
23.	Fuel & Insurance	In place
24.	Snow Removal & Landscaping	Pilot in 1 area - discuss areas for tendering next season.
25.	Computers	HRM's RFP was written specifically so that Water Commission, Library (and other ABCs) could take advantage if they so desire - excellent pricing in new contract
26.	Treatment Chemicals	Commissioning of pollution control plant in Halifax now targeted for April 2007 presents excellent opportunity for joint purchase.

BUDGET IMPLICATIONS

The co-operation between HRM and HRWC on the above noted issues has realized operational efficiencies, cost avoidance and/or enhanced service to residents of HRM.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

ALTERNATIVES

N/A

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ATTACHMENTS

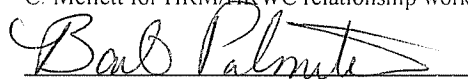
None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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