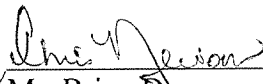


**TO:** Councillor Stephen Adams, Chair, and Members of the Western Region  
Community Council

**SUBMITTED BY:**   
for Mr. Brian Dempsey, Chair, Herring Cove Advisory Steering Committee

**DATE:** May 20, 2011

**SUBJECT:** Incomplete Herring Cove Sewer and Water Project

**ORIGIN**

The January 20<sup>th</sup> and May 19<sup>th</sup> meetings of the Herring Cove Advisory Steering Committee.

**RECOMMENDATION**

It is recommended that the Western Region Community Council request that:

1. Halifax Regional Council formally and strongly approach senior levels of government to consider cost sharing the remaining phase of the Herring Cove Sewer and Water project, and;
2. Halifax Regional Council bring forward the Herring Cove Sewer and Water Project as a Capital Budget item and allocate funds to the project until sufficient funding is in place to compete the servicing project.

## **BACKGROUND**

The Herring Cove Advisory Steering Committee (HCASC) was established on January 18, 2010 as an advisory committee to the Western Region Community Council on specific matters related to the community of Herring Cove including the final stage of sewer and water development in Herring Cove.

At the January 20, 2011 HCASC meeting, the Committee requested a status update on the Herring Cove Sewer and Water servicing project and was presented with the requested information at their May 19, 2011 meeting.

## **DISCUSSION**

Members of the HCASC noted that the community of Herring Cove is of the understanding that municipal sewer and water services would be provided to all residents of Herring Cove upon their agreement to have the Herring Cove Sewage Treatment Plant constructed in the area. The project, commenced in August 2005, was to proceed without interruption, however; it has been halted since December 2007.

The HCASC request that all residents of Herring Cove be treated with equity and that those residents still awaiting sewer and water service not be subjected to additional responsibility nor liability to obtain the promised services than those who have already received the services. Concern has been expressed that any new development to the area may receive the municipal services prior to the existing residents who are still awaiting completion of the promised servicing project.

Since the Herring Cove Sewer and Water Servicing project is an incomplete HRM Capital Project, the HCASC recommends that the Western Region Community Council request that Regional Council approach senior levels of government for funding to complete the Herring Cove Sewer and Water Servicing Project; and, also request that Council allocate funds to the capital budget until sufficient funds are in place to complete the project.

## **BUDGET IMPLICATIONS**

The total cost to date for the project has been \$12.18 million funded by: HRM and Halifax Water (\$6.25 million); Federal government (\$1.23 million); Provincial government (\$1.23 million); and property owners of Herring Cove through the Local Improvement Charge (\$3.48 million).

The cost for potential servicing options to complete the project range from \$6.7 million to \$8.5 million, as per the information contained on page 3 of the Herring Cove Servicing Project – Completed Phases document attached to this report.

## **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

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

## **COMMUNITY ENGAGEMENT**

The Herring Cove Advisory Steering Committee is comprised of eight (8) members from the community of Herring Cove and the area Councillor as an *ex-officio* member. The community engagement requirement has been met.

## **ALTERNATIVES**

1. The Western Region Community Council may choose not to approve the recommendations as presented. This is not the recommended action.

## **ATTACHMENTS**

1. Herring Cove Servicing Project – Completed Phases

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A copy of this report can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Chris Newson, Legislative Assistant, 490-6732

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HERRING COVE ADVISORY STEERING COMMITTEE  
May 19, 2011

HERRING COVE SERVICING PROJECT - COMPLETED PHASES

**Herring Cove Water and Sewer Servicing - Phase 1A (05-254)**

J. R. Eisener Contracting

Limits of the project included :  
Herring Cove Rd ((Civic 820 to Hebridean Dr)  
Ketch Harbour Rd ( Hebridean Dr to Crown Reserve Rd)  
Oceanbreeze (Herring Cove Rd to end)  
St Paul's Ave (Herring Cove Rd to Lancaster Dr)  
Lancaster Ave (St Paul's to existing services (100 m)  
Churchill Estates - hydrants

Start Aug 15, 2005  
Completed July 15, 2006

**Herring Cove Water and Sewer Servicing - Phase 1B (06-219)**

ACL Construction

Limits of the project included:  
Ketch Harbour Rd ( Crown Reserve Rd to Civic 165)  
Village Rd ( Ketch Harbour Rd to Civic 131)  
Florence St (Ketch Harbour Rd to Civic 9)

Start April 2, 2007  
Completed Dec 20, 2007

**Herring Cove Water and Sewer Servicing - Phase 2A (06-252)**

ACL Construction

Limits of the project included:  
Herring Cove Rd ((Civic 820-Hebridean Dr)  
Pelham Lane (Herring Cove Rd to Hebridean Drive)  
Hebridean Drive (Pelham Lane to Village Rd)  
St Paul's Ave (Hebridean Dr to Lancaster Dr)  
Village Rd (Civic 131 to Hebridean Drive)  
John Bracket Rd (Hebridean Dr to Civic 24)

Start April 2, 2007  
Completed Dec 20, 2007

HERRING COVE SERVICING  
SUMMARY OF COSTS

1. Total Costs to Date (Phases 1A, 1B and 2A)  
**\$12.18M**

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2. Funding Sources:

(a) HRM and Halifax Water (HW) for the completed Phases  
- Community Integration Fund (HRM): \$4.61M  
- CCC for Oversizing (HW): \$698,000  
- Sewer Redevelopment Charges (HW): \$540,000  
- Stewardship Fund (HW): \$395,000  
Total: (HRM & HW): **\$6.25M**

(b) Federal Government  
**\$1.23M**

(c) Province  
**\$1.23M**

(d) Property Owners through Local Improvement Charges (LICs)  
**\$3.48M**

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Total Funding from all sources  
**\$12.18**

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3. Estimated cost to complete the remaining Phase (Phase 2B)  
**\$8.5M** (This could be reduced to **\$6.7M** if we go with a pressure sewer rather than a traditional gravity sewer)

4. Known Funding Sources for Phase 2B  
(a) LICs from property owners: \$760,000  
(b) Stewardship Fund (HW): \$185,000  
Total **\$945,000**

5. Outstanding funds required to complete Phase 2B  
**\$7.56M** (or **\$5.76** if the pressure sewer option is taken)

HERRING COVE SERVICING  
POTENTIAL SERVICING OPTIONS  
May, 17, 2011

Halifax Water has explored potential servicing options to complete Phase 2B, and has prepared corresponding cost estimates (2010 dollars).

Option A - Water and Sewer (via typical gravity sewer system)

Estimated Cost = **\$8.5M**

This is as per the original design.

Option B - Water Only

Estimated Cost = **\$2.3M**

Water only servicing has been implemented in a number of areas within HRM. This would result in reduced costs, but would mean that affected residents would continue to rely on existing (or upgraded) sewage disposal systems. This would not be a preferred solution, since many of the lots in the phase are smaller than what would be required today, the sewage disposal systems may be quite old in some cases and many are in close proximity to receiving water bodies. Should this solution be pursued, residents and the regulator (NS Environment) would need to be consulted with respect to the compliance of the existing on-site sewage disposal systems and whether these systems could be upgraded if found to be non compliant.

Option C - Water and Sewer (Service Shore Road and part of Powers Dr. with a pressure sewer)

Estimated Cost = **\$6.7M**

The difference between Option A and Option C is that in Option C the properties on Shore Drive and some properties on Powers Drive would be serviced with individuals pumps each discharging into a common pressure line located within the street right-of-way. This would eliminate a municipal pumping station, associated forcemains, associated gravity sewers including manholes, and the need for an easement between Powers Drive and John Brackett Drive.

This type of system has been installed in selected locations in other areas of HRM. The net extra capital cost to a property owner (i.e. work within their private property) would be in the order of \$5K and yearly electrical costs should be less than \$100. It is noted that approximately 30 properties would be serviced via the pressure sewer. It is also noted that even if the full gravity system were to be installed for \$8.5M (Option A) there would still be about 15 residences which would require a pump system should they wish to service their basement level. We do not promote pressure systems for green field development but given the uniqueness of Shore Drive (narrow ROW, houses encroaching on ROW, the relatively high proportion of residences which are low relative to the street, etc.) it would be an acceptable approach for this project.

Potential Stewardship Funding from Halifax Water

With respect to capital funding it is noted that Halifax Water historically has provided a Stewardship Contribution toward the local component of the water infrastructure for servicing extension projects. This contribution is typically calculated at 8% of the cost of the local water infrastructure which would be approximately \$185,000 for phase 2B. Subject to available surplus, and the project moving forward, staff would be prepared to recommend this funding approval to the Halifax Water Board and the NSURB.

Storm Sewer System

According to current regulations, Halifax water requires the construction of a separate stormwater collection system in projects such as this one. However, since the Herring Cove project was initiated prior to these requirements, Halifax Water is willing to waive this requirement for Phase 2b.

**HERRING COVE SERVICING  
POTENTIAL FUNDING SOURCES**

For discussion purposes, the following options may be pursued in order to complete Phase 2B of the project:

1. Continue to seek cost-sharing from the Federal and Provincial levels of government.
2. Bring this project forward as an HRM Capital Budget item, perhaps in amounts phased over several years.
3. Determine whether or not there may be additional funds available from Halifax Water, through Harbour Solutions.
4. Increase the amount of the Local Improvement Charge for property owners.
5. A combination of the above options.

## HERRING COVE SERVICING OTHER ITEMS

### Water Tower

The water tower is anticipated to be constructed at the top of Ocean Breeze Drive. The timing is not known at this time. It will be installed by Halifax Water when the demands on the water distribution system in the area warrant construction of the reservoir.

### Cost Escalation

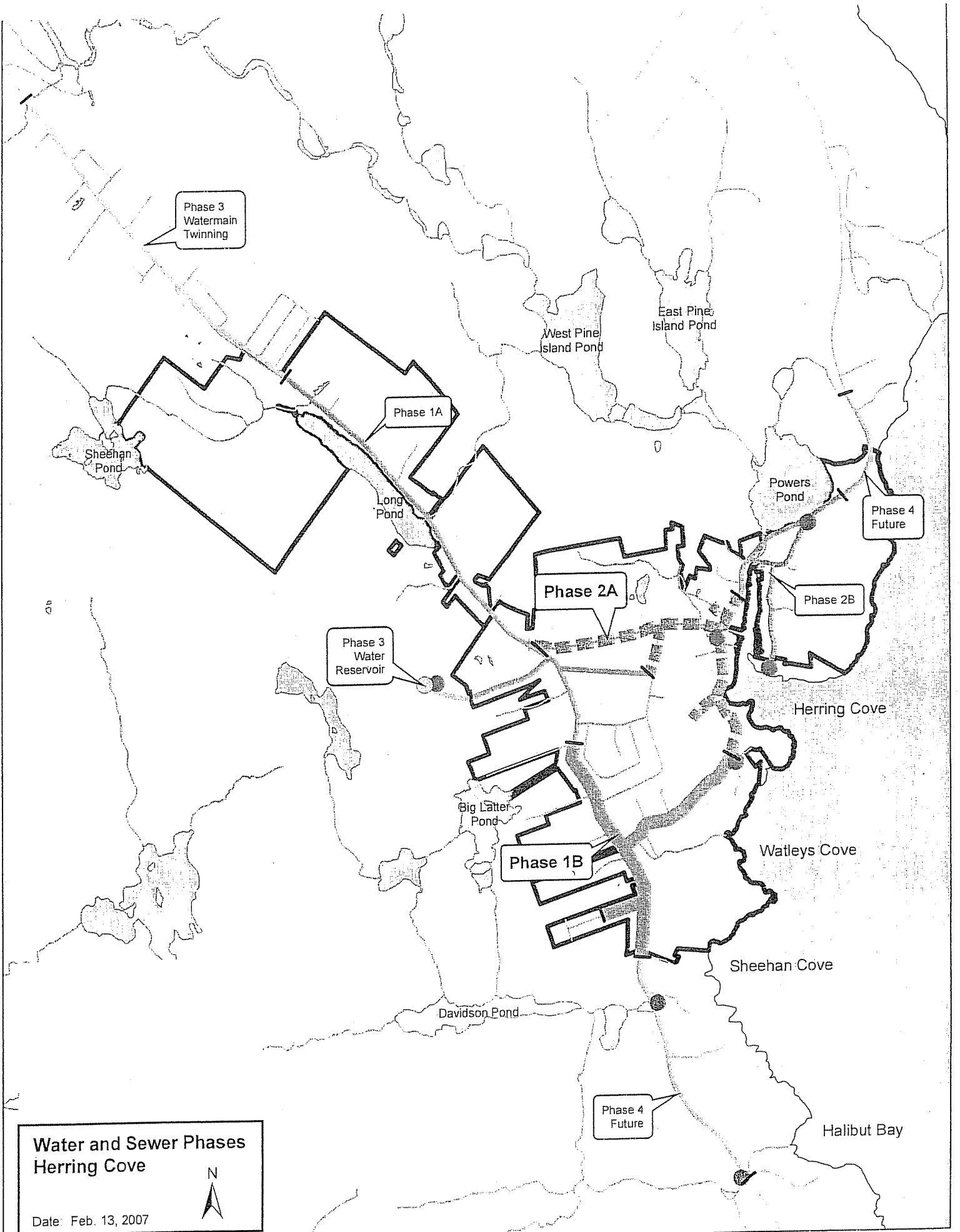
In preparation for the Herring Cove Servicing project, HRM, in association with the Halifax Regional Water Commission, retained consultants to assist in preparing the pre-design engineering work for the sewer and water systems, including cost estimates. Primarily because of rapidly escalating construction costs during this period of time, the estimates on which the project budget were based (capital budget amounts, LIC charges, and so on) were significantly lower than the bid prices. In order to move as much as the project forward as possible, Council determined that all available funds should be directed toward completing Phases 1B and 2A. In fact, Council agreed to tap into the Harbor Solutions Project Contingency Fund in order to meet the costs of these two phases. However, as a result, insufficient funds are available to undertake the remaining Phase 2B.

### Legal Action

A question was raised as to whether or not legal action is to be taken due to the fact that the project was not completed in three interrupted phases.

Response: There is no legal action being contemplated at this time.





**Water and Sewer Phases  
Herring Cove**

Date: Feb. 13, 2007

