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Item No. 12.1.2
Audit and Finance Standing Committee
October 5, 2016

TO: Chair and Members of Audit and Finance Standing Committee

SUBMITTED BY: ORIGINAL SIGNED

Bob Bjerke, Director, Planning and Development

DATE: September 26, 2016

SUBJECT: Funds for Hammonds Plains and Bluewater Pre-Design Study

ORIGIN

On May 30, 2016, a Special Technical Committee identified the need for a pre-design study to alleviate regular flooding concerns along the Hammonds Plains Road at Bluewater Road.

LEGISLATIVE AUTHORITY

Section 8 of the Terms of Reference of the Audit and Finance Standing Committee, which states that:

The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:

- (a) New programs or services not yet approved or funded;*
- (b) Programs or services that are being substantially altered;*
- (c) Proposed changes in any operating or project budget items;*
- (d) The commitment of funds where there is insufficient approved budget;*
- (e) New or increased capital projects not within the approved budget;*
- (f) Increases in project budget due to cost sharing; and*
- (g) The creation or modification of reserves and withdrawals not approved in the approved budget.*

RECOMMENDATION

It is recommended that the Audit and Finance Standing Committee recommend that Regional Council:

1. Approve a budget increase of \$50,000 to Project Account No. CR000001 – Storm Sewer Upgrades with no change to the net budget to reflect costs that will be recovered as cost sharing is received from Halifax Water.
2. Approve the allocation of \$100,000 (net HST included) in Project Account No. CR000001 - Storm Sewer Upgrades for a pre-design study to alleviate regular flooding concerns along the Hammonds Plains Road at Bluewater Road.

BACKGROUND

Hammonds Plains Road, near the intersection of Bluewater Road, is prone to frequent flooding that can cause this area to be impassable at times. The concept of a completing a redesign of the road grades and drainage system has been discussed for many years between Halifax Regional Water Commission and the Municipality. Through discussions with a Special Technical Committee, which consists of representatives the Municipality and Halifax Water, the need was identified for a pre-design study to investigate the frequent flooding concerns present near the intersection of the Hammonds Plains Road and Bluewater Road.

There is approximately \$300,000 of unallocated funds remaining after completion of the Cow Bay Storm Water project, which had lower than estimated final costs charged to Project Account No. CR000001 – Storm Sewer Upgrades. These funds are included within the Cumulative Unspent Budget total for the entire Project Account in the Budget Summary table below.

DISCUSSION

The area is within the Storm water Service Boundary of Halifax Water, and Halifax Water owns drainage infrastructure in the surrounding area. For this reason, Halifax Water has committed to fund 50% of the estimated \$100,000 cost of a study, to a maximum of \$50,000 in this fiscal year.

The Municipality's interest lies in ownership of the Hammonds Plains Road, and the need to determine whether there are actions that can be taken to alleviate flooding and the road closures that result.

Council has previously approved funding for a risk assessment of flood prone areas in the Municipality, cost shared with the Federal Government and Halifax Water. A draft contribution agreement has been circulated for staff review, and we are currently awaiting formal confirmation of funding for the risk assessment. This area of Hammonds Plains Road is expected to be included in the risk assessment, and a risk assessment is a pre-condition of receiving federal cost sharing for any remedial work that is identified.

Notwithstanding, the area is very complex and it is not anticipated that remedial action can be identified within the scope of the Flood Risk Assessment Study. It would therefore be prudent to carry out a separate pre-design study for Hammonds Plains Road at Bluewater, in addition to the risk assessment.

FINANCIAL IMPLICATIONS

The proposed study was not specifically included in the approved CR000001 - Storm Sewer Upgrades scope of work. However, funding is available in Project Account No. CR000001 – Storm Sewer Upgrades in the amount of \$100,000 (net HST included). The net cost of the study to HRM will be \$50,000 due to cost sharing with Halifax Water as outlined in the discussion section. If the cost sharing is approved, there will be an increase to the gross project budget but not the net. Budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. - CR000001 – Storm Sewer Upgrades</u>
Cumulative Unspent Budget	\$ 1,054,469
Less: Estimated cost of Pre-Design Study	\$ 100,000
Plus: Cost Sharing from Halifax Water	<u>\$ 50,000</u>
Balance	\$ 1,004,469

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this report. To reach this conclusion, consideration was given to operational, financial, and environmental risks.

COMMUNITY ENGAGEMENT

There has been no community engagement performed in the preparation of this report.

ENVIRONMENTAL IMPLICATIONS

Environmental Implications not identified.

ALTERNATIVES

The Standing Committee may choose to not approve the proposed reallocation of funds but rather postpone the proposed pre-design study until it may be added to a future capital budget plan. This alternative is not recommended, as this would delay the project thereby prolonging the frequent flooding concerns.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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