

**Energy and Underground Services Advisory Committee
&
Harbour Solutions Advisory Committee
December 1, 2006**

MINUTES

PRESENT: Councillor Linda Mosher, Chair
Councillor Sue Uteck
Councillor Sheila Fougere
Councillor Stephen Streach
Councillor Stephen Adams
Councillor Debbie Hum

REGRETS: Councillor Andrew Younger
Councillor Becky Kent
Councillor Jim Smith
Mayor Peter Kelly

STAFF: Mr. Brad Anguish, Environmental Management Services
Mr. Stephen King, Manager, Environmental Management Services
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Sheilagh Edmonds, Legislative Assistant

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1. CALL TO ORDER

The Chair called the meeting to order at 3:00 p.m. in Duke Room 1, Duke Tower.

2. APPROVAL OF MINUTES

MOVED by Councillor Fougere, seconded by Councillor Adams that the minutes of November 3, 2006 be approved. MOTION PUT AND PASSED.

3. APPROVAL OF ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

MOVED by Councillor Uteck, seconded by Councillor Fougere that the agenda be approved as presented. MOTION PUT AND PASSED.

4. BUSINESS ARISING FROM THE MINUTES/DEFERRED ITEMS:

4.1 Draft Report for Approval - Proposed Mandate - Combined Energy & Underground Committee and Harbour Solutions Advisory Committee (Brad Anguish)

A draft staff report dated September 1, 2006 was submitted.

Councillor Uteck advised that it was important that the composition of the Committee continue to have representation from the Water Commission, and that Mr. Carl Yates attend the meetings, as needed.

Councillor Fougere noted that the objectives listed in the report are really corporate working objectives, and she pointed out that it is the Committee's role to oversee the objectives and not actually carry them out. In this regard, she suggested that this section in the report be clarified to say, ". . . the following objectives are proposed for the inter-departmental working group and overseen by the Energy and Underground Services Committee", and then list the objectives.

MOVED by Councillor Fougere, seconded by Councillor Hum that the draft report with the amendments as noted by Councillor Uteck and Councillor Fougere be forwarded to Regional Council.

The Chair advised that in reviewing the report she had several revisions and she suggested that the draft report be referred directly to Council for consideration by all Council members. She also expressed concern about a quorum, noting that the previous Energy and Underground Services Committee often had difficulty in obtaining a quorum.

Councillor Fougere pointed out that Council would be required to approve the mandate in any event, therefore she had no difficulty in referring the matter directly to Council.

MOTION PUT AND PASSED.

Councillor Streach expressed concern and cautioned against developing an all-encompassing committee that will not be able to focus. He added that if the report is going to Regional Council it should go as is and any proposed changes should occur at the Council level.

The Chair noted that the motion has been passed, therefore, the report will go to Council with the amendments as noted in the motion.

4.2 Energy & Underground Services - staff role clarity through organizational transition - oral information update and memo

A memorandum dated October 20, 2006 from Mr. Brad Anguish, Director Environmental Management Services was submitted.

Mr. Anguish provided a brief overview of the memo. In his comments he noted that due to corporate re-organization in April of 2006 and higher operational priorities, the role of Energy and Utilities Manager has been in a state of transition. He added that the memo is presented to clarify roles and responsibilities and internal/external communications for the Energy and Utilities portfolio throughout the remainder of the transition period. Mr. Anguish advised that it is expected that the position will be filled by April 2007.

4.3 URB Ordered Technical Hearings - NSPI - Integrated Resource Plan/Demand Side Management - oral information update (Mary Ellen Donovan)

A copy of the Nova Scotia Utility and Review Board Notice of NSPI Rate Application was submitted for information.

Ms. Mary Ellen Donovan, Municipal Solicitor, advised that there was a general rate hearing scheduled for January 22, 2007. Referring to the submitted information, specifically, the unmetered proposed average increase of -0.9 percent, she noted that \$4 million of HRM's power bill is on this rate (traffic and street lights). Ms. Donovan pointed out that staff are preparing for this, as it may end up being a target of interveners.

Ms. Donovan also advised that this past spring, with the \$176 million request by NSP to spend money on improving emissions, the interveners wanted a longer term perspective on what is being spent on generation and, as a result, the Board decided on an integrated resource plan, and this process is underway.

Ms. Donovan noted that the Provincial Minister has set a target date of March 30, 2008 for draft legislation regarding the RFP matter which was discussed at the Committee's last In Camera meeting.

Ms. Donovan responded to questions.

5. NEW BUSINESS/ADDED ITEMS:

5.1 Herring Cove Water and Sewer Funding

Councillor Adams circulated minutes from a meeting of the Herring Cove Ratepayers Association held on November 8, 1999, for information.

Mr. Anguish, Director, Environmental Management Services explained that the Herring Cove Water and Sewer Project currently is short approximately \$5 million overall, on an approximately \$14 million project. He added that Councillor Adams requested that staff find alternative funding sources. Therefore, staff began looking at this project and the Harbour Solutions Project to see if any synergies could be found which would result in cost savings where possible. Mr. Anguish pointed out that staff is also looking at re-scoping the Herring Cove Project down to what is absolutely needed.

Mr. Anguish went on to note that staff intend to provide a report to Council on December 12, 2006 outlining Councillor Adams request for funding sources. In this regard, he advised that staff will highlight the Harbour Solutions Contingency Fund as a potential funding source for the Herring Cove project, noting that this would be an alternative.

Mr. Anguish advised that the Harbour Solutions Contingency Fund currently stands at \$1.89 million uncommitted. He cautioned that, in going forward, he has concerns about the Contingency being used for other things, and this was due primarily for two reasons—a current labour shortage and wastewater priorities. Mr. Anguish explained that a labour shortage is usually followed by an increase in the local construction index because labour has to be brought in from elsewhere. He noted for example, if inflation was at 7% between now and the end of the project, it would result in a \$2.5 million hit. With regard to wastewater priorities, he advised that they are under tremendous stress, compliance-wise, and with this money in the Wastewater Reserve, any unused funds go against Council priorities, which are the liability projects.

Councillor Hum noted that there were two other similar requests, i.e. Fall River and Millview and she indicated that these issues will probably be raised when the matter is brought before Council, and the Councillors of those areas will also question what assistance they can receive.

Mr. Anguish concurred, and noted that were several such projects. He pointed out that this situation was different because there is a direct relationship between the Herring Cove Project and the Harbour Solutions Project. Mr. Anguish also noted that the community dedicated \$4.7 million of their community integration fund toward the sewer and water project, holding back only \$300,000. He advised that he feels strongly that the Contingency Fund be considered as an alternative because it is so integral to the Harbour Solutions Project.

Councillor Adams referred to the circulated information and advised that the Ratepayers Association indicated in 1999 there were six issues they wanted addressed before they would agree to the Harbour Solutions treatment plant, one of which was that water and sewer be provided to the residents of Herring Cove at a reasonable cost. He added that, at a meeting in July of 2005, \$12.5 million was established as a benchmark that would be considered reasonable, and he pointed out that the \$12.5 million included \$4.7 from the Community Integration Fund. Councillor Adams advised that, due to construction cost increases, the cost per lot has more than doubled from the original. He asked for the Committee's support for his request and he noted that a precedent has been set

previously, when the Committee recommended these funds be used for underground wiring. The Councillor pointed out that, presently, survey work with regard to placing utility poles to power the Herring Cove plant is being undertaken, but this is not an issue with his residents. The issue his residents are concerned about is having sewer and water. Councillor Adams also indicated that he and staff are looking at all types of funding sources for this project.

MOVED by Councillor Adams, seconded by Councillor Streach that \$1.5 million from the Harbour Solutions Contingency Fund be applied to the Herring Cove Road Sewer and Water Project.

Councillor Uteck noted various construction activities which have occurred in her district resulting from the Harbour Solutions Project and advised that six businesses in her area will be getting a notice of construction which will shut them down, and this will be the third time this year it has happened. She indicated she did not have any difficulty with putting money aside for the Herring Cove Project, however, she advised that she will be looking for \$150,000 as a possible source of compensation from the Contingency Fund for these businesses.

Councillor Streach indicated that as long as staff was comfortable with the funding allocation, he was supportive of the motion.

In response, Mr. Anguish noted that the purpose of staff bringing this matter to the Committee was to ensure everyone was aware of the risks. He advised that if inflation were to go beyond 6%, staff would be coming back to the Committee for additional funding as the Contingency Fund will be exhausted.

Following a brief questioning of staff the **MOTION WAS PUT AND PASSED.**

5.2 Halifax CLC - Approval Process for Proposed Expenditure of Community Integration Fund

Mr. Anguish advised that this matter had been discussed at the last meeting of the Harbour Solutions Advisory Committee. For the information of the Committee members not familiar with this issue, Mr. Anguish explained that the Halifax Community Liaison Committee (CLC) wants to use their funds (i.e. a million dollars) for a community economic development piece, however, staff pointed out to the group that the funds could not be used for anything that was not laid out in the Municipal Government Act. He indicated that the CLC intended to proceed with their idea in any event, and at a meeting of the combined Harbour Solutions Advisory Committee/Energy and Underground Services Committee, the Committee recommended that the issue be turned over to Mr. Jim Donovan, HRM's Manager of Economic Development.

Mr. Donovan addressed the Committee and provided an update. He circulated briefing notes.

Mr. Donovan advised that following an analysis of CLC's proposal he was suggesting that the newly combined Greater Halifax Partnership/Halifax Regional Development Agency would be the entity for the funds to flow through to create the community investment and

loan fund. This would be a revolving fund that would be managed at the community level around a vision based on an investment vehicle for economic empowerment, ongoing gains for residents, physical improvements and neighbourhood pride.

Mr. Donovan advised that the three main areas of activity would be micro-loans, grants, and programs. He added that the \$1 million would be regarded as an endowment, and it would always remain in the fund; as well, there would be other revenue streams such as CEDIF and small micro-enterprises. Mr. Donovan noted that HRM's service agreement with the Greater Halifax Partnership would enable staff to set this up and it would not require Municipal Government Act amendments.

Councillor Uteck pointed out that Council has previously refused this idea, citing that the funds had to be used for physical infrastructure.

Mr. Donovan explained that the idea he was proposing would see the Greater Halifax Partnership as the manager of this fund and there would be rules with regard to what the fund could be used for. Mr. Donovan noted that the GHP is quite keen on the idea.

In reference to Councillor Uteck's comment, Mr. Anguish advised that staff researched and can find no recommendation or direction by Council that indicates this idea cannot be carried out.

MOVED by Councillor Uteck, seconded by Councillor Adams that the model presented by Mr. Donovan at this meeting, be forwarded to Regional Council.

Mr. Donovan noted that at this stage, the idea is only a concept and there is a lot of work is yet to be done.

Mr. Anguish pointed out that the model presented by Mr. Donovan has not been presented to the CLC for their review and agreement.

A discussion ensued, and in response to a question as to whether this approach is allowable under the MGA, Ms. Mary Ellen Donovan advised that Regional Council can give money to the Partnership directly for these purposes. She added that if this Committee is contemplating this direction, it may want to suggest that a survey of the community be carried out asking the residents to identify what they feel the needs are, thus ensuring that the agenda is not driven by one or two individuals.

Councillor Streach indicated his support for the concept and suggested that staff should go back to the CLC first and present the model, and see if they support it before staff takes this to Council.

Mr. Donovan indicated that the model presented today was not fully developed and that he would want to do more work on it prior to taking it to Regional Council.

Without a vote being taken on the motion on the floor, the following motion was put:

MOVED by Councillor Streach, seconded by Councillor Uteck that the Energy and Underground Services/Harbour Solutions Advisory Committee approves in principle

**the concept presented by the Halifax Community Liaison Committee with regard to its Community Integration Funds and recommends that staff follow up with the CLC.
MOTION PUT AND PASSED.**

6. ADJOURNMENT

The meeting adjourned 4:05 p.m. and convened an in camera session.

Sheilagh Edmonds
Legislative Assistant