

HALIFAX REGIONAL MUNICIPALITY

ENERGY AND UNDERGROUND SERVICES ADVISORY COMMITTEE June 20, 2008

MINUTES

PRESENT: Councillor Andrew Younger, Chair;
Councillor Jim Smith
Councillor Sheila Fougere
Councillor Debbie Hum

REGRETS: Deputy Mayor Stephen Adams, Vice Chair
Councillor Sue Uteck
Councillor Steve Streach

STAFF: Mr. Angus Doyle, Manager of Utilities Coordination,
Traffic & Right-of-Way Services
Ms. Cathie O'Toole, Director, Infrastructure and Asset
Management
Ms. Mary Ellen Donovan, Municipal Solicitor
Mr. Martin Ward, Senior Solicitor
Mr. Brad Anguish, Director, Business Planning and Information
Management
Mr. Ted Tam, Project Manager, Harbour Solutions Project

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1. CALL TO ORDER

The Chair called the meeting to order at 10:09 a.m. without a quorum present. He advised that Councillor Hum was expected soon and once she arrived there would be quorum. He suggested and it was agreed that, while waiting for Councillor Hum, staff would be with the presentation on agenda item 5.2.

2. APPROVAL OF MINUTES

This was dealt with later in the meeting. See page 4.

3. APPROVAL OF ORDER OF BUSINESS / ADDITIONS AND DELETIONS

This was dealt with later in the meeting. See page 4.

4. BUSINESS ARISING FROM THE MINUTES/DEFERRED ITEMS: None

5. NEW BUSINESS:

5.2 NSPI Tufts Cove 6 Application

Mr. Angus Doyle provided an oral update on the Nova Scotia Power Tufts Cove 6 Application, noting the following points:

- The Utility and Review Board (URB) ruled they could proceed with half of the project—which was the waste heat recovery portion but not the duct heating, and the reason for this is that they did not go out solicitation to see if they could get it more cheaply in the market.
- Nova Scotia Power then did go out for solicitation and have reapplied for Tufts Cove 6 to include both the approved portion (waste heat recovery) and duct heating. \$20 million has been added due to the cost escalations in construction and material costs over the last 8 months.
- The URB has made this a paper hearing only and require responses from interveners are to be submitted by the first week of July.
- HRM has supported both portions of the project, and had ask questions specific to vibration concerns. A complete barrier has been completed around Units 4 and 5 and noise testing will be carried out the first two weeks of July. The low frequency noise vibration will not disappear until the new unit is in place because the new boiler will act as a muffler and make the low frequency vibration disappear.

At 10:12 a.m. Councillor Hum entered the meeting and a quorum was present.

Mr. Doyle advised that staff will be making their submission July 3.

In response to questions by Councillor Smith, Mr. Doyle suggested that if the neighbours have any issues, they could bring them to the Councillor prior to July 3, and Councillor

Smith could contact him.

Councillor Smith indicated that he would get in touch with the neighbours and follow up with Mr. Doyle.

With a quorum now present, the Committee dealt with the Approval of the Minutes and the Approval of the Agenda.

2. APPROVAL OF MINUTES

MOVED by Councillor Fougere, seconded by Councillor Hum that the minutes of May 2, 2008 be approved. MOTION PUT AND PASSED.

MOVED by Councillor Hum, seconded by Councillor Fougere that the meeting convene in camera to approve the In Camera minutes. MOTION PUT AND PASSED.

At 10:15 a.m. the meeting adjourned to an incamera session.

At 10:16 a.m. the meeting reconvened with the same members present.

3. APPROVAL OF ORDER OF BUSINESS / ADDITIONS AND DELETIONS

Additions:

- 6.1 Councillor Smith - Remediation of the Pumping Station Area on Jamieson Street
- 6.2 Cathie O'Toole - Additional Funding - Eco Trust

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

5.1 Common Trench Pilot Project

Mr. Doyle provided an oral update on the Common Trench Pilot Project as follows:

- Two developers had expressed an interest in this project, however, one has backed away, so the pilot project is now focussing on Clayton Developments.
- Clayton Developments have met with utilities and scheduled development for design. They will have estimate from the engineer on July 18; following this, the utilities will then review and determine how to cost-share.
- The developer has indicated they could absorb \$2000 - \$3000 for underground services.
- When estimate comes in, a discussion will be held on cost sharing and the matter will then come back to the Committee.

5.3 2008 Rate Application - Oral Update

Mr. Doyle provided an oral update on the 2008 Rate Application by Nova Scotia Power

(NSP). He advised of the following points:

- NSP applied for 12.1 percent rate increase, amounting to \$133 million.
- Any interveners are required to provide feedback by this coming Monday (June 23, 2008), and there will be a second round of hearings in July and in September.
- The request is related to increased fuel costs-- Nova Scotia Power is saying they need \$90 million of additional revenue to cover fuel costs in 2009.
- From staffs' point of view, an unmetered rate increase of 6.4 percent will have a significant impact on HRM and this increase is less than the anticipated 12.1 percent increase, so staff want to make sure that is adjusted;
- the commercial general rate increase is 9.6 percent, and this a bit below the average.
- Part of the increase involves an \$8 million increase in vegetation management. No details were provided on this and staff intend to get more information on how this will impact HRM.

Ms. O'Toole pointed out that because the increase in unmetered rate is about half of what is proposed for the other rate classes, a lot of other interveners at the hearing will be trying to get things added in to that rate class.

Mr. Ward advised that staff have a list of the issues going to the Board that he will pass on to Mr. Doyle to distribute to the Committee.

In response to a question by Councillor Hum, Ms. O'Toole advised that they had budgeted for a normal inflationary adjustment, but in the assumptions there was no indication of a rate increase, so there was nothing built in for 2008/09. She added that it is more of a 2009/10 issue though, and HRM will be halfway through its fiscal year when this comes out.

Councillor Smith advised that he had some concern with the \$8 million for vegetation management, noting that there were three areas owned by Nova Scotia Power in his District, and they do not manage the vegetation. Two of the lots are by residential homes and one is by a school. Councillor Smith advised that he raised this matter with Nova Scotia Power's Local Zone Manager, who indicated he would look into it, but nothing has happened.

The Chair suggested that Councillor Smith forward the details to Mr. Doyle.

A discussion ensued concerning the cutting of trees by Nova Scotia Power and it was noted that they appear to be more aggressive, and that they may be trying to meet standards which are unnecessary in an urban environment.

Ms. O'Toole indicated that staff would try to determine what portion of those funds pertain to HRM.

Mr. Ward suggested that on cross examination at the Hearing, staff can follow up on the question of standards and it may indicate that their (NSP) standards are unnecessary.

In response to a question by Councillor Younger, Ms. O'Toole advised that Nova Scotia

Power do not do anything to municipally-owned trees without contacting staff.

Mr. Doyle referred to the issue of carbon credits, and advised that HRM is participating in the Program (DSM plan is in place for 2008) and is applying for funding. However, staff has recently discovered that the Utility is requesting that whoever applies for funding, will then have to turnover any carbon credits to the Utility. He added that staff have questioned this but has not received a response.

Ms. O'Toole advised that a meeting has been set for July with a representative of FCM to talk about carbon credits and a proposal by FCM to see them as an intermediary between municipalities and the carbon market. She added that staff is not entirely sure they would want to go this route but in discussion with Service Nova Scotia, ACOA, and Nova Scotia Power there is some interest in establishing a regional market with NSP being the utility buying the carbon credits. Ms. O'Toole referred to Mr. Doyle's comment and advised that she and Mr. Doyle were meeting today with representatives of Nova Scotia Power to find out why they want that particular language in the DSM contract. She indicated that staff's position is that it is not acceptable.

In concluding this matter, the Chair advised that he believed a discussion on carbon credits was needed and should be done by either this committee or Regional Council. Ms. O'Toole agreed and noted that the discussion needed to include retirement of carbon credits versus trading them.

5.4 Geothermal/Waste Heat Initiatives - Oral Update (Cathie O'Toole)

Ms. O'Toole provided an oral update on the Geothermal/Waste Heat Initiatives. She advised that staff expect to be able to provide a report on this matter by the Committee's next meeting, on July 18 and then possibly taking the report to Regional Council either in August or the first meeting in September. Ms. O'Toole added that staff have received an unsolicited proposal from High Performance Energy Services with regard to securing the rights to the heat from the Halifax Sewage Treatment Plant. She explained that there is a lot of interest from the businesses in the downtown in the heat that would come from the Plant, therefore, rather than Council considering entering any unsolicited proposals at this time, it would be more advantageous to carry out a study on the Halifax Plant, and then put out an Expression of Interest. Ms. O'Toole advised that the next steps this will be for staff to bring a report to Council and have Council provide a motion on what its position is on the heat from the Halifax Plant before staff can respond to the unsolicited proposal.

A brief discussion was held on when the Committee should next meet and it was agreed that, pending everyone's schedule, a meeting would be held on July 10, 2008 at 3:00 p.m. The Legislative Assistant was asked to survey staff and committee members to see availability of all on this date, and to see if a meeting room in Dartmouth at Alderney Landing would be available.

6. ADDED ITEMS:

6.1 Councillor Smith - Remediation of the Pumping Station Area on Jamieson Street

Councillor Smith advised that the pumping station on Jamieson Street had been constructed on land owned by Department of National Defense (DND) but that had been a park area. He added that Dexter Construction had negotiated with DND to place the pumping station there, and the area was supposed to be remediated to what it looked like previously (park area). Councillor Smith advised that the benches disappeared and a pile of fill from the excavation of the pipeline was dumped. The Councillor advised that he would like to see the area reverted back to a park.

Councillor Smith added that he had Parkland Planning staff out to view the area and they estimated it would cost \$6000 to fix it up. He suggested that the park should be remediated with hydroseed and perhaps some trees planted to provide a visual barrier of the pumping station, with the funding to come from the Harbour Solutions Project contingency.

Mr. Brad Anguish addressed the Committee and advised that this was a complex situation because, although the Councillor is correct in what describing what happened, when staff undertook this matter, the area was not classified as a Park as far as HRM was concerned. He explained that the contractor negotiated an easement with DND for the pumping station, and DND gave permission to Dexter to dump the fill where they did. Mr. Anguish pointed out that HRM has no influence to what DND allows to occur.

Mr. Anguish added that staff contacted DND to see if they can get area reinstated and was advised that their plan was to hydroseed. He explained that there is an issue with this because Parks staff have advised that in order to make this an official Park, they would typically want topsoil and sodding, and this results in some extra cost.

Mr. Anguish outlined the following funding options available, should the Committee wish to reinstate the area as a Park:

- Harbour Solutions Contingency Fund (any expenditure requires EUGS Committee approval)
- The Community Integration Fund (any expenditure from this fund should go to Regional Council for approval)

Mr. Anguish pointed out that staff have been actively working with the Halifax Regional Water on the matter of the placement of the fill and possible cost-sharing to reinstate the area. He also noted that any change to the look of the building would require the Committee's approval.

Mr. Anguish responded to questions.

In response to a question by Councillor Hum, Mr. Anguish advised that Parkland Planning staff are ready to go to tender for reinstatement, which includes topsoil.

Councillor Smith advised that he wanted to clarify any misconception that he was approached by parkland planning staff for funding, adding that, when he addressed this issue with the planner, the planner assumed that the Councillor would be providing the

funds from his Building Communities Fund. Councillor Smith added that he was not so concerned about the aesthetics of the pumping station at this point in time, and that down the road he may consider having a mural painted on it, but that he would like the area to be properly sodded. Councillor Smith indicated that his request was in regard to integrating the park area with the pumping station, and therefore he felt the funds should come from a fund associated with the Harbour Solutions project.

A discussion ensued.

MOVED by Councillor Smith, seconded by Councillor Fougere that the Energy and Underground Services Advisory Committee recommend that \$10,000 from the Contingency Fund be used to address the outstanding remediation of the Jamison Street Pumping Station.

In response to a question concerning ownership of the land around the pumping station, Mr. Anguish advised that it has been transferred to the Halifax Regional Water Commission. He added that HRWC and HRM Parks staff would make arrangements to have Parks maintain it.

Mr. Tam also pointed out that under the Harbour Solutions contract, seven or eight trees will be planted around the pumping station. He added that he was onsite yesterday in regard to pinpointing the location for the trees.

MOTION PUT AND PASSED.

6.2 Cathie O'Toole - Additional Funding - EcoTrust

Ms. O'Toole advised that a second application has been submitted and staff have found out that they will be getting approximately \$600,000. She added that in September staff will be presenting to Council the energy efficiency projects that the funds will be slated for.

The Chair asked that when staff presents its report to Council, the report show what the savings are as well.

7. NEXT MEETING DATE - July 10, 2008

8. ADJOURNMENT

The meeting adjourned at 11:27 a.m.

Sheilagh Edmonds
Legislative Assistant

The following information was submitted:

- A memorandum dated June 13, 2008 from the Legislative Assistant regarding the membership selection Committee's response to the Committee's motion to reduce its membership.