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PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Halifax Regional Council**  
**February 20, 2007**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

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

Dan English, Chief Administrative Officer

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

Wayne Anstey, Deputy Chief Administrative Officer - Operations

**DATE:** February 19, 2007

**SUBJECT:** **Alternate routing of power to the Herring Cove Wastewater Treatment Facility**

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**ORIGIN**

February 16, 2007 Energy & Underground Services (EUGS) Advisory Committee Meeting where it was recommended that EUGS Committee recommend to Regional Council that the scope of the Harbour Solutions Project be amended.

**RECOMMENDATION**

Should Regional Council concur with the alternate routing of power to the Herring Cove Wastewater Treatment Facility as recommended by the EUGS Committee, then it is recommended that Regional Council:

Amend the scope of the Harbour Solutions Project to include the rerouting of the aerial power to the Herring Cove Wastewater Treatment plant from the east side of the driveway to the west side by the use of a 45 metre section of underground conduit in the amount of \$43,400, plus net HST for a total price of \$44,888 with funding authorized from the Energy and Underground Services Reserve No. Q131, as per the Budget Implications section of this report.

## **BACKGROUND**

On February 16, 2007 staff sought EUGS Advisory Committee's advise and direction as to whether the scope of the Harbour Solutions Project is to be changed to include the relocation of power poles and, if so, how will it be funded. The request to relocate the power poles originated from the Herring Cove Community Liaison Committee (CLC) in order to protect the view of the ocean as visitors walk the trail along the access road (that the CLC is constructing using the balance of their Community Integration Fund \$300K).

This request is time sensitive as work along the access road is well underway and power needs to be extended to the WWTF to facilitate completion in accordance with the construction schedule.

## **DISCUSSION**

If Council wishes to proceed with the proposed pole relocation, staff feel that amending the scope of the Harbour Solutions Project is the best contract approach at this late stage in terms of getting best price and construction synergy. With respect to the source of funding for the project, there were several funding options identified to the EUGS committee as follows:

- a. Community Integration Funds: The community has approximately \$300K remaining which they wish to dedicate towards recreation space development, primarily trails. These funds are yet to be committed.
- b. Underground Services Reserve (Q131)
- c. 2007/08 Capital Budget in the form of a Councillor request.
- d. Harbour Solutions Project contingency fund.

EUGS concurred with staff that the HSP contingency was not the preferred funding source and recommended that funds for this proposal be withdrawn from the Energy and Underground Services Reserve (Q131). This Reserve is intended to enable the municipality to respond quickly to opportunities that may arise outside the normal operating and capital budget during the fiscal year, and to leverage funds from other levels of government and external agencies to co-locate underground services such as natural gas conduit, fibre optic cable, and telecom lines with other capital projects. Capital projects that can be planned in advance and are not contingent upon receiving funding from third parties, should be submitted as part of the regular capital business planning/budget process for consideration. Sources of funds for this Reserve follow:

- Net proceeds from any future sales on natural gas orphan system or conduit assets
- Provincial Department of Energy has committed to pay HRM \$30,000 per year for 10 years, commencing in 2004/05 to be used towards projects which further develop the natural gas system.

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The Herring Cove Undergrounding proposal meets the criteria for the Reserve. Council should be aware, however, that funds for undergrounding services in HRM are very limited as follows:

- CDV00736 - Underground Wiring in Capital District - Balance \$725,000 - funded from Strategic Growth Reserve - Q126.
- CDG00499 - Implement HRM Policy Re: Burying Wires - Balance \$191,042.60
- Projected balance of Energy and Underground Services Reserve (Q131) at March 31, 2007 - \$271,946.

Notwithstanding the above amounts, staff have no definitive plans for undergrounding services as yet as part of the 2006/07 business plan; however, staff are aware of some potential opportunities as follows:

- Co-location of natural gas conduit as part of Spring Avenue reconstruction, and
- Undergrounding of power along sections of Spring Garden Road in conjunction with potential natural gas installations. Staff are currently unclear as to when and where such installations will proceed and therefore have no cost estimates. Based on staff's current understanding of the potential scope of the project, it is safe to say that the costs would substantially exceed the funds identified above. Capital District Staff have been in contact with key stakeholders to begin examining potential financial approaches should the project move ahead.

Obviously, any withdrawal of funds from the Energy and Underground Reserve (Q131) will diminish HRM's capacity (to some extent) to respond to potential opportunity driven undergrounding projects in the Capital District in future.

Further, on February 21, 2006 Regional Council approved criteria to assess the merits of underground wiring projects, prioritize projects and allocate resources. This Council Report is attached for Council's information. When examining the Herring Cove Undergrounding proposal against Council's criteria, it is clear that the proposal would score relatively low; however, there are no definitive projects of significant cost competing for these funds at this time. Given that the Herring Cove proposal meets the requirement for reserve funding and protects the views/vistas for the community's new trail system, staff can support the EUGS committee's recommended funding source.

### **BUDGET IMPLICATIONS**

Based on the estimated cost of \$43,400 plus net HST for a total of \$44,888 funding is available from the Energy and Underground Services Reserve (Q131). The budget availability has been confirmed by Financial Services.

#### **Budget Summary**      **Energy and Underground Services Reserve Q131**

Projected Balance at March 31, 2007	\$271,946
Less: Alternate Routing of Power	<u>\$ 44,888</u>
	<u>\$ 227,058</u>

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

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating and Capital budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this will increase the 06/07 approved Reserve withdrawals.

### **ALTERNATIVES**

- Status Quo. The power poles would proceed along the east side of the access road as currently designed. The Herring Cove CLC and HRM trail coordinator feel that the power poles on the east side will negatively impact the view of the ocean as visitors walk down the trail from Village Road.
- Community Integration Funds: The CLC has approximately \$300K which they wish to dedicate towards recreation space development, primarily trails. These funds are yet to be committed. A withdrawal of \$45K to support undergrounding will substantially reduce the trail development plans.
- 2007/08 Capital Budget in the form of a Councillor request.
- Harbour Solutions Project contingency fund. The current uncommitted contingency balance is \$230K (or 0.16% of remaining work), which is extremely low. While the delay in completion of the Wastewater Treatment Facilities could result in a potential \$2.5 to \$3.0 million in inflation savings to HRM, it must be cautioned that these additional contingency funds have yet to be realized, and that the Contractor is in complete control of the length of delay and therefore the ultimate size of the contingency. There are numerous pressures on the uncommitted contingency as follows:
  - Design and Construction costs due to change in law
  - Potential insurance claim deductible (up to \$400K)

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February 20, 2007

- Changes in insurance market
- Further inflation increases as current inflation is hovering close to the committed contingency forecast of 6.0%. If inflation was to increase to 7%, the project would incur approximately \$650,000 in additional costs over the remainder of the project.
- Design improvements for long term operational efficiency
- Other community/councillor requests

Much of the Project's successful image has been created by the fact that staff have not had to continually return to Council looking for additional funds to complete the Project, thereby triggering potential additional water rate increases for rate payers. Further, funds collected for Harbour Solutions Project are held in the WW Capital Reserve (Q105). Any contingency funds remaining at the end of the Project should be directed to HRM's wastewater capital liabilities which currently exceed \$200 million. It is therefore difficult for Project staff to recommend the use of WW Capital funds to facilitate moving the overhead wires to the other side of the access road.

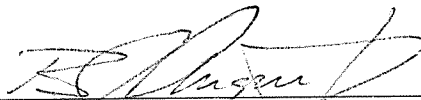
**ATTACHMENTS**

Council Reported dated February 21, 2006 Underground Wiring - Project Criteria

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.

Report Prepared by: Ted Tam, P. Eng. Project Manager, Harbour Solutions Project, 490-6130


Report Approved by:

  
\_\_\_\_\_  
Brad Anguish, Director, Environmental Management Services, 490-4825

Financial Approval by:

  
\_\_\_\_\_  
Catherine Sanderson, Senior Manager, Financial Services, 490-1562

Report Approved by:

  
\_\_\_\_\_  
Cathie O'Toole, Acting Director, Financial Services, 490-6308]



PO Box 1749  
Halifax, Nova Scotia  
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Halifax Regional Council  
February 21, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

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Councillor Linda Mosher, Chair - Energy and Underground Services  
Committee

DATE: February 21, 2006

SUBJECT: Underground Wiring - Project Criteria

#### ORIGIN

1977 HRM Council Report to Create the Short Term Pole-Free Zone  
May 49, 2005 HRM Council Report - Underground Feasibility Study  
October 18, 2005 HRM Council Report - Pole Free Areas

#### RECOMMENDATION

It is recommended that Regional Council:

- Approve the criteria to assess the merits of underground wiring projects, prioritize projects and allocate resources as described in the attached staff report.

#### BACKGROUND

On October 18, 2005 HRM Council passed a motion authorizing staff to develop criteria to assess the merits of underground wiring projects as a tool to prioritize projects and allocate resources, with priority to be given to the Capital District area.

DISCUSSION

Criteria are required to set priorities and assess underground wiring projects within the Capital District Pole Free Area, to assist with allocation of resources through the business planning/budget process. The proposed criteria were reviewed by the Capital District Taskforce at their January 11, 2006 meeting, and modified to reflect the input from the Capital District Taskforce.

BUDGET IMPLICATIONS

There is no defined funding program for underground wiring within HRM. Projects are funded as opportunities arise, subject to availability of funding. There is a capital account (#CDV00736) funded in the 2005/06 budget/business plan with \$725,000 toward underground wiring. The attached assessment criteria for underground wiring projects will be used to identify priority projects to be funded from #CDV00736. As underground projects are identified in conjunction with other capital projects or developments, they will be submitted for consideration during the HRM Business Planning/Budget process.

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

The EUGS Committee could suggest amendments to the proposed criteria.

ATTACHMENTS

Staff report - Underground Wiring - Project Criteria

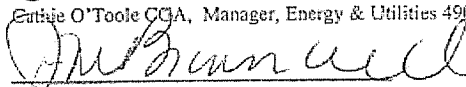
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Report Prepared by :



Cathie O'Toole CCA, Manager, Energy & Utilities 490-7061

Financial Review :



Jean Broussard, MBA, Financial Consultant, EMS 490-6267

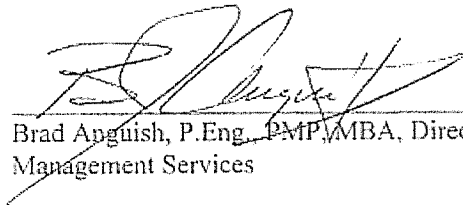


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HRM Regional Council  
February 21, 2006

**TO:** Energy and Underground Services Committee

**SUBMITTED BY:**



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

**DATE:** February 21, 2006

**SUBJECT:** Underground Wiring - Project Criteria

**ORIGIN**

1977 HRM Council Report to Create the Short Term Pole-Free Zone  
May 19, 2005 HRM Council Report - Underground Feasibility Study  
October 18, 2005 HRM Council Report - Pole Free Areas

**RECOMMENDATION**

It is recommended that Energy and Underground Services Committee

- Approve the attached criteria to assess the merits of underground wiring projects as a tool to prioritize projects and allocate resources.

**BACKGROUND**

In May 2005 the results of the Underground Feasibility Study prepared in 2005 by Kinetics was presented to HRM Regional Council along with a staff report containing recommendations designed to build a strong foundation to enable the municipality to move forward toward 1) requiring underground wiring in new developments, 2) enabling wiring in some existing over head wiring areas such as the Capital District, to be moved under ground as opportunities arise.

In August 2005, HRM reached a mediated agreement with Nova Scotia Power regarding vegetation management easements, and as part of the mediation it was agreed that undergrounding utilities in new developments is the best solution to eliminate tree/utility conflicts. Nova Scotia Power agreed



to support HRM's intention to move to underground utilities in new developments, and agreed to cost share on a 50/50 basis (to a maximum of \$30,000) development of the joint trench standard, joint trench agreement, and development of financing recommendations. An RFP to engage a consultant to work with HRM and the utilities on "Common Trench Best Practices" including these deliverables was issued in Fall 2005. Neill & Gunter was the successful proponent, and the anticipated completion date is March 2006. Some features of the Common Trench Best Practices may make it more economical and feasible to move existing overhead wires underground.

Three actions are required to enable underground wiring projects to move forward within the Capital District:

1. Agreement on criteria to assess potential projects
2. Completion of the "Common Trench Best Practices" work
3. Approval of funding for underground wiring projects as part of HRM's budget /business planning process to fund HRM's share of any cost shared projects.

Once the policies and administrative processes have been established, Capital District staff will be the lead for identification, assessment, and management of underground wiring projects within the Capital District, with support from Transportation Public Works and Environmental Management Services.

On October 18, 2005 HRM Council passed four motions with respect to pole-free areas, and efforts to move toward underground wiring versus overhead wiring in new developments, and in areas designated "pole-free".

The motions passed by HRM Council, and their status, are described in the table below.

Motion	Status	Comment
May 2005 - HRM develop a Joint Trench Agreement in cooperation with the utilities	In Progress	Underway. NSP and HRM are cost sharing development of "Common Trench Best Practices" utilizing Neil & Gunter. Anticipate completion by March 31, 2006.
May 2005 - Pending adoption of a Joint Trench Agreement, prepare recommendations regarding the type of developments which should have underground services as well as the type of services to be placed underground: and	In Progress	Underway. The "Common Trench Best Practices" will provide recommendations developed jointly between HRM, utilities, and the development community.

Underground Wiring Project Criteria  
Council Report

February 21, 2006

<p>May 2005 - Develop a plan to expand the existing pole-free zone; giving priority to the Capital District, pending negotiation of cost sharing agreements, and delineation of responsibilities amongst utilities and HRM. All of these recommendation are in progress, or completed.</p>	<p><input checked="" type="checkbox"/></p>	<p>Oct. 18, 2005 HRM Council approved the motions in the "Pole Free Area" report.</p>
<p>Oct. 2005 - Continue current administrative practices with respect to existing pole-free areas in Halifax, Dartmouth, and Bedford;</p>	<p><input checked="" type="checkbox"/></p>	<p>Implemented, however Energy and Underground Services Committee of Council have requested staff clarify at a future EUGS meeting, how the existing administrative practices work.</p>
<p>Oct. 2005 - Expand the boundaries of the current Short Term Pole Free Zone to include the entire secondary boundary area of the Capital District.</p>	<p><input checked="" type="checkbox"/></p>	<p>October 18, 2005 motion by HRM Council</p>
<p>Oct. 2005 - Direct staff to negotiate extensions of the current cost sharing agreements for the Short Term Pole Free Zone with Nova Scotia Power and Aliant to include the expanded Pole Free Area</p>	<p><input checked="" type="checkbox"/></p>	<p>Aliant and Nova Scotia Power have confirmed the cost sharing agreements. (Attachments 2 &amp; 3)</p>
<p>Oct. 2005 - Direct staff to develop criteria to assess the merits of underground wiring projects as a tool to prioritize projects and allocate resources, with priority to be given to the Capital District area.</p>	<p><input checked="" type="checkbox"/></p>	<p>Criteria have been prepared, reviewed with the Capital District Task Force, and with the Energy and Underground Services Committee (Attachment 1)</p>

**DISCUSSION**

On January 22, 2002 HRM Council adopted the Capital District vision, and recognized the role of the Capital District as the centre of economy and culture for the region. In 2004 HRM Regional Council also approved Streetscape Guidelines and Plans for the five commercial districts within the Capital District, which recommend undergrounding within the Capital District. For the same reasons the Capital District area was designated for specific attention, Council elected to designate the Capital District (up to the secondary area boundary) as an intended Pole-Free Area.

Establishment of Pole-Free Zones provides a tool to enable HRM to capitalize on opportunities to underground wiring as a result of new developments or major street reconstructions and capital projects. It is proposed that new developments within Pole-Free areas should have to provide

underground secondary connections at the expense of the developer. Currently, underground wiring projects are not funded on an annual basis through HRM's capital budget process, but take place as opportunities arise in conjunction with other projects.

Criteria are required to set priorities and assess underground wiring projects within the Capital District Pole Free Area, to assist with allocation of resources through the business planning/budget process. The proposed criteria (Attachment 1) were reviewed by the Capital District Taskforce at their January 11, 2006 meeting, and were reviewed by the Energy and Underground Services Committee of Council at their February 17, 2006 meeting.

### **BUDGET IMPLICATIONS**

There is no defined funding program for underground wiring within HRM. Projects are funded as opportunities arise, subject to availability of funding. There is a capital account (#CDV00736) funded in the 2005/06 budget/business plan with \$725,000 toward underground wiring. The attached assessment criteria for underground wiring projects will be used to identify priority projects to be funded from #CDV00736. As underground projects are identified in conjunction with other capital projects or developments, they will be submitted for consideration during the HRM Business Planning/Budget process.

### **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**

- HRM Council could reject or modify the assessment criteria for underground wiring projects.

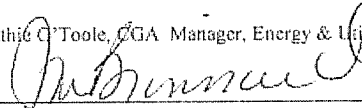
### **ATTACHMENTS**

Proposed Assessment Criteria for Underground Wiring Projects  
Cost Sharing letter from Nova Scotia Power  
Cost Sharing letter from Aliant

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

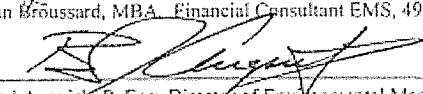
Report Prepared by:

Cathie O'Toole, CGA Manager, Energy & Utilities 490-7061



Financial Review:

Joan Broussard, MBA Financial Consultant EMS, 490-6267



Report Approved by:

Brad Anguish, P. Eng, Director of Environmental Management Services 490-4825

