

11.1.22

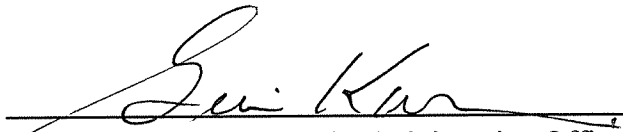


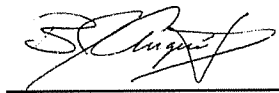
PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
May 29, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Geri Kaiser, Acting Chief Administrative Officer


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

DATE: May 24, 2007

SUBJECT: **HRM/HRWC Draft Wastewater and Stormwater Transfer Agreement**

ORIGIN

HRM Council motions of June 27, 2006, December 12, 2006, and April 24, 2007.

RECOMMENDATION

It is recommended that Regional Council:

1. Approve the transfer of HRM's wastewater services, inclusive of all related staff, assets and liabilities as described in the draft Wastewater and Stormwater Transfer Agreement substantially in the form attached; to Halifax Regional Water Commission; and,
2. Request the HRWC to compile an application to the Nova Scotia Utility and Review Board (NSUARB) for approval of the transfer agreement and interim wastewater rates.

BACKGROUND

On June 27, 2006, Regional Council authorized HRWC and HRM staff to pursue the amendment to the HRWC Act through a Private Members or Provincial Government bill that will enable HRM's wastewater system to be regulated by the Nova Scotia Utility and Review Board (NSUARB) with associated rates recommended by the HRWC Board and ultimately approved by the NSUARB. On November 23, 2006, the HRWC Act amendment received third reading and Royal Assent consistent with Regional Council's direction. On December 12, 2006, Regional Council further directed staff to commence merger activities with a target date of April 1, 2007 for a combined operation and directed staff to negotiate a transfer agreement for the approval of HRM council, the HRWC Board and the NSUARB. Staff provided an update on merger activities to Regional Council on February 13, 2007. The updated report indicated that the proposed transfer agreement would not be ready for Council's approval until May, 2007. On April 24 and 26, 2007, Regional Council and the HRWC Board respectively approved the spirit and intent of the draft transfer agreement and authorized staff to complete the remaining details of the agreement for final approval as soon as possible.

DISCUSSION

As directed by the Regional Council, staff have finalized the transfer agreement (as per the attached HRWC report) for the merger of HRM's wastewater and stormwater services with HRWC. The transfer agreement was approved by the HRWC Board on May 24, 2007.

The merger of HRM's wastewater and stormwater services with the Halifax Regional Water Commission will create the first regulated combined water/wastewater/stormwater utility in Canada. The utility approach to wastewater and stormwater services will provide necessary financial sustainability thereby ensuring long term protection of health and the environment for citizens of HRM.

The draft transfer agreement provides the key terms and conditions for the seamless transfer of an estimated \$1.4 billion in stormwater/wastewater capital assets and approximately \$25 million/year in operating expenses. The transfer agreement provides guidance for creation of the combined utility in the following areas:

- a. scope of services and assets
- b. continuity of services
- c. human resources
- d. financial assets, liabilities, and budgets
- e. regulations
- f. transfer oversight

Since our last report to Regional Council, HRM and HRWC staff have worked diligently to finalize the financial aspects related to the transfer agreement. In particular, a schedule (Schedule "H") has been produced to reconcile all reserves and external funding sources that will be transferred for the

benefit of the combined utility operation. Letters have also been issued to each employee involved in the transfer to inform them of merger progress and to seek their authorization to release personal records to HRWC.

Significant work has also been conducted to ensure funding stability for wastewater operations for the 2007/08 and 2008/09 fiscal years. A two year wastewater funding strategy has been put in place to ensure a cost neutral position for the water and wastewater utility. This transitional funding plan is required for the application to the NSUARB for approval of interim rates based on the current rate structure approved by Council. The two year transitional plan also provides the combined utility with a full test year (2008/09) upon which to base its future cost of service study. It is envisioned that a cost of service study will be conducted in the 2009/10 fiscal year with a subsequent formal rate application to the NSUARB to align costs with the services provided.

With the approval of Council, HRWC staff are ready to commence preparation of the application to the NSUARB for approval of the transfer agreement and interim wastewater rates. With the current schedule and approval process for the HRWC Board, HRM Council and NSUARB, the projected transfer date is now August 1, 2007.

Next Steps

Should Regional Council approve the attached draft Transfer Agreement, staff anticipate the following steps will occur:

- a. May 30 to June 21, 2007 - NSUARB application preparation - finalize regulations, business plan, rates and charges
- b. June 22, 2007 - Application made to the NSUARB for approval of Transfer Agreement and interim rates
- c. August 1, 2007 - Upon receipt of approval by NSUARB, transfer all HRM wastewater services staff and assets to HRWC operating under interim wastewater rates
- d. August/September, 2007 - Repeal HRM By-laws (or portions thereof) that have been made redundant by new HRWC regulations
- e. October, 2007 - NSUARB Wastewater Rate Hearings to approve or amend interim rates
- f. 2008/09 - Full test year of combined utility
- g. 2009/10 - Cost of Service study and subsequent rate application to NSUARB

BUDGET IMPLICATIONS

As of the anticipated Effective Date of August 1, 2007, all wastewater services assets and debt as described in the Wastewater and Stormwater Transfer Agreement substantially in the form attached, wastewater services capital and operating budgets, reserves, and funding commitments will transfer to HRWC.

All wastewater rate increases approved by Regional Council prior to the transfer date will be implemented by HRWC. Currently the only approved wastewater rate increase is the final increase of 9 cents per cubic meter required for Harbour Solutions Project (HSP) effective October 1, 2007. Regional Council is still considering a potential rate increase to complete a \$30M upgrade to the Eastern Passage Wastewater Treatment Facility (WWTF) to re-establish compliance with provincial regulations. Should Regional Council decide to defer this project to the HRWC, a separate rate application process will be pursued with the NSUARB as soon as possible. Beyond the final rate increase for HSP, any rate increase for Eastern Passage WWTF and any unforeseen corrective emergency work, it is anticipated that there will be no further wastewater rate increases until after the cost of service study is completed in 2009/10, subject to NSUARB approval.

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

1. Council could request amendments to the draft Transfer Agreement (attached).
2. Council could reject the Transfer Agreement and either pursue an alternate governance approach for HRM's wastewater services or maintain status quo.

ATTACHMENTS

A. HRWC Report, Item 2C(a), dated May 18, 2007


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:



Brad Anguish, Director, Environmental Management Services
Carl Yates, General Manager, Halifax Regional Water Commission

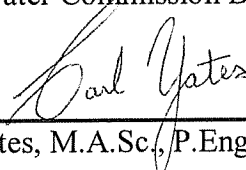
Financial Approval by:



Cathie O'Toole, CGA - Acting Director Finance, 490-6308

TO: Donald L. Mason, P.Eng., MCIP, Chair, and members of the Halifax Regional Water Commission Board

SUBMITTED BY:



Carl D. Yates, M.A.Sc., P.Eng., General Manager

DATE: May 18, 2007

SUBJECT: **Wastewater Merger Transfer Agreement**

ORIGIN

HRM Council motion of December 12, 2006, HRWC Board motion of April 19, 2007, and HRM Council motion of April 24, 2007.

RECOMMENDATION

It is recommended that the HRWC Board substantially approve the Draft Wastewater and Stormwater Transfer Agreement (attached) and authorize staff to compile an application to the Nova Scotia Utility and Review Board (NSUARB) for approval of the transfer agreement and interim wastewater rates.

BACKGROUND

As directed by the Board at the meeting of April 19, 2007, and Regional Council at the meeting of April 24, 2007, staff have finalized the transfer agreement for the merger of HRM's wastewater and stormwater services with HRWC.

DISCUSSION

Since our last report to the Board, HRM and HRWC staff have worked diligently to finalize the financial aspects related to the transfer agreement. In particular, a schedule (Schedule "H") has been produced to reconcile all reserves and external funding sources that will be transferred for the benefit of the combined utility operation. In addition to this exercise, a concurrent activity was carried out by HRWC staff to ensure funding stability for wastewater operations for the

2007/08 and 2008/09 fiscal years. A two year wastewater funding strategy has been put in place to ensure a cost neutral position for the water and wastewater utility. This transitional funding

Item 2C(a)
Page 2 of 2

plan is a cornerstone for the application to the NSUARB for approval of interim rates based on the current rate structure approved by Council. The two year transitional plan is important in that it will provide the combined utility with the opportunity to have a solid test year (2008/09) upon which to base its future cost of service study on. It is envisioned that a cost of service study will be carried out in the 2009/10 fiscal year with a subsequent formal rate application to the NSUARB to align costs with the services provided.

With the approval of the Board, staff are ready to commence preparation of the application to the NSUARB for approval of the transfer agreement and interim wastewater rates. With the current schedule and approval process for the HRWC Board, HRM Council and NSUARB, the projected transfer date is now August 1, 2007. This will allow time to prepare a detailed application and formal two year business plan to be presented to the HRWC Board at the meeting of June 21, 2007. It is projected that the application will be submitted to the NSUARB on June 22, 2007, with an allowance for NSUARB review over a five week period. In anticipation of an NSUARB order on or before August 1, 2007, a public hearing to approve or amend the interim rates is scheduled for late October 2007.

The application to the NSUARB will present a rate structure based on consumption as currently exists. However, it is envisioned that a future wastewater rate structure tied to the cost of service study will resemble the current water rate structure in that a portion will be tied to the customer meter size to represent fixed costs and a second element will be tied to consumption to reflect variable costs. In addition, we fully expect a different rate structure for stormwater than currently exists. Currently, stormwater charges are based on consumption, and it is envisioned that the future rate structure will be based on surface runoff.

Subsequent to the Board's approval of the attached transfer agreement, it is scheduled to be presented to Council on May 29, 2007. We again appreciate the cooperation and goodwill of HRM and HRWC staff, and the support of Council and the Board as we near a significant milestone to realize a merged water and wastewater utility.

BUDGET IMPLICATIONS

The Board has approved a budget of \$300,000 to cover the merger planning costs. To date, we have spent \$190,893 of this approved fund. As additional funds are required, staff will seek approval from the Board. It is also recognized that wastewater and stormwater operations from August 1, 2007, to March 31, 2009, can be financed through the existing rate structure supplemented by reserves and external funding support.

ATTACHMENTS

Draft Wastewater and Stormwater Transfer Agreement

THIS AGREEMENT made the day of , 2007,

BETWEEN:

HALIFAX REGIONAL MUNICIPALITY, a body corporate, hereinafter called
"HRM"

OF THE FIRST PART

- and -

HALIFAX REGIONAL WATER COMMISSION, a body corporate, hereinafter
called "HRWC"

OF THE SECOND PART

WHEREAS HRM has had the responsibility for the operation and administration of waste-water facilities and storm-water facilities in HRM pursuant to the *Municipal Government Act*, and owns various facilities for those purposes;

AND WHEREAS HRM and HRWC have agreed that it is in the public interest to transfer the responsibility for the operation and administration of certain of those facilities from HRM to HRWC;

AND WHEREAS HRM has the authority under section 60 of the *Municipal Government Act* to enter into an agreement with a service commission to provide and administer municipal services;

AND WHEREAS HRM has agreed to transfer its right, title and interest in municipal waste-water facilities and municipal storm-water facilities in the designated area to HRWC;

AND WHEREAS the provisions of the *Halifax Regional Water Commission Act* have been amended to permit regulation of the aforesaid operation and administration by the Utility and Review Board in accordance with the *Public Utilities Act*;

NOW THEREFORE the parties do agree as follows:

Utility and Review Board

1. This Agreement is subject to the approval of the Utility and Review Board.
2. The parties shall be bound by any final decisions of the Utility and Review Board with respect to the interpretation of any clause of this Agreement.

Interpretation and Implementation

3. In this Agreement,

- (a) “Effective Date” means a date to be set by the Utility and Review Board as the effective date for the transfer of assets and responsibilities from HRM to the HRWC hereunder;
- (b) “full cost recovery” shall have such meaning as may be ascribed to it from time to time by the Utility and Review Board;
- (c) “HRWC Regulations” means such Rates, Rules and Regulations as may be approved by the Utility and Review Board and in effect from time to time;
- (d) “municipal waste-water facilities” means waste-water facilities operated for municipal purposes except those solely dedicated to servicing municipal buildings, municipal parks and recreation lands or dedicated to treating leachate at past or present landfill sites, and “municipal waste-water services” has a corresponding meaning;
- (e) “municipal storm-water facilities” means
 - (i) those storm sewers, ditches, pipes and culverts and other elements of “stormwater systems” as defined within the *Municipal Government Act* which are located within municipal road rights-of-way; and
 - (ii) storm-water retention and drainage facilities and other elements of “stormwater systems” as defined within the *Municipal Government Act* which are operated for municipal purposes except those solely dedicated to servicing municipal parks and recreation lands, or other municipal buildings or spacesin the designated area, being the area defined by the red line in the attached Schedule “A”; and “municipal storm-water facilities” and “municipal storm-water services” have corresponding meanings;
- (f) “Transfer Date” means:
 - (i) in the case of the assets associated with the Harbour Solutions Project, the date prescribed by section 13 of this Agreement; and
 - (ii) in the case of other assets, the Effective Date;
- (g) “unexpended balance” means the balance of funds earned but not expended less those amounts which have been committed against the funds by means of an invoice approved and entered as an account payable;
- (h) “Utility and Review Board” means the Nova Scotia Utility and Review Board; and
- (i) “waste-water facilities” has the same meaning as “wastewater facilities” in the *Municipal Government Act* and, without limiting the generality of the foregoing,

includes collection, pumping, treatment and discharge facilities, and “waste-water services” has a corresponding meaning.

4. This Agreement shall be interpreted and implemented in accordance with its purposes, which are:
 - (a) to transfer municipal waste-water facilities and municipal storm-water facilities and their operation and administration to HRWC from HRM, to better serve the public interest;
 - (b) to have such facilities operated as a public utility integrated with HRWC’s existing water utility facilities to the extent deemed appropriate by the Utility and Review Board;
 - (c) to evolve the operation and administration of municipal waste water services and municipal storm-water services towards a system whereby the general taxpayer of HRM does not subsidize the utility rate payer of HRWC and the utility rate payer of HRWC does not subsidize the general taxpayer of HRM; and
 - (d) to have HRM pay a fee for service on a full cost recovery basis for waste-water services and storm-water services made necessary by the operation of other municipal services, including, but not restricted to, solid waste management services, and parks and recreation services.
5. In the event any provision in this Agreement is illegal or impossible to implement, or could only be implemented in a manner contrary to the purposes and intent of this Agreement, the parties shall attempt to give effect to the purposes of this Agreement by alternate means approved by the Standing Committee, or the parties hereto, without any amendment to this Agreement being required.

HRM Co-operation

6. In the event that it is determined by the Utility and Review Board at any time that any of the services to be operated by the HRWC pursuant to this agreement ought to be paid for by rates or charges against persons, developments or properties determined by the Board to benefit from the service, HRM agrees
 - (a) to use its best efforts to secure passage of any provincial legislation recommended by the Board in order to effectively implement such a rate-structure;
 - (b) to submit to HRM’s Council any by-laws prepared by HRWC that would be necessary or advantageous to implement such a rate-structure; and
 - (c) to collect and remit to HRWC such rates or charges (whether levied and collected by HRM on HRWC’s behalf, or whether levied by HRWC and collected by HRM on HRWC’s behalf) as fully and effectively as is reasonably possible and, if charging HRWC a fee for collection, to charge a fee not exceeding full cost recovery.

Real Property Owned by HRM

7. With respect to real property owned by HRM:
- (a) Subject to more specific provisions herein to the contrary, all of the real property owned by HRM upon which municipal waste-water facilities and municipal storm-water facilities are situated, including the real property described in Schedule "B" hereto, except for municipal road rights-of-way, shall be transferred to HRWC by Warranty Deed on the Transfer Date or as soon as reasonably possible thereafter;
 - (b) HRM shall seek to obtain approval of the Registrar General to register the transfers or conveyances under the *Registry Act*, or shall seek to obtain an amendment to the *Municipal Government Act* to exempt any transfers or conveyances between HRWC and HRM from compliance with the provisions of the *Land Registration Act*. In the event that such approval or exemption cannot be obtained, HRM covenants and agrees to proceed with migration of title under the *Land Registration Act*, at HRM's expense, as expeditiously as possible in order to complete the transfer to HRWC;
 - (c) Where any real property is owned by HRM for multiple municipal uses or purposes, except where pursuant to Schedule "B" a property is to be subdivided to separate the ownership to reflect multiple municipal uses:
 - (i) if the predominant municipal use of the property is for purposes other than municipal waste-water or municipal storm-water facilities or services, HRM will retain title and grant an easement to HRWC to accommodate HRWC's use for municipal waste-water or municipal storm-water facilities or services;
 - (ii) if the predominant municipal use of the property is for municipal waste-water or municipal storm-water facilities or services, HRM will transfer title to HRWC, retaining such easement or other right, title and interest as is reasonably necessary to accommodate HRM's continued use for purposes other than municipal waste-water or municipal storm-water facilities or services, in which event HRM will be responsible for any maintenance associated with such use and shall indemnify and hold harmless HRWC in respect of any claims, demands or liabilities caused or contributed to by events, acts or omissions in regards to such use.
8. HRM agrees HRWC may make reasonable use of municipal road rights-of-way for municipal waste water services or municipal storm water services purposes. After April 1, 2008, HRWC's use shall be subject to the Streets By-law as amended from time to time.

Other Real Property Interests

9. With respect to real property in which HRM has interests other than ownership in fee simple:
 - (a) Subject to more specific provisions herein to the contrary, all of the right, title and interest of HRM in any leases, easements, rights-of-way or licenses held by HRM pertaining to municipal waste-water facilities or municipal storm-water facilities shall be transferred to HRWC as soon as reasonably possible following the Transfer Date;
 - (b) Where such leases, easements and rights-of-way or licenses are held by HRM for multiple municipal purposes or uses, HRM will retain such right, title and interest as is reasonably necessary to accommodate HRM's continued use for purposes other than municipal waste-water services or municipal storm-water services purposes, in which event HRM will be responsible for any maintenance associated with such use and shall indemnify and hold harmless HRWC in respect of any claims, demands or liabilities caused or contributed to by events, acts or omissions in regards to such continued use;
 - (c) Any and all property interest of HRM in the valve at Maynard Lake, the outlet water control structure on Lake Banook and the screens at Sullivan's Pond shall remain with HRM. HRWC shall have the right and the obligation to operate and maintain these structures or facilities for storm water control purposes.
10. For as long as HRWC shall provide waste-water and/or storm-water services in or for HRM, HRM shall use its best efforts to facilitate the continued use of properties by HRWC to which HRM has had verbal licenses, informal rights of access, or easements by prescription.

Equipment and Other Personal Property

11. With respect to equipment and other personal property owned, leased or possessed by HRM and subject to more specific provisions herein to the contrary:
 - (a) all of the personal property utilized by HRM in the operation or administration of municipal waste-water facilities and municipal storm-water facilities, including the equipment described in Schedule "C" hereto and the office computers, furniture and supplies of transferring employees, shall be transferred to HRWC, along with any corresponding debt; and
 - (b) title documents for the equipment described in Schedule "C" shall be provided by HRM on the Effective Date or as soon as reasonably possible thereafter.

Halifax Harbour Solutions Project

12. With respect to the Halifax Harbour Solutions Project, including the assets described in

Schedule "D" hereto, and with respect to any contractual obligations associated with those assets, the parties agree that:

- (a) the Biosolids Trucking Contract associated with the Biosolids Processing Facility (Aerotech Park) shall be transferred by HRM to HRWC when the Halifax Treatment Plant is conveyed pursuant to paragraph (c) of this section;
- (b) the Biosolids Processing Facility Operating Contract associated with the Biosolids Processing Facility (Aerotech Park) shall be transferred by HRM to HRWC on the Effective Date;
- (c) the Biosolids Processing Facility (Aerotech Park) shall be transferred by HRM to HRWC between 60 and 180 days after its substantial completion;
- (d) other Halifax Harbour Solutions Project assets shall be transferred by HRM to HRWC between 60 and 180 days after substantial completion of each of the three waste-water treatment facilities to which that asset relates (i.e. Halifax, Dartmouth, or Herring Cove) in the event that no lien claim has been filed within 60 days of substantial completion, or otherwise upon resolution of any lien claims;
- (e) HRM shall comply with the *Builders' Lien Act* in respect of any holdback requirements and otherwise;
- (f) any warranties provided to HRM with respect to the treatment plants will be assigned to HRWC;
- (g) in the event there are contractual disputes, liens or other construction-related claims associated with these assets that arise prior to the closure of the Halifax Harbour Solutions Project project office HRM shall be responsible for them;
- (h) beginning on the Effective Date:
 - (i) HRWC will operate the Halifax Harbour Solutions Project assets and facilities and shall assist in their commissioning, and shall assume any contractual obligations associated with their operation;
 - (ii) HRWC shall assume responsibility for implementing the Pollution Prevention Program(s) and the Watershed Program associated with the Halifax Harbour Solutions Project; and
 - (iii) HRWC shall cooperate with HRM staff to provide information for inclusion in quarterly reports to HRM Council regarding the status of the Halifax Harbour Solutions Project, or such other reports as may be reasonably requested from time to time;
- (i) HRM will directly apply to the debenture debt for the Halifax Harbour Solutions Project the \$2,000,000 payment per year for 12 years which is being funded by

the Province of Nova Scotia;

- (j) HRM will transfer funds to HRWC on an annual basis, as required to fund the Pollution Prevention Program up to the completion date of the Halifax Harbour Solutions Project;
- (k) on or before September 1, 2008, or at such other time as may be agreed, HRWC shall transfer to HRM a Cash Flow Balancing Payment. The Cash Flow Balancing Payment shall be the sum of \$7,487,000 if the timing and amount of capital project costs are as currently budgeted. Otherwise the parties shall negotiate a suitable alternative designed to meet cash flow requirements of the project.
- (l) a final reconciliation of HHSP project costs shall be done at the conclusion of the project and:
 - (i) if the capital project costs actually incurred are less than those currently budgeted, the HRWC shall receive payment from HRM of the difference; and
 - (ii) if the capital project costs actually incurred are greater than those currently budgeted, the parties shall negotiate a solution to the short-fall in capital funding acceptable to the Utility and Review Board;
- (m) A copy of the current capital cost (cash flow) budget upon which this section is based, is attached hereto as Schedule "E".

Solid Waste Leachate Treatment

13. HRM and HRWC agree that:

- (a) the cost of treatment of HRM's solid waste and composting leachates is appropriately borne by the solid waste system, not by the rate-payers of a waste-water utility;
- (b) the leasehold of the Highway 101 Landfill Leachate Treatment Facility ("LLTF") will remain with HRM, along with any corresponding debt;
- (c) for the remainder of fiscal year 2007-2008, HRWC agrees to operate the LLTF on the HRM approved budget of \$334,756.00 with HRM credited with any budgetary surplus and HRM compensating HRWC for any budgetary deficit, and any material change to the level of service or budgeted cost is subject to the agreement of the parties;
- (d) in subsequent fiscal years prior to the implementation by HRWC of rates and charges based upon a cost of service study, HRWC shall operate the LLTF on the same basis as in the fiscal year 2007-2008, unless otherwise ordered by the Utility and Review Board;

- (e) thereafter, HRWC will operate the LLTF on a full cost recovery basis following consultation with HRM and subject to the review and approval of the Utility and Review Board.
- (f) effective April 1, 2008, should there continue to be a requirement to treat leachates from the Otter Lake solid waste facility at the Mill Cove Water Pollution Control Facility, a fee per cubic meter shall be charged to HRM. This fee shall be negotiated between the parties based on the full cost recovery principle and, failing agreement, shall be submitted to binding arbitration as provided for herein.

Incidental Services

14. Subject to maintaining current charge out rates until April 1, 2008, HRWC will assume responsibility, on a full cost recovery basis, for the operation of the following facilities, which are acknowledged by HRM not to constitute municipal waste-water facilities or municipal storm-water facilities:
- (a) waste-water treatment plants currently being operated by HRM for municipal properties serving other municipal purposes, (such as recreational purposes) or for third parties, including Twin Oaks Hospital/Birches Nursing Home in Musquodoboit Harbour, Harrietsfield Recreation Facility, the Musquodoboit Valley Memorial Hospital, and the Upper Sackville Recreation Facility;
 - (b) various pumping stations, identified in Schedule "F", currently maintained by HRM's Technical and Underground Services Division for municipal buildings serving other municipal purposes (such as ferry terminals); and
 - (c) such other facilities as may be agreed from time to time.

NSEL Operating Approvals

15. HRM agrees to transfer all existing operating approvals for transferred assets to HRWC and HRWC agrees to accept the transfer of existing operating approvals from HRM, and such transfer shall be effected on the Transfer Date or as soon as reasonably possible thereafter. Such transfer is subject to the approval of the Minister of Environment and Labour and will be effective from the date of approval by the Minister. Notwithstanding the above, HRWC will assume responsibility for the obligations contained in the permits on the Effective Date.

Contractual Obligations, Debt and Debt Repayment

16. Subject to more specific provisions herein to the contrary, on the Transfer Date HRWC shall assume responsibility for any contractual obligations and benefits of HRM in connection with the operation or administration of municipal waste-water or municipal storm-water facilities or services, and each party hereto shall execute any documents reasonably required to assign such obligations or benefits to the other party.

17. Subject to the consent of the Municipal Finance Corporation if required, and subject to more specific provisions herein to the contrary, HRM shall assume the financial responsibility for the payments of interest and principal on the debenture debt associated with the assets being transferred to HRWC by HRM, as identified in Schedule "G" hereto, upon the Effective Date.

By-law and Tipping Fee Revenue, Reserves and Accounts

18. This section, together with Schedule "H", govern the agreement of the parties with respect to revenues currently levied by HRM through its by-laws or through sludge tipping fees and the transfer by HRM to HRWC of the unexpended balances of reserves or accounts in which such revenues have accumulated:

Pollution Control Charges currently levied Under By-Law S-100, s. 3-10

- (a) Except as provided otherwise herein, Pollution Control charges billed in the ordinary course of business on or before the Effective Date by HRWC on behalf of HRM will be remitted to HRM in accordance with current practice. Pollution Control charges billed after the Effective Date will be retained by HRWC. It is the intention of the parties that after the Effective Date the Pollution Control Charges become charges billed and collected by HRWC pursuant to its regulations, and will replace the charges currently collected for HRM pursuant to sections 3-10 of By-Law S-100.
- (b) If there exists any positive accumulated unexpended balance as at the Effective Date in HRM's Environmental Protection Reserve (Q105) and HRM's Wastewater Treatment Plant Existing Infrastructure Reserve (Q122), such balances shall be transferred to HRWC on the Effective Date, and expended by HRWC solely for the operational, administrative, development, maintenance and capital costs, including debt servicing charges and reserve accounts, of that portion of the waste-water collection and treatment systems comprising the interceptor sewers, waste-water treatment plants, pumping stations and associated forcemains which directly transfer waste-water to an interceptor sewer or a waste-water treatment plant and other facilities of a similar nature, exclusive of the primary collection system;
- (c) The accumulated unexpended balance as at the Effective Date of HRM's Wastewater and Stormwater Management Reserve (Q106) shall be transferred to HRWC on the Effective Date, and shall be expended by HRWC solely on the cost of administering and maintaining the waste-water and storm-water primary collection systems;

Sewer Redevelopment and Trunk Sewer Charges currently levied under By-law S-100, s. 11-15

- (d) After the Effective Date, sewer development and trunk sewer charges levied by HRWC pursuant to HRWC Regulations shall be collected by HRM for HRWC

and shall be remitted to HRWC each month. It is the intention of the parties that these charges shall replace the Sewer Redevelopment and Trunk Sewer Charges currently levied pursuant to By-law S-100;

- (e) The accumulated unexpended balance as at the Effective Date of HRM's Sewer Redevelopment and Trunk Sewer Reserve (Q104) shall be transferred to HRWC. HRWC shall expend that balance solely for the upgrading and installation of trunk sewer systems within existing developed areas;

Regional Capital Cost Charges currently levied under By-law C-600

- (f) After the Effective Date, regional capital cost contribution charges levied in applicable regions by HRWC pursuant to HRWC Regulations shall be collected by HRM for HRWC and shall be remitted to HRWC each month. It is the intention of the parties that these charges shall replace the Regional Capital Cost Charges currently levied pursuant to By-law C-600;
- (g) The accumulated unexpended balance as at the Effective Date of HRM's Regional Capital Cost Charge Reserve (Q137), less \$293,978.00 representing repayment of seed funding to establish an implementation team for Regional Capital Cost Charges, shall be transferred to HRWC, and HRWC shall expend that balance solely for capital items relating to waste-water treatment capacity;

Local Area Infrastructure Charges currently levied under Subdivision By-Law, sections 20-22 and 134

- (h) After the Effective Date, HRWC shall levy and collect, in applicable charge areas, local area capital cost contribution charges pursuant to HRWC Regulations and/or HRM's Subdivision By-Law. It is the intention of the parties that the charges thereby payable to HRWC shall replace the municipal waste-water and municipal storm-water facilities' portion of infrastructure charges currently payable to HRM in the charge areas established by HRM pursuant to HRM's Subdivision By-law;
- (i) The accumulated unexpended balance, if any, as at the Effective Date of HRM's local area infrastructure accounts for municipal waste-water or storm-water infrastructure, shall be transferred to HRWC, and shall be expended by HRWC solely within or for the benefit of the respective charge areas in which the funds were raised and solely for the purpose(s) identified in the applicable Schedule to HRM's Subdivision By-Law;

Sludge Tipping Fees

- (j) After the Effective Date, HRWC shall levy and collect sludge tipping fees pursuant to HRWC Regulations. It is the intention of the parties that the charges thereby payable to HRWC shall replace the sludge tipping fees currently payable to HRM;
- (k) The accumulated unexpended balance as at the Effective Date of HRM's Sludge

Tipping Fees Reserve (Q117) shall be transferred to HRWC and shall be expended by HRWC solely to defray the operating costs of waste-water treatment services.

Local Improvement Charges under By-Law L-100

- (l) There shall be no change to the manner in which Local Improvement Charges currently levied by HRM pursuant to By-law L-100 are levied or administered, save and except that municipal waste-water and municipal storm-water facilities shall be dealt with in the same manner as currently applies to municipal water services;

Other Funding

19. Subject to more specific provisions herein to the contrary, HRWC shall have the benefit of any existing funding commitments from HRM or third party funding sources relating to the operation of water services, municipal waste-water services and/or municipal storm-water services including, but not limited to, funding from reserves, the Gas Tax, HRWC dividend, local area capital cost contributions, Canada Strategic Infrastructure Fund, Canada-Nova Scotia Infrastructure Program, Provincial Capital Assistance Program, Municipal Rural Infrastructure Fund, FCM's Green Investment Fund/Sustainable Community Funding and any other similar benefit.
20. HRWC will adhere to the reporting obligations and other requirements of these funding sources.
21. The funding commitments and unexpended balance of various of the applicable reserves and accounts as at March 31, 2007 (subject to HRM annual audit) are set out in Schedule "H". These amounts together with any further accumulation until the Effective Date are intended to be transferred to HRWC except to the extent that Schedule "H" or more specific provisions herein indicate otherwise.

Employees

22. Subject to section 9 of Schedule "T", and to similar provisions in relation to employees whose employment is governed by the *Trade Union Act*, the employees of HRM's Technical and Underground Services Division, Wastewater Treatment Division and Environmental Engineering Services Division shall be transferred from HRM to HRWC on the Effective Date.
23. Employees whose employment is governed by the *Trade Union Act* will have the terms and conditions of the transfer of their employment from HRM to HRWC governed by any applicable Memorandum of Understanding between HRWC and the employees' respective bargaining agents or, in the absence of agreement, by the Labour Relations Board.
24. Grievances between a trade union and HRM in respect of transferred employees shall be dealt with as follows:

- (a) in the case of grievances which have been submitted to arbitration, or complaints which have been filed with the Nova Scotia Human Rights Commission, as at the Effective Date, HRM shall be responsible for their carriage and shall be responsible for any financial liability, or entitled to any financial benefit, arising from the outcome; and
 - (b) in the case of grievances which have not been submitted to arbitration as at the Effective Date, HRWC shall be responsible for their carriage and for any resulting awards except to the extent otherwise agreed by HRM and HRWC or as determined by the Utility and Review Board.
25. Upon termination, retirement or death of a Transferred Employee, HRWC shall use its best efforts to recover amounts owing to HRM by those employees, known as “Advance Pay”, as documented at the date of transfer in HRM’s SAP HR system and shall remit such recoveries to HRM.
26. Upon the exercise of pre-retirement leave by a Transferred Employee, HRM shall indemnify HRWC to the extent of the amount accrued as at the Effective Date.
27. Except to the extent otherwise required by law for non-unionized employees, the terms and conditions of the transfer of their employment from HRM to HRWC shall be in accordance with Schedule “I” hereto.

Emergencies

28. In the event of an emergency pursuant to the *Emergency Management Act*, HRWC will partner with HRM to provide a co-ordinated response and mutual aide with a view to minimizing the threat of harm to persons, property and the environment.

Expansion of Service Area

29. In the event that the Province of Nova Scotia transfers to HRM responsibility for roads outside the existing area designated pursuant to section 2(e) of this Agreement, HRWC shall assume responsibility for municipal storm-water facilities and services in such additional area effective immediately upon the Province’s transfer of such responsibilities to HRM.
30. The terms upon which HRWC assumes such additional responsibilities shall be as agreed upon by the parties and approved by the Utility and Review Board, and, pending agreement or in default of agreement to the contrary, HRWC’s additional services shall be provided on a full cost recovery basis.

Transitional Arrangements

31. The parties agree that the HRM employees situated in MacIntosh Street depot in Halifax and the Eric Spicer Building in Woodside will remain in facilities owned by HRM after they become HRWC employees. HRM agrees that those employees may continue to

occupy such area as they occupied at the Effective Date and receive IT support services at no cost to HRWC until a suitable alternate arrangement has been made by HRWC for them, or until these facilities are no longer required for HRM's use.

32. Subject to the preceding section, the parties agree that, following the transfer of the assets under this Agreement, and at the sole discretion of HRWC, there may continue to be a need for HRM to provide support services to HRWC in the areas of payroll, accounts receivable, accounts payable, facilities, training, insurance, legal, fleet, IT, procurement, plan reviews, surveying, engineering design, inspection and construction. The parties agree to negotiate a full cost recovery agreement effective April 1, 2008 respecting those of the aforesaid services which HRWC and HRM choose to continue. Support services currently supplied to the waste-water/storm-water operations at no cost will continue to be provided to HRWC on that basis until March 31, 2008.
33. Pending enactment of Legislation to confer upon HRWC the powers of the "Engineer" which are conferred upon HRM's "Engineer" pursuant to the *Municipal Government Act*, HRM's "Engineer" shall upon request from HRWC give due consideration to exercising his or her statutory powers for the benefit of HRWC's operation of the waste-water and storm-water facilities and services.
34. HRWC shall indemnify and hold harmless HRM in respect of any claims, demands or liabilities caused or contributed to by the exercise of the "Engineer's" powers pursuant to the preceding section hereof.

General

35. Any liabilities associated with the ownership or operation of any assets to be transferred to HRWC pursuant to this Agreement shall be at the sole risk of HRM prior to the actual transfer of that asset being effected.
36. HRM shall indemnify and hold harmless HRWC in respect of any claims, demands or liabilities caused or contributed to by events, acts or omissions in regards the operation or administration of waste-water and sewage treatment facilities and municipal storm-water facilities prior to the effective date of this Agreement.
37. The parties agree to establish a special technical committee ("Special Technical Committee") comprised of equal representation from HRM and HRWC to resolve, on an ongoing basis, interface issues between HRWC's responsibilities for municipal storm-water services and HRM's responsibilities for Transportation and Public Works services and Community Development services.
38. The parties agree to establish a standing committee (the "Standing Committee") comprised of equal representatives from each of HRM and HRWC. The Standing Committee shall address any outstanding issues under the Agreement and attend to resolution of any matters required in connection therewith.
39. In the event that the parties are unable to resolve any dispute in respect of the implementation of this Agreement through the Special Technical Committee or the

Standing Committee the matter shall be submitted to arbitration pursuant to the *Commercial Arbitration Act*. Nothing in this clause derogates from section 2 of this Agreement.

DATED at Halifax, Halifax Regional Municipality, Province of Nova Scotia, this
day of _____, 2007.

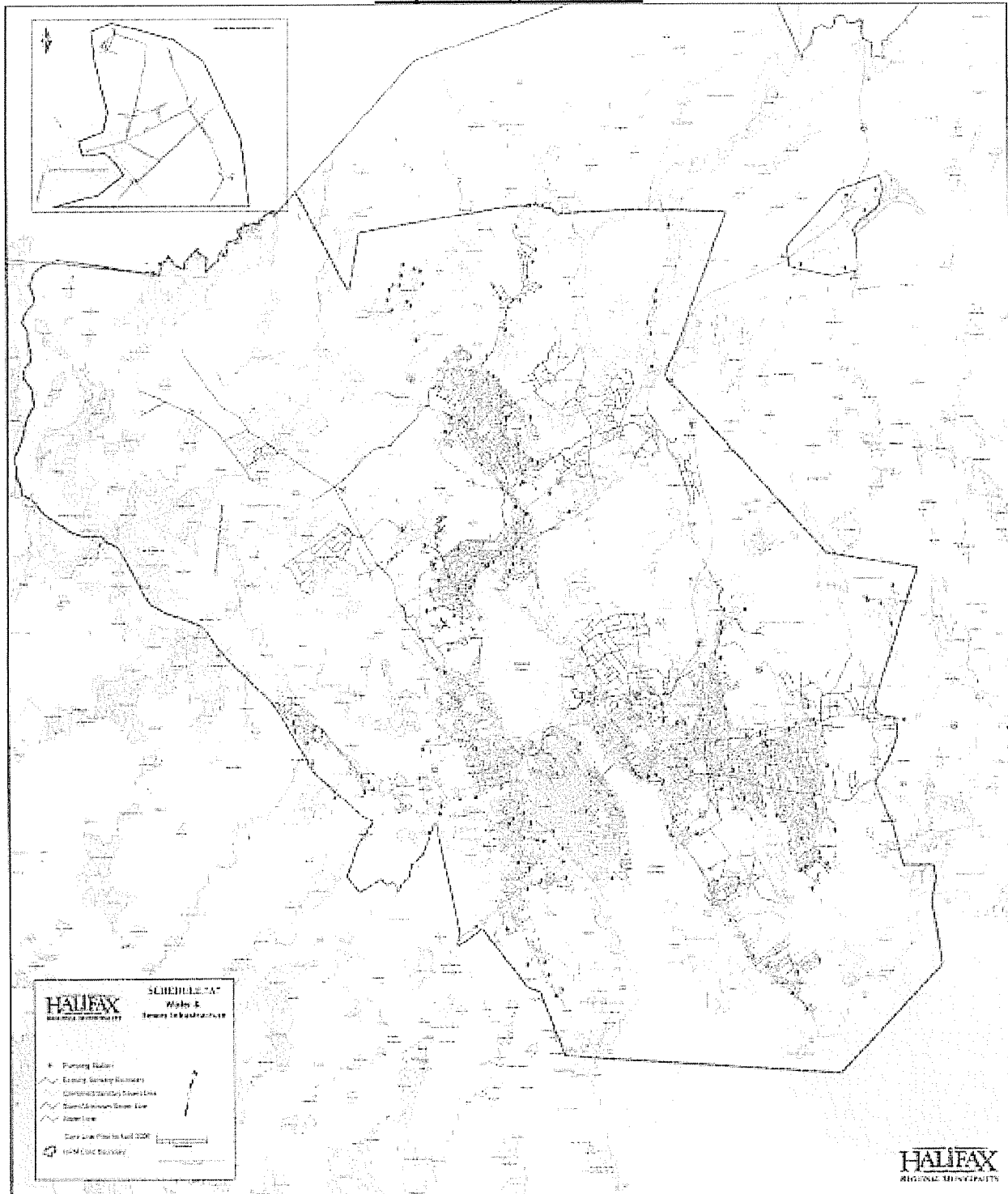
SIGNED, SEALED and DELIVERED)

in the presence of:

)
)
) HALIFAX REGIONAL MUNICIPALITY
)
)
) Per: _____
)
)
) Per: _____
)
)
)
) HALIFAX REGIONAL WATER
) COMMISSION
)
)
) Per: _____
)
)
) Per: _____
)

SCHEDULE "A"

Map of Designated Area



SCHEDULE "B"

**HALIFAX REGIONAL MUNICIPALITY STATION ID NUMBERS
Technical and Underground Service Pumping Stations**

Station Identification Number	Pumping Station Reference Name	Civic Address	PID #
PW666410	Aerotech Drive	199 Aerotech Dr	40955288
PW661760	Ahmadi Drive	77 Ahmadi Cr	40767030
PW666390	Airport Dumping Station	142 Goudey Dr	00526574
PW661620	Armcrest	15 Taleen Dr	40561722
PW661770	Armenia Drive	95 Armenia Dr	40776254
PW664170	Armdale Rotary	2640 Joseph Howe Dr	00208355
PW661120	Auburn Avenue	56 Auburn Ave	00283291
PW664040	Balcombe Drive	1 Ferndale	00300848
PW661690	Balsam Road	8 Balsam Rd	40113136
PW661290	Barclay Avenue	15 Barclay Ave	40933939
PW666400	Barnes Drive	635 Barnes Dr	00526574
PW664220	Bayers Lake	118 Chain Lake Dr	40876625
PW661370	Bay Road	2193 St. Margarets Bay Rd	40026767
PW662810	Beaver Bank #2	998 Beaver Bank Rd	40830853
PW662650	Beaver Bank #3	1240 Beaver Bank Rd	40829459
PW662800	Beaver Bank #5	4 Pinehaven Dr	00466821
PW661720	Bedford Yacht Club	73 Shore Dr	00431007
PW661430	Bluewater Road	246 Bluewater Rd	40915696
PW661710	Brook Street	25 Brook St	40299067
PW661610	Cavalier Drive	145 Cavalier Dr	40128282
PW661150	Chain Lake	90 Susie Lake Cr	40899981

PW662790	Chandler Drive	271 Chandler Dr	40915290
PW664030	Crescent Avenue	33 Crescent Ave	00300145
PW661270	Colpitt Lake Road	15B Colpitt Lake Rd	40934226
PW661190	Costco	231 Chain Lake Dr	40701955
PW664060	Dingle Tower	67 Parkhill Rd	00279844
PW661200	Duffus Street	5211 Duffus St	40928384
PW666220	Fairfield Holding Tank	1660 Fairfield Rd	00079020
PW661630	Fall River #1	1479 Fall River Rd	00505974
PW661640	Fall River #2	113 Lockview Rd	40908071
PW661650	Fall River #3	313 Lockview Rd	40908121
PW661660	Fall River #4	407 Lockview Rad	40256810
PW661420	Farmers (Twin Cities)	20 Farmers Dairy Ln	00429266
PW662780	First Lake Drive	1A Kingfisher Wy	00359968
PW663830	Fish Hatchery Park	1441 Bedford Hwy	40106874
PW661790	Galloway Drive	30 Galloway Dr	41093501
PW661700	Golf Links Road	140B Shore Dr	40919128
PW661410	Governors Glen	72 Governors Lake Dr	40026734
PW661360	Greenhead Road	64 Greenhead Rd	40050585
PW661400	Greenwood Avenue	171 Greenwood Ave	40535817
PW661580	Hamilton Station	26 Woodys Ln	40912370
PW661330	Iris Avenue	20 Iris Ave	40892176
PW661600	Judy Anne Court	61 Judy Anne Ct	40471559
PW661080	Kearney Lake	128 Kearney Lake Rd	40920811
PW661440	Killarney Drive	11B Killarney Dr	40915787
PW666370	Lakeland #1	50 Lakeland St	40608804
PW666360	Lakeland #2	153 Lakeland St	41188889
PW663340	Lakeside #1	1447 St. Margarets Bay Rd	00347930
PW663350	Lakeside #2 (Rosewood)	16 Rosewood Ave	40033318

PW664020	Leiblin Drive	108 Leiblin Dr	00283648
PW661730	Lions Club	20 Shipyard Rd	00431031
PW661320	Long Pond	815 Herring Cove Rd	40074676
PW661670	Majestic Avenue	49 Majestic Ave	40842833
PW661680	Mann Street	79 Mann St	41163924
PW661570	Meadowlands Park (Churchill)	31 Meadowlands Park Dr	00375618
PW664050	Melville Cove	51 Purcell's Cove Rd	40932535
PW661590	Mowatt Crescent	85 Mowatt Cr	40915217
PW666350	North Green Road	80 North Green Rd	41175472
PW661780	Pennington Drive	168 Pennington Dr	41103318
PW666310	Pinehaven Drive	68 Pinehaven Dr	40932592
PW666330	Point Pleasant Drive	5599 Point Pleasant Dr	40935504
PW661260	Punch Bowl Drive	38 Punch Bowl Dr	40931982
PW661210	Ragged Lake	1 Ragged Lake Blvd	41076142
PW662230	Regatta Point	28 Armshore Dr	00251827
PW661280	Reserve Road	10 Reserve Rd	00252536
PW661390	Riverwood Drive	1A White Birch Dr	40442394
PW664180	Roaches Pond	33 Princeton Ave	00279570
PW661740	Shipyard Road	16 Shipyard Rd	00431031
PW661380	Silver Maple	34 Red Maple Dr	40356073
PW661450	Springfield Lake #1	834 Lakeview Ave	41018755
PW661460	Springfield Lake #2	656 Lakeview Ave	40905408
PW661470	Springfield Lake #3	538 Lakeview Ave	41077603
PW661480	Springfield Lake #4	439 Lakeview Ave	40905416
PW661490	Springfield Lake #5	330 Lakeview Ave	40905416
PW661500	Springfield Lake #6	245 Lakeview Ave	40905481
PW661510	Springfield Lake #7	188 Lakeview Ave	40905481
PW661520	Springfield Lake #8	99 Lakeview Ave	40905481

PW661530	Springfield Lake #9	41 Springfield Lake Rd	40545022
PW661540	Springfield Lake #10	224 Springfield Lake Rd	40906141
PW661550	Springfield Lake #11	54 Lakecrest Dr	40676215
PW661560	Springfield Lake #12	21 Megan Cr	40904658
PW666340	Symonds Road	530 Hammonds Plains Rd	40539546
PW666380	Trinity Lane	132 Trinity Ln	41178112
PW666320	Tucker Lake	300 Tucker Lake Rd	40906869
PW661750	Waterfront Drive	79 Waterfront Dr	40601700
PW661310	Wenlock Grove	31 Wenlock Gv	40934390
PW664090	Whimsical Lake	65 Inverness Ave	00311092
PW664160	Williams Lake	90 Williams Lake Rd	00310409
PW661100	Willowdale	10 Birchview Dr	40934317
PW661300	Woodcrest Avenue	48 Woodcrest Ave	00330795
PE661010	200 Waverley Road	200A Waverley Rd	40944480
PE662020	390 Waverley Road	390 Waverley Rd	40181182
PE661170	800 Waverley Road	831 Waverley Rd	40942310
PE661360	Akerley Boulevard Ext.	134 Akerley Blvd	40611931
PE661140	Akerley at Windmill	1 Akerley Blvd	40939548
PE661590	Allison Drive	50 Allison Dr	40402430
PE663090	Anderson Street	4 Anderson St	40946790
PE661370	Argus Drive	30 Argus Dr	40661753
PE661290	Atlantic Street	1A Atlantic St	00639732
PE661560	Attwood Crescent	34 Attwood Cr	00410696
PE663410	Autoport (Pleasant St)	1151 Main Rd	40094013
PE661660	Beaver Crescent	2A Beaver Cr	40085052
PE661070	Beckfoot Drive	38B Beckfoot Dr	00376921
PE661210	Belmont Avenue	63B Belmont Ave	40935751
PE664740	Bissett Lake	54A Attwood Cr	00410803

PE661150	Bruce Street	601 Portland Street	40946394
PE661600	Caldwell Road	734 Caldwell Rd	40446973
PE661710	Colby South (Lakeridge)	30 Lakeridge Cr	40711764
PE661690	Cole Harbour Road	1180 Cole Harbour Rd	40604811
PE661570	County Rehab	257 Bissett Rd	00402982
PE661160	Craigburn Court	4B Craigburn Ct	40942369
PE661400	Craigburn Drive	25B Craigburn Dr	40942351
PE661240	Crichton Avenue	260 Crichton Ave	40941452
PE661480	Dartmouth Cove	5B Canal St	40763476
PE661580	Eagle Lane	14 Eagle Ln	00601377
PE661100	Everette Street	84 Everette St	40935942
PE661080	Gaston Road	1A Campbell Ave	00242826
PE662470	Hartlen Point	2209 Shore Rd	40951311
PE661680	Humber Park	49 Gander Ave	40150344
PE663200	India Street	21 India St	40938623
PE662030	Jaybe Drive	5 John Brenton Dr	40942492
PE661490	King Street	130 Alderney Dr	00130419
PE661790	Lakemist Court	35 Lakemist Ct	41021072
PE661130	Main Street	6 Golf View Dr	40942963
PE661500	Maitland Street	16 Maitland St	40936981
PE661650	Maplewood Drive	90 Maplewood Dr	40542466
PE661190	Mason Street	28 Mason St	40935587
PE661450	Melrose	277 Melrose Cr	40765273
PE664730	Memorial Drive	2 Memorial Dr	40948580
PE661300	Morris Lake	47 Portland Estates Blvd	40542771
PE661110	Mount Hope Avenue	1 Mount Hope Ave	41025313
PE661610	North Preston#1(Lk Major)	851 North Preston Rd	40761942
PE661620	North Preston#2 (Downey)	71 Downey Rd	00638841

PE663720	North Preston#3 (Johnson)	112A Simmonds Rd	40658122
PE661630	North Preston#4 (Simmonds)	17 Amelia Ct	00339580
PE661640	North Preston #5(Cain)	266 Simmonds Rd	40771529
PE661550	O'Dell Drive	12B O'Dell Cr	40948606
PE661060	Oathill Crescent	13B Oathill Cr	40945313
PE661520	Old Ferry Road	3 Old Ferry Rd	40937039
PE661700	Old Lawrencetown Road	33 Old Lawrencetown Rd	40570434
PE661540	Park Avenue	2 Park Ave	40506867
PE661050	Plymouth Road	20B Plymouth Rd	40944555
PE663430	Quigley's Corner	1516 Shore Rd	40000903
PE661340	Rocklin Court	2B Rocklin Ct	40942393
PE661310	Russell Lake	69 Baker Dr	40401663
PE662460	Shamrock Court	16A Thorncrest Ct	40951261
PE664750	Sherwood Street	16 Sherwood St	40497075
PE664440	South East Passage	2019 Shore Rd	00401133
PE667800	South Ridge Circle	63 South Ridge Cir	41024894
PE661380	Sprucewood Court	11B Sprucewood Ct	40675209
PE661040	Stewart Harris Drive	76B Stewart Harris Dr	00212753
PE661670	Stratford Drive	39 Stratford Dr	40351835
PE661230	White Birch Lane	79 White Birch Ln	40434664
PE661250	White Street	38B White St	00268151
PE661120	Windmill Road	517 Windmill Rd	40172447
PE661800	Wright Avenue Ext.	Wright Ave Ext.	
PE661420	York's Lane	48 York's Ln	40392441

TECHNICAL & UNDERGROUND SERVICES

Stormwater Retention Ponds in HRM

Retention Pond	Region	Civic Address	First Street	Second Street	PID #
Oceanview Drive	Central		Oceanview Drive	Blanchard Crescent	40919672
Stewart Harris Drive	East	76B	Stewart Harris Drive		00212753
Guysborough Avenue	East	64A	Woodlawn Road		00211631
Heritage Hills	East		Melrose Crescent	Samuel Daniel Drive	41174749
Forest Hills Parkway	East		Forest Hills Pkwy	Auburn Avenue	00633206
Cole Harbour Drive	East		Cole Harbour Drive	Beauford Drive	03551881
Gregory Drive	East		Gregory Drive		00364901
Shubie Drive	East		Shubie Drive	Cromarty Drive	41215476
Countryview Drive	East		Countryview Drive	Ferindonald Close	41215476
Commodore Drive	East		Commodore Drive	At 118 highway	41215476
Lemlair Row	East		Lemlair Row	At 118 highway	41215476
Main Street	East		Main Street	Forest Hills Pkwy	40080590
GlenForest Weir	West		Glenforest Drive		00336057
Lacewood Drive	West		Lacewood Drive		00330670
Glenbourne Estates	West	590	Parkland Avenue	Carlina Court	40832693
Parkland Avenue	West		Parkland Avenue	Langbrae Drive	40694754
Chain Lake Drive	West		Chain Lake Drive	Susie Lake	41059585
Transom Drive	West	46	Transom Drive	Crescent	41234865
Transom Drive	West		Transom Drive	Behind pumping station	41235052
Chain Lake Drive	West	115	Chain Lake Drive	NE of civic	40416299
Old Sambro Road	West		Old Sambro Road	Northwest Arm Drive	00315309
Graystone Road	West		At Cul-du-sac		00283291
Tamarack Drive	West		At soccer field		40635401

ELLENVALE RUN

Description	PID
All property owned by HRM constituting a portion of the Ellenvale Run storm-water system	

Wastewater Treatment Plants

WWTP	Address	Postal Code	PID #
Aerotech	449 Aerotech Drive, Enfield	B2G 1K3	00515239
Aerotech Lagoon and Dewatering Facility	449 Aerotech Drive, Enfield	B2G 1K3	00515239
Belmont/Marion Heights Subdivision	4 Belmont Avenue, Dartmouth, NS	B4B 1G2	00261453
Eastern Passage	1039 Main Road, Eastern Passage	B3G 1M2	00374678
Fall River	88 Lockview Road, Fall River, NS	B2T 1J1	40621286
Fame Subdivision	63 Pembroke Street, Waverley, NS	B2R 1L8	00519223
Lakeside/Timberlea	77 Riverview Drive, Timberlea, NS	B3T 1C7	40278228
Lively Subdivision	14 Woods Lane, Sackville	B4E 3A9	40607293
Middle Musquodoboit	7805 Highway 357, Middle Musquodoboit		40521478
Mill Cove	205 Waterfront Drive, Bedford		40728040
North Preston	111 Whynder Lake Road		40526857
Springfield	375 Springfield Lake Road, Sackville, NS B4E 3K4	B4E 3K4	40501843
Uplands Park	1231 Hammonds Plains Road, Hammonds Plains	B4B 1P6	40349904
Wellington	12 Wellington Drive, Wellington, NS B2T 1J4	B2T 1J4	00502310

BISSETT ROAD AND MANN STREET PROPERTIES

Address	Area	Description	PID#
257 Bissett Road* Cole Harbour	12.0 Acres*	Halifax Rehabilitation Centre, large buildings with ball field behind buildings and pumping station in field behind Rehab Centre*	00402982*
213 Bissett Road Cole Harbour	1.0 Acre	Bissett Road Depot contains large garage with 6 bays	40154080
Mann Street Bedford	1.0 Hectare		40873192
1 Mann Street Bedford	88,670 Sq. Ft.	Mann Street Depot, general office building, 5 bay garage, pumping station no. 29, salt silo and compound	40498644

***only that portion of PID 00402982 which is currently used by Technical and Underground Services Division of HRM is to be conveyed. Subdivision of the lot is required.**

SCHEDULE "C"

**ENVIRONMENTAL MANAGEMENT SERVICES
Technical and Underground Services Vehicles**

Region	Vehicle Number	Description	Serial #
EAST	P339	D30581 P339 1996 CHEV 1 TON 2WD /CRANE	1GBKC34F3TJ111502
EAST	51VZ004	G29340 51VZ004 2002 GMC DS CARGO VAN	1GTDM19X22B515326
EAST	51TZ005	G29539 51TZ005 1999 FORD 1/2T PU 2WD	1FTZF172XXKA12156
EAST	53TF002	D30117 53TF002 2001 FORD 1 T 4X4 SUPERD	1FDXF47F61EC09256
EAST	52TS002	G30608 52TS002 2003 FORD F250 4X4 P&S	1FTNF21L83EC86163
EAST	TR1	000000 TR1 98 JC TRAILER 20 T MAN. TILT	2J9B3V5C1WK001136
EAST	B166	D29833 B166 1995 FORD CATCHBASIN CLEANER	1FDZW82EXSVA48989
EAST	55TY001	D30412 55TY001 2002 FREIGHTL / AQUATEC	1FVHBXAK63HK38726
EAST	B213	D29332 B213 1997 FORD CATCHBASIN CLEAN	1FDZS86E2VVA37785
EAST	78173	1992 GMC 5 Ton Water Truck	1GDP7H1J5NJ524757
EAST	53LH001	D29973 53LH001 2001 JCB BACKHOE	SLP214TC1U0900832
EAST	55TD001	D29970 55TD001 2002 VOLVO TANDEM DUMP	4V5KC9GF32N325911
EAST	B400	D29278 B400 1997 FORD F450 W/COMPRESSOR	1FDLF47F2VEC32697
EAST	WR90	D30188 WR90 1990 JOHN DEERE LOADER	DW544EB529228
EAST	52TZ009	G30273 52TZ009 2002 FORD F350 1T 2WD PU	1FTSF30L12ED24048
EAST	52TP009	G29382 52TP009 2006 FORD 3/4T 4X4/ PLOW	1FTNF21536EC91499
EAST	53TU001	D30627 53TU001 2001 GMC SIERRA 3500 Max Lift Cranes	3GDKC34F51M110228
EAST	52TZ006	G29966 52TZ006 2001 GMC SIERRA 3/4 T HD	1GTHC24U21E263422
EAST	P500	D29090 P500 1997 FORD F450 F AERIAL LIFT	1FDLE47FVEA80237
EAST	52TZ038	52TZ038 2006 GMC 1/2 T PU	1GTHC24U47E118603
CENTRAL	H73133	D28742 H73133 1987 JOHN DEERE 510C TURBO	738225
CENTRAL	53LH003	D30821 53LH003 2005 JCB BACKHOE	SLP214TC4U0904916
CENTRAL	55TD002	D29971 55TD002 2002 VOLVO TANDEM DUMP	4V5KC9GF52N325912

CENTRAL	TR2	1998 Trailer	2J9B3V5C3WK001137
CENTRAL	B207	D30246 B207 1997 VOLVO 5 T SALT SPR	4VHJAKFD0VR856346
CENTRAL	P320	D29080 P320 1997 FORD 1 TON 2WD CC SIN	1FTJW35F0VEA64633
CENTRAL	B401	Compressor Truck D30369 B401 1997 FORD 1T SUPERDUTY 2WD	1FDLF47F3VEC32935
CENTRAL	53TF001	D30110 53TF001 2001 FORD 1 T 4X4 SUPERD with Plow	1FDXF47F41EC09255
CENTRAL	52TS001	G28704 52TS001 2003 FORD F250 4X4 P&S	1FTNF21L63EC86162
CENTRAL	P341	D30250 P341 1996 CHEV 1 TON 2WD/BIONIC	1GBKC34F5TJ111484
CENTRAL	52TP001	G29047 52TP001 2001 GMC SIERRA 3/4 T with Plow	1GTHK24U61E251521
CENTRAL	K119	D29496 K119 1997 TRACKLESS ART TRACTOR	MT5TD1030
CENTRAL	K120	D29207 K120 1997 TRACKLESS ART TRACTOR	MT5T1042
CENTRAL	K121	D29902 K121 1998 TRACKLESS ART TRACTOR	MT5TD1431
CENTRAL	B215	D30240 B215 98 VOLVO DMP/TAND/PLW&SLT	4VHJCLBE8WN862306
CENTRAL	B208	D30234 B208 1997 VOLVO 5 T SALT SPR	4VHJAKFD9VR856345
CENTRAL	B212	D29070 B212 1997 INTERN CATCHBASIN CLEAN	1HTGGADR2VH477128
CENTRAL	C180	D28482 C-180 1994 FORD SEWER FLUSHING UN	1FDYW90L4RVA34373
CENTRAL	C188	1985 Jet Rodder Trailer	85600390
CENTRAL	H78158	D28638 H78158 1990 FREIGHTLI 5T TAND P&S	1FVX1WYB3LH442866
CENTRAL	52TP005	G30782 52TP005 2005 FORD 3/4 T 4X4 PLO	1FTNF21585EA65232
CENTRAL	53XZ001	D30860 53XZ001 2005 KOMATSU EXCAVATOR	5946
CENTRAL	52TZ037	Chev 2500 2 Wheel Drive	1FTHC24U67E117694
CENTRAL	71TZ059	2006 GMC 1/2 T PU G30896 71TZ059 2006 GMC 1/2 T PU	2LCFM1F1455000422
CENTRAL	B503	1998 1 Ton Chev 3500 Bucket Van	1GCHG35F8W1030315
CENTRAL	52TZ032	2006 F250 4X4 Crew Cab	1FTSW21536EC92008
CENTRAL	51VZ003	G30392 51VZ003 2002 GMC DS CARGO VAN	1GTDM19XX2B515493
CENTRAL	53TZ002	D30791 53TZ002 2005 FORD F450 4X2 SD Cube Van	1FDXE46P65EA74036
CENTRAL	52KJ001	2005 Generator W/Trailer 80 Kilowatts	2LCFM1F145S000419
CENTRAL	52KJ002	2005 Generator W/Trailer 80 Kilowatts	2LCFM1F145S000420

CENTRAL	52KJ003	2005 Generator W/Trailer 80 Kilowatts	2LCFM1F145S000421
CENTRAL	52KJ004	2005 Generator W/Trailer 80 Kilowatts	2LCFM1F145S000422
CENTRAL	77155	2005 Generator W/Trailer	J92373
VALLEYF ORD	SE360	2003 Generator W/Trailer Generator is 1989	T58511
WEST	71TZ068	GMC ½ TON 1500 4X4 Pick up 2006	3GTEK14XXGG196
WEST	53TZ003	D30822 53TZ003 2005 FORD F450 4X2 SD Cube Van	1FDX46P85ED49333
WEST	53LH002	D30630 53LH002 2002 JCB BACKHOE	39491
WEST	BRT-5	000000 BRT5 94 JDJ 12' LT DUTY FLATDECK	2J9UTB312R1022290
WEST	54KZ003	Float 2001	2C9FA12XF090095
WEST	M190-1	Arrow Board 1992	WNW1062
WEST	52TF002	GMC 3500 Mini Boom/Repair Truck 2001 D30185 1T FLATBED	3GDKC34F81M110224
WEST	53TC002	D30435 53TC002 2002 GMC SIERRA CAB CHA Compressor	3GDKC34F72M112211
WEST	54TB001	D30584 54TB001 2003 GMC 5T BOOM	1GDP8E1C43F518722
WEST	55TZ002	D30904 55TZ002 2006 VOLVO TANDEM	4V5KC9GF16N407108
WEST	78181	5 Ton Salt Truck/Asphalt Truck	1HTSCAAR8SH666632
WEST	B403	D29290 B403 1997 FORD 1 TON 2WD Compressor Truck	1FDLF47F9VEC87180
WEST	52TZ008	G29546 52TZ008 2002 FORD F350 1T 2WD PU	1FTSF30L32ED24049
WEST	52TZ024	G29127 52TZ024 2006 FORD 3/4 TON PU	1FTNF20546EB13554
WEST	52TP006	G29115 52TP006 2006 FORD 3/4T 4X4/ PLOW	1FTNF21556EB13562
WEST	51VZ009	G30948 51VZ009 2005 GMC MINI CARGO VAN	1GTDM19X95B508491
WEST	B200	GMC TopKick Water Truck 1996	1GDP7H1JTJ517838
WEST	72181	D30563 H78181 1995 INTERNATIONAL 5 T P & S	1HTGCADR6TH36237
WEST	72171	AQUATECH Sewer Jet Truck	1FDYK82EXRVA13547
WEST	72172	D28660 H72172 1994 INTERN CATCH BASIN CL	1HTGLA6T9RH541787
WEST	52TU001	D28953 52TU001 2005 FORD F450 SUPERDUTY	1FDXF46P05EA44613
WEST		12 FT ALUMINUM BOAT	S-127#257193
WEST	SE322	000000 SE322 POLARIS RANGER TRUCKSTER	4XARD50A22D819306

		5HP MERCURY OUTBOARD MOTOR	0R025528
WEST	51KU002	EMERGENCY TRAILER 2004	2MXUA2A242B013422
WEST	52TF001	D30136 52TF001 2001 GMC 1T SUPERDUTY with crane	3GDKC34F31M1110227
WEST	53TU002	GMC D30116 53TU002 2001 GMC SIERRA 3500 with crane	3GDKC34FX1M110211
WEST	P501	D30203 P501 1997 FORD F350 w/Crane	1FDLF47FJVEA80236
WEST	52TZ004	G29964 52TZ004 2001 GMC SIERRA 3/4T HD	1GTHC24431E265289
WEST	52TP002	G29969 52TP002 2002 FORD 3/4 T 4X4 PLO	1FTNF21L12ED20555
WEST	P415	G29211 P415 1997 FORD 1/2 T PU 4WD / PLOW	2FTDF1826VCA99703
WEST	52TZ010	G30431 52TZ010 2002 FORD F350 1T 2WD PU	1FTSF30LX2ED24047
WEST	52KD001	000000 52KD001 2003 JDJD DUMP TRAILER	2J9UTDG2231022120

FLEET REPLACEMENT – TUGS 2006-2007 FISCAL

Vegetation Control Tractors – replacing K119

Vegetation Control Tractors – replacing K121

5 Ton Asphalt – replacing 78181

Sewer Jet – replacing 72171

1 Ton/Boom (manhole truck) – replacing P321

Pump Station 1 ton/boom – replacing P500

Tandem non snow – replacing P360

FLEET REPLACEMENT – TUGS 2007-2008 FISCAL

Other Trucks/Vehicle/Equipment which are committed to being acquired in 2007-2008 Fiscal Year including, but not limited to, the following items:

72172 CB cleaner, box replacement west
 B400 compressor truck east
 51TZ005 1/2 ton - replace with 3/4 ton with plow east
 P341 Service truck, replace central
 78158 water truck , replace with 5 ton flat deck central
 B401 Compressor truck, replace central
 78230 electrician van, replace with 1 ton extended van with bucket west
 P501 Pump station, replace with boom. West

Section	Tech Ident. No.	Description	Serial Number
Wastewater Treatment (Business Ops)	51KU001	000000 51KU001 1998 Marrrd Arrowboard Trailer	2M9AM1289WD118168
Wastewater Treatment (Business Ops)	62TZ002	G00000 62TZ002 2004 Ford 3/4 T F21 4X4	1FTNF21L24EC84040
Wastewater Treatment (Business Ops)	62TZ003	G30593 62TZ003 2004 Ford 3/4T 4X4	1FTNF21L64ED17668
Wastewater Treatment (Business Ops)	C-171	000000 C-171 1994 JDJ Trailer	2J9UTB111R1022322
Wasterwater Treatment (Len Vantol)	55TZ001	D30396 55TZ001 2002 Sterling Tractor Trailer	2FWJABD13AK36619
Wasterwater Treatment (Len Vantol)	66TZ001	D30673 66TZ001 2004 Sterling Tank	2FZHAZCK44AM88262
Wasterwater Treatment (Len Vantol)	67KD001	000000 67KD001 2002 Pressvac Vac Tank Trailer	2P9S1528921005006

Wasterwater Treatment (Len Vantol)	71TZ065	G30586 71TZ065 2006 GMC ½T Pickup – Leased	3GTEK14X16G197195
Wasterwater Treatment (Len Vantol)	C-189	000000 C-189 1993 Utility Trailer	T31315
Pollution Prevention (John Sibbald)	51VZ010	G30949 51VZ010 2005 GMC Mini Cargo Van	1GTDM19X25B508462
Wastewater Treatment (Business Ops)		DUMP TRUCK	2FZHAWDA26AV9417 5

-31-
SCHEDULE "D"

Halifax Harbour Solutions Project – Asset Inventory (for transfer to HRWC)

Dartmouth – HHSP

Dartmouth WWTF

Driveway, Private Road

Dartmouth WWTF

Dartmouth Outfall and Diffuser

Dartmouth Collection system

Dartmouth Cove Pumping Stations

- King Street Pumping Station (existing)

- Dartmouth Cove Pumping Station (existing)

- Old Ferry Road Pumping Station (existing)

Jameison St. Pumping Station and CSO

Melva St Pumping Station and CSO

Park Avenue Pumping Station and CSO

Shore Road CSO

Alderney Drive Pumping Station and CSO

Maitland Street CSO

Old Ferry Road CSO Chamber

Cuisack Street CSO

Tuff Cove CSO

Windmill Road CSO

Grove Street CSO

King Street CSO

Dartmouth North Mainline Pipes

Dartmouth Cove Mainline Pipes

Dartmouth South Mainline Pipes

Tupper Street sewer Shed separation work

Lyle Street CSO Chamber & Outfall

Wallace Street CSO Chamber

Ferguson Road CSO Chamber

Civic Address

PID number

41146820

11 Mawiomi Place

41127069

11 Mawiomi Place

41127069

Civic Address

2 Jamieson Street

00083048

23 Melva Street

00228239

2 Park Avenue

40506867

101 Shore Road

40244154

130 Alderney Drive

00130419

16 Maitland Street

40936981

3 Old Ferry Road

40937039

to be assigned

41146820

321 Windmill Road

00063677

273 Windmill Road

00097220

3 Grove Street

00097337

Halifax - HHSP

Halifax WWTF

Halifax WWTF

Halifax Outfall and Diffuser

Halifax Collection System

Halifax Tunnel

Halifax Tunnel Cogswell St Entrance Shaft

2060 Upper Water Street

40928541

Halifax Tunnel Lower Water Street St Access Shaft

1632 Lower Water Street

40702102

Halifax Tunnel Sackville Street Exit Shaft

All other tunnel drop shafts (4)

Halifax Tunnel Ventilation Fan (Portable)

Halifax North Mainline Pipes

Halifax South Mainline Pipes

Balmoral Pumping Station	5908 Chain Rock Drive	00001248
Pier A Pumping Station	986 Barrington Street	00142620
AST Pumping Station and CSO	636 Francklyn Street	41152596
Duffus Street Pumping Station	5211 Duffus Street	40701971
Sackville Street CSO	5128 Sackville Street	40928897
Maritime Museum of the Atlantic CSO	1661 Lower Water Street	40928921
Young Street CSO	3101 Barrington Street	00339697
North Street CSO & Outfall	2598 Provo Wallis Street	40424632
Upper Water Street CSO	2010 Upper Water Street	40928541
Salter Street Outfall		
Tower Road Pipe Bridge		
SCADA repeater Sites at A. Murray MacKay Bridge		
Duke Street CSO		
Chain Rock Outfall		

Herring Cove – HHSP

Herring Cove WWTF

Herring Cove WWTF		41117631
Herring Cove WWTF Access Driveway		
Herring Cove WWTF Outfall and Diffuser		

Halifax Cove Collection System

Village Road Pumping Station 1	127 Village Road	41241217
Herring Cove Pressure Sewer and Force main		
Roache's Pond Retention Tank		00279570

Aerotech Park

Biosolid Processing Facility		41177270
------------------------------	--	----------

SCHEDULE "E"

HALIFAX HARBOUR SOLUTIONS PROJECT
Cash Flow Budget

HHSP - HRWC Cash requirements

Assumes a transfer date of August 1st

Assumes that HRM will receive CSIF claims for HHSP - October 2007

Assumes that HRM will receive remaining portion of PNS invested principal - August 2007

	CSIF Funding	PNS Investment	HRWC Levies	Interest on Reserve	EMS Expenditures	Required from HRWC	Expenditures Capital Expenditures	Other Expenditures	Cumulative Balance
Q105 Balance forward, March 31, 2007	\$84,500,000								\$84,500,000
April		\$8,291,000	\$3,034,000	\$100,000	(\$1,130,000)		(\$13,000,000)	(\$300,000)	\$81,495,000
May	\$6,400,000		\$2,646,000	\$100,000	(\$1,130,000)		(\$7,000,000)	(\$30,000)	\$82,481,000
June			\$3,072,000	\$100,000	(\$1,130,000)		(\$7,000,000)	(\$30,000)	\$77,493,000
July			\$3,444,000	\$100,000	(\$1,130,000)		(\$7,000,000)	(\$30,000)	\$72,877,000
August		\$12,824,000		\$100,000			(\$7,000,000)	(\$30,000)	\$78,771,000
September				\$100,000			(\$7,000,000)	(\$30,000)	\$71,841,000
October	\$5,250,000			\$100,000			(\$7,000,000)	(\$30,000)	\$70,161,000
November				\$100,000			(\$6,000,000)	(\$30,000)	\$64,231,000
December				\$100,000			(\$5,000,000)	(\$30,000)	\$59,301,000
January, 2008				\$100,000			(\$5,000,000)	(\$30,000)	\$54,371,000
February				\$100,000			(\$12,000,000)	(\$30,000)	\$42,441,000
March				\$100,000			(\$5,000,000)	(\$30,000)	\$37,511,000
April				\$65,000			(\$5,000,000)	(\$30,000)	\$32,546,000
May				\$65,000			(\$10,000,000)	(\$30,000)	\$22,581,000
June				\$65,000			(\$8,000,000)	(\$30,000)	\$14,616,000
July				\$65,000			(\$2,000,000)	(\$30,000)	\$12,651,000
August				\$65,000			(\$3,000,000)	(\$30,000)	\$9,686,000
September				\$65,000		\$7,487,000	(\$3,000,000)	(\$30,000)	\$14,208,000
October				\$65,000			(\$3,000,000)	(\$30,000)	\$11,243,000
November				\$65,000			(\$9,000,000)	(\$30,000)	\$2,278,000
December				\$65,000			(\$2,000,000)	(\$30,000)	\$313,000
January 2009				\$65,000				(\$30,000)	\$348,000
February				\$65,000				(\$30,000)	\$383,000
March				\$65,000				(\$30,000)	\$418,000
April				\$7,000				(\$30,000)	\$395,000
May				\$7,000			(\$372,000)	(\$30,000)	\$0
	\$84,500,000	\$11,650,000	\$21,115,000	\$12,196,000	\$1,994,000	(\$4,520,000)	\$7,487,000	(\$133,372,000)	(\$1,050,000)
									\$0

SCHEDULE "F"

**PUMPING STATIONS MAINTAINED BY TUGS
FOR BUILDINGS SERVING OTHER MUNICIPAL PURPOSES**

Station Identification Number	Pumping Station Reference Name	Civic Address	PID #
PW661130	Northcliffe Lane (use SAP cost #45040723)	111 Clayton Park Dr	00330639
PE661220	Alderney Ferry Terminal (use SAP #45060881)	88 Alderney Dr	40810277
PE661320	Dartmouth City Hall (use SAP #45060880)	90 Alderney Dr	00109090
PE661530	Special Events Building (use SAP #45060883)	5 Ochterloney St	00175174
PE661350	Woodside Daycare (use SAP #45060884)	335 Pleasant St	00232827
PE661330	Woodside Ferry Terminal (use SAP #45060885)	9 Atlantic St	00241687

SCHEDULE "G"

HRM WASTEWATER RELATED DEBT AS AT JULY 31, 2007

This is an analysis of all waste-water related debt that HRM is projected to have outstanding as of July 31, 2007. The amount of debt transferred on the Effective Date shall include any changes between July 31, 2007, and the Effective Date.

HALIFAX REGIONAL MUNICIPALITY WASTEWATER RELATED DEBT AS AT JULY 31, 2007 Prepared May 17, 2007										Interest rate		Maturity		Outstanding as at March 31, 2007		2007/08		2008/09		2009/10		2010/11		2011/12		2012/13		2013/14		2014/15		2015/16		2016/17																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
														Principal		Interest		Principal		Interest		Principal		Interest		Principal		Interest		Principal		Interest		Principal																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Harbour Solution Project																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
MFC 244-HBR-1										Oct 2024		2.84%-5.94%		99,000,000		5,185,538		5,500,000		4,956,738		5,500,000		4,448,913		5,500,000		4,177,663		5,500,000		3,895,513		5,500,000		3,008,088		5,500,000		2,702,975																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
FCM GMIF-1599										Oct 2014		1.33%-3.127%		18,000,000		1,000,000		262,815		1,000,000		506,370		1,000,000		484,070		1,000,000		432,570		1,000,000		374,530		11,000,000		343,970																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
HSP														117,000,000		6,500,000		6,448,353		6,500,000		6,463,108		6,500,000		6,194,408		6,500,000		4,909,253		6,500,000		4,239,673		6,500,000		3,880,193		6,500,000		3,653,468		6,500,000		3,008,088		6,500,000		2,702,976																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
WIP projects																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
1998 Fall										Dec 2010		4.625/5.625		27,370		6,842		1,567		6,842		1,182		13,685		437		11,831																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
1999 Spring										May 2009		4.75/5.375		17,747		555		2,958		555		3,985		58,039		3,985		11,831																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
1999 Fall										Dec 2009		4.75/6.75		177,116		59,039		11,808		59,039		7,896		58,039		7,896		58,039																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2001 Spring										May 2011		4.375/6.250		40,099		9,760		1,362		10,025		2,168		10,025		1,950		10,025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2001 Fall										Nov 2011		3.125/6.0		48,801		9,760		2,782		9,760		2,269		9,760		1,732		9,760																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2002 Spring										May 2012		3.375/6.125		211,504		3,057		955		3,057		8,651		8,651		4,365		4,365																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2002 Fall										Nov 2012		3.25/5.625		90,385		3,057		955		3,057		8,651		8,651		4,365		4,365																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2003 Spring										May 2013		3.5/5.5/5.375		113,132		2,564		4,531		15,066		4,228		15,066		2,768		15,066																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2004 Spring										June 2014		2.5/5.4/5.05		113,132		2,564		4,531		15,066		4,228		15,066		2,768		15,066																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2004 Fall										Nov 2014		3.195/5.05		218,427		27,303		9,874		27,303		8,835		27,303		7,725		27,303																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2005 Spring										June 2015		2.97/4.56		252,861		33,763		5,384		33,763		8,619		33,763		6,197		33,763																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2005 Fall										Nov 2015		3.63/4.83		303,869		33,763		22,879		33,763		21,609		33,763		20,303		33,763																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2006 Spring										June 2016		4.25/6.48		223,586		5,384		25,506		25,506		8,929		25,506		7,737		25,506																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2006 Fall										Nov 2016		4.1/4.41		48,407		4,841		1,346		4,841		2,832		4,841		2,832		4,841																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2007 Spring										June 2017				605,614		13,507		60,561		22,991		60,561		20,332		60,561		17,975		60,561		12,345		60,561		9,655		60,561		4,182		60,561		1,400																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
WIP projects														2,403,242		144,606		91,969		348,792		116,460		355,634		97,098		291,784		79,561		279,963		66,091		260,168		52,684		214,810		41,470		199,744		31,261		165,279		16,654		90,908		5,119		60,561		1,400																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Closed projects																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
1999 Spring										May 2009		4.75/5.375		355,956		467,713		11,446		60,593		19,651		60,593		9,096		243,970																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
1999 Fall										Dec 2009		4.75/6.75		1,172,282		52,282		2,090		17,421		4,365		17,421		4,365		17,421																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2000 Spring										May 2010		4.75/5.375		56,244		14,061		5,244		14,061		4,365		14,061		4,365		14,061																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2001 Spring										Nov 2010		3.125/6.250		240,552		8,288		2,888		8,288		13,005		8,288		9,359		60,138																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2001 Fall										May 2011		4.375/6.250		28,084		5,619		1,601		5,619		1,306		5,619		997		5,619																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2002 Spring										Nov 2012		3.125/6.125		216,647		12,880		41,216		43,329		9,153		43,329		6,608		43,329																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2002 Fall										Nov 2012		3.25/5.625		182,387		4,949		4,949		8,530		30,998		7,086		30,998																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
2003 Spring										May 2013		3.5/5.5/5.375		182,387		4,230		4,230		4,230		1,193		4,230		1,193		4,230																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2003 Fall										Nov 2013		2.5/5.4/5.05		30,240		1,355		4,320		4,320		1,193		4,320		1,193		4,320																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2004 Spring										June 2014		2.5/5.4/5.05		468,868		29,996		13,528		60,593		24,410		60,593		21,513		60,593																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2004 Fall										Nov 2014		3.125/6.125		235,861		33,763		5,384		33,763		5,384		33,763		5,384		33,763																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2005 Spring										June 2015		2.87/4.56		235,861		33,763		5,384		33,763		5,384		33,763		5,384		33,763																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2005 Fall										Nov 2015		3.62/4.48		235,861		33,763		5,384		33,763		5,384		33,763		5,384		33,763																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2006 Spring										June 2016		4.1/4.41		48,407		4,841		1,346		4,841		2,832		4,841		2,832		4,841																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
2007 Spring										June 2017				605,614		13,507		60,561		22,991		60,561		20,332		60,561		17,975		60,561		12,345		60,561		9,655		60,561		4,182		60,561		1,400																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
WIP projects														2,403,242		144,606		91,969		348,792		116,460		355,634		97,098		291,784		79,561		279,963		66,091		260,168		52,684		214,810		41,470		199,744		31,261		165,279		16,654		90,908		5,119		60,561		1,400																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Closed projects																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	

SCHEDULE “H”

Schedule of Reserves and Funding for Capital Work in Progress (“WIP”) and Future Works

A. **Reserves:** The unexpended balances of various of the reserves referenced in section 18 of this Agreement as at March 31, 2007 (subject to annual HRM audit), and projected balances as at August 1, 2007 and March 31, 2008 are as shown in the following table:

Projected Reserve Schedule March 31, 2007 to March 31, 2008

	Q104	Q105	Q106	Q122	Q117	Total
Cash Balance March 31, 2007	\$7,574,745	(\$682,533)	\$5,698,984	\$2,649,688	\$613,609	\$15,854,493
Previous Commitments	(\$5,465,242)	(\$1,402,735)	\$0	(\$1,464,648)	\$0	(\$8,332,625)
Uncommitted Cash Balance March 31, 2007	\$2,109,503	(\$2,085,268)	\$5,698,984	\$1,185,040	\$613,609	\$7,521,868
2007/2008 Interest to Apr to July	\$93,362	\$0	\$333	\$35,700	\$8,864	\$138,259
2007/2008 Revenue Apr to July	\$566,667	\$2,259,862	\$4,116,333	\$333,333	\$0	\$7,276,195
2007/2008 Expenses Apr to July	(\$550,000)	(\$2,025,675)	(\$4,536,333)	(\$133,333)	\$0	(\$7,245,341)
Projected Uncommitted Cash Balance Aug 1, 2007	\$2,219,532	(\$1,851,081)	\$5,279,317	\$1,420,740	\$622,473	\$7,690,981
2007/2008 Interest to Aug to Mar	\$112,020	\$0	\$667	\$71,399	\$18,017	\$202,103
2007/2008 Revenue Aug to Mar	\$1,133,333	\$4,519,725	\$8,232,667	\$666,667	\$0	\$14,552,392
2007/2008 Expenses Aug to Mar	(\$1,100,000)	(\$4,051,349)	(\$9,072,667)	(\$266,667)	\$0	(\$14,490,683)
Projected Balance at March 31, 2008	\$2,364,885	(\$1,382,705)	\$4,439,984	\$1,892,139	\$640,490	\$7,954,793

Notes:

- All 2007/08 Revenues, interest and expenditures were evenly prorated throughout the year e.g. April – July/07 at 33% and Aug – Mar/08 at 67%. These amounts are subject to change based on project activity between April 1/07 and the Effective Date, in which event the amount transferred will be adjusted accordingly.*
- Cash balances as at March 31, 2007 represent the unexpended balances for each reserve and the amounts are subject to HRM annual audit review.*
- The opening balance of Q106 has been adjusted to reflect the removal of a commitment that is no longer required.*

Reserve Descriptions (Reserve Type):

Q104 – Sewer Redevelopment and Trunk Sewer Reserve (Capital)
 Q105 – Environmental Protection Reserve (Operating and Capital)
 Q106 – Wastewater/Stormwater Management Reserve (Operating)
 Q122 – Wastewater Treatment Plant Existing Infrastructure Reserve (Capital)
 Q117 – Sludge Tipping Fees Reserve (Operating)

- B. **HRWC Water Dividend:** Unexpended water dividend allocated to WIP capital projects from 2006/07 and prior years will be repaid to HRWC. For the 2007/08, 2008-09 and 2009-10 fiscal years, HRWC will retain up to a maximum of \$3.6 million annually as was approved by the Regional Council at its May 30, 2006 meeting. However, these funds will continue to be reflected by HRM as property tax revenue until such a time a new Tax Agreement is approved.
- C. **Capital from Operating (Pay-As-You-Go):** HRM's commitment to fund the transferred WIP from Capital from Operating will continue on the basis of spending claims being submitted by HRWC on a monthly basis. HRWC will also provide a quarterly update on the completion status of each project. Any transfer of unexpended balance between these projects must be approved by HRM Council as per current practice.
- D. **Gas Tax Funding:** HRM will continue to administer the Canada-Nova Scotia Agreement on the Transfer of Federal Gas Tax Revenues. For projects funded on a quarterly basis from this source, included in the transferred WIP, HRWC will submit actual invoices to HRM for reimbursement and for the provision of annual auditing and completion of the Annual Expenditure Report. HRM also commits to continue funding future Stormwater and Wastewater projects at a minimum of \$5.1 million per year in fiscal 2007/08, 2008/09 and 2009/10 from its Gas Tax allocation as was approved by the Regional Council at its May 30, 2006 meeting.
- E. **External Cost Sharing Arrangements:** Some of the transferred WIP and expected future projects are funded in part with external cost sharing arrangements with other levels of government. HRM will continue to administer these arrangements. HRWC will be required to submit claims for cost recovery to HRM on a quarterly basis, who will then in turn submit claims to the funding agency. HRM will reimburse HRWC within 30 calendar days of submission of the invoices and claim documents, subject to section 20 of this Agreement. Any amounts not reimbursed by the external funding agency will be recovered from HRWC as a reduction of future claims.

These programs include:

1. Canada Strategic Infrastructure Fund (CSIF)

<i>Project Name</i>	<i>Approved Funding Allocation</i>
Diffuser Ratio Upgrades	2,500,000*
Combined Sewer Overflow Prevention:	15,000,000 (total category allocation)
Fairfield Holding Tank	300,000
Tupper Street – Combined Sewer Separation	200,000
Northwest Arm Sewer	250,000
Duke/Salter Sewer Separation	5,053,200
Other	1,411,300
Freshwater Brook	9,784,000
Total Project Allocation	16,998,500**
Pumping Stations	9,000,000 (total category

Upgrades/Wet Weather Flow	allocation)
Windmill Road PS, Dartmouth	25,000
Valleyford Holding Tank, Dartmouth	50,000
Quigley's Corner PS, Eastern Passage	785,000
Johnson Road PS, North Preston	100,000
Bedford Sackville Trunk Sewer	597,727
India Street – PS Elimination, Eastern Passage	150,000
Port Wallace Sanitary Sewer System	2,500,000
Anderson Street PS	53,852
Whimsical Lake PS, Halifax	680,000
Akerley & Windmill PS< Dartmouth	266,960
Main St PS, Dartmouth	35,000
Chandler Drive PS	695,000
Morris Lake PS	143,899
Infiltration/Inflow Reduction	410,318
Sackville Sanitary Sewer System	10,687
Roach's Pond, Halifax – Forcemain Upgrade	2,475,000
Total Project Allocation	8,978,263
Central Biosolids Dewatering Facility:	3,500,000 (total category allocation)
Total CSIF Funding	30,000,000

*Funds fully expended and included in the Harbour Solutions Project

** The project allocation currently exceeds the total approved category allocation. HRM staff will investigate alternatives to ensure the planned project allocation does not exceed the approved category allocation.

2. Canada Nova Scotia Infrastructure Program (CNSIP)

All projects under this program are complete (or will be complete by the effective date). HRM will retain responsibility for administrative closure on all projects and transfer the completed assets as per the agreement.

3. Provincial Capital Assistance Program (PCAP)

<i>Project Name</i>	<i>Approved Funding Allocation</i>
Peggy's Cove Water and Sewer Evaluation and Design Study	24,800
Bedford Hwy/Millview Water and Sewer	350,000
Total PCAP Funding	374,800

4. Municipal Rural Infrastructure Fund (MRIF):

<i>Project Name</i>	<i>Approved Funding Allocation</i>
North Preston Water and Sewer	3,033,332
Lively Water and Sewer	2,878,600
Total MRIF Funding	5,911,932

F. **Area Capital Cost Contributions:** Any unexpended balances to fund WIP from these sources will be transferred to HRWC as collected. The portion which HRWC was responsible to collect and transfer to HRM will now be retained by HRWC.

G. **FCM's Green Investment Fund Agreement/Sustainable Community Funding:** On the Effective Date, HRM will remit to the HRWC all unspent budgeted balances of its pollution prevention capital projects. The HRM account numbers, Project names, and unaudited balances as at March 31, 2007 are as shown in the table below, and the amounts actually transferred will be reduced to reflect expenditures and payables incurred prior to the Effective Date:

<i>Account Number</i>	<i>Project Name</i>	<i>Balance as at March 31, 2007</i>
CSI00692	Pollution Prevention (P2 at source)	\$35,668.35
CSI00698	Pollution Prevention (Flush-less Project)	\$20,000.00

HRM will remit 40% of funds derived from the FCM loan interest rate differential to the HRWC for fiscal years 07/08, 08/09, 09/10 in the amounts of \$140,410, \$133,050 & \$125,590 respectively. These funds must be utilized solely for pollution prevention projects and must follow all rules and regulations as defined under the FCM's Green Investment Fund Agreement. HRM and HRWC will work co-operatively in ensuring all additional pollution prevention project initiatives are approved through Regional Council, FCM and any additional oversight boards, committees, agencies or departments as may be necessary or advantageous to maximize external funding.

-40-
SCHEDULE "I"

NON-UNIONIZED EMPLOYEE TERMS OF TRANSFER OF EMPLOYMENT

1. **Effective Date**

The terms of this Memorandum of Understanding shall become effective as of the transfer of HRM Wastewater to HRWC ("Effective Date"). This transfer will occur on the date set by the Nova Scotia Utility and Review Board.

2. **Classifications**

Transferring Employees shall, as of the Effective Date, continue in the same classifications they held with HRM prior to the Effective Date.

3. **Salaries**

Transferring Employees shall maintain their salary until such time as a formal salary review is undertaken. For greater certainty, Transferring Employees who are receiving a higher salary than that which they would receive under the above-mentioned salary review shall be "grandfathered" at that higher rate until such time as their salary under the review exceeds their "grandfathered" rate.

4. **Service**

Any service accumulated by Transferring Employees while employed with HRM will transfer to HRWC on the Effective Date.

5. **Vacations**

Transferring Employees shall maintain any vacation entitlement earned with HRM for the 2007 calendar year. Beginning January 1, 2008, Transferring Employees shall accumulate vacation entitlement pursuant to any HRWC policies from time to time in place in respect of non-union employees. Transferring Employees who have, prior to the Effective Date, received from HRM all required approvals for scheduled vacation leave in 2007 shall be entitled to take their vacation at the time scheduled, subject only to such operational requirements as may arise.

6. **Sick Leave**

- (a) Transferring Employees shall transfer to HRWC the number of sick days accumulated with HRM prior to the Effective Date.
- (b) Subsequent to the Effective Date, Transferring Employees shall accumulate sick leave entitlement pursuant to the terms of HRWC policies from time to time in place in respect of non-union employees.

7. **Pre-Retirement Leave**

Any pre-retirement leave accumulated by Transferring Employees prior to the Effective Date shall transfer to HRWC. Subsequent to the Effective Date, Transferring Employees shall accumulate pre-retirement leave on the basis of HRWC policies from time to time in place in respect of non-union employees.

8. **Pension**

The Transferring Employees will remain in the HRM pension plan subject to compliance with the *Pension Benefits Act* and the consent of the Superintendent of Pensions, if required. HRWC shall make contributions to the HRM plan at a level determined by the Actuary for the plan from time to time as the required employer contribution.

9. **Employees on Leaves of Absence, LTD and WCB**

Transferring Employees who, as of the Effective Date, are on employer-approved leaves of absence or who are receiving benefits pursuant to the Long Term Disability Plan of HRM or are off work and receiving Workers Compensation Benefits shall remain the employees of HRM until such time as they return to work (in the case of employees on leaves of absence) or provide a medical certificate, satisfactory to HRM and HRWC, stating their ability to return to full-time employment (in the case of employees receiving benefits pursuant to the long term disability plan or Workers' Compensation). At that time, the Transferring Employee shall become an employee of HRWC and their return to work shall be governed by the policies of HRWC then in place.