

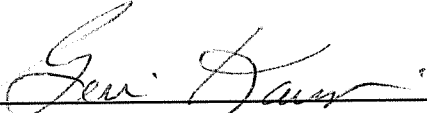


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

11.1.23

Halifax Regional Council
May 29, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 

Geri Kaiser, Acting Chief Administrative Officer



Paul Dunphy, Director of Community Development



Brad Anguish, Director of Environmental Management Services

DATE: May 9, 2007

SUBJECT: Timberlea, Lakeside, Beechville Wastewater Treatment Plant Update

ORIGIN

In November, 2004 the Nova Scotia Department of Environment informed HRM that the Province would not support plans to expand the Timberlea, Lakeside, Beechville Wastewater Treatment Plant.

On May 30, 2006 Council directed staff to:

- Initiate the process to amend the planning documents for Timberlea, Lakeside, and Beechville to allow development in accordance with the proposed sewage treatment capacity of approximately two million imperial gallons per day, and;
- Authorize staff to initiate a process to implement capital cost recovery as it relates to Timberlea, Lakeside, and Beechville and Halifax for the sanitary main and other infrastructure necessary to direct about one million imperial gallons per day to the Halifax Sewage treatment plant.

Nine Mile River Developments Ltd. is requesting a letter for submission to financial institutions confirming that a technical solution exists and that Council is committed to providing wastewater services within the Timberlea, Lakeside, Beechville Serviceable Area Boundary.

RECOMMENDATION

It is recommended that Regional Council authorize the Chief Administrative Officer to sign the letter attached to this report, committing HRM to provide wastewater services to properties within the Timberlea, Lakeside, Beechville Serviceable Area Boundary.

BACKGROUND

Westgate Development Agreement

The Timberlea/Lakeside/Beechville Wastewater Treatment Plant was initially constructed to accommodate approximately 10,000 people, with plans to expand the plant to accommodate 30,000 people. The Service Boundary was established to accommodate 30,000 people. Development density has been less than originally anticipated, and it is now expected that the service boundary will accommodate approximately 20,000 persons.

In 2002, Council entered into a Development Agreement with Nine Mile River Investments for the serviced development within the Timberlea/Lakeside/Beechville Plan Area known as "Westgate". The expected number of residential units is approximately 3,200 in addition to a golf course and some commercial development, supporting a population of approximately 8,000 persons at full build out. All wastewater from the development was to be treated at the Timberlea/Lakeside/Beechville treatment plant which discharges to the Nine Mile River.

Due to capacity constraints that were anticipated at the time, the terms of the development agreement limited development to 900 units. The agreement allowed development to continue beyond the 900 units when the capacity of the treatment plant could be confirmed, and a method of funding an expansion to the plant was determined. As the development was planned in more detail, Council amended the development agreement in March, 2004 to allow an additional 11 units, bringing the total to 911 units.

NS Department of the Environment Decision re: Plant Expansion

In November, 2004, the Nova Scotia Department of Environment and Labour informed HRM that the Province would not support plans to expand the treatment plant. This position was due primarily to the adverse impacts on the river that were anticipated during periods in the summer and early autumn when flows in the river are at their lowest.

This was problematic because the Development Agreement with Nine Mile River Investments contemplated some degree of expansion to the treatment plant. Discussions began between Provincial and HRM staff and, in March, 2004 the Province clarified their position regarding approving additional development within the existing Service Boundary. The Province agreed to allow connection of new buildings that were located on existing lots, as well as those lots that were in various stages of subdivision approval. This level of development, which is not expected to exceed the design flow to the treatment plant, only accommodates approximately 180 lots from Westgate.

Potential Solutions

Initial estimates for technical solutions were between \$16 - \$30 Million, and beyond the ability of HRM to fund. The developer then proposed innovative solutions that involved land application of treated effluent on the proposed golf course, and indicated a willingness to contribute financially towards the solutions.

This led to an extended period of analysis of the alternatives, and in May, 2006 these options were presented to Council.

Council endorsed the option of directing some of the flow to the Halifax Wastewater System, and directed staff to initiate a process to amend the planning documents to accommodate 20,000 persons within the Timberlea/Lakeside/Beechville service area. Council also directed staff to implement capital cost recovery on infrastructure necessary to direct approximately 1 million imperial gallons per day (10,000 persons) to the Halifax wastewater system.

DISCUSSION

The Capital Cost Charges By-law recently adopted recovers the growth related costs of providing capacity in a regional wastewater system. Council defined the regional wastewater system as including both treatment plants as well as interceptor sewers. The pumping station(s), forcemains and sewers that facilitate the diversion of flow from Timberlea/Lakeside/Beechville to the Halifax wastewater system were included in the definition of the regional wastewater system, and therefore revenue collected from the Wastewater Treatment CCC may be applied to this project if necessary. It should be noted that staff are recommending in another report to Council regarding Eastern Passage Wastewater Treatment Facility, that all of the revenue available from the Wastewater Treatment CCC be directed towards the Eastern Passage project until 2010/11. Beginning in 2011/12, funds will be available as the debt servicing costs for Eastern Passage decline. The implications are that there will be increased carrying charges associated with the Wastewater Treatment CCC funding component of the connection to the Halifax wastewater system.

The option of diverting flow to the Halifax system has been studied in detail, and the capital cost is estimated at approximately \$7.0M. Construction of the system depends on several factors, including the development of the residential component of Westgate. It is anticipated that the residential component will not be developed for at least 3 years. The developer plans to build the golf course first and use this to market the residential component which will be built in the second phase. The construction of the wastewater system also depends on the impact of the development on the flow to the wastewater treatment plant in Timberlea, particularly during the summer months. Demographics are changing across the Region and households are becoming smaller, so an increase in the number of connections may not mean a corresponding increase to the flow at the treatment plant.

Detailed design of the solution should begin when the residential component of the development begins, and a detailed funding plan will be developed at that time. It is anticipated that construction and commissioning will occur within 2 years of approval of a funding plan.

The adoption of the Regional Plan provides another level of assurance that settlement patterns can be managed to ensure that the capacity of the Halifax wastewater system will not be exceeded.

Next Steps

Discussions will begin immediately with the Nova Scotia Department of Environment and Labour to determine whether approvals to extend sewer services can be granted, given that a feasible solution exists and the Municipality is committed to carrying out the project. This position would be consistent with that adopted by the Province regarding the upgrade and expansion to the Eastern Passage Wastewater Treatment Plant.

Due to the length of time that has passed, Nine Mile River Investments have requested an extension of their original development agreement. Staff support this request. If the development agreement is amended, it would also be prudent to carry out a housekeeping amendment to remove the limit on approvals of 911 lots. Amending the development agreement will be dealt with by the Western Region Community Council. A separate staff report will be provided to the community council and a public hearing will be required.

BUDGET IMPLICATIONS

There are no immediate Budget Implications at this time. However, this project will need to be considered as part of future years' Business Planning and Budget Processes, according to the timelines noted above.

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

Council can choose not to authorize the Chief Administrative Officer to sign the letter attached to this report. This option is not recommended for the reasons outlined in the report.

ATTACHMENTS

Attachment A - Letter to Nine Mile River Investments Limited

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 :	Peter Duncan, P.Eng., Manager Development Engineer
Financial Approval by:	 for Catherine Sanderson, Senior Manager, Financial Services, 490-1562

Attachment A

May 16, 2007

Glen V. Dexter
Nine Mile River Investments Limited
Suite 1300
2000 Barrington Street
Halifax, NS B3J 3K1

Dear Mr.Dexter:

Re: Westgate Community Development Agreement

As you are aware the Development Agreement with Nine Mile River Investments for "Westgate" limits development to 911 units. It also anticipates that development could continue when plans to expand the wastewater treatment plant were developed.

In November, 2004, the Nova Scotia Department of Environment and Labour informed HRM that the Province would not support plans to expand the treatment plant. This position was due primarily to the adverse impacts on the river that were anticipated during periods in the summer and early autumn when flows in the river are at their lowest. Discussions began immediately between Provincial and HRM staff, and in March, 2005 the Province clarified their position regarding approving additional development within the existing service boundary. The Province agreed to allow connection of new buildings that were located on existing lots, as well as those lots that were in various stages of subdivision approval. This level of development, which is not expected to exceed the design flow to the treatment plants, only accommodates approximately 180 lots from Westgate.

Westgate is within the Timberlea/Lakeside/Beechville Service Area. In May, 2006 Council endorsed a concept to divert some of the Timberlea/Lakeside/Beechville service area to the Halifax sewer system, and allow development to continue without exceeding the current design capacity of the wastewater treatment plant. HRM commits to provide wastewater treatment services in the Timberlea/Lakeside/Beechville Service Area in accordance with our usual practices. This means that HRM commits to Nine Mile River Investments Limited that it will have access when required in accordance with our usual practices to provide municipal sewage treatment. With respect to Westgate this is a commitment to provide municipal wastewater treatment contemplated by the Development Agreement, including 3200 residential units, the golf course and commercial development.

As we discussed, on April 24, 2007 Council adopted a Regional Capital Cost Charges By-law,

which collects a charge that helps fund the growth related share of wastewater treatment capital costs. The charge is collected at the building permit stage of development from all serviced development in HRM. This fulfills any capital cost contributions for wastewater treatment infrastructure that are contained in the development agreement.

The plan to divert effluent to Halifax, as well as the adoption of the by-law make the limit on approvals of 900 lots no longer applicable. This letter constitutes confirmation pursuant to section 2.5.12 of the Development Agreement of both capacity and funding for sewage treatment for the entire development. For clarity, staff will support an amendment to the Development Agreement to remove the conditions imposed in sections 2.5.11 and 2.5.12. Staff as well support an amendment to the Development Agreement to extend the effective date of the agreement. Staff will recommend to Council that the process to make these amendments be commenced immediately.

If you have any questions concerning the contents of this letter, please do not hesitate to contact me at your convenience.

Sincerely

Dan English
Chief Administrative Officer