

**Item No. 6**  
**Halifax Regional Council**  
**November 9, 2010**

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

Original Signed by Director

**SUBMITTED BY:** \_\_\_\_\_  
Brad Anguish, Director of Business and Information Services  
Director of Halifax Harbour Solutions Project

**DATE:** October 26, 2010

**SUBJECT:** Halifax Harbour Solutions Project - 1<sup>st</sup> Quarter Report (April – July 2010)

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**INFORMATION REPORT**

**ORIGIN**

This report originates from the Council session of October 22, 2002 when staff was authorized to submit quarterly reports for the duration of the project.

**BACKGROUND**

Halifax has entered into five contracts to date for the implementation of the Halifax Harbour Solutions Project, namely:

- An infrastructure development agreement for the construction of the three Wastewater Collection Systems on October 15, 2003 with Dexter Construction; and
- A development agreement for the construction of three advanced primary Wastewater Treatment Facilities on June 15, 2004 with D&D Water Solutions, Inc.; and
- A development agreement for the construction of a Biosolids Processing Facility on November 30, 2004 with SGE Acres Limited; and
- An operating and maintenance agreement for the Biosolids Processing Facility on November 30, 2004, with N-Viro Systems Canada Inc; and
- An operating agreement for the transportation of dewatered biosolids from the three new Wastewater Treatment Facilities on May 31, 2006, with Seaboard Liquid Carriers Limited

## **DISCUSSION**

The primary purpose of this report is to provide a historical report of project activities over the previous quarter up to July 31, 2010, in accordance with Regional Council direction. The attachment to this report provides the required historical accounting of project activities in the format that has been used throughout the Harbour Solutions Project.

As of the date of writing of this report, HRM and Halifax Water (HW) staff are pleased to report that all HSP infrastructure components (treatment facilities, collection systems, biosolids facility) are fully operational. Furthermore, from a contractual perspective, all infrastructure components have reached the Substantial Completion milestone with the sole exception of some components of the Halifax collection system. The HHSP remains well within budget with an uncommitted contingency balance of \$4.2M as of July 31, 2010. The water quality in Halifax Harbour has now significantly surpassed the water quality objectives as defined by the Halifax Harbour Task Force and adopted by Regional Council (details in Section 5 of the attached report). Both Black Rock and Dingle beaches were re-opened for the summer season.

The Project has now entered the closure phase. As a result, Regional Council approved the transfer of the HHSP assets and project management to Halifax Water effective August 1, 2010. Where HW staff are the operators of the HHSP infrastructure, they are in the best position to oversee and manage the Project (deficiency rectification, warranty work, insurance and contract recoveries, etc.) through to its ultimate administrative closure. Accordingly, this is the final quarterly report to be submitted by HRM staff to Regional Council and it is why this ‘quarterly’ report encompasses four months of reporting (April 1 to July 31, 2010) until the Project transfer date of August 1, 2010. Halifax Water will continue the submission of quarterly reports to Regional Council until Final Completion of the last Project asset.

A brief executive overview of the project progress against the current strategic project priorities identified in consultation with Regional Council follows:

1. Restore the Halifax Wastewater Treatment Facility as soon as possible to mitigate future flooding;
2. Shield tax and water/wastewater ratepayers to maximum extent possible from potential additional costs;
3. Complete the entire Halifax Harbour Solutions Project as soon as possible; and
4. Transfer the HHSP to Halifax Water.

### **Restore the Halifax Wastewater Treatment Facility (WWTF)**

The Halifax WWTF was shut down on January 14, 2009 due to the wastewater flooding in the wet well and basement areas of the plant. A two-phase plan was developed to fully restore the facility and re-establish the required treatment levels. Phase 1 included re-establishing the wastewater flows through the plant which involved screening and bypassing the treatment process with effluent discharge into the harbour via the existing Halifax WWTF outfall. Phase 2

involved restoring the remainder of the facility, particularly replacing and/or repairing the damaged equipment in the basement back to the original or modified condition to re-establish the treatment capacity at the Halifax WWTF.

Phase 1 and Phase 2 have been completed and the Plant has been treating sewage flows since May 27, 2010. Re-commissioning activities are ongoing but nearing completion.

### **Shield Tax and Water/Wastewater Ratepayers to Maximum Extent Possible from Potential Additional Costs**

Overall, the \$333 million Harbour Solutions Project remains well within budget. As a result of the flooding incident at the Halifax WWTF, there has been widespread public speculation that taxes and/or ratepayers will be “on the hook” for any additional costs that arise. In addition to a substantial security package that guarantees Contractor performance during the three-year performance warranty period following delivery of each asset to HRM, the Harbour Solutions Project also has numerous substantial insurance policies in place including property, builders’ risk, professional liability, and wrap-up liability policies.

The flooding incident is insured under the Project’s builder’s risk policy. Policy coverage provides for repair for the WWTF to its pre-incident state with all affected equipment/systems being repaired or replaced, and three year warranty provisions restored. As a result, HRM and Halifax Water (HW) staff is working very closely with the insurer to ensure their position is not prejudiced in any way such that full cost recovery in accordance with the terms of the policy can be expected.

Thus far, roughly \$10 million dollars has been spent on the facility recovery. Insurance claims are being submitted on a frequent schedule. HW has received approximately \$9 million to date from the insurance company and further claims will be submitted as the re-commissioning progresses.

A preliminary estimate has been developed for the overall project at an estimated cost of approximately \$11 million, the vast majority of which will be covered under the builders’ risk insurance policy that was in place at the time of the flood incident.

To the extent that HW/HRM may incur WWTF recovery costs not eligible for reimbursement under the terms of the insurance policy, staff will seek recovery from the Contractor if it is determined that the associated work should have initially been provided under the scope and terms of the Project Agreement. Maximum focus remains on repairing the Halifax WWTF, and completing all Project assets as soon as possible. Both staff and Contractor agree that this matter should only be dealt with after the Halifax WWTF has been successfully re-commissioned.

Regarding the successful completion of the Harbour Solutions Project wastewater collection systems and treatment facilities in each of Halifax, Dartmouth and Herring Cove, each of these assets has a three-year performance warranty backed by corporate guarantees and a security

package designed to mitigate financial risk in the event of a default by the Contractor. The security package includes:

**Wastewater Collection Systems (WWCS):**

- Performance Bond in the face amount of 100% of the Guaranteed Maximum Price (approximately \$120 million);
- Labour and materials Payment Bond in the face amount of 50% of the Guaranteed Maximum Price (approximately \$60 million);
- Corporate Guarantee by Municipal Enterprises Limited, Degremont Ltd., and Suez, all parent companies to D&D Water Solutions.

**Wastewater Treatment Facilities (WWTF):**

- \$15 million irrevocable, stand-by Letter of Credit;
- \$20 million Performance Bond;
- \$20 million Labour and Material Payment Bond;
- Corporate Guarantees from Municipal Enterprises Limited, Degremont Ltd., and Suez, all parent companies to D&D Water Solutions.

The Project Agreement also includes provisions which permit HRM to withhold payments if there are defaults and to hold back monies to cover the costs of any unremedied deficiencies at the Date of Substantial Completion. Additionally, HRM has withheld 10% of all payments made to date to D&D under the WWTF Agreement, and Dexter under the WWCS Agreement in accordance with the requirements of the Builder's Lien Act to address any lien claims that may arise.

Staff will continue to employ remedies provided under the Project Agreements outlined above to shield tax and water/wastewater ratepayers from any potential additional costs to the maximum extent possible.

**Complete the Harbour Solutions Project ASAP**

As of the date of writing of this report, all the WWTF and WWCS for Halifax, Dartmouth and Herring Cove have achieved substantial completion with the exception of the Halifax Pier A and CSOs. The Contractors continue to rectify deficiencies in all HHSP infrastructure components.

***Halifax***

Substantial Completion of the Halifax Wastewater Treatment Facility (WWTF) and the Wastewater Collection System (WWCS) was achieved on December 19, 2008. The exceptions are Pier A Pumping Station and Combined Sewer Overflow (CSO) chamber, as well as the other Halifax CSO chambers (excluding the Balmoral CSO Chamber). These exceptions remain the responsibility of the Contractor until satisfactory substantial performance can be proven. As of the date of this report, all the Punch List items for Halifax WWCS (except Pier A

and CSOs) have been resolved and the Contractor is preparing the documentation required for Final Completion.

Regarding the Halifax WWTF, D&D Water Solutions Inc. continues to focus on the rectification of the remaining identified deficiencies during the Substantial Completion process.

### ***Dartmouth***

The Dartmouth WWCS and WWTF have been treating flows since July 2008.

Substantial Completion of the Dartmouth WWTF was achieved on April 21, 2010.

Substantial Completion of the Dartmouth WWCS was achieved on June 28, 2010.

Rectification of deficiencies identified through the Substantial Completion process is ongoing.

### ***Herring Cove***

The Herring Cove Pumping Station and the Herring Cove WWCS and WWTF have been treating sewage flows since December 14, 2009.

Substantial Completion of the Herring Cove WWTF and WWCS was achieved on June 28, 2010.

Rectification of deficiencies identified through the Substantial Completion process is ongoing.

### ***Biosolids Processing Facility (BPF)***

The Biosolids Processing Facility (BPF) has been processing products since July 2007. Since the shutdown of the Halifax WWTF in January 2009, biosolids continue to be processed from the Aerotech Dewatering Facility and the Dartmouth WWTF. The finished product continues to meet the “Class A” biosolids standard for the Province of Nova Scotia. Consumer demand for the product remains high.

The resolution of outstanding plant deficiencies by the Contractors has been rather slow, although progress has been made on many of the smaller, lower cost related items. Halifax Water and HRM staff are in the process of reaching an agreement with both SGE and N-Viro for final resolution of all plant deficiencies. The most significant deficiency is the replacement of the current dust collection system with an improved and more efficient system.

### **Transfer of Halifax Harbour Solutions Project to Halifax Water**

The Memorandum of Agreement (MOA) between HRM and HW was approved by Regional Council in June 2010, and HW has also received approval from the Nova Scotia Utility and Review Board (NSUARB) for the MOA. Therefore, on August 1, 2010, Halifax Water accepted the transfer of the Harbour Solutions Assets and Project Management in accordance with the MOA. Cash and assets were transferred to HW after the date of this report (September 30, 2010). As per the MOA, accounts payable (Builders' Lien Act and deficiency holdbacks) will remain on HRM's books and will be offset by a corresponding amount receivable from HW and any shortfalls incurred by HRM as a result from transferring the remaining balance in the EPC Reserve, will be reimbursed by HW. The net impact to HRM and, therefore, the general taxpayer, will be zero.

### **BUDGET IMPLICATIONS**

As of July 31<sup>st</sup> 2010, the Harbour Solutions Project has spent \$321.30 million of its \$332.7 million capital budget. Projections to be under the capital budget of \$332.7 million remain on target based on staff's understanding of the forecasted insurance recoveries relative to the Halifax WWTF flooding incident as discussed earlier in this report.

As all completion "dates certain" for the various components have now passed, there should be no additional inflation risk to the Project. Total inflation for the project is \$23.81 million. As the original inflation budget, assumed at a rate of 2.8%, was \$12.3 million, the remainder of \$11.51 million has been allocated from the contingency budget.

As per Schedule F in the MOA, the unused portion of the \$1,656,400 originally transferred to the Herring Cove Community Integration Fund for completion of Phases 1B and 2A of the Sewer and Water Project, in the amount of \$887,000, has been returned to the Contingency Fund in accordance with Council direction. The resultant uncommitted contingency balance stands at \$4.24 million as of July 31, 2010, - these funds will be held in reserve by HW until the Project is fully complete and administratively closed.

As per the MOA between HRM and Halifax Water, the remaining cash balance at July 31<sup>st</sup> was to be transferred to Halifax Water. As of July 31<sup>st</sup>, this balance stood at \$19.1 million. Since then, 75% of the Builders' Lien holdbacks owing to D&D have been released by HRM in the amount of \$10.9 million, resulting in a transfer from HRM to Halifax Water of \$8.2 million.

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

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

**ATTACHMENTS**

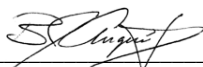
Appendix A – Halifax Harbour Solutions Project – 1<sup>st</sup> Quarter Report – April to July 2010.

**COMMUNITY ENGAGEMENT** N/A

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

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Report Approved by:



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## **Introduction**

The intent of this document is to provide Council and staff with a general overview of the Harbour Solutions Project progress during the period between April and July, 2010.

It is presented in sections:

- Section 1 - Wastewater Collection System (WWCS)
- Section 2 - Wastewater Treatment Facilities (WWTF)
- Section 3 - Biosolids Processing Facility (BPF)
- Section 4 - Pollution Prevention Program
- Section 5 - Water Quality Sampling Program
- Section 6 - Financial Information
- Section 7 - Public Involvement and Information Program (PIIP)
- Section 8 - Construction Safety



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### **Section 1**

#### ***Halifax Wastewater Collection System***

Substantial Completion was achieved on December 19, 2008 on the Halifax WWCS, with the exception of Pier A Pumping Station and Combined Sewer Overflow (CSO) chamber, as well as the other CSO chambers, excluding the Balmoral CSO chamber.

The Halifax WWCS work during the 1<sup>st</sup> quarter of 2010/11 focused on the identification and rectification of deficiencies. As of the date of this report, all the Punch List items for the Halifax WWCS (except Pier A and CSOs) have been resolved and the Contractor is preparing the documentation required for Final Completion.

#### ***Dartmouth Wastewater Collection System***

The Dartmouth WWCS work during the 1<sup>st</sup> quarter of 2010/11 continued to focus on rectification of the deficiency list and minor deficiency rectifications. As of the date of this report, Substantial Completion of the Dartmouth WWCS was achieved on June 28, 2010.

#### ***Herring Cove Wastewater Collection System***

The Herring Cove WWCS work during the 1<sup>st</sup> quarter of 2010/11 continued to focus on finalization of the deficiency list and minor deficiency rectifications. Substantial Completion for Herring Cove WWCS cannot be contractually achieved until the treatment facility achieves Substantial Completion as well. The Herring Cove WWCS has been operating with wastewater flows since December 14, 2009.

Substantial Completion of the Herring Cove WWCS was achieved on June 28, 2010.

### **Section 2**

#### ***Halifax Wastewater Treatment Facility***

Process re-commissioning commenced on May 27, 2010 and is progressing well.

#### ***Dartmouth Wastewater Treatment Facility***

The Dartmouth WWTF achieved Substantial Completion on April 21, 2010. Work during this quarter focused on deficiency rectification.

#### ***Herring Cove Wastewater Treatment Facility***

The Herring Cove WWTF has been treating sewage flows since December 14, 2009. The 14 day performance tests were completed and the required documentation for Substantial Completion was submitted for review by the Contractor during this quarter. Substantial Completion of the Herring Cove WWTF was achieved on June 28, 2010. Deficiency rectification is ongoing.

### **Section 3**

#### ***Biosolids Processing Facility***

The BPF has been processing products since July 2007. Since the shutdown of the Halifax WWTF in January of 2009, biosolids continue to be processed from the Aerotech Dewatering Facility and the Dartmouth WWTF. The finished product continues to meet the “Class A” biosolids standard for the Province of Nova Scotia. Consumer demand for the finished product remains high.

The resolution of outstanding plant deficiencies by the Contractor has been rather slow, although progress has been made on many of the smaller, lower cost related items. HW and HRM staff are in the process of reaching an agreement with both SGE and N-Viro for final resolution of all plant deficiencies. The most significant deficiency is the replacement of the current dust collection system with a more improved and efficient system.

### **Section 4**

#### ***Pollution Prevention Program***

In support of the Harbour Solutions Project and as a requirement of Provincial legislation, HRM initiated a Source Control Strategy, now referred to as the Pollution Prevention (P2) Program. This program has been designed and implemented to reduce the levels of organic and inorganic compounds, toxins and other matter currently entering the municipal storm water and wastewater sewer systems, and ultimately, freshwater and marine environments including Halifax Harbour.

The P2 program requires compliance with Halifax Water’s Rules and Regulations through planning, education, inspections and monitoring at the source of these discharges from all industrial, commercial and institutional locations within HRM. Additionally, educational information is provided through various mediums for the residential sector to allow direct participation by the public in the protection of our natural marine and freshwater resources.

Staff previously provided updates to Council on the status of this program. Since the last update provided to Regional Council, activities that P2 staff have undertaken or completed in support of the Harbour Solutions Project include the following:

- Sources of periodic elevated pH levels discharged to the municipal sewer system in Dartmouth had been identified. These Industrial/Commercial/Institutional locations discharging elevated pH were required to install and operate pH pre-treatment to meet HW’s discharge parameters. Monitoring of these locations for elevated pH events has been ongoing for the past several months with no events observed.
- Sampling and inspections have identified several locations of sea water intrusion to the collection system. These locations were provided to the Contractor. Monitoring will continue until work by others has been completed.

- Elevated chloride and conductivity levels caused by seawater inflow to the wastewater collection system have been observed in the Halifax WWTF sewer shed. Investigation to confirm these locations as possible sources of sea water intrusion to the Halifax WWTF collection system is ongoing. Currently, three sites have been identified and work to prevent inflow is planned or ongoing.

## Section 5

### ***Water Quality Sampling Program***

The Harbour Water Quality Monitoring Program was initiated in June, 2004. Samples are collected at 35 stations in the harbour, from the head of Bedford Basin to the harbour mouth, past McNabs Island. Stations are located down the centre of the harbour, and at various additional points including areas of recreational use such as the yacht clubs. Since 2006, additional samples have been taken in Dartmouth Cove, Fairview Cove, and new sampling sites were established at Herring Cove. Additional sampling was performed at Fairview Cove during 2007 to monitor for effects of sewage diversion due to construction at the Duffus Street Pumping Station. Sites have been added in late 2007/2008 around the NW Arm to monitor for changes as the Halifax facility came online.

Regular sampling was performed until 2009 on a bi-weekly basis for bacteria, metals, nutrients and water chemistry (the program was modified in 2009 – *see below*). Samples are collected at the surface and 10 metres at each site. The data is compiled into bi-weekly and quarterly summary reports. Testing for oils and biochemical oxygen demand (a measure of organic constituents in the water) has been discontinued at regular sampling sites due to levels which are routinely below detection limits. Methods for more sensitive detection of metals have been instituted. The program remains on schedule and below budget.

The purpose of the program is to establish existing baseline water quality conditions in the harbour, and to track changes as each of the three new treatment facilities is commissioned. The sampling program was scheduled to continue under the present contract until June 2009. Based upon oceanographic modeling of the harbour, it was predicted that the water quality objectives set by HRM, adapted from the Halifax Harbour Task Force, would be met through the advanced primary sewage treatment provided for Halifax and Dartmouth.

Water quality objectives differ for different parts of the harbour, but for the Outer Harbour, Northwest Arm and Bedford Basin, it was predicted that guidelines for contact recreation would be met. With full commissioning of the Halifax plant in 2008, conditions in the Northwest Arm and Point Pleasant Park areas rapidly improved. Beaches were opened at Black Rock and the Dingle for the month of August 2008. Contact recreation guidelines were met, the only exceptions being the few days during or immediately following heavy rainfall events, when designed wet weather overflows occur at some points in the collection system.

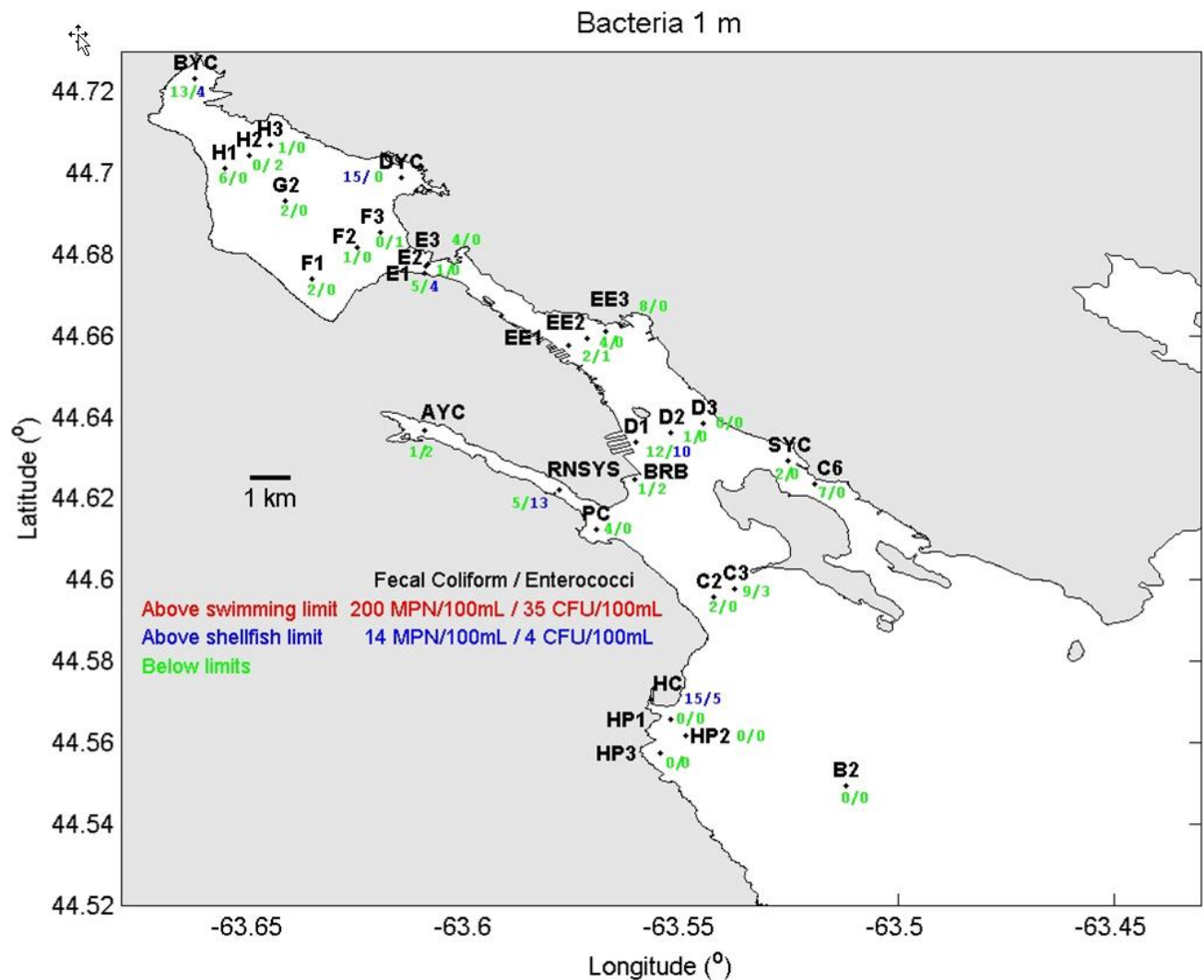
With the January 2009 shutdown of the Halifax treatment plant, bacteria levels again exceeded the swimming guidelines for many areas of the harbour. The sampling program was suspended. With the re-commissioning of the Halifax plant in June 2010, sampling resumed. Bacteria levels

throughout the harbour were acceptable for swimming by June 2010. The Dingle and Black Rock beaches were opened for swimming during the life guarding season July – August of 2010.

Based on the water quality sampling results of July 27, 2010 (shown below), it can be seen that bacteria levels met swimming guidelines and shellfish harvesting guidelines throughout almost the entire harbour. These results significantly surpass the expectations defined by the Halifax Harbour Task Force in that it was never anticipated that the Narrows or Inner Harbour would reach primary contact recreation or shellfish harvesting quality.

Quarterly reports and weekly/bi-weekly data reports and spreadsheets are available online at: <http://www.halifax.ca/harboursol/waterqualitydata.html>.

Harbour with Halifax, Dartmouth and Herring Cove  
Sewage Treated - July 27, 2010



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## **Section 6**

### ***Financial Information***

As of July 31, 2010, the Harbour Solutions Project has spent \$321.30 million of its \$332.7 million capital budget. Spending for the 1<sup>st</sup> quarter of 2010/11 was \$0.39 million. An adjustment has been made to back out \$0.35 million from the Project Total, which was held back from the Contractor for amounts included on the Deficiency List for the Sewage Collection System.

### **Inflation**

Contract progress payments were subject to inflation adjustments over the life of the WWCS and WWTF contracts, provided that the work is completed by the Contractors before the specified “Date Certain” for each project component. Payment for all work completed after this date receives no inflation adjustment.

Over the life of the project, 2004/05 was an extraordinary year for construction-related inflation in HRM in terms of its strong increase. In 2005/06 the inflation trend stabilized somewhat, and was lower than the revised inflation projection of 6% (4.31% vs. 7.87% in 2004/05). Inflation for fiscal years 2006/07 and 2007/08 was 5.25%, and 7.78% respectively, while the first quarter of 2008/09 saw inflation of 6.24%.

As of June 2008, the final “Date Certain”, \$11.51 million over and above budgeted inflation of \$12.3 million has been spent on the wastewater collection system and the wastewater treatment facilities. As the completion dates for all components have passed, there should be no further inflation incurred.

### Contingency Spending

The contingency budget of \$18.20 million is largely set aside for addressing inflation beyond budgeted levels. The contingency is also being used to fund small enhancement items that have arisen through the contract amendments. At this point, the contingency balance needs to be reserved to cover potential costs associated with the ongoing operation of the HSP Office, contract management, Halifax WWTF recovery costs, contractor claims - at the very least until these costs are recovered through insurance or contractual obligations. Actual and planned spending of contingency funds is as follows (shown in millions):

|  |                |
|--|----------------|
| Realized inflation in excess of budget                     | \$11.51        |
| Amount committed for diffusers<br>net of CSIF contribution | 2.50<br>(2.50) |
| Project amendments   | 0.91           |
| HST on amendments  | 0.12           |
| Herring Cove Water & Sewer (adjusted)*                     | 0.77           |
| Commitments  | 0.65           |
| Uncommitted  | <u>4.24</u>    |
| Total  | \$18.20        |

\* As per Schedule F in the MOA, the unused portion of the \$1,656,400 originally transferred to the Herring Cove Community Integration Fund for completion of Phases 1B and 2A of the Sewer and Water Project, in the amount of \$887,000, has been returned to the Contingency Fund.

### Harbour Solutions Project Budget

The table on the next page contains all expenditures and funding received to date. As the Community Integration Funds were not part of the transfer to Halifax Water on August 1, 2010, but receive their funding from the EP Reserve Q105, these accounts were fully funded before the remaining Reserve balance was transferred to Halifax Water. The total amount funded was \$0.15 million.

In addition, HRM is expecting an amount of \$1.3 million from CSIF in the near future.

The difference between the amount spent and the amount funded can, therefore, be explained as follows:

|  |             |
|--|-------------|
| Total expenditures for project to date | \$ 321.30   |
| CIFs fully funded, but not yet spent   | <u>.15</u>  |
| Total projected expenditures           | \$ 321.45   |
| <br>                                   |             |
| Total received for project             | \$ 320.15   |
| To be received from CSIF               | <u>1.30</u> |
| Total projected revenues               | \$ 321.45   |

Harbour Solutions Project  
1<sup>st</sup> Quarter 2010/11 + July 2010  
(in millions of dollars)

|   | Q1 +<br>July | Year to<br>Date | Project<br>Total | Budget        | CSIF Diffuser | Budget<br>Adjustment | Revised<br>Budget |
|---|--------------|-----------------|------------------|---------------|---------------|----------------------|-------------------|
| Firm Price Contracts                            |              |                 |                  |               |               |                      |                   |
| Sewage Collection System                        | 0.11         | 0.11            | 118.60           | 112.30        | 2.50          | 1.28                 | 116.08            |
| Sewage Treatment Facilities                     | 0.39         | 0.39            | 134.95           | 136.90        |               | 0.26                 | 137.16            |
| Biosolids Processing Facility                   | -            | -               | 12.58            | 12.50         |               | 0.14                 | 12.64             |
| Net HST   | -            | -               | -                | 9.60          |               |                      | 9.60              |
| Community Liaison Committees                    | -            | -               | 7.54             | 7.00          |               | 0.77                 | 7.77              |
| Land  | -            | -               | 4.92             | 4.80          |               |                      | 4.80              |
| Pre-Construction Contract                       | -            | -               | 7.11             | 7.10          |               |                      | 7.10              |
| <b>Total Firm Price Costs</b>                   | <b>0.50</b>  | <b>0.50</b>     | <b>285.70</b>    | <b>290.20</b> | <b>2.50</b>   | <b>2.45</b>          | <b>295.15</b>     |
| Variable Costs                                  |              |                 |                  |               |               |                      |                   |
| Admin, Contract Mgmt, Communication             | -0.11        | -0.11           | 11.79            | 12.00         |               |                      | 12.00             |
| Contingency                                     | -            | -               | -                | 18.20         |               | -13.96               | 4.24              |
| Inflation                                       | -            | -               | 23.81            | 12.30         |               | 11.51                | 23.81             |
| <b>Total Variable Costs</b>                     | <b>-0.11</b> | <b>-0.11</b>    | <b>35.60</b>     | <b>42.50</b>  |               | <b>-2.45</b>         | <b>40.05</b>      |
| <b>Harbour Solutions Project<br/>Total Cost</b> | <b>0.39</b>  | <b>0.39</b>     | <b>321.30</b>    | <b>332.70</b> | <b>2.50</b>   | <b>-</b>             | <b>335.20</b>     |
| Funding   |              |                 |                  |               |               |                      |                   |
| EP Reserve Levies                               | -            | -               | 150.94           | 160.20        |               | 2.50                 | 162.70            |
| Long-term debt                                  |              |                 |                  |               |               |                      |                   |
| N.S. Municipal Finance Corporation              | -            | -               | 110.00           | 110.00        |               |                      | 110.00            |
| Federation of Canadian Municipalities           | -            | -               | 20.00            | 20.00         |               |                      | 20.00             |
| Cost Sharing                                    |              |                 |                  |               |               |                      |                   |
| Province  | -            | -               | 8.01             | 10.00         |               |                      | 10.00             |
| Canada Strategic Infrastructure Fund            | -            | -               | 31.20            | 30.00         | 2.50          |                      | 32.50             |
| Potential Short-term debt                       | -            | -               | -                | 2.50          |               | -2.50                | 0.00              |
| <b>Total Funding *</b>                          | <b>-</b>     | <b>-</b>        | <b>320.15</b>    | <b>332.70</b> | <b>2.50</b>   |                      | <b>335.20</b>     |

## Section 7

### *Public Involvement and Information Program*

The Marketing, Design and Print Services section of the Corporate Communications Office assumed responsibility for the Public Information and Involvement Program for the Harbour Solutions Project in the fall of 2003.

As of April 1, 2010 Halifax Water took over primary responsibility, with support from HRM Marketing, Design and Print Services section.

### **Public Messaging**

The January 14<sup>th</sup> malfunction at the Halifax WWTF was the major focus of messaging over this period. The early days following the event saw extensive information being delivered to the public through numerous media interviews and the Harbour Solutions website. The flow of information to the public via the Harbour Solutions website and media interviews has continued. In the early days following the malfunction the focus of public messaging was on ensuring the public there was/is no public health/safety hazard resulting from the shutdown and that all efforts are being made to return the WWTF to full operation. Over the previous months the focus has been updating the 2 phase recovery progress.

During this period, the focus has been the 2<sup>nd</sup> phase of recovery and preparing residents for the return of supervised swimming at Black Rock and Dingle beaches; Dartmouth WWTF on-line and Herring Cove on-line.

With the beaches reopening in July, as per the HRM supervised schedule, numerous media interviews were conducted discussing water quality at the beaches, water testing, safety of swimming in the water, and the Halifax WWTF recovery overall.

Another “stakeholder Update” was prepared, distributed and posted on the HSP website.

Harbour Solutions continues to be a major player in the Naturally Green Newsletter. This environmentally focused in-house produced piece is distributed to approximately 165,000 households in HRM. The latest edition was released April 5, 2010 with Harbour Solutions occupying one page. This edition also focused on phase 2 of the Halifax WWTF recovery and continued to reiterate the positive news that the Dartmouth WWTF is operating, and Herring Cove is operating in the commissioning phase. Halifax Water also occupied a full page related to rate increase hearings and linking to HSP and other wastewater/stormwater infrastructure requirements.

Corporate Communications, in its work with the Pollution Prevention group, updated its radio campaign with the Metro Radio Group (Q104, C100, CJCH, KIXX and Sun FM) and expanded to include News 95.7 and Lite 92.9. The campaign focuses on pollution prevention and the protection of our harbour. Previous radio ad campaigns have been award winning and it is hoped this latest campaign will be equally successful. The ads continue to make the link between Harbour Solutions Project and the Pollution Prevention Program. A television advertisement campaign is also being utilized on CTV, with the same focus.



## **Presentations**

Presentations are developed on an on-going basis for conferences, workshops and community groups. The presentations are updated regularly to correspond with project progress. These presentations are available on compact discs and on the HSP website. Three Harbour Solutions display units continue to be used at public meetings, trade/home shows, wastewater treatment facility openings and other events. The display units focus on the positive message of the project, stewardship and integrating of messaging with Halifax Water's Pollution Prevention Program.

As a result of the incident at the Halifax WWTF and the subsequent successful recovery and full Project completion, there has been renewed demand for HSP presentations. A presentation was provided in June to the Financial Management Institute (delegates from across Canada) and another presentation provided to the Project Management Institute in October.

## **Harbour Solutions Website**

The Harbour Solutions website continues to be updated on a regular basis and is a valuable, user-friendly public source of information on the Project. PIIP staff continues to maintain the site for Harbour Solutions. The site features a large photo gallery, reference materials, past and current presentations, construction notices informing residents of any possible traffic impacts and a large collection of information related to the WWCS, WWTF and Biosolids Processing Facility.

## **Signage**

PIIP staff liaised with the federal and provincial governments to design, produce and install temporary construction signage for the sites of the three Wastewater Treatment Facilities.

More detailed permanent signage has been designed by Corporate Communications for the three (3) WWTF sites as well as building mounted plaques. The temporary signs are all now removed from the 3 facilities and permanent signage is in place.

## **Section 8**

There were no construction safety issues during this quarter.