

STAFF REPORT

TO: Warden and Members of Shelburne Municipal Council
FROM: Warren MacLeod, Chief Administrative Officer
APPROVED BY: Warren MacLeod, Chief Administrative Officer
DATE: September 23rd, 2026
SUBJECT: **Shelburne Community Well Project – Budget Update and Request for Increased Municipal Contribution**

PURPOSE

To update Council on the status of the Shelburne Community Well Project and to seek Council's approval of a municipal contribution of \$25,000 toward the project, as requested by the South End Environmental Injustice Society (SEED) in correspondence dated September 14, 2026.

BACKGROUND

The Shelburne Community Well Project is a collaborative initiative between SEED, the Nova Scotia Community College (NSCC), the Town of Shelburne, and the Municipality of the District of Shelburne to develop a treated community well and public dispensing station at the NSCC Shelburne Campus, providing free potable water to residents whose private wells are dry or otherwise compromised. Council has previously supported the project, and the Municipality included \$25,000 in its 2026 operating budget for the well.

SEED has advised staff of the following developments since the project was last budgeted:

- The Province determined that NSCC could no longer participate in the project, including as project manager or through its carpentry class, which had originally been expected to build the distribution building. SEED's Board subsequently agreed that SEED would take the lead on the project and retain a consultant to provide project management.
- SEED retained Dillon Consulting Limited (Dillon), on the recommendation of ABL Environmental Consultants, to take over design and project management responsibilities previously assigned to NSCC.
- Nova Scotia Public Works has advised that the land required for the dispensing building and transfer line must be severed from the NSCC property before the project can proceed. Dillon has been retained to complete the required survey and property transfer work, which must ultimately receive Provincial Cabinet approval.
- Nova Scotia Environment and Climate Change has confirmed the well will be classified as a 'transient public water supply,' meaning a certified water quality technician is not required to operate it.
- The Town of Shelburne's Council passed a motion on May 4, 2026 expressing its willingness to continue exploring the project with partners and to participate in ongoing planning, while noting that any financial contribution or operating commitment by the Town remains subject to a future report and Council decision. I have had verbal

discussions with the Town of Shelburne's CAO who indicated that she felt the Town would be willing to provide a water operator to maintain the well's water treatment and sampling obligations in kind, however I qualify by saying that we do not have this in writing from the Town.

BUDGET UPDATE

Because the original project budget was based on 2023 cost estimates and no longer reflects NSCC's withdrawal from the project, the Sustainable Communities Challenge Fund (SCCF) Co-ordinator, Catherine Chase, requested that the work plan and budget be updated. Dillon has since revised the budget in consultation with SEED. The total project cost is now estimated at \$453,836.35, up from the original estimate of \$241,336.35. The principal cost increases are:

- Design (including the property transfer, survey, and revised engineering scope): increased from \$15,000 to \$69,500, reflecting work – such as the land survey and subdivision – that was not part of the original scope, and the expanded engineering scope now required.
- Pumphouse structure: increased from \$30,000 to \$100,000, as this was originally to be built by the NSCC carpentry class and must now be constructed commercially.
- Water treatment equipment: increased from \$45,000 to \$65,000, based on Dillon's experience with similar recently installed systems.
- Contracting services: increased from \$17,000 to \$65,000, reflecting the cost of contractor management previously assumed to be provided in-kind by NSCC.
- Back-up power: increased from \$30,000 to \$50,000, based on recent comparable project costs.

The SCCF grant normally funds 80% of the cost of projects budgeted under \$249,999; with the increased budget, SCCF's standard funding rate would fall to 70%. However, Ms. Chase has indicated that SCCF may continue to fund the project at 80% if SEED and the Municipality both increase their contributions, and has noted that SEED's status as a Black-led organization strengthens the case for continued 80% funding.

In response, SEED's Board met on August 26, 2026 and, by a motion carried unanimously on September 10, 2026, approved increasing SEED's own contribution to the project from \$17,600 to \$40,000.

By letter dated September 14, 2026, SEED's Vice President, Louise Lindsay, formally requested that the Municipality increase its contribution to the project from \$10,920 to \$25,000, noting that Council had already included \$25,000 for the well in this year's operating budget.

BUDGET IMPLICATIONS

The requested increase in the Municipality's contribution, from \$10,920 to \$25,000, represents an additional \$14,080 beyond the amount previously committed. No funds have been paid to SEED as of now. As noted above, Council has already provided for a \$25,000 contribution to this project within the 2026 operating budget; accordingly, staff recommend that the increased contribution be funded from the Municipality's Operating Reserves and flowed through General Ledger account 0021250662. Staff will continue to report to Council on the project's capital cost,

construction schedule, and future operating implications as the design, land transfer, and funding arrangements are finalized.

RECOMMENDATION

Staff recommend that Council:

1. Receive this report for information; and
2. Approve an increased municipal contribution to the Shelburne Community Well Project, as set out in Motion No. 1 below.

Motion

Be it resolved that the Council of the Municipality of the District of Shelburne approve a contribution of \$25,000 to the Shelburne Community Well Project, to be funded from the Municipality's Operating Reserves and flowed through GL 0021250662.

APPENDICES & ATTACHMENTS

Appendix A – Letter from Louise Lindsay, SEED, dated September 14, 2026 & SEED Community Well Update, August 2026 (including Dillon Consulting Limited property transfer proposal and revised project budget)



14 September 2026

P.O. Box 852
Shelburne, Nova Scotia
BoT 1Wo

Warden Penny Smith
Mr. Warren MacLeod, CAO
Municipality of the District of Shelburne
P. O. Box 280
Shelburne, Nova Scotia
BoT 1Wo

**Re: Request to Increase Funding
for
Community Well Project**

Dear Warden Smith & Mr. MacLeod:

As a follow-up to our meeting last Thursday, the 10th of September 2026, please find attached a summary of recent activities on the Community Well Project. Because of decisions by the Province, the organizational structure of the project had to be revised and since the original budget was based on 2023 costs, the Sustainable Communities Challenge Fund (SCCF)'s Co-ordinator, Catherine Chase, asked that the work plan and budget be updated. The attached update discusses these changes.

The updated budget is significantly higher and as a consequence, SEED is increasing our contribution to the project from \$17,600.00 to \$40,000.00. Since the Municipality of the District of Shelburne included \$25,000.00 in this year's operating budget for the well, we would respectfully request that you increase your contribution from \$10,920.00 to \$25,000.00.

If you have any questions, please don't hesitate to call me.

Yours sincerely,

A handwritten signature in purple ink, appearing to read "Louise Lindsay".

Louise Lindsay
Vice President

Community Well Update August 2026

Community Well Update:

Last year the Province decreed that NSCC could no longer participate in the project. As part of the original grant application, NSCC were going to be the project manager and the lead on the project for the SCCF grant. As well, their carpentry class was going to build the distribution building. This resulted in SEED having an emergency executive meeting on the 22nd of September 2025 where we agreed that SEED would take the lead on the project with respect to the SCCF grant and that we would hire a company to do the project management. Since Gordon Balcome of ABL Environmental had done the design and feasibility study for NSCC, it was agreed Louise would contact him first to see if they would be willing to take on the project. Mr. Balcome said no as his partner had just retired and he was trying to do that too. He suggested we contact Dillon Consulting Limited as they had water supply projects before and were very well respected.

Nova Scotia Public Works also indicated that if the well was to be used the land needed for the dispensing building and the transfer line from the well to that building would need to be segregated from NSCC property. Several meetings of the Community Well Stakeholders Committee (CWSC), which includes representatives from SCCF, the Municipality of Shelburne, the Town of Shelburne and SEED, were held to determine next steps. The following tasks were the result of those meetings:

- ◆ Catherine Chase, the SCCF Co-ordinator, was to determine the requirements for the property transfer from the Province;
- ◆ initially, the Municipality's staff were reluctant to take ownership of the property and operation/maintenance of the distribution system, building & property. Also, the staff raised concerns about having a qualified operator. Their current wastewater operator has both his wastewater and drinking water credentials; however, his replacement won't have drinking water credentials. SEED suggested that since both residents of the Town and the Municipality would be using the Community Well water that this

should be a Joint Services project and the Town which has a drinking water operator could be responsible for the required water testing and operation of the treatment system. Depending on the classification of the water supply under the NS regulations would determine whether a certified drinking water operator was necessary. Louise was tasked with answering that question.

In 2022, when SEED first met with Minster Halman about the possibility of the community well, he had advised we contact the NS Director of Water Resources if we had any questions or needed assistance. Louise contacted the current Director and she provided links to all the applicable regulations and guidelines. Louise reviewed them and spoke with Ms. Candace Weagle, the Environmental Service Coordinator for the Municipality of Queens' water utility. She is responsible for the operations and testing for the Cowie Well which is their community well. Based on Louise's research and discussion with Candace, she decided that our proposed well would be classified as a 'transient water supply' which means to operate it a certified water quality technician is not required. To confirm this she called the Director again. The Director directed Louise to Ms. Angelina Polegato who is the person in the Department responsible for those decisions. Ms. Polegato agreed that the planned operation of the community well met the criteria for a transient water supply.

- ◆ The Town of Shelburne's CAO, Ms. Sarah Mattatall, was invited to a subsequent stakeholders' meeting to discuss the Town's involvement. Mayor Jacklin, since he is also the President of SEED, has been involved since the beginning of the project. It was agreed that they would go back to their council to get approval to participate in the project. At the 4th of May 2026 Town Council Meeting, the following motion was passed:
 - Deputy Mayor E. Acker noted that Council is supportive of continuing to work with partners to explore the Community Well Project. No decisions have been made regarding funding or operations at this time.

Motion Coming out of In-Camera:

THAT Council express its willingness to engage with project partners, including SEED and the Municipality of the District of Shelburne, to further explore the operational considerations of the proposed community well at the NSCC location;

AND THAT Council direct staff to participate in ongoing discussions and the project's planning and information-gathering phases, working collaboratively with partners to explore

opportunities to improve access to potable water for the community through this initiative;

AND FURTHER THAT any future financial contribution, operating agreement, or formal commitment be subject to a subsequent report and decision of Council.

- ◆ At the last CWSC meeting, Catherine Chase pointed out that the costs in our grant application were out of date. As well, she pointed out that since NSCC was no longer involved there was a need to determine project management costs and other costs NSCC had planned on providing as in kind. As a consequence, she requested that budget for the whole project and schedule be updated. As well, costs were needed for the transfer of land from the province to the Municipality. Louise agreed to do that work.

On May 1st, Louise contacted Mr. Kyle MacIntyre of Dillon and asked them to provide a proposal for the property transfer work. According to Catherine Chase, the product of this work would have to go to the Provincial Cabinet for approval before the project could proceed. May 19th Dillon provided a draft proposal. After reviewing it Louise had questions about the survey and other items. She spoke with Adam Steven, Dillon's surveyor, and could not answer his questions regarding NS Public Works expectations; so, she contacted Ms. Chase again to get a contact at NS Public Works who could. A virtual meeting with James Hardy of NS Public Works, Adam Steven and Louise took place on the 23rd of June 2026. The revised proposal was received on the 24th of June (see Attachment I).

Louise also provided Dillon with the original project work plan and budget and asked them to revise it so they would be the project manager instead of NSCC. Dillon and Louise also updated the cost for all tasks. The summary table comparing the old work plan budget to the new one was received 30th of July (see Attachment II). Since the increase in cost between the original budget and the revised one was significantly higher, Louise set up a meeting with Catherine Chase. The original meeting was scheduled for the 10th of August but was delayed because of the bomb threat in down town Halifax. It was rescheduled to the 18th of August.

Summary of Major Budget Changes

- ◆ Dillon's Property Transfer Proposal has a total not to exceed cost of \$69,500.00 before HST. Dillon indicated that they have provided high

cost estimates to ensure there are no surprises. This cost has been added to the updated version of the original budget under 'Design'.

- ◆ the pump house costs have gone from \$30,000.00 to \$100,000.00. In the original budget, the pump house was going to be built by the NSCC carpentry class which accounts for the change. Dillon's estimate is based on 'their experience with costs for similar size pre-fabricated building'.
- ◆ the water treatment equipment costs have gone from \$45,000.00 to \$65,000.00. Dillon's estimate is based on their 'experience with costs for installed systems on other recent projects'.

Meeting with Catherine Chase

A virtual meeting was held with Catherine Chase to review the updated budget, the property transfer proposal and funding sources. The good news is that Catherine was not shocked by the budget increases.

The original project funding sources (see Attachment III) included a grant from NSERC which was through NSCC. That grant is no longer available to the project. Louise explained to Catherine that SEED had more money they could contribute to the project but they would have to have a Board meeting to update them on the project and approve any additional expenditures. Louise explained that she knew the Municipality had put in \$25,000.00 in their 2026 budget for the well and that she would meet with them to see if they would also increase their contribution to the project.

The SCCF grant funds 80% of applications for projects with a total budget of less than \$249,999.00 which our original budget was. With the increased project budget, SCCF rules they would only fund 70%; however, Catherine said if SEED and the Municipality increased their contribution and since SEED was a black based organization, she felt she could convince SCCF to continue to contribute 80%.

SEED Board Meeting

A SEED Board Meeting was held on the 26th of August 2026. After the presentation of the update there was a brief discussion on how much more to contribute. Mary suggested \$40,000.00 and Tanny agreed and would second the motion; however, since there were so few able to attend the meeting, it was agreed that the meeting minutes would be distributed and then Mary would make a motion which Tanny wanted to second by e-mail. That motion was sent out on the 9th of September 2026. By the morning of the 10th of September it was unanimously approved.