



CENTRAL COAST REGIONAL DISTRICT

DATE: March 13, 2014

TO: Darla Blake, CAO
CC: Board Chair Reginald Moody and Board Members

FROM: Darla Blake, CAO Board Chair Reginald Moody and Board Members

SUBJECT: **Solid Waste Management Funding Options**

RECOMMENDATION

OPTION 1. That Central Coast Regional District Board of Directors approve an increase in the annual Nuxalk Contribution Fee to CCRD Solid waste Management and Landfill Operations to an amount of \$100,000.

OPTION 2. That Central Coast Regional District Board of Directors authorize CCRD Administration to move forward with developing a comprehensive tipping fee schedule for the Thorsen Creek Waste and Recycling Center and have it ready for presentation at the April 10, 2014 Board meeting, and further;

Proceed with the procurement and installation of weigh scales, a scale shack and all associated systems.

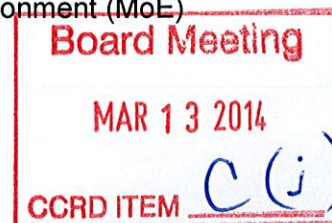
STRATEGIC PLAN

STRATEGY	TACTICS
1. We will ensure the Thorsen Creek Landfill's life cycle is optimized and directed efficiently.	5. Address financial sustainability eg. through user-pay, contribution agreements, differential tipping fees, commercial users 7. Implementation of site development plan including water system, baler and site reconfiguration.

BACKGROUND

During the Feb 13, 2014 CCRD Board meeting, both the Chief Financial Officer and Public Works Manager presented reports highlighting the need to address a projected budget shortfall for Solid Waste Management in Bella Coola. Initial budget figures showed that even with significant increases to both the Nuxalk contribution and Tax Levy, we were faced with a \$60,000.00 shortfall. The primary reasons for the projected increase in expenses for 2014 are:

- the capital expenditures required for landfill expansion and site configuration,
- the engineering costs associated with meeting Ministry of Environment (MoE) landfill requirements,



- addressing non-compliance issues as identified by MoE,
- implementation of increased recycling opportunities,
- and the need to set aside significant funds to meet closure and post closure obligations required under our Operating Certificate and Solid Waste Management Plan.

Board resolution 14-02-12 tasked management with preparing a briefing paper outlining options for achieving a balanced budget and to report back at the March 2014 Board meeting.

A review of the applicable files determined the following:

- The CCRD Solid Waste Management Plan (SWMP) as approved by the Minister of Environment in 2004 states, "in favour of funding the SWMP by traditional property assessment taxes... contributions from the Nuxalk Nation, and site user fees. As per the April 28, 2000 letter to the Nuxalk Nation, these fees will be adjusted, and maybe adjusted from time to time in the future as necessary, and in consultation with the Nuxalk Nation."
- The CCRD SWMP (Cameron Advisory Services Ltd, 1996 draft) recommended that to meet the objectives of the Regional Districts SWMP a budget of \$100,388.00 was required for the 1997 operating year and that based on the 1991 Census population the Nuxalk share would be \$33,000.00. This proposed budget set aside \$10,500 per year for Closure and Post Closure obligations. The total budget at the time was about \$34,000.00 and there was resistance to making the increases required to meet the SWMP objectives.
- The most recent signed contribution agreement between the CCRD and Nuxalk Nation appears to be from 2007.
- Various efforts were under taken between 2007 and present day to negotiate another signed agreement between the parties. These efforts were unsuccessful.
- Since 2008 incremental increases have been invoiced to Nuxalk Nation outside of any agreement. The following CCRD board resolution was passed in June, 2011:

11-06-18 M/S/ Directors O'Neill/Lande that the 2011 Nuxalk Nation Landfill Contribution Agreement be increased to \$25,000.00 and be invoiced accordingly.

- These increases were implemented in an effort to try and maintain a fair and equitable sharing of costs between the two governments.

The CCRD Board of Directors, at their regular board meeting on December 12th, 2013 passed the following resolution.

13-12-27 *Moved and Seconded, Directors Anderson/Tallio that the Chief Administrative Officer be authorized to enter into discussions with the Nuxalk Nation, and further negotiate terms and conditions of the Landfill Contribution Agreement.*

CONSULTATION

CCRD Public Works Manager met with senior Nuxalk Administration on February 21, 2014 to review the status of Solid Waste Management (SWM) in Bella Coola as well as the financial challenges and options going forward. The meeting was held in response to a request by the Public Works Manager that the Nuxalk consider increasing their annual SWM contribution to \$100,000.00. The meeting was productive and Nuxalk Administration said they would approach Aboriginal Affairs Northern Development Canada (AANDC) to confirm the increase was acceptable and would be funded. As of March 4th Nuxalk Administration had not received a formal reply from AANDC.

LEGISLATION /POLICY

The BC *Environmental Management Act* and *Waste Discharge Regulation* provide the legal provisions for issuance of the Operational Certificate; the terms and conditions of which guide the operation of our landfill and waste disposal.

BUDGET/FINANCIAL IMPLICATIONS

The increase in tax requisition and Provincial Basic Grant amounts for the Solid Waste Management Function can be absorbed into the overall budget and still keep the overall tax requisition increase in line with Board direction.

DISCUSSION

As part of the budget development process over the preceding months, expenses were reviewed and adjusted as low as was realistically possible. The following two options have been prepared to allow the Board to provide direction to CCRD administration.

OPTION 1 (Increased CCRD and Nuxalk Contributions – No MSW Tipping Fees- Open 2 days/week)

INCOME	Jan.-Dec. 2014	Comments
CCRD Tax Levy	\$87,991	
CCRD Provincial Basic Grant	\$50,359	
Nuxalk Nation	\$100,000	
MMBC	\$4,000	
CCRD SWM Surplus/Reserve	\$13,011	
User Fees	\$0	

TOTAL INCOME \$255,361

EXPENSES

Operating	\$200,361	
Capital Works	\$25,000	
Closure/Post Closure Reserve	\$30,000	

TOTAL EXPENSE \$255,361

OPTION 2 (Status Quo for Nuxalk Contribution - Install Weigh Scales - Charge User Fees)

INCOME	Jan.-Dec. 2014	Comments
Tax Levy	\$87,991	
CCRD Provincial Basic Grant	\$50,359	
Nuxalk Nation	\$30,000	Current Contribution Level
MMBC	\$4000	
SWM Surplus/Reserve	\$0	
User Fees	\$125,000	1000 tonnes@\$125/tonne

TOTAL INCOME \$297,350

EXPENSES

Operating	\$242,235	Scale Attendant and O&M
Capital Works Fund	\$25,000	
Closure/Post Closure Reserve	\$30,000	

TOTAL EXPENSE \$297,361

RISK MANAGEMENT

The risks associated with adoption of **Option 1** are that the amount budgeted for Closure and Post Closure Cost and Capital Works is insufficient for short term requirements and that the MoE imposes fines under Section 120 of the *Environmental Management Act* for failure to comply with the requirements of Operational Certificate MR-4223 or contravention of our approved SWMP. Section 120, subsection (11) (b) of the *Environmental Management Act*, states:

(11) A municipality that

(a) fails to submit to the minister a waste management plan as requested or directed by the minister under section 24 (2) or (3) [waste management plans], or

(b) contravenes a waste management plan that has been approved by the minister commits an offence and is liable on conviction to a fine not exceeding \$300 000.

In addition to the above noted risks, **Option 2** implements a full scale user pay system, and there are concerns related to seeing an increase in illegal dumping as a result of these user fees. Other areas of the province (the majority) that have implemented tipping fees, noticed a spike in illegal dumping in the short term after tipping fees were implemented. Occurrences of illegal dumping tended to fall back to normal levels as the public was educated about the tipping fee system and implementation of anti-illegal dumping measures.

An effective mitigation strategy used in other areas of the province is the Implementation of an illegal dumping bylaw. This should be done concurrently with adoption of a tipping fee system.

CONCLUSION

It is recommended that the Board of Directors evaluate both options. If **Option 1** is selected as the method of funding, then it is recommended that the board approve an increase in the Nuxalk Contribution Fee to an amount of \$100,000.

If the Board of Directors chooses to move forward with **Option 2**, it is recommended that the Board authorize CCRD Administration to move forward with developing a comprehensive tipping fee schedule (Thorsen Creek Landfill) for presentation at the April, 2014 Board meeting, proceed with the procurement and installation of weigh scales, a scale shack and all associated systems.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ken McIlwain", with a long horizontal flourish extending to the right.

Ken McIlwain, RPF
Public Works Manager