



REPORT

To: Solid Waste Committee

Report Number: ENV-SWC-030

From: Gerritt Lacey, Solid Waste Manager

Date: January 7, 2021

Subject: CleanBC Organics Infrastructure Grant Applications

RECOMMENDATION #1:

That the Solid Waste Committee recommend that the Regional Board commits to a one-third contribution at an estimated cost of \$1,969,159.91 between 2021 and 2024 for a funding opportunity under the CleanBC Organic Infrastructure and Collection Program at the Bessborough landfill.

RECOMMENDATION #2:

That the Solid Waste Committee recommend that the Regional Board commits to a one-third contribution at an estimated cost of \$2,016,464.69 between 2021 and 2024 for a funding opportunity under the CleanBC Organic Infrastructure and Collection Program at the Charlie Lake Wastewater site..

BACKGROUND/RATIONALE:

The purpose of this report is to seek Board Approval for submitting the grant funding applications, outline the application requirements and process, and to provide information on both projects.

During the November 26th Regional Board meeting the following two recommendations were made:

	<u>No. 7: Organic Waste Infrastructure & Collection – Bessborough Landfill</u>
RD/20/11/19 (26)	That the Regional Board submit an application for funding under the CleanBC Organic Infrastructure and Collection Program (OICP), for development of organic waste infrastructure and collection at the Bessborough Landfill, to divert organic wastes from the landfill.
	<u>No. 8: Organic Waste Infrastructure & Collection – Charlie Lake Trucked Wastewater Site</u>
RD/20/11/20 (26)	That the Regional Board submit an application for funding under the CleanBC Organic Infrastructure and Collection Program (OICP), for development of organic waste infrastructure and collection at the Charlie Lake Trucked Wastewater Site.

Since then, staff have been working with a consultant, GHD, to gather the required information for the Grant Application.

Application Process

The CleanBC Organic Infrastructure and Collection Program (OICP) aims to reduce greenhouse gas (GHG) emissions by diverting organic materials from landfills. OICP will support BC communities in diverting organics by investing money in new or expanded organics processing infrastructure. The Province will contribute up to two-thirds of funding for eligible project costs to facilitate diversion and processing of organic waste. The PRRD would cover the remaining one-third of costs.

Project eligibility requirements include:

- Must divert organic waste from landfills to an organic processing facility.
- Must result in quantifiable GHG emission reductions from organic waste.
- Must create additional organic waste processing capacity in BC, through the construction of new, or the expansion of existing, facilities.
- Must process organic waste for beneficial re-use.
- Must be located in BC.
- Must have secured site location.
- Must have Council / Board / Band Council or other appropriate governing body resolution.
- Must align with applicable regional Solid Waste Management Plan.
- Must commit to one-third of eligible project costs.
- Must commit to having construction completed and systems operational by March 31, 2024.
- Must commit to being operational until at least March 31, 2034.
- Must commit to reporting on GHG emission reductions until at least March 31, 2034.

Under these eligibility requirements, the PRRD has worked with a consultant develop two projects that could be submit through organic processing infrastructure stream:

- Bessborough Landfill New Composting Facility (Appendix A).
- Charlie Lake New Composting Facility (Appendix B).

In additional to the application form, the following supporting documentation is required:

- Board approval of project through a Board resolution.
- Detailed Project Timeline.
- Detailed Cost Estimate.
- BC Biogas & Composting GHG Calculation Tool.
- License, permits, and/or approval (if applicable).
- Evidence of secured funding for applicants portion of the project finances.

As mentioned above, GHD has assisted in the development of detailed project timelines and cost estimates, applicable licenses, permits, and approvals, and GHG Calculation Tool.

Project Information

Information developed for the Bessborough Landfill Composting Facility is located in Appendix A. A highlight level of the summary of that information includes:

- Project to be located at the Bessborough Landfill
 - All infrastructure will be located within 6 hectares (15 acres) of the property.
- Project timeline

- 2021 design of the facility will be completed with the consultant and procurement.
- Process for the construction will be initiated.
- 2022 construction of the facility.
- 2022/2023 commissioning of the facility.
- 2023 operation of the facility.

Information developed for the Charlie Lake Composting Facility is located in Appendix B. A highlight level of the summary of that information includes:

- Project to be located at the Charlie Lake Truck Waste Water Facility:
 - All infrastructure would be located within 6 hectares (15 acres) of the property.
- Project Timeline:
 - 2021 design of the facility will be completed with the consultant and procurement process for the construction will be initiated.
 - 2022 construction of the facility.
 - 2022/2023 commissioning of the facility.
 - 2023 operation of the facility.

ALTERNATIVE OPTIONS:

1. That the Solid Waste Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

The CleanBC OICP Project would span over several years and be operational by 2023. Based on this, GHD cost estimates for the infrastructure program. The Province will contribute up to two-thirds of eligible Project Costs. The PRRD will be responsible for the remaining one-third of eligible costs and any ineligible costs. Eligible and ineligible project costs are in Appendix C.

Below is the cost breakdown over the construction of the project and the estimated portions paid by the PRRD and the Province.

BESSBOROUGH LANDFILL COMPOST FACILITY ESTIMATED COSTS:

	PRRD Estimated One-Third Contribution Costs	Provincial Estimated Two-Thirds Contribution Costs	TOTAL Project Cost
2021	\$128,423.47	\$256,846.94	\$385,270.41
2022	\$1,840,736.43	\$3,681,472.81	\$5,522,209.19
2023	Operations to start; operational costs are outside the scope of the grant		
TOTAL	\$1,969,159.91	\$3,938,319.75	\$5,907,479.60

CHARLIE LAKE COMPOSTER FACILITY ESTIMATED COSTS:

	PRRD Estimated One-Third Contribution Costs	Provincial Estimated Two-Thirds Contribution Costs	TOTAL Project Cost
2021	\$131,508.57	\$263,017.13	\$394,525.69
2022	\$1,884,956.13	\$3,769,912.20	\$5,654,868.27
2023	Operations to start; operational costs are outside the scope of the grant		
TOTAL	\$2,016,464.69	\$4,032,929.33	\$6,049,393.96

For 2021, the CleanBC OICP Infrastructure projects would be a total of \$259,932.04. The proposed Capital program for the Solid Waste Department in 2021 is \$3,000,000. These two projects would account for 9% of the Capital Program in 2021.

For 2022, the CleanBC OICP Infrastructure projects would be a total of \$3,725,692.56. Based on the Five-Year Capital Plan, the proposed Capital program for the Solid Waste Department in 2022 is \$4,000,000. These two projects would account for 93% of the Capital Program in 2021.

To lower the requisition in 2022 for the projects, it is proposed that funding the total cost of \$3,985,624.60 would be allocated as follows:

2021 \$2,000,000

2022 \$1,985,624.60

If the grant applications were not accepted, the money allotted for the projects would be transferred into the Capital Reserve at the end of 2021.

COMMUNICATIONS CONSIDERATION(S):

N/A

OTHER CONSIDERATION(S):

Based on the Waste Composition Study that was completed in 2017/2018, it revealed that compostable organics was the largest category that contributed to landfill waste. Compostable organics accounted for 31% over all of waste brought into the landfill. Proceeding with Organics Diversion is the next step the PRRD can do to promote a higher diversion rate in the Region. By adding capacity for organics processing, the PRRD will be able to offer added services for its residents. The added level of service will carry increased operational costs, at approximately \$700,000 and \$1,000,000 per year. That estimate is based on a 50% capture of the potential volume of compostable organics in the region. The operational costs of the facility would commence in 2023.

Attachments:

Appendix A – Bessborough – Memo for Organics Grant PRRD

Appendix B – Charlie Lake – Memo for Organics Grant PRRD

Appendix C – Eligible and Ineligible Costs