



THE CORPORATION OF THE  
DISTRICT OF SUMMERLAND  
**REQUEST FOR DECISION**

DATE: May 21, 2019 FILE: 5330-163  
TO: Corine Gain, Acting Chief Administrative Officer  
FROM: Candace Pilling, Manager of Environmental Services  
SUBJECT: Organic Infrastructure Program – Commitment of District Funds

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STAFF RECOMMENDATION:

That council pass the following resolution:

***THAT the B.C. Organics Infrastructure Program grant application for the Summerland Organics Processing Facility project be supported;***

***AND THAT council commits the District's share (33.33% of eligible costs) of the project costs, which is estimated to be \$790,500 and will be allocated from the Community Works Fund, Landfill Improvement reserve and debt.***

PURPOSE:

To support the District's application for the B.C. Organics Infrastructure Program grant application for a Summerland Organics Processing Facility.

BACKGROUND and DISCUSSION:

At the March 25, 2019 Council directed staff to prepare and submit a grant application to the B.C. Organics Infrastructure Program (OIP) for a Summerland Organics Processing Facility (Facility), based on 'Concept #2 - Relocated Receiving Area which is attached for reference purposes. Staff has progressed into the first phase of detailed design in preparation of the application.

The current composting operations will move from the entrance of the Summerland Sanitary Landfill (landfill) to the new facility located in the undeveloped Phase 3 of the active cell for the short term (10-12 years), with long term plans for it to be permanently located on the waste cell, once this cell has been filled and closed. Moving the facility location enables the District to:

- utilize a portion of the landfill that otherwise would be unused once the cell is closed;
- open up an area at the entrance of the landfill for increased and improved diversion; and,
- help mitigate odour issues that occasionally occur during the current composting process.

By selecting this location, the District is able to complete the following projects that have been identified in the 2019-2023 capital budget:

- Landfill Perimeter Fence - 2021 project estimated to cost \$238,033;
- Septage Permit Review and Repair - 2020 project estimated to cost \$65,000;

- Leachate Management Plan (not including construction upgrades) - 2020 project estimated to cost \$70,000; and
- Construction of the recommended upgrades that will be identified in the Leachate Management Plan and the Septage Permit Review and Repair projects – These are not currently listed in the District five-year capital budget.

Additionally, the OIP grant scope has increased to include public education programs as an eligible cost.

Staff is recommending that these four additional capital projects and the public education program be amalgamated into this project and be included as part of the OIP grant application. These additional projects are eligible costs and would receive, two-thirds grant funding through the OIP Fund if the District's application is successful. As a result, the total estimated capital cost of this project has increased to \$2,371,500, with the District's one-third funding portion equal to \$790,500.

#### LEGISLATION and POLICY:

- Environmental Management Act; and
- Organic Matter Recycling Regulation.

The proposed Organics Processing Facility supports council's strategic priorities for Infrastructure Investment and Community Resilience. Reduction of waste entering the landfill and the associated greenhouse gas (GHG) emissions from that waste (most of which originates from organic materials not currently diverted from the waste stream) are also identified in the Official Community Plan and Community Climate Action Plan as initiatives the District should pursue to reach their climate action goals. The Facility will also help to address several issues of non-compliance at the landfill, as identified by the Ministry of Environment and Climate Change Strategy.

#### FINANCIAL IMPLICATIONS:

The OIP Funding is a matched funding program through the Province of British Columbia, the Government of Canada and successful applicants. Should the District of Summerland be successful in our application, the District will be required to fund one-third. The original capital cost estimate for this project was \$1,608,182, with the District's portion equal to \$536,054. The updated cost estimate is \$2,371,500, of which the District's portion is \$790,500. Therefore, the District's share has increase by \$254,446, from \$536,054 to \$790,500.

The additional funding will enable the District to include the following required five projects:

- Landfill Perimeter Fence;
- Septage Permit Review and Repair;
- Leachate Management Plan (not including construction upgrades);
- *Construction of the upgrades required within the Leachate Management Plan and as required by the Septage Permit Review and Repair; and*
- *A public education program (previously an ineligible cost).*

The top three addition projects have been accounted for in the current 2019-2023 Budget. The total cost of these three additional projects is \$373,300, which is currently funded by the Landfill Improvement reserve. By completing these projects as part of the Summerland Organics Processing Facility project and reallocating the Landfill Improvement reserve funds, their costs

would cover the increase to the District's one-third commitment of the costs for the OIP grant. This will reduce the amount the District would need to allocate from reserves and would enable the completion of all additional five projects. By adjusting the project to include these other components, the District's overall capital commitment will decrease by \$118,587 due to the 66.67% grant eligibility for these other projects. See Tables 1 and 2 for further details.

Table 1 – Current Budget

<b>CAPITAL PROJECTS - WORKS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>TOTAL</b>
Organics Processing Facility including:	88,000	918,097	602,065	1,608,162
Leachate Management Plan		70,000		70,000
Septage Permit Review and Repair		65,000		65,000
Landfill Perimeter Fence			238,033	238,033
<b>TOTAL CAPITAL PROJECTS - WORKS</b>	<b>88,000</b>	<b>1,053,097</b>	<b>840,098</b>	<b>1,981,195</b>
<b>FUNDING SOURCES - WORKS</b>				
Grant - OIP	58,667	612,065	401,376	1,072,108
Borrowing		306,032	200,688	506,721
Community Works Fund (Gas Tax)	29,333			29,333
Landfill improvement	-	135,000	238,033	373,033
<b>Funding Total</b>	<b>88,000</b>	<b>1,053,097</b>	<b>840,098</b>	<b>1,981,195</b>

Table 2 – Revise Budget

<b>CAPITAL PROJECTS - WORKS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>TOTAL</b>
Organics Processing Facility <i>including:</i>	88,000	2,000,000	283,500	2,371,500
- <i>Leachate Management Plan</i>		-		-
- <i>Septage Permit Review / Repair</i>		-		-
- <i>Landfill Perimeter Fence</i>			-	-
- <i>Construction of upgrades required from Leachate Management Plan &amp; Septage Permit Review / Repair</i>				-
- <i>Public Education Program</i>				-
<b>TOTAL CAPITAL PROJECTS - WORKS</b>		<b>88,000</b>	<b>2,000,000</b>	<b>283,500</b>
<b>FUNDING SOURCES - WORKS</b>				
Grant - OIP	58,667	1,333,333	189,000	1,581,000
Borrowing		506,721	-	506,721
Community Works Fund (Gas Tax)	29,333			29,333
Landfill improvement		159,946	94,500	254,446
<b>Funding Total</b>	<b>88,000</b>	<b>2,000,000</b>	<b>283,500</b>	<b>2,371,500</b>

**SUPPORTING DOCUMENTS:**

1. Concept #2 - Relocated Receiving Area [from GHD Ltd. presentation on March 18, 2019]

CONCLUSION:

Staff is requesting that council supports the B.C. Organics Infrastructure Program grant application for the Summerland Organics Processing Facility project and commits the District's share (33.33% of eligible costs) of the project costs, which is estimated to be \$790,500.

OPTIONS:

1. Move the motion as recommended by staff.
2. That the funding allocation of \$536,054 as the District of Summerland's financial commitment for the B.C. Organics Infrastructure Program for a Summerland Organics Processing Facility remain as-is, and the additional five projects be completed separately and not included as part of this grant application.
3. Refer back to staff for other options.

Respectfully submitted,



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*Candace M. Pilling*  
Manager of Environmental Services

Review by,



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*Kris Johnson, P.Eng.*  
Director of Works and Utilities

Approved for agenda,



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*Corine Gain*  
Acting Chief Administrative Officer