



To: COMMITTEE OF THE WHOLE

Section: Consent - Corporate Services – Solid Waste Management

Item Number: CCW 14-344

Meeting Date: August 26, 2014

Subject: Transfer Facility Funding Update

Recommendation:

THAT Item CCW 14-344, regarding an update on available funding for the transfer facility project, be received for information.

Executive Summary:

Further to Item CCW 14-253 (August 2012) which recommended the development of a County owned and operated transfer facility, this report provides further details on available funding from the Province's Continuous Improvement Fund.

Background/Analysis/Options:

Item CCW 14-253 – Transfer Facility Assessment (August 12, 2014) outlined the potential savings of a County transfer facility and recommended that project development commence with a siting assessment to be presented to Council in early 2015. This report provides additional information on available funding from the Continuous Improvement Fund (CIF) for the blue box-related project costs.

Further to Item CS 11-103 (June 15, 2011), Staff submitted an application to CIF seeking funding for the blue box recycling portion of a potential transfer facility. CIF was created to help Ontario municipalities undertake best practices initiatives to improve the effectiveness and efficiencies of blue box recycling programs. This application considered the separated cities of Barrie and Orillia as best practices dictate that partnerships with our neighbouring municipalities will further serve to increase efficiencies. At that time, CIF indicated that, pending a number of conditions, approximately \$2.15 million in funding would be available to the County to support development of the facility.

Pursuant to the updated financial analysis of transfer costs, Staff met again with CIF to discuss the status of the application, the availability of funding, and moving forward. CIF confirmed that funding is still available with the same contingencies but may be in jeopardy pending the outcome of arbitration to determine the 2014 steward obligation for the blue box program, expected in October 2014.

In consideration of the uncertainties concerning available funding after October, Staff have been working with CIF to finalize the agreement. A draft of the CIF Project Grant has been submitted to the County for review, outlining approved funding limits of 47% of the blue box-related project costs, to a maximum of \$2,187,840, with the following contingencies:

- the submission and approval of a monitoring and measurement plan;
- the Council approval of a facility to be jointly utilized by other local municipal jurisdictions on a cost recovery basis;
- the County will seek a letter of intent from the other local municipal jurisdictions with respect to utilizing capacity at the facility on a cost recovery basis to the satisfaction of the CIF;
- provision in the facility Environmental Compliance Approval to permit transfer of blue box materials from other municipalities across Ontario, to be done on a cost recovery basis;
- design of the facility to allow for its potential future expansion to accommodate a full material recovery facility (MRF) operation and involvement of CIF staff in the design; and
- documentation and evidence of savings achieved, including baseline data collection on the current system, to the satisfaction of the CIF.

It should be noted that these contingencies were previously outlined and remained unchanged. In this regard, letters of intent have been received from the Cities of Barrie and Orillia confirming their intent to incorporate the County's proposed recycling transfer facility as an option for consideration in the procurement of their next collection and processing contract(s). In addition, siting and design will allow for the facility to be expanded to a full recyclables material recovery facility (MRF) in future, if necessary.

Staff will continue to work with CIF to finalize the agreement to ensure that the grant is secured for this project.

Financial and Resource Implications:

As outlined in Item CCW 14-253, costs related to development of a facility are dependent upon the availability of funding and are estimates only; actual costs would only be determined through procurement processes. The analysis includes updated costs estimates. Estimated capital costs for the land/building and equipment are \$4,185,000 and \$545,000, respectively.

The Waste Management reserve has \$2,175,000 that was previously raised for this project. As outlined above, the Continuous Improvement Fund has indicated a commitment to funding 47% of the blue box-related project costs, to a maximum funding limit of \$2,187,840 dependent on the eligible expenditures. For the purposes of the costing the project a \$1,150,000 estimate of CIF funding was used, with the balance to be funded from the Waste Management reserve.

Relationship to Corporate Strategies:

This Item supports the Solid Waste Management Strategy recommendation to develop transfer capacity infrastructure to manage garbage and recyclables generated in the County.

Reference Documents:

Item CS 11-103 – Recyclables Transfer Facilities Funding Application (June 15, 2011)
http://www.simcoe.ca/ws_cos/groups/public/@pub-cos-sta-com/documents/web_content/rsc117194.docx

Item CO 12-023 – Results of Initial Analysis of Request for Proposal Responses for Recycling Transfer Options for Budget Consideration (November 27, 2012)

http://www.simcoe.ca/ws_cos/groups/public/@pub-cos-sta-com/documents/web_content/rsc343304.docx

Item CCW 14-253 – Transfer Facility Assessment (August 12, 2014)

http://www.simcoe.ca/ws_cos/groups/public/@pub-cos-sta-com/documents/web_content/rsc442308.docx

Attachments:

There are no attachments to this Item.

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Approvals:

Date

Rob McCullough, Director, Solid Waste Management

August 14, 2014

Debbie Korolnek, General Manager, Engineering, Planning and Environment

August 15, 2014

Trevor Wilcox, General Manager, Corporate Performance

August 18, 2014

Mark Aitken, Chief Administrative Officer

August 19, 2014