

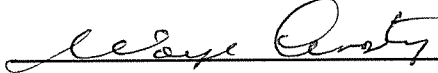
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Halifax Regional Council
March 21, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Wayne Anstey, Acting Chief Administrative Officer

DATE: February 20, 2006

SUBJECT: **Aerotech Lagoon/Biosolids Dewatering Facility Rate Increase**

ORIGIN

2005/06 Environmental Management Services/Wastewater Treatment Business Plan.

RECOMMENDATION

It is recommended that:

1. Council approve a \$.02 per gallon septage tipping fee increase effective April 1, 2006.
2. Council approve a \$.01 per gallon septage tipping fee increase effective April 1, 2007

BACKGROUND

The Aerotech Biosolids Lagoon receives and stabilizes septage from both residential and commercial on-site systems and biosolids from HRM wastewater treatment facilities. Under the present operating approach, solids are removed, dewatered and transported to Fundy Composting for final treatment and processing under a three year contract (2004-2007). The present tipping fee as approved by HRM Council in June 2004 is \$.1025 per gallon.

DISCUSSION

In early summer of 2006 the Aerotech Lagoon will be taken out of operation and a new \$3.5m Aerotech Biosolids Dewatering Facility commissioned. This new facility will receive and dewater all septage and HRM existing treatment plant biosolids on a daily basis. The dewatered biosolids will initially be transported to a composting facility until April 2007. At that time biosolids will be transported to the newly commissioned Biosolids Processing Facility for further processing and marketing. Both facilities will be located on the Aerotech Park Drive extension. Staff will be evaluating future tipping fee increases which may be required to provide capital cost sharing related to the decommissioning of the Aerotech Lagoon and construction of the Biosolids Processing Facility. An engineering study will be commissioned to determine project cost, regulatory requirements and site use.

The 2005/06 gross operations budget for the Aerotech Lagoon and disposal/treatment of the biosolids is \$1,062,100, this cost is funded by revenues generated from the \$.1025 per gallon tipping fee, as well as internal transfers from HRM wastewater treatment plant operating accounts: R220, R230, R240, R250. The cost to directly dewater and process biosolids at the new Aerotech Central Biosolids Dewatering Facility is expected to be slightly higher than those currently incurred by the Lagoon operation. This is primarily related to increased electrical consumption, increased chemical costs, eg. polymer, and a higher (tertiary) level of treatment of dewatering facility discharge. Benefits associated with decommissioning of the Aerotech Lagoon include the ability to develop effective long term financial planning, an elimination of Aerotech Lagoon greenhouse gas (methane) emissions, and reduction of negative public perception of past methods of biosolids disposal.

2006/07 Business Plan Projected Expenditures of \$1,177,100 to be paid from the following revenues:

- Tipping fees: \$609,000
- Interdepartmental Transfers: \$568,100

A \$.02 per gallon tipping fee increase will generate approximately \$100,000 per year providing a minimum septage discharge of 5 million gallons per year is realized.

The 2006/07 increase will result in a total tipping fee of \$.1225 per gallon which compares with

other similar services in the Maritime Provinces. Assuming the costs are passed on, residents with on-site systems will pay an additional \$12-\$20 per septic tank clean-out which typically occurs every three to five years.

Staff is requesting Council approve an additional tipping fee of \$.01 per gallon increase effective April 1, 2007. This will establish an approximate yearly contribution of \$50,000 to the Aerotech Lagoon Reserve Q117. It is expected that this will provide adequate funding for long term biosolids dewatering capital equipment replacement and related improvements at the dewatering facility.

BUDGET IMPLICATIONS

Total tipping fee revenue projections:

	Tipping fee	Estimated Revenue Projections
2006/07	.1225	\$609,000
2007/08	.1325	\$659,000

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

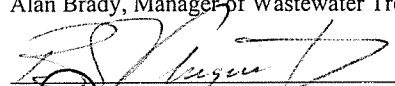
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ATTACHMENTS

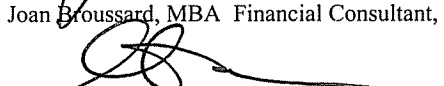
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Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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