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**Halifax Regional Council**

**July 5, 2005**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

A handwritten signature in black ink, appearing to read "Brad Anguish", written over a horizontal line.

Brad Anguish, Director, Environmental Management Services

**DATE:** June 17, 2005

**SUBJECT:** Use of Finished Biosolids Product

## **INFORMATION REPORT**

### **ORIGIN**

This report originates from the HRM Council of June 14, 2005, agenda item No. 6. Councillor Streach requested information on where the product from the Biosolids plant will go, will it stay in HRM or be farmed out.

### **BACKGROUND**

Contracts with SGE Acres/Hatch for the design build of the Biosolid Processing Facility (BPF) and with N-Viro Systems Canada Inc. (N-Viro) for the facility's operation and maintenance were signed in November 2004.

Under the operation and maintenance agreement, the operator is N-Viro. N-Viro is responsible at its sole risk and cost to market and sell the finished product to arm's length third parties who will use the finished product for its intended beneficial use as a fertilizer, soil supplement, soil amendment or soil manufacturing component in accordance with applicable laws and in compliance with all required approvals. Since the N-Viro process is a patented process, the operation and marketing of the finished product requires a licence agreement from N-Viro to transfer the Intellectual Property to HRM (Intellectual Property is to be owned by HRM). This agreement was

also executed in November 2004.

**DISCUSSION**

Under the licence agreement, N-Viro agreed to license the Intellectual Property to HRM in order to permit the planning, designing, engineering, construction, procuring, equipping, testing, commissioning, completion, operation and maintenance of the Biosolids Processing Facility, the production of Finished Product at the BPF, and the marketing and sale of such Finished Product within the “Territory”. Under the terms of the agreement, “Territory” is defined as Atlantic Canada.

Therefore, the geographic area that N-Viro or HRM is permitted to market the finished product is within Atlantic Canada. The operation and maintenance agreement did not limit N-Viro to market the finished product to HRM area only. The contract allows N-Viro to market the material within Atlantic Canada, and **marketing the biosolids material outside HRM does not contravene any HRM bylaws, provincial legislation.**

**BUDGET IMPLICATIONS**

N/A

**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.

**ALTERNATIVE**

There are no recommended alternatives.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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