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Halifax Regional Council
June 10, 2003

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Brian T. Smith".

Brian T. Smith, Acting Director, Environmental Management Services

DATE: May 30, 2003

SUBJECT: **Equipment Replacement Information**
- HRM Solid Waste Resources Management Facility - Otter Lake

INFORMATION REPORT

ORIGIN

During the review of the 2003-04 Operating, Capital and Reserve budgets, staff were asked for some background on the arrangements for replacing capital equipment at the HRM Solid Waste Resource Management Facility at Otter Lake.

BACKGROUND

The July 1997 Contract between HRM and MIRROR Nova Scotia Limited, provides the basic elements of the relationship between HRM and its private partner for the operation of the waste processing and disposal facilities at Otter Lake.

DISCUSSION

In its most basic form, the contract with MIRROR Nova Scotia Limited is one where HRM is the owner of the facilities, and MIRROR provides the operating resources to ensure the facilities operate within agreed operating, environmental and safety conditions. As one part of this agreement, there is a process for maintaining and replacing equipment that provides for some balance between the financial and other requirements of the two parties.

Attached as Appendix A is a copy of Schedule K to the main agreement with MIRROR. This Schedule, which was developed in 1997, provides for replacement of equipment for each of the three components at the Otter Lake site:

- | | |
|---------------------------------------|----------------------------------------------------------------------|
| Front End Processing Facility: | Sorting line equipment, loaders, tractors and trailers |
| Waste Stabilization Facility: | Composting equipment, loaders, utility vehicle |
| Residuals Disposal Facility: | Compactor, Dozer, Grader, Excavator and other vehicles and equipment |

Schedule K outlines the expected useful life in terms of years, hours or kilometres for each type of equipment on the list. Solid Waste Staff and MIRROR meet periodically to review the maintenance and required replacement for each component, and to agree on the actual timing and procurement processes for replacement. Some adjustment in the life expectancy for a particular item may be required to accommodate operating circumstances and HRM budget approvals. The expansion of the FEP in the spring of 2000 required an increase in hours for some of the equipment and vehicles that are operated daily. HRM staff monitor total hours of equipment operation and annually review with MIRROR NS the requirement for the replacement of those equipment and vehicles in terms of maintenance, repairs, and down time which could affect the efficient operations of the FEP/WSF or RDF.

The funding of the capital equipment replacement program for the Otter Lake Waste Resource Management Facility, is obtained through the HRM Capital Budget approval process and the Waste Resources Capital Reserve - Q123.

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.

ATTACHMENTS

Schedule K of July 1997 HRM/MIRROR Operating Agreement

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.

Report Prepared by: Brian T. Smith, General Manager of Solid Waste Resources

Appendix A

SCHEDULE "K"

Front End Processing Facility

Conveyors	10 years or 36,000 hours
Trommels	10 years or 36,000 hours
Bag Breakers	20,000 hours
Shredder	20,000 hours
Baler	25,000 hours
Baler Liner	6,000 hours
Magnet	20,000 hours
Skid-Steer Loader	6,000 hours
Cat 914 Loader	10,000 hours
Roll-Off Tractor	20,000 hours
Utility Vehicle	80,000 kms
Tractor (HRM Surplus)	to be determined
Transfer Trailers	3 years

Waste Stabilization Facility

Agitator	7 years
Exhaust Fans	7 years
Process Blowers	5 years
Conveyors	10 years or 36,000 hours
Walking Floor	16,000 hours
Cat 938 Loader	20,000 hours
Cat 966 Loader	20,000 hours
Utility Vehicle	80,000 kms

Residuals Disposal Facility

Compactor	15,000 hours
Dozer	15,000 hours
Water Truck	10,000 hours
Grader	10,000 hours
Dump Truck	12,000 hours
Excavator	12,000 hours
Miscellaneous Equipment	10,000 hours
Used Compactor	to be determined
Pickup	80,000 kms