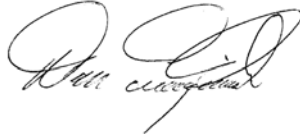



TO: Mayor Kelly and Members of Halifax Regional Council



SUBMITTED BY:

Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: October 30, 2007

SUBJECT: **Cell 4A - Gas Collection System & Partial Permanent Cap Installation
- Capital Budget Spending Increase**

ORIGIN

- Approved 2007/08 Capital Budget
- MIRROR NS, operator of the HRM Otter Lake mixed waste processing and disposal facility
- Solid Waste Resource Advisory Committee (SWRAC) meeting of September 27, 2007

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. approve an increase to the 2007/08 Approved Capital Budget for Capital Project No. CWI00966, Half Closure of Cell 4, in the amount of \$670,000 (including net HST) with funding coming from Otter Lake Landfill Closure Reserve (Q120), as outlined in the Budget Implication Section of this report.
2. approve the withdrawal from the Otter Lake Landfill Closure Reserve (Q120) in the amount of \$670,000, as outlined in the Discussion section of this report.

BACKGROUND

In the Approved 2007/08 Capital Budget, Council approved in principle Capital Project No. CWI00966, Half Closure of Cell 4A in the amount of \$4,625,000 to be expended in the 2009/10 fiscal year. Since then, in August and October 2007, MIRROR NS has advised of the requirement to start some preliminary work before 2009/10, as outlined in the Discussion section of this report.

The methodology of half closure of each cell, lower half “A” - upper half “B”, which was approved by Regional Council commencing with the closure of Cell 3A in March 2006, has yielded the intended and desired result - no reports of off-site odours from the Otter Lake facility. Prior to the half closure cell methodology, numerous reports of odours were received in communities adjacent to the Otter Lake facility. The approval of each cell closure in phases, lower half followed by the upper half the following year, has proven to be very effective in eliminating odours in communities adjacent to the Otter Lake facility.

DISCUSSION

MIRROR Nova Scotia has advised that to prevent off-site odours during the next twenty-four months, two components of the Cell 4A Closure - Capital Project No. CWI00966 scheduled for 2009/10, are required for completion this fall.

At the September 27, 2007 meeting of the Solid Waste Resource Advisory Committee, the following motion was approved:

- “MOVED by Councillor Rankin, seconded by Councillor Hendsbee, to support the advance partial interim closure of Cell 4A, which will permit flexibility of invoice payment for April 1, 2008, be approved. MOTION PUT AND PASSED.”

Subject to budget approval by Regional Council, MIRROR NS will complete the following two components of project No. CWI00966 Half Closure of Cell 4A:

- Landfill Gas Collection System at a total cost not to exceed \$410,000 (including net HST); and
- Partial Permanent Cap Installation East Slope at a total cost not to exceed \$260,000 (including net HST).

Funding is available in Reserve Q120 (Otter Lake Landfill Closure). Prior to proceeding with both projects (Landfill Gas Collection System and the Partial Permanent Closure East Slope), staff and CBCL (HRM’s owner engineer) will review the design, quantities, unit prices and other project costs of both components for Cell 4A closure, which is recommended for completion this fall. For cost comparison purposes, staff and CBCL will refer to quantities and unit prices, which were submitted for review and agreed to and approved by Regional Council in September 2007, for the Closure of Cell 3B (which included a gas collection system and capping of the cell) which has been completed in the past month.

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MIRROR has advised that the Partial Permanent Cap Installation East Slope of Cell 4A will form the permanent cap for this portion of Cell 4A and, as such, will be a component of Cell 4A Closure costs (in 2009/10). Similarly, the installation of the twenty (20) gas collection wells in Cell 4A this fall will also be a component of Cell 4A Closure in 2009/10.

Staff will assess with MIRROR NS if there will be a requirement for similarly advancing specific components of partial closure of future cells, prior to the full cell closure - which are identified in the Capital Budget as occurring the first and second year following the construction of a new cell. Staff will advise Regional Council as part of the 2008/09 budget approval process, if advancing partial closure of components for each cell is the recommended practise for the prevention of off-site odours and community protection.

BUDGET IMPLICATIONS

The proposed increase in capital budget spending for Capital Project No. CWI00966, Half Closure of Cell 4 in the amount of \$670,000 (including net HST) with funding from Otter Lake Landfill Closure Reserve (Q120) will have no net budget cost increase to the Approved 2007/08 Capital Budget. The budget availability has been confirmed by Financial Services.

Budget Summary: Capital Project No. CWI00966, Half Closure Cell 4 (A)

Cumulative Unspent Balance	\$0
Budget Increase - Cell 4A Gas Collection	\$410,000
Budget Increase - Cell 4A Partial Permanent Cap	<u>\$260,000</u>
Balance of Account	\$670,000

The remainder of Cell 4A closure costs will be finalized and submitted in the forthcoming Proposed 2008/09 Capital Budget.

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. If approved, this will increase the 2007/08 budgeted withdrawals from Reserves.

ALTERNATIVES

One alternative, which is not recommended, is not to release the \$670,000 from the Q120 Reserve.

The completion of the Landfill Gas System and the Partial Permanent Cap on the East Slope of Cell 4A in the fall of 2007, will ensure a continuation of enhanced landfill gas collection and odour control at the Otter Lake facility, in the intervening two year period prior to the full closure of Cell 4A in 2009/10.

ATTACHMENTS

N/A

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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For

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