

HALIFAX

Solid Waste By-Law S-609

Public Hearing Presentation

February 3, 2015

By-Law S-609/ Proposed Amendments to By-Law S-600

Public Hearing tonight is regarding Councils motion to

- Amend By-law S-600 to allow for the export of ICI residual waste (garbage) outside HRM

In addition Council will also provide direction on

- Amending Administrative Order 16 to provide for an increase in fees for disposal of ICI residual waste from \$125 per tonne to the assessed system cost of \$170 per tonne.

Timeline for By-Law S-609/ Proposed Amendments to By-Law S-600

January 14, 2014 – Removal of flow control outlined within Solid Waste Strategy Review

June 24, 2014 – Council directed staff to meet and consult further with the Halifax Waste Resource Society Board of Directors. Society has no objections to removing flow control.

December 9, 2014 – Council gave direction to amend By-Law S-600 and set a date for public hearing

January 13, 2015 – First Reading of proposed By-Law S-609

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What Is Flow Control

- Flow control is a practice which prohibits the export of waste outside of a jurisdiction.
 - Allows for easier planning as system is closed
 - Tonnage estimates and budget allocation more predictable
 - High cost systems that require above average funding
 - Used for waste disposal systems that require stable and consistent tonnages to operate (incineration)
 - Helps to ensure waste is delivered to a compliant facility
 - Ability to provide incentives to source separate (higher tip fee at landfill than recycling plant)
 - Prevents competition
 - Increases burden to taxpayer
 - Not common practice

What Is Flow Control

- Approved in Halifax June 2002
 - Focused on budget predictability and revenue generation
 - Tip fee - \$115
 - Cost per tonne - \$135
 - Concern waste would be delivered to 1st generation landfills
 - In 2001 approximately 5,000 tonnes of ICI was exported

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Industrial / Commercial / Institutional Sector

- Sector generates approximately 80,000 tonnes of waste per year
- \$125/tonne current tip fee at Otter Lake
- Proposed cost recovery tip fee is \$170/tonne
- Tip fees outside Halifax along with estimated trucking costs are \$100/tonne
- Potential financial impact to ICI
 - With current tip fee 80,000 tonnes x \$25 = \$2.0M
 - With cost recovery tip fee 80,000 tonnes x \$70 = \$5.6M
- The market will dictate where waste is sent and price paid by haulers to tip

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Regional Landfills

- All landfills in Nova Scotia are governed by the same
 - Nova Scotia Solid Waste Regulations
 - Nova Scotia Landfill Guidelines (2nd generation design)
 - Landfill liner specifications
 - Banned material list
- Landfill sites are bound by the same Provincial laws and regulations currently in place for Halifax
- Why can these sites provide a much lower tip fee?
 - No FEP/WSF which costs approximately \$75 per tonne
 - Market competitiveness

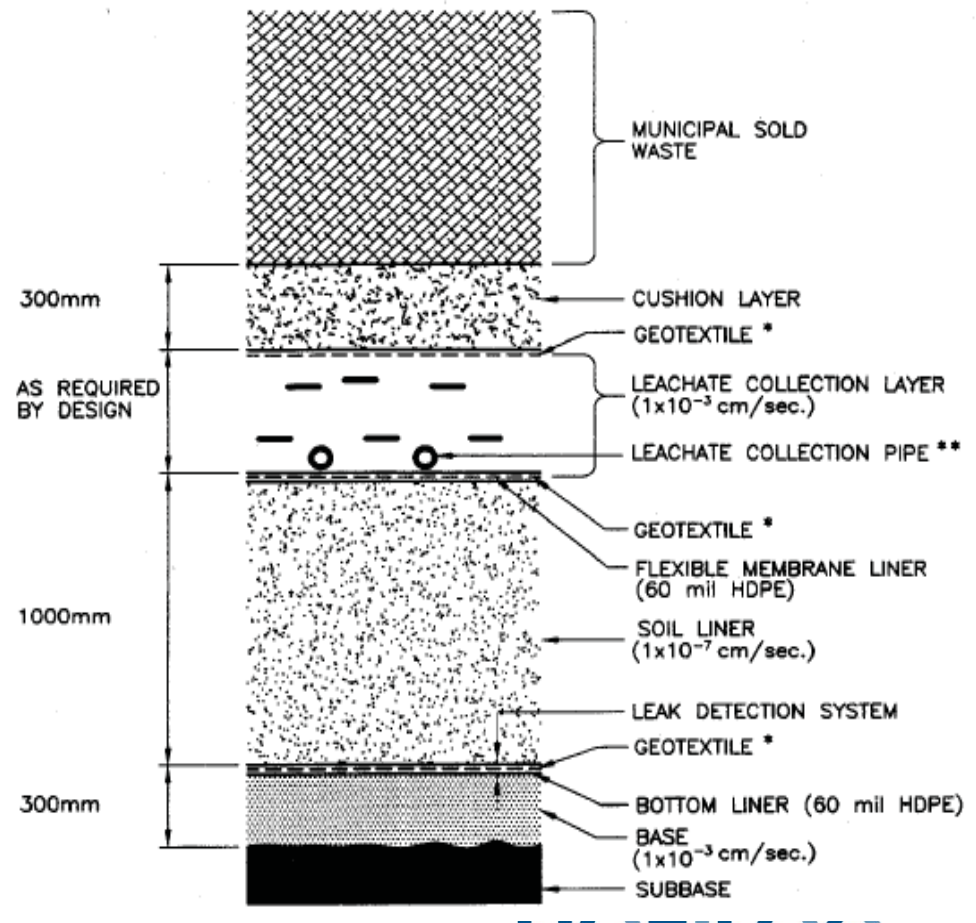
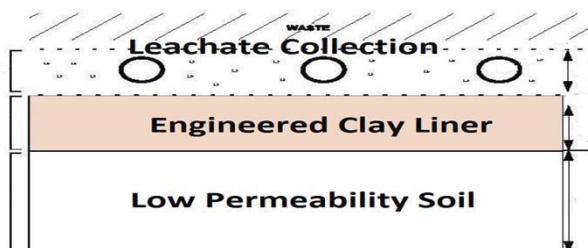
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First & Second Generation Landfills

Second Generation Standard In NS

MUNICIPAL SOLID WASTE LANDFILL GUIDELINES

First Generation



Contract At Otter Lake

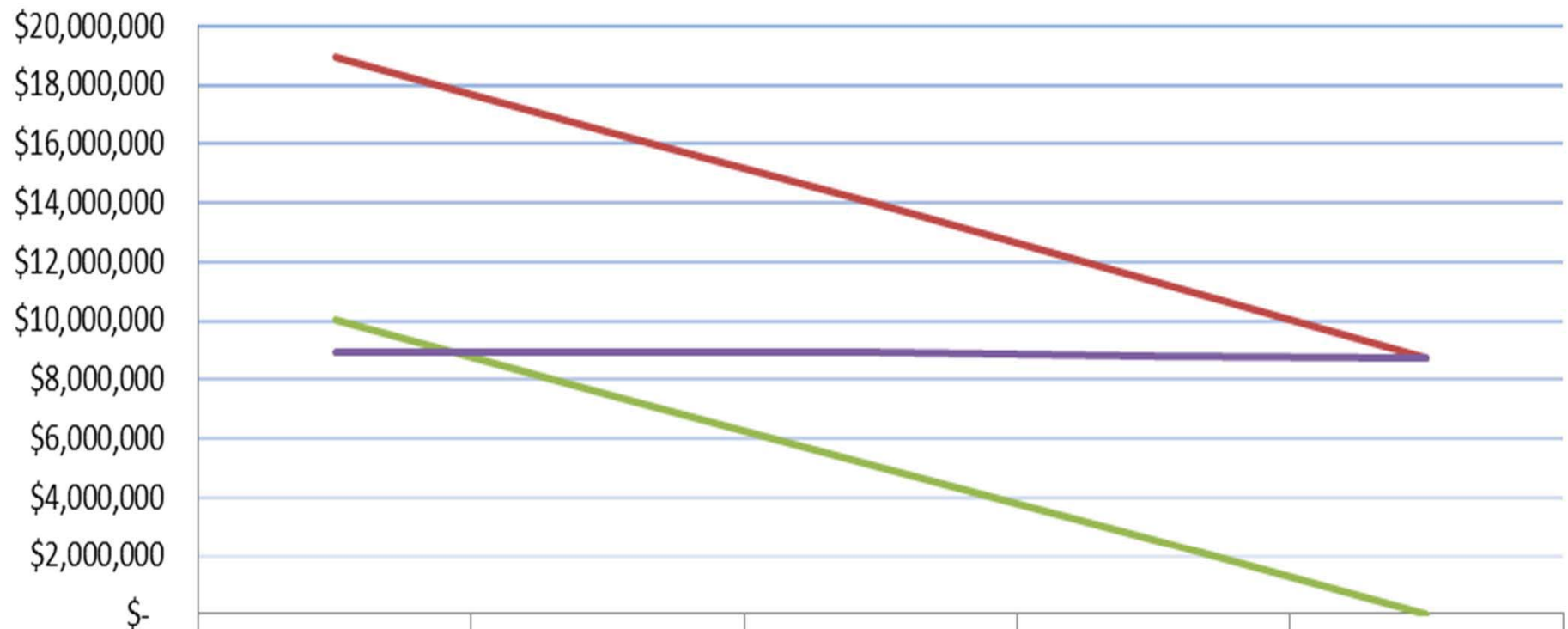
- Fixed price contract with rebate allowances based on tonnage
- Tonnage band between 125,240 – 173,240 tonnes per year
 - At 173,240 operating cost is \$16.4M (\$95/tonne)
 - At 125,240 operating cost is \$13.7M (\$110/tonne)
- There is no minimum put or pay
- Once annual tonnage is higher than 173,240 or lower than 125,240
 - commence a review of the operations of the Facilities, including all categories contained in Schedule “B”, excluding “Major Capital Repairs and Improvements”, to determine the reduction or increase, as applicable, in operating and maintenance costs for the Facilities resulting from such reduced or increased tonnage.

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Taxpayer Subsidy – Status Quo

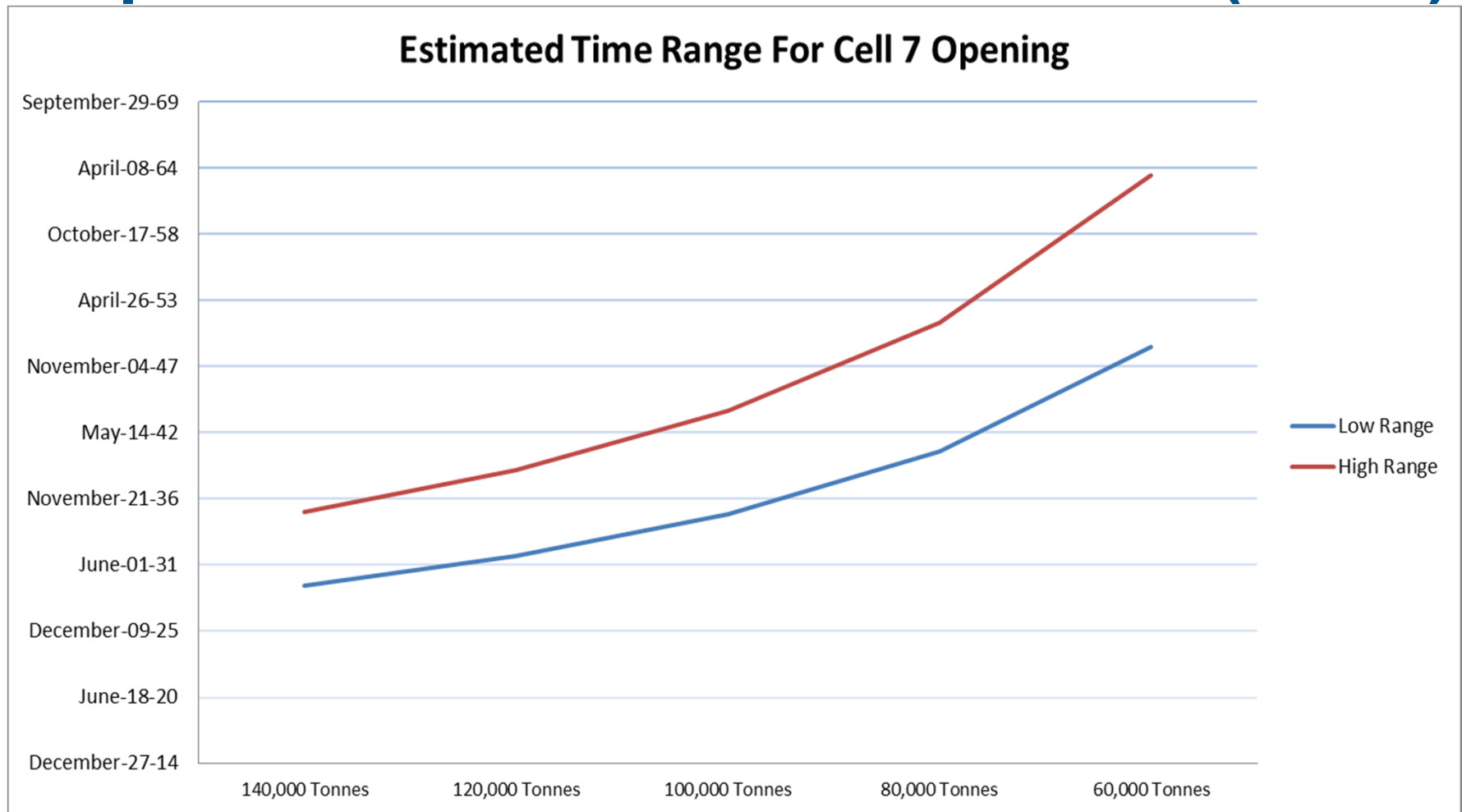
ICI Waste	2013/14 Actuals	2015/16 Estimates
Cost per Tonne	\$ 163.00	\$ 167.00
Tip Fee per Tonne	\$ 125.00	\$ 125.00
Cost Not Recovered By Tip Fee	\$ 38.00	\$ 42.00
ICI Tonnes	79,800	79,800
Funded by Taxpayer	\$ 3,032,400	\$ 3,351,600

Financial Review of Tonnage Scenarios Current Cost Per Tonne



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Required Date For Next Landfill Cell (Cell 7)



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Budget Implications

- Cost Recovery Tip Fee with Flow Control
 - Tip fee for ICI sector increased to \$170
 - Immediate budget impact of \$3.3 million revenue increase
 - Annual adjustment of tip fee based
- Removal of Flow Control
 - At current tip fees there are no immediate savings
 - Net cost remains relatively flat
 - Operational review and renegotiation can help reduce costs
 - Major benefit is deferring future cell construction and new landfill siting costs which is a long term investment

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Solid Waste Operations

- Exported waste still attributed to Halifax
 - EGSPA target of 300kg per person
 - Per capita disposal (currently 378kg)
 - Diversion credit incentive from RRFB
- Halifax will continue to deliver education and compliance programs to ICI sector
- Increase enforcement for ICI sector to ensure compliance with source separation By-Law

Financial Burden of Flow Control

- For every tonne of ICI waste delivered to Otter Lake
 - Taxpayers subsidize \$42
 - In addition ICI sector pays \$25 more than other landfills
 - Total financial burden of \$67/tonne for taxpayers and businesses

Financial impact of flow control within current operating model at Otter Lake equates to over \$5.3M annually.

If cost recovery is approved, burden will be removed from taxpayer and placed on user of service.

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Conclusion

Removal of flow control will:

- Reduce costs for taxpayers and businesses
- Increase competition for waste disposal
- Extend the life of existing capital investments
- Defer the need to build new landfill cells
- Waste will continue being disposed in a Nova Scotia Department of Environment approved landfill

Thank you.

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