


Halifax Regional Council
January 8, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Acting Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: December 4, 2001

SUBJECT: Aerotech Biosolids Lagoon Emergency Cleanout

ORIGIN

Due to the emergency requirement for an immediate cleanout of the Aerotech Biosolids Lagoon and Council on summer recess, an interim award report, Tender #01-118, July 26, 2001, was approved by the Acting Chief Administrative Officer. On September 4, 2001 the tender award was presented to HRM Council for approval of withdrawal of funds from the Aerotech Lagoon Reserve (Q117) and the Environmental Protection Reserve (Q105) in accordance with the Reserve policy. Council deferred this approval pending a supplementary report which would provide additional information. On September 25, 2001 Council approved payment of \$678,000 to Amber Construction (Tender #01-118) and requested staff report to outline options of financing this payment.

RECOMMENDATION

It is recommended that Council:

- (1) confirm approval of withdrawal of \$390,000 from the Aerotech Lagoon Reserve (Q117) and \$288,000 from the Environmental Protection Reserve(Q105) as approved by the Acting Chief Administrative Officer (Tender #01-118) on July 26, 2001.
- (2) approve an increase in Aerotech Lagoon tipping fees from 5.5 cents per gallon to 8.0 cents per gallon effective April 1, 2002.
- (3) approve that Aerotech Lagoon tipping fee revenues (surplus) in excess of the amount in the operating account (R260-5203) be transferred to the Aerotech Lagoon Reserve (Q117) annually.

BACKGROUND

During the Council meeting on September 4, 2001, Council requested further clarification on the following issues (a) accessing the EP Reserve for additional funds to award Tender 01-118, (b) revenue equity between HRM wastewater treatment plant costs and private tipping fees, (c) evaluate repayment of \$288,000 to the EP Reserve and (d) how staff plan to avoid a similar problem in the future.

DISCUSSION

Staff has reviewed the above issues and the following is provided:

- (a) Due to the emergency nature and requirement for an earlier cleanout than expected, the current year Lagoon Reserve (Q117) did not have sufficient funds for the tender award. Funding transfer of \$288,000 was requested from the EP Reserve which is the source of funding for HRM wastewater treatment plant sludge disposal costs. In addition, any surplus tipping fee revenues have been previously transferred to the EP Reserve at the end of each fiscal year. Based upon this practice, it was staff's recommendation to withdraw additional funds from the Environmental Protection Reserve.
- (b) Tipping fee revenues have been equitable in relation to contributions from the HRM treatment plants and private haulers. Based upon earlier forecasts of cleanout projects on three year intervals, revenues would have been sufficient. The shortfall arose because of a shorter time frame of less than two years between the last project.

The current split of revenues between HRM wastewater treatment plant and private haulers is 50/50. Based on this, to recoup \$288,000 would result in additional contributions for wastewater treatment plants(with a withdrawal from the EP Reserve, the source of funding for HRM wastewater treatment plants) of \$144,000. To recoup the other \$144,000 (share of private haulers) would require a one time levy of 3 cents per gallon.

- (c) Staff has reviewed Lagoon cleanout expenditures. The wastewater treatment plant and residential/commercial septage discharged to the Aerotech Lagoon are approximately equal in volume. In order to provide for a future cleanout program and avoid another shortfall situation, an increase in wastewater treatment plant transfers from \$179,000 to

\$428,000 and an increase in tipping fees from 5.5 cents/gal to 8 cents/gal will be required. As noted below:

2002/03-	<u>Expenditures expected:</u>	Operations:	\$191,000
		Cleanout:	<u>\$665,000</u>
			\$856,000

Revenues to Reserve:

Projected revenues from tipping fees 2002/03 (Increase effective April 1 , 2002)	\$428,000
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Charge to HRM wastewater treatment plants:	<u>\$428,000</u>
	\$856,000

A tipping fee increase to \$.08/gal will result in an increase of \$25.00 for the on site septic system homeowner. Normally, septic tanks are pumped on a basis of every two to five years.

Presently any surplus revenues from the Lagoon Reserve are redirected to the Environmental Protection Reserve (Q105) at fiscal year end. Staff is also requesting that Council approve any surplus funds collected to be directed to the new Aerotech Lagoon Reserve (Q117). This would negate any future reliance on accessing the E.P. Reserve for emergency purposes.

The long term solution for this process is to eliminate the lagoon operation and replace with a biosolids/septage dewatering system. A study pertaining to this option has been commissioned and once fully completed, a report including capital funding alternatives will be presented to Council.

BUDGET IMPLICATIONS

In order to appropriately assign costs of biosolids treatment, the 2002/03 proposed operating budget will reflect an increase in internal transfers from four wastewater treatment accounts Mill Cove, Eastern Passage, Lakeside-Timberlea and Community Plants will each increase by \$62,250. , funding originating from the Environmental Protection Reserve.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Policy, 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.

Taking action as outlined in this report will allow proper planning and avoid future unplanned

withdrawals from the EP Reserve.

ALTERNATIVES

As an alternative to recommendation # 1, Council may choose to confirm approval of \$390,000 from the Aerotech Lagoon Reserve (Q117) , \$144,000 from the Environmental Protection Reserve (Q105) , with the balance remaining (\$144,000) to be collected through a one time levy to the private haulers of 3 cents per gallon . Staff does not recommend this course of action.

ATTACHMENTS

- (A) Interim Tender Award (#01-118) Acting Chief Administrative Officer.
- (B) Halifax Regional Council, Aerotech Biosolids Lagoon Cleanout, tender #01-118, September 4, 2001
- (C) Halifax Regional Council, Supplementary Report, September 25, 2001


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

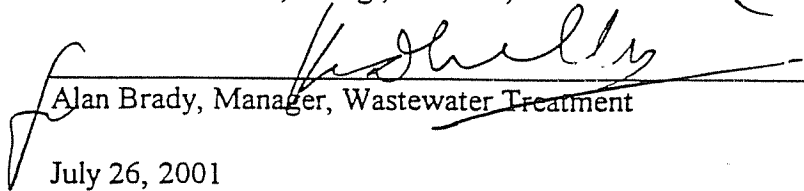
Report prepared by: Alan Brady, Manager of Wastewater Treatment, 835-9566.

Approved by: Kulvinder Dhillon, P.Eng, Director of Public Works & Transportation



TO: George McLellan, A/Chief Administrative Officer

SUBMITTED BY: 
Kulvinder Dhillon, P.Eng., Director, Public Works and Transportation


Alan Brady, Manager, Wastewater Treatment

DATE: July 26, 2001

SUBJECT: Award of Aerotech Biosolids Lagoon Cleanout, Tender# 01-118

ORIGIN

Emergency Action.

RECOMMENDATION

It is recommended that Tender # 01-118, Aerotech Biosolids Lagoon Cleanout be awarded to Amber Construction for materials and services for the cleanout project listed at the unit prices quoted for a submitted price of \$579,000 plus net HST and 10% for quality control assurance and unforeseen works for a total project cost of \$678,000 with funding authorized as per the Budget Implications section of this report.

BACKGROUND

Due to increased loadings and an unusual summer turnover effect on the Aerotech Biosolids stabilization-storage lagoon conditions necessitated shutting down this site on July 12, 2001. Extremely high solids in the lagoon effluent created a total process failure at the Aerotech Water Pollution Control Plant which treats overflow from the Aerotech Lagoon. A temporary solution to receive and treat septage at three HRM water pollution control plants and a minor enlargement of the lagoon capacity to receive HRM treatment plant biosolids was implemented

In order to quickly resolve this problem an immediate total cleanout of approximately 6,000 tons of dewatered biosolids is required. As documentation and specifications were available from previous projects, tender documents were quickly prepared by staff and fast tracked by Procurement. A meeting with interested qualified firms was held on July 13 with bids received on July 23. Dewatered biosolids from the Aerotech Park lagoon will be transported to a Nova Scotia Department of Environment and Labour approved composting facility.

The Aerotech Biosolids Lagoon will be capable of receiving transported on-site system(s) septage and HRM water pollution control plant biosolids once the removal/dewatering project begins.

DISCUSSION:

Five Bids were received
exclusive of HST

Amber Construction:	\$579,000
DRL Environmental:	\$599,647.88
Dexter Construction:	\$901,000
Atlantic Industrial Cleaners:	\$1,039,000
Quantex:	\$1,300,000

Amber Construction submitted the lowest bid of \$579,000 plus net HST for a total of \$616,224. The additional 10% for quality control/quality assurance and unforeseen works brings the total to \$678,000. The overall price is consistent with past cleanout projects.

Amber construction has agreed to begin the actual cleanout project by August 6, 2001. It is expected that project completion will take 2- 4 weeks.

BUDGET IMPLICATIONS

Funding for this project is available from the Aerotech Lagoon Reserve (Q117) in the amount of \$390,000 with the balance of \$288,000 from Environmental Protection Reserve(Q105) for a total of \$678,000. Normally council would approve withdrawals from these reserves. Due to the emergency situation, staff is recommending approval from the CAO under the interim award policy. A report will be presented to Council as soon as possible to confirm this withdrawal. Funds have been confirmed by Finance staff.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Policy, 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.

This project involves environmental protection and public health factors.

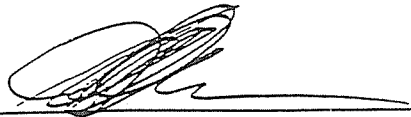
ALTERNATIVES

There are no recommended alternatives.

ATTACHMENTS

None

Approved by: _____

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Chief Administrative Officer

cc: **Vi Carmichael, Municipal Clerk**
Dale MacLennan, Director of Finance
Peter Ross, Manager of Procurement
Dan English, Deputy Chief Administrative Officer


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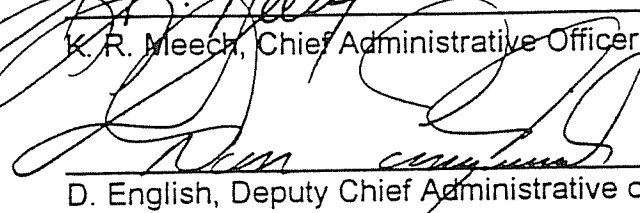
HALIFAX
REGIONAL MUNICIPALITY

Halifax Regional Council
September 4, 2001

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


K. R. Meech, Chief Administrative Officer


D. English, Deputy Chief Administrative officer

DATE: August 28, 2001

SUBJECT: Aerotech Biosolids Lagoon-Emergency Cleanout (Tender 01-118)

ORIGIN

Interim Tender Award of July 26, 2001.

RECOMMENDATION

It is recommended that Council approve withdrawal of \$390,000 from the Aerotech Lagoon Reserve (Q117) and \$288,000 from the Environmental Protection Reserve (Q105) for a total of \$678,000 which represents the tendered Aerotech Lagoon cleanout price of \$579,000 plus net HST and 10% for quality control assurance and unforeseen works.

BACKGROUND

This facility which was constructed in 1989 was originally intended to be a short term solution for septage and treatment plant biosolids stabilization. Due to the rapid yearly increase of these waste products it has been necessary to remove, dewater and compost lagoon biosolids every two years. Recognizing this, Public Works and Transportation recently commissioned a study to replace the present method of sludge management. This study had previously been approved by Council and is included in the 2000/01 Wastewater Treatment Capital program and is expected to be completed by late September, 2001.

The new system will eliminate the lagoon method and involve direct dewatering of solids received at a central location followed by transport to a private composting or other approved final treatment operation. The past problems related to critical situations, sludge volumes, and emergency funding requests to Council will no longer be present. There will however be an initial Capital expenditure required for this facility and an increase in sludge tipping fees.

DISCUSSION

Due to the emergency requirement for an immediate cleanout of the Aerotech Biosolids Lagoon and Council on summer recess, an interim award was approved by the Acting Chief Administrative Officer. For additional details please refer to Attachment "A": Award of Aerotech Biosolids Lagoon Cleanout, Tender# 01-118.

BUDGET IMPLICATIONS

Available funding from the Aerotech Lagoon Reserve totalled \$390,000. Source of the fund originates from collected tipping fees and transfers from HRM treatment facilities. Due to the early requirement for a cleanout, full funding was not available from Reserve Q117, therefore the balance of \$288,000 was requested from the Environmental Protection fund Q105. Funds have been confirmed by Finance staff.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Policy, 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

None

ATTACHMENTS

(Interim) "Award of Aerotech Biosolids Lagoon Cleanout, Tender#01-118"

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


Report prepared by: Alan Brady, Manager of Wastewater Treatment, 835-9566.


Report approved by: Kulvinder Dhillon, P.Eng., Director of Public Works and Transportation, 490-4855

Halifax Regional Council
September 25, 2001

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Acting Chief Administrative Officer


D. English, Deputy Chief Administrative officer

DATE: September 24, 2001

SUBJECT: Aerotech Biosolids Lagoon Emergency Cleanout (Tender 01-118)

SUPPLEMENTARY REPORT

ORIGIN

Halifax Regional Council meeting - September 4, 2001 (Item 10.2.6)

RECOMMENDATION

It is recommended that Council approve the withdrawal of \$390,000 from the Aerotech Lagoon Reserve (Q117) and \$288,000 from the Environmental Protection Reserve (Q105) for a total of \$678,000 which represents the tendered Aerotech Lagoon clean out price of \$579,000 plus net HST and 10% for quality control assurance and unforeseen works.

BACKGROUND

Council deferred the withdrawal of funds from the reserve pending a supplementary report from staff.

DISCUSSION

Because of unusual circumstances, the lagoon became full prior to the scheduled cleaning. Staff had to advance the tender call to meet the immediate needs of the industry and the wastewater treatment sludge disposal needs.

The tender closed during the Council break (July 17 to Aug. 21, 2001). Due to the emergency and the extenuating circumstances, the Acting CAO approved the tender so the work could start immediately. This report is being presented to Council to seek approval for the withdrawal of funds from the reserve account as per the approved Council Policy.

There are two separate reserves involved to cover this project. One is the Aerotech Lagoon Reserve (Q117) funded by private tipping fees and the second, HRM wastewater treatment plant internal transfer of funding allocated for the Aerotech Biosolids Lagoon operation, maintenance and reserve purposes. The Environmental Protection Reserve (Q105) is used to cover some of the unfunded costs if and when they arise.

At the Council meeting of September 4, 2001, Council asked for some additional information from staff, and the following is provided.

The Aerotech Biosolid Lagoon Fund reserve collects money from various sources such as our own water pollution control plants and external haulers. The breakdown between the two accounts is:

HRM Transfers from Water Pollution Control Plants	\$173,000
Tipping Fees from non-HRM users	<u>\$250,000</u>
Total	\$423,000
Operations and Maintenance Expenses/year	<u>\$192,000</u>
Transfer to Reserve (\$422,900 - \$191,700)	\$231,000.

The tender cost to clean up the lagoon was \$678,000. Staff is expecting that the lagoon may have to be cleaned every two years which still leaves a shortfall to balance the expenditures and the revenues for this service. To achieve this, staff is considering an adjustment to the rate

structure effective January 2002. Various options will be considered and provided to Council on how to split the expenditures between internal and external use of this facility.

Staff is also investigating the systems at the Aerotech Lagoon and the Aerotech Treatment Plant to see if a different operation can be considered. A new separate central de-watering facility may eliminate the need for the lagoon to be used as a stabilizing method.

BUDGET IMPLICATIONS

At this time, \$390,000. is available in the Aerotech Lagoon Reserve. The source of these funds is tipping fees and transfers from HRM treatment facilities. The shortfall to award the tender is being recommended to be drawn from the Environmental Protection Reserve fund (Q105). Funds have been confirmed by Finance staff.

Staff will be considering a change in the rate structure to balance the revenue and expenditures for future projects. In addition, if Council so wishes, a rate structure can be considered to recoup the present shortfall at the lagoon at that time.

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

There are no recommended alternatives.

ATTACHMENTS

(Interim) "Award of Aerotech Biosolids Lagoon Cleanout, Tender#01-118"
Council Report dated Sept. 4, 2001

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

Report prepared by: Alan Brady, Manager of Wastewater Treatment, 835-9566.

Report approved by: Kulvinder Dhillon, P.Eng., Director of Public Works and Transportation, 490-4855

