

DATE: February 28, 2019**FILE:** 5380-03**TO:** Chair and Directors
Comox Valley Regional District
(Comox Strathcona Waste Management) BoardSupported by Russell Dyson
Chief Administrative Officer**FROM:** Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: Regional Organics Compost Project – OIP Grant Application**

Purpose

To obtain approval from the Comox Strathcona Waste Management (CSWM) Board (Board) for submission of a grant application under the Organics Infrastructure Program.

Recommendation from the Chief Administrative Officer:

THAT the Comox Valley Regional District on behalf of the Comox Strathcona Waste Management service submit a grant application for the Regional Organics Compost facility expansion project through the Organics Infrastructure Program;

AND FURTHER THAT the Comox Valley Regional District (Comox Strathcona Waste Management) Board confirm its support of the project and commits to fund its share of the \$1,364,450 project cost.

Executive Summary

The diversion of organics represents the single greatest opportunity for the CSWM service to pursue the 70 per cent diversion target set out in the 2012 CSWM Solid Waste Management Plan (SWMP). The project will divert residential organic waste from our four largest member municipalities. This report provides a project update related to an additional grant funding opportunity, additional siting analysis review and backhauling options analysis.

In December 2017, the Government of Canada announced that it is providing funds from the Low Carbon Economy Fund in support of projects that reduce greenhouse gas emissions. The Province of BC has identified matching funds to support a number of initiatives including organic waste processing infrastructure to increase municipal organics diversion.

- The project is currently funded by a combination of grant funding from the New Building Canada Fund and capital works reserves.
- In 2017 the Comox Valley Regional District (CVRD) was awarded a grant of up to \$5.5 million out of a total cost of \$8.5 million from the New Building Canada Fund to construct a regional organics composting facility to process 12,875 tonnes/year.
- Upon further analysis in 2018 from our consultant, the expected tonnage had increased to 14,500 tonnes/year.
- In November 2018, the CVRD submitted an Expression of Interest under the Organics Infrastructure Program (OIP) for an additional 1,625 tonnes/year with a capital investment of \$1,364,450. The expression of interest was a required prerequisite for an application for funding in 2019.

- A successful application will contribute approximately \$915,000 in additional grant funding to the project.
- Deadline for submission applications under the OIP is planned to commence mid-March 2019 and run for nine weeks. Construction must be completed and the facility in operation by December 31st, 2022.
- The intent of the OIP is to fund projects that divert food waste from landfills and agricultural waste from direct land application. The regional organics project is a good fit for this funding opportunity.
- The OIP requires a Board resolution from the applicant indicating support for the project.

Table 1 shows how capital cost requirements have changed over time.

Table 1 Organics processing facility capital cost requirements

| Description | Capital cost (\$ million) | Capacity (tonnes/year) |
|--|---------------------------------------|---------------------------|
| 2017 CVRD New Building Canada Fund grant application | \$8.5 (\$5.5 funded through the NBCF) | 12,875 |
| 2018 CVRD consultant estimate | \$12.17 | 14,500 |
| 2018 Organics Infrastructure Program application | \$1.36 | 1,625 |

Prepared by:

G. Bau

Gabriel Bau, P.Eng.
Manager of CSWM Projects

Concurrence:

A. McGifford

Andrew McGifford, CPA, CGA,
Senior Manager of CSWM
Services

Concurrence:

M. Rutten

Marc Rutten, P.Eng.
General Manager of Engineering
Services