



REQUEST FOR DECISION

To: Evangeline Hanuse, Acting CAO

CC: CCRD Board of Directors

From: Ken McIlwain, Operations Manager

Meeting Date: December 9, 2021

Subject: Solid Waste Municipal Services Agreement with Nuxalk Nation

Recommendation:

THAT staff be directed to commence collaborative discussions with management of the Nuxalk Nation in order to seek an increase in the Nuxalk Nation contribution to the CCRD solid waste service through an updated Municipal Services Agreement.

Issue/Background Summary:

The Municipal Services Agreement with the Nuxalk Nation was last updated in 2014 in order to achieve equitable cost sharing for this service. The contribution amount was set at \$100,000 annually, to match the solid waste tax levy paid by property owners in electoral areas C, D and E. Equitable cost sharing is at the heart of the agreement and is based on the assumption that the on-reserve population is approximately equal to the off-reserve population in the Bella Coola Valley. The following is an excerpt from the agreement:

“THAT the costs of maintaining the Solid Waste Management Program shall be borne jointly by both parties on a per unit basis 1000 units @ \$100 = \$100,000.00”

Costs of delivering the CCRD solid waste service to electoral areas C, D and E have continued to increase annually and the tax levy for the service has been increased to help accommodate rising costs. Tipping fees have also been increased substantially in the last year. A graduated reduction in the Provincial Basic Grant contribution to the service has also exacerbated the revenue challenges. Originally set at \$56,000, this contribution is being phased out in order to equitably distribute the \$200,000 amongst all regional district services.

Initial budgeting for 2022 shows that CCRD will have to apply the maximum tax levy allowed under the establishing bylaw for the service. This is approximately \$148,525, an

increase of \$17,529 from 2021 tax requisition for solid waste. Even with this increase, the regional district is far from being able to accrue the necessary funds to complete the closure of the landfill in 11 years time.

New regulatory requirements being imposed by the provincial government are driving up capital and operational costs. This fall, CCRD was subject to a review and inspection of Thorsen Creek Landfill. The Ministry of Environment (MoE) representative informed staff that CCRD can expect to have a new Operating Certificate (OC) issued in 2022 and that the new OC will incorporate the strict new requirements contained in the updated *BC Landfill Criteria*. Staff are still waiting for a letter from the MoE describing what these OC changes will entail, so we can better identify the costs associated with new requirements.

Recently, our landfill engineers completed a landfill liability assessment that identifies the remaining lifespan of the landfill and the cost of closing the landfill. Closing the landfill will require a membrane be installed over the landfill with a vegetated topsoil surface, as well as appropriate drainage structures. The cost for this is estimated at around \$2 million dollars. For 30 years after closure, annual ground water sampling and reporting will have to be undertaken. This cost will be close to \$1 million dollars.

In order to effectively build the long-term vision and secure funding for solid waste management and recycling in Bella Coola, it is necessary to engage and work collaboratively with the Nuxalk Nation. The challenge ahead is enormous and our success as a community relies on our ability to work together to find solutions.

Policy, Bylaw or Legislation:

- *CCRD/Nuxalk Solid Waste Management Agreement 2014*
- *Ministry of Environment - Operational Certificate 4223*
- *The Landfill Criteria for Municipal Solid Waste, 2nd Edition, British Columbia, BC Ministry of Environment; June 2016*
- *CCRD Bylaw 348 – Solid Waste*

Strategic Plan:

The following excerpt is from the **CCRD 2019-2022 Strategic Plan Amendments:**

Priority Projects by Priority Service Area:

The following tables highlight service area priorities in order to guide staff in developing their Operations Plan for 2021:

Service Area	Priority Project	Related Strategic Goal	Timeline	Required Staff Capacity Actions
Solid Waste Management	Conformance review and compliance	<i>Good Governance and Administration; Improving Our Infrastructure</i>	2020	This is a non-negotiable top priority for this service area; the Board-endorsed Solid Waste Management Plan always guides top priorities for this service.
	Bylaw updates	<i>Good Governance and Administration</i>	2021	SWM bylaw updates to be prioritized, occurring before completion of Official Community Planning and subsequent bylaw update processes
	Composting facility design and construction	<i>Improving Our Infrastructure</i>	2021	Matching funds are needed for approved composting grant.

Financial/Budgetary Implications:

Without an increase in the Nuxalk contribution, revenues will be insufficient to maintain current levels of service, let alone address new provincial regulatory requirements and closure costs.

Adding new programs will have the result of increasing operating costs. Initiatives such as the introduction of a composting program and facility are probably out of the question unless revenues can be increased.

Time Requirements – Staff and Elected Officials:

It is difficult to project how much time will be required to engage with the Nuxalk Nation and Indigenous Services Canada (ISC) in an effort to update the funding agreement. In 2014, the Public Works Manager led the initiative to update the agreement and it is estimated that 5 days of staff time was required. Board Chair time and CAO time was also required to review and sign the agreement. The process involved developing the vision/costing for an upgraded TCWRC facility and operation, meeting with Nuxalk administration/public works, developing a presentation to Nuxalk Chief and Council, meeting with ISC and touring the facility, updating the agreement.

Risk Management – Refer to Policy A-36:

The categories that account for potential risks that may be realized by the district during its regular operations are: financial, asset management, information technology and business continuity. The risk or potential risks associated with the recommended option

have been evaluated and assessed as low. The risk of not proceeding with the recommended option would result in a high likelihood of financial difficulty with a high impact associated with being unable to meet regulatory requirements or having to reduce service levels.

Option 2 has been evaluated and is determined to have a moderate/high level of risk. Public dissatisfaction/anger with another large increase in tipping fees is a highly likely outcome, as is an increase in illegal dumping. The impact is assessed as moderate.

Additional plans, controls or mitigation steps include early research on weigh scale installation and feasibility, and discussions with MoE to try and identify as early as possible what cost increase we might face with regulatory changes to our OC.

Options to Consider:

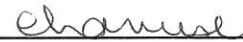
1. ***Recommended: THAT staff be directed to commence collaborative discussions with management of the Nuxalk Nation in order to seek an increase in the Nuxalk Nation contribution to the CCRD solid waste service through an updated Municipal Services Agreement.***
2. Do not request an increase in contribution from the Nuxalk Nation and Direct staff to draft a new Rates and Charges bylaw to increase tipping fees revenue by an amount necessary to balance the budget. This would probably require a 50% - 66% increase for 2022 as opposed to the inflationary increase currently approved by the Board. If the Board wished to drop the tax requisition for solid waste to match the Nuxalk Contribution, the required tipping fee increase would be more in the magnitude of 100% - 130%.

Submitted by: _____



Ken McIlwain, Operations Manager

Reviewed by: _____



Evangeline Hanuse, Acting CAO