

**REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, FEBRUARY 10, 2021**

SUBJECT **CleanBC Funding and Salt Spring Island Composting Project**

ISSUE SUMMARY

To seek direction regarding the request from Salt Spring Island Composting Project (SSICP) to partner with the Capital Regional District (CRD) on the submission of an application to the CleanBC Organic Infrastructure and Collection Program (CleanBC) funding, to be used for construction of a not-for-profit composting facility on Salt Spring Island (SSI).

BACKGROUND

The CleanBC program was developed to reduce greenhouse gas emissions by diverting organic waste from material that is currently sent to landfills. To achieve this objective, CleanBC will provide a grant for up to two-thirds of eligible project costs to facilitate diversion and processing of organic waste. The SSICP is a proposed collaboration of three well-established organizations of Salt Spring Island: the SSI Farmland Trust, the Salt Spring Abattoir Society and SSI Community Services. SSICP is interested in applying for funding through this program to build and operate a composting facility on Salt Spring Island. However, as only regional districts, municipalities and indigenous governing bodies are eligible to apply to the program, SSICP representatives have approached CRD Environmental Resource Management division staff requesting that the CRD partner with them in their application.

Assuming the CRD wishes to partner with the SSICP on this initiative, the CRD Board will need to approve a resolution of support for the CleanBC funding application, and SSICP will need to provide the CRD with a variety of project details, including:

- confirmation that its share of funding has been secured (funding may include monies from the Gas Tax Agreement Community Works Fund)
- confirmation that the project will divert organic waste from landfills and result in quantifiable greenhouse gas emission reductions
- a detailed project timeline that shows the facility will be operational by March 31, 2024
- a project cost estimate
- a demonstrated commitment to being operational until at least March 31, 2034; and
- confirmation that funds have been committed to operate and maintain the project until at least 2034.

A contribution or service agreement could be utilized to manage the relationship with SSICP as a service provider, depending on the level of involvement.

Given that the deadline to apply to CleanBC for funding was February 4, 2021, staff have submitted a basic application for this project that is conditional upon CRD Board direction to further proceed. As the applicant, the CRD would ultimately be responsible and liable for all of the project deliverables and the long-term delivery of the project. Recipients may be required to return funding if projects are not completed or the infrastructure is not retained in service by the intended recipient.

The facility would be subject to CRD Bylaw No. 2736, *Capital Regional District Composting Facilities Regulation Bylaw No. 1, 2004*, and would likely need to secure a license to operate under that bylaw. The CRD would need to exempt itself from the requirement to license its own facilities and instead comply with the *Organic Matter Recycling Regulation*, the applicable provincial regulation for such facilities.

ALTERNATIVES

Alternative 1

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District's CleanBC Organic Infrastructure and Collection Program grant application be supported;
2. That staff be directed to work with representatives of the Salt Spring Island Composting Project to further pursue CleanBC Organic Infrastructure and Collection Program funding based on the conditional application that has been submitted by staff in support of the Salt Spring Island Farmland Trust initiative; and
3. That the CleanBC Organic Infrastructure and Collection Program grant application be conditional upon the successful establishment of a new Salt Spring Island local area service, approved by the electors, for the development and operation of a composting facility.

Alternative 2

1. That the Capital Regional District's CleanBC Organic Infrastructure and Collection Program grant application be supported;
2. That staff be directed to work with representatives of the Salt Spring Island Composting Project to further pursue CleanBC Organic Infrastructure and Collection Program funding based on the conditional application that has been submitted by staff in support of the Salt Spring Island Farmland Trust initiative; and
3. That the existing authority under Capital Regional District's Solid Waste Bylaw No. 1903 for the development and operation of a composting facility on Salt Spring Island be used.

IMPLICATIONS

Environmental & Climate Implications

Establishing a composting facility on Salt Spring Island will divert organic waste from disposal at Hartland Landfill. The facility would also have the potential to produce a valuable soil amendment that could be beneficially used. As there are existing composting facilities on Vancouver Island that have the capacity to manage organic waste from Salt Spring Island, it is unclear what the net environmental and climate benefits of the proposed facility would be.

Financial Implications

Without the proposed project business plan and budget from SSICP, the full financial implications to the CRD cannot be determined, but by accepting CleanBC funding, the CRD would ultimately be responsible and liable for meeting the obligations tied to receiving that funding, including paying back CleanBC funding, if the project deliverables are not met.

Any costs associated with this facility that are not recovered through user fees or other charges would either have to be recovered by requisition from Salt Spring Island ratepayers under the authority granted under a discrete new service as outlined in Alternative 1, or through a broad region-wide funding using the authority granted under Bylaw No. 1903.

Service Delivery Implications

Partnering with SSICP will require the CRD to create a new facility on Salt Spring Island, either through Bylaw No. 1903 or through a new service with a discrete solid waste service area that encompasses Salt Spring Island only.

At present, the CRD could establish a composting site on SSI under the authority of the regional solid waste service, pursuant to Bylaw No. 1903. However, under this service authority, any costs not recovered through user fees or other charges would be funded by all municipalities and electoral areas in the region, not just the Salt Spring Island Electoral Area. This is because the local service area participants under Bylaw No. 1903 are the entire region.

Alternatively, a new service could be created with a discrete solid waste service area that encompasses Salt Spring Island only, but the consent of the electorate would be required before such a service could be established, or alternatively, a separate site included in a publicly consulted solid waste management plan with provincial approval.

Alignment with Board & Corporate Priorities

Establishing a composting facility on Salt Spring Island aligns in principle with the CRD Board's climate emergency declaration, though the estimated net benefits are not currently available.

CONCLUSION

The provincial CleanBC program is offering funding of up to two-thirds of eligible project costs to divert and process organic waste in BC. The Salt Spring Island Composting Project is interested in applying for this funding to establish a composting facility on Salt Spring Island and has asked the CRD to partner with it, as it cannot do so on its own. Subject to CRD Board direction, it is possible for the CRD to partner on this project and apply for CleanBC funding by establishing a composting facility on the island under Bylaw No. 1903, or through the creation of a new service with a discrete solid waste service area that encompasses Salt Spring Island only.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District's CleanBC Organic Infrastructure and Collection Program grant application be supported;
2. That staff be directed to work with representatives of the Salt Spring Island Composting Project to further pursue CleanBC Organic Infrastructure and Collection Program funding based on the conditional application that has been submitted by staff in support of the Salt Spring Island Farmland Trust initiative; and
3. That the CleanBC Organic Infrastructure and Collection Program grant application be conditional upon the successful establishment of a new Salt Spring Island local area service, approved by the electors, for the development and operation of a composting facility.

Submitted by:	Russ Smith, Senior Manager, Environmental Resource Management
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 1903 – A Bylaw to Convert a Solid Waste Disposal Function to a Local Service for all of the Regional District (including amendments No. 1 and No. 2).