

**REPORT TO INTEGRATED RESOURCE MANAGEMENT ADVISORY COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 6, 2017**

SUBJECT **Advanced Integrated Resource Management – Facilities Tour Plan**

ISSUE

To present the IRM Facilities Tour Plan that will assist in development and evaluation of a potential Advanced Integrated Resource Management (IRM) solution.

BACKGROUND

Proposed next steps for Advanced Integrated Resource Management were presented to the IRM Advisory Committee in June 2017 and the next steps were approved at the Capital Regional District (CRD) Board meeting on July 12, 2017. As a result, staff have worked with an IRM consultant to prepare a Facilities Tour Plan, attached as Appendix A.

Generally, for a project of this magnitude, a preliminary business case would be developed, including technology and feedstock assumptions, to determine project viability and the preferred procurement strategy. The timeframe under which an IRM project must be developed and completed, based on the Board's desire to explore IRM as a potential solution for the provincial requirement for biosolids beneficial reuse, is very tight. Advancement of the accelerated procurement of an IRM solution, including the Request for Qualifications and the detailed IRM Project Plan, will both be substantially informed by the IRM Facilities Tour and the IRM Technology Gap Analysis, presented separately on this agenda.

The proposed Facilities Tour will serve a number of purposes:

- Gather additional first-hand information regarding the performance of key technologies and approaches, including: understanding of the success in managing various feedstocks similar to CRD materials; facility design; and facility operations.
- Further the CRD's understanding of the rationale and primary drivers that facility owners/operators in other jurisdictions considered when selecting their advanced integrated resource management technology or technologies.
- Develop a better understanding of the successes and issues that have been experienced with actual implementation of technologies in other jurisdictions.
- Develop a better understanding of the range of finished products that can be generated by these technologies and of the market drivers or conditions that have contributed to the successes (or issues) associated with facilities similar to those considered by the CRD.
- Gather information and develop a better understanding of procurement approaches, ownership and financial models.
- Observe how these facilities currently interact with the local environment and community, including the measures implemented for emissions control, odour management and other potential effects that can be of local concern.

Information from the IRM facility tours will help to inform Board decision making around the business case, procurement, construction and operation of an IRM facility.

Tour Summary

The tour itinerary has been developed by the CRD's IRM consultants, HDR, from a broad cross-section of sites with technologies that process biosolids, organics (food and yard wastes) and mixed waste streams. HDR evaluated the sites by applying key selection criteria, as laid out in the plan, and recommended a number of IRM facilities that met the criteria: 8 European locations and 3 North American. Tour details will be finalized by mid-September; the tour is expected to be one week in October for the European site locations in Germany, Spain, Belgium and France. Following the European visit, the North American facility tours would be confirmed for November and, depending on what was learned on the European leg, potentially cover sites in Ontario, Saskatchewan and/or Florida.

Prior to the tour, staff will seek agreement from the lead entity at each of the tour sites with the CRD's Requirements of Conduct, No-Contact and Anti-lobbying provisions. Finally, a Fairness Advisor, to be engaged by the CRD for this process, would also review the tour documentation.

ALTERNATIVES

Alternative 1

That the Integrated Resource Management Advisory Committee recommend to the Environmental Services Committee:

1. That the Integrated Resource Management Facilities Tour Plan be approved and that staff be directed to confirm the itinerary and proceed with arrangements for the tour; and
2. That Directors indicate their interest in attending one or both tour legs to the General Manager of Parks & Environmental Services prior to September 15, 2017, in order for an estimated budget to be prepared and tour logistics to be finalized.

Alternative 2

That the Facilities Tour Plan be revised as directed by the IRM Advisory Committee.

ECONOMIC IMPLICATIONS

Costs will vary depending on the tour, final itinerary the number of facilities included and their locations. The cost of flights, transportation, and accommodation can range significantly depending on the locations chosen for the tours. Applicable exchange rates will also affect the variable costs. Cost per attendee is estimated at \$8,500 for the European segment and \$4,000 for the North American segment. A total budget will not be available until the number of participants is confirmed. One CRD staff member and the IRM consultant will attend each leg of the tour.

The IRM facilities tour will be funded from existing budgets, and shared equally between the Environmental Resource Management Sustainability Reserve and the Core Area Liquid Waste Management Plan planning budget.

CONCLUSION

Facility tours have the potential to facilitate a better understanding of IRM technology over a shorter timeline, and for a lower overall cost, compared to undertaking a pilot study, and will support the procurement process underway.

RECOMMENDATION

That the Integrated Resource Management Advisory Committee recommend to the Environmental Services Committee:

1. That the Integrated Resource Management Facilities Tour Plan be approved and that staff be directed to confirm the itinerary and proceed with arrangements for the tour; and
2. That Directors indicate their interest in attending one or both tour legs to the General Manager of Parks & Environmental Services prior to September 15, 2017, in order for an estimated budget to be prepared and tour logistics to be finalized.

Submitted by:	Russ Smith, Senior Manager, Environmental Resource Management
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Larisa Hutcheson, P.Eng., Acting Chief Administrative Officer

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Attachment: Appendix A – Proposed IRM Facilities Tour Plan