

FINANCIAL MODEL July 2019

The Capital Regional District's (CRD) Revision 3 of the Solid Waste Management Plan (SWMP) has the goal of ensuring that the CRD's solid waste services are financially sustainable. Currently, the CRD solid waste division's revenues exceed its expenses. The solid waste service is 100% funded by landfill tipping fees and other solid waste revenues. There is no tax requisition required to run this CRD service.

The CRD solid waste service has significant financial capacity (approximately \$30 million) in the Sustainability Reserve that helps to stabilize fluctuations in solid waste cash flow (revenue and costs).

Revenue and cost impact of the proposed SWMP initiatives:

- \$350K/year program spending (starting 2021)
- solid waste disposal rate targets (based on plan approval in 2020)
 - decrease waste disposal to 340 kg/capita (2021-2023)
 - decreased waste disposal to 285 kg/capita (2024-2025)

As indicated in Attachment 1, successful implementation of the proposed SWMP initiatives would draw down the current solid waste service sustainability reserve fund to \$5 million over the next 10 years, allowing time to adjust the solid waste business model based on actual waste diversion, program spending and any new opportunities.

Financial mitigation opportunities currently being explored by the CRD's solid waste service at the request of the CRD Board:

- landfill Gas Utilization
- organics processing at Hartland Landfill

Potential future financial mitigation strategies, if required, would include:

- increase Tipping Fees
- decrease services/expenses
- solid waste policy/regulation
- tax requisition

The long-term financial impact of increased waste diversion on solid waste financial reserves will also be part of the SWMP effectiveness review, which is required five years after a SWMP is approved.

Attachment: 1 – Financial Impact of SWMP Initiatives

Financial Impact of SWMP Initiatives

Reduced Tipping Volume

Additional Diversion Spending (\$350K/year & waste disposal moves to 340kg/capita [2021-23] then 285kg/capita [2024-25])

