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Item No. 15.1.2
Halifax Regional Council
March 7, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: February 10, 2023

SUBJECT: **Community Benefit Program for the Otter Lake Waste Processing and Disposal Facility**

ORIGIN

At the April 5, 2022 meeting of Halifax Regional Council, it was moved by Councillor Cuttell and seconded by Deputy Mayor Lovelace,

THAT Halifax Regional Council direct the Chief Administrative Officer to provide a staff report evaluating a potential Community Benefit Program and Enhanced Maintenance Program for the communities immediately surrounding the Otter Lake Waste Processing and Disposal Facility based upon the potential avoided costs from the deactivation of the Front-End Processor and Waste Stabilization Facility (FEP/WSF) and based upon the estimate that the facility may operate for another twenty-five years.

MOTION PUT AND PASSED

LEGISLATIVE AUTHORITY

Subsection 335(1) of the Halifax Regional Municipality Charter provides that "The Municipality may provide compensation to an area, to the property owners in an area or to the residents of an area in which a solid-waste management facility is located in amounts, and under the conditions, determined by the Council."

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Direct the Chief Administrative Officer to provide Council with a recommendation report no earlier than Fiscal Year 2025/2026 regarding a Community Benefit Program and Enhanced Maintenance Program relative to the Otter Lake Waste Processing and Disposal Facility once costs associated with deactivating the Front-End Processor and Waste Stabilization Facility, including implementing the Compliance Plan, are more fully identified.

BACKGROUND

Otter Lake Facility

The Otter Lake Waste Processing & Disposal Facility (Otter Lake) was commissioned in 1999 and included the Front-End Processor and Waste Stabilization Facility (FEP/WSF). The FEP consists of mechanical equipment that processes bagged garbage. The main purpose was to separate compostable waste and to send to the WSF for bio-stabilization prior to landfilling.

As part of the siting for Otter Lake, an agreement (Agreement) between the Halifax Regional Municipality and the Halifax Waste Resource Society (HWRS) was established for the community monitoring of solid waste facilities at Otter Lake. This Agreement provides the community, through the HWRS and the Community Monitoring Committee (CMC), rights, responsibilities, and obligations for operational oversight of the Otter Lake Facility. HRM currently provides funding to the CMC in the amount of up to \$90,000 annually.

Initially the projected life-expectancy for Otter Lake was 25 years (approximately 2024). Considering the combination of successful source-separation programs, implementation of clear bags for curbside garbage, and a change in policy to allow export of commercial waste to landfills outside municipal boundaries, projections now estimate an additional approximate 20 years before the site reaches capacity.

On May 20, 2016, the *Otter Lake Landfill Act*¹ received Royal Assent. This Act restricts the height of the Otter Lake Landfill and limits the site to nine solid waste residual disposal cells. Site capacity and useful life cannot be expanded through constructing additional cells and/or through the vertical expansion of existing or future cells.

Deactivation of Front-End Processor and Waste Stabilization Facility

In July 2021, Regional Council directed staff to submit an application to NS Environment and Climate Change (NSECC) to deactivate the FEP/WSF². This application was submitted in June 2021 and a revised Municipal Approval for Otter Lake was issued by NSECC in March 2022. The deactivation of the FEP/WSF was contingent on submission of an acceptable Compliance Plan, including a long-term performance target of no more than 10 percent compostable waste in the residential garbage stream³. The Compliance Plan was accepted on November 30, 2022, and the FEP/WSF was deactivated on December 19, 2022⁴.

As a result of deactivation, the municipality will avoid additional contract costs in the order of \$1.84 to 2.04 million annually (net HST included).

2017 Community Integration Fund Report

In September 2017, Halifax Regional Council approved a staff recommendation⁵ to not provide a community integration fund for Otter Lake for the following reasons:

- The Agreement established in 1999 between the municipality and the Halifax Waste Resource Society (HWRS) provides the community, through the HWRS and the CMC with operational oversight of the Otter Lake Facility to ensure the local community is not impacted by the presence of the facility. The CMC is funded up to \$90,000 per year, which equates to approximately \$2/tonne of landfilled waste.

¹ [Otter Lake Landfill Act, 2016, Chapter 17](#)

² [Halifax Regional Council Staff Report. Effectiveness of the FEP/WSF. June 29, 2021](#)

³ [The approved Compliance Plan and background can be viewed online - \[www.halifax.ca/OtterLake\]\(http://www.halifax.ca/OtterLake\).](#)

⁴ On December 19, 2022, residential collection vehicles began to bypass the FEP/WSF and were tipping loads directly into the landfill.

⁵ [Halifax Regional Council Staff Report. Community Integration Fund – Otter Lake Landfill. September 5, 2017](#)

- The investments in landfill infrastructure (WSF/FEP, cell design and construction, landfill gas management etc.) and the siting of Otter Lake have greatly reduced the negative externalities to the host community compared to the closed Highway 101 Landfill.
- The Halifax Region has, in general, provided community integration funds for projects which were new to a community or expanded the existing use of an asset. The Otter Lake Landfill Act described above prohibits the expansion of Otter Lake.

As part of the September 2017 staff report, a jurisdictional scan was completed to identify types of compensation or benefit allocated to communities surrounding private or municipally owned landfills. This scan showed that there is no standard approach for hosting agreements or integration funding, however for those that do, the compensation level is most often directly related to the tonnage of waste disposed⁶.

On November 25, 1993, the *Community of Sackville Landfill Compensation Act*⁷ was adopted by the Province of Nova Scotia. The Act established a fund to provide compensation to the Sackville community for hosting the Highway 101 Landfill, a site which lacked the extensive environmental oversight required today. Neither community monitoring nor a hosting agreement were in place during the operation of the site. Local residents, some who lived less than 500 meters away, were negatively impacted by odour and animal issues related to the site. Per the Act, compensation was calculated at \$10 per tonne of material deposited at the site between July 1, 1992, and June 30, 1994 (\$5 million). This fund is dispersed to the community through the Northwest Community Council and includes a student bursary award. HRM also continues to manage the closed Highway 101 Landfill related to activities such as maintaining the final cap, environmental monitoring, operation of a wastewater treatment facility, and landfill gas management.

Community Integration Fund – New Composting Facility

In 2017 Regional Council allocated \$1 million as a community integration fund related to expanding the existing property boundaries at the Ragged Lake Composting Facility, located at 61 Evergreen Place in Goodwood, to accommodate a new composting facility (currently under construction). This fund has been allocated as follows:

- \$350,000 toward the development of the Western Common Wilderness Common
- \$325,000 toward infrastructure at the Prospect Road Community Center
- \$325,000 for projects to be identified through community consultation

Currently budget allocations have been made to the respective capital accounts managed by Parks and Recreation and Facilities and Property Fleet, and Environment. Expenditures for community integration fund projects will likely commence in fiscal year 2024/2025.

DISCUSSION

In the 2017 staff report, the municipality considered the funding of the CMC as a form of community benefit already in place. Additionally, the investment related to landfill infrastructure such as the FEP/WSF, cell design, landfill gas management (etc.) were identified as measures that the municipality has taken to mitigate potential landfill issues. Given that the municipality has currently deactivated the FEP/WSF and the fact that the site will likely remain in operation for at least 45 years as compared to the originally planned 25 years, there is merit in considering a community benefit program and enhanced maintenance program (collectively referred to below as a community benefit program).

⁶ A more recent scan by staff discovered that Fundy Region Solid Waste in Saint John, NB contributes \$1 per tonne to a *Host Community Enhancement Fund*. The Municipality of Guysborough contributes \$0.20 per tonne to a *Green Initiatives Fund* that supports local environmental projects.

⁷ [Community of Sackville Landfill Compensation Act, 1993, c 71, s1.](#)

The Compliance Plan, accepted by NSECC, resulting in allowing the deactivation of the FEP/WSF, requires the municipality to make many commitments related to the management of compostable waste (e.g., food waste), household special waste (HSW), and white goods or bulky waste (e.g., refrigerator). A key requirement is meeting a long-term objective of no more than 10% compostable waste in the incoming residential waste stream. The municipality has currently redirected resources to meet the obligations in the Compliance Plan. Additionally, the municipality may incur new costs related to meeting obligations in the Compliance Plan (e.g., initiatives to monitor compostable waste in the incoming residential stream and public education). Similarly, the municipality may incur additional costs related to maintaining the deactivated FEP/WSF to ensure it is operable if needed. Furthermore, it is possible, though unlikely, that the municipality may need to reactivate the FEP/WSF.

As such, any decision related to establishing a community benefit program, should be delayed until it is clear that deactivation of the FEP/WSF is successful, and costs associated with meeting the obligations in the Compliance Plan and related to maintaining the FEP/WSF have been fully accounted for. Staff believe it will take approximately two years to fully assess the impact of deactivating the FEP/WSF and therefore establishing a community benefit program should be revisited in Fiscal Year 25/26.

That being said, staff have reviewed options for what a community benefit program for Otter Lake could include.

Scope of Potential Community Benefit Program

The communities surrounding the landfill are defined as those within a five-kilometre radius of the Otter Lake site and include Timberlea, Lakeside, Beechville, Hubley, Goodwood and Hatchet Lake, as well as the Western Common. This boundary (shown below in Figure 1) aligns with the geographic area referenced in the by-laws of The Halifax Waste Resource Society and the CMC.

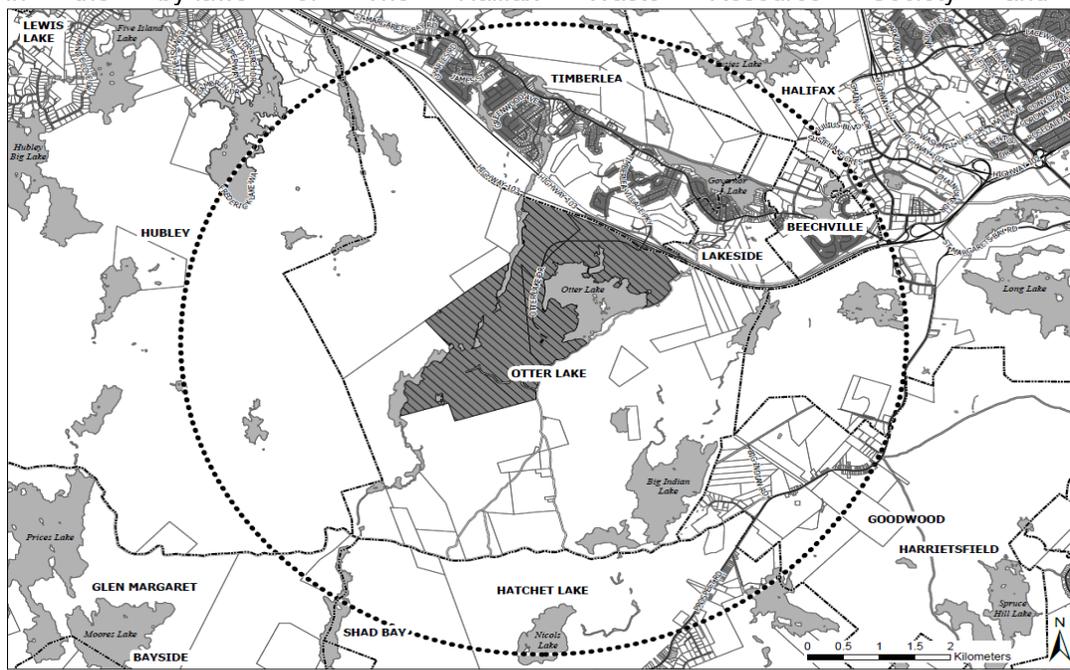


Figure 1 – Otter Lake Facility Local Community Boundary

Based on a projected approximate total of 1.2 million tonnes of residential waste disposed over the next 21 years, or an average of 60,000 tonnes per year, Table 1 below considers potential compensation levels.

Table 1 – Potential Community Benefit Program Compensation Levels

Level of Compensation	One-time Disbursement	Average Annual Disbursement (rounded)
\$ 1.00 per tonne	\$ 1.2 million	\$ 57,000
\$ 0.75 per tonne	\$ 900,000	\$ 43,000
\$ 0.50 per tonne	\$ 600,000	\$ 29,000

Disbursements can be allocated in full as a one-time amount to fund capital projects, annually through enhanced community maintenance or a combination of these approaches. The examples below identify opportunities where funds can be incorporated into existing municipal capital or operating budgets. As compared to projects being executed by community groups, this creates less overall administration, and services can be delivered in a timely manner that directly benefits all local residents.

One Time Allocation of Funds

The Western Common Wilderness Common was established for the purpose of public recreation, wilderness and heritage protection, future business park development and hosting Otter Lake⁸. The Western Common Master Plan was approved in 2010 by Regional Council, and construction of trails commenced in 2016. The Master Plan outlines a variety of trail types, which are outlined in five phases (the fifth phase being the site of Otter Lake). Construction is currently in the first phase of the Western Common, which includes trails and water crossings. A contribution from a community benefit program would help fund and support implementation the Western Common Master Plan and would benefit the local communities.

Annual Enhanced Maintenance

The municipality provides services to communities including provision of litter receptacles in the right of way and in municipal parks, according to established criteria⁹. Generally, receptacles are placed only in areas of high pedestrian traffic, near businesses or at Halifax Transit stops with high-use volume. Past reports have estimated the cost of installing and servicing additional litter receptacles from \$725 to \$890 per year, per bin. As part of a community benefit program, additional litter receptacles could be added in the local communities.

In addition to litter receptacles, installation of items such as benches at transit stops and bike racks near businesses are commonly requested by residents. These are relatively low cost, yet visible assets that can have a positive impact to communities and could also be considered as part of a community benefit program

Staff are also aware that residents who commute via Prospect Rd have concerns regarding roadside litter. Although this material is not connected to Otter Lake, consideration could be made for providing a litter clean-up program on Prospect Rd (Goodwood), similar to what is currently provided by the municipality along Highway 103 between Exits 2 and 3 (which is related to mitigate litter generated from waste collection vehicles traveling to Otter Lake). The cost for a semi-annual Prospect Rd clean-up program would likely cost in the order of \$15,000 per year.

FINANCIAL IMPLICATIONS

There are no financial implications as the recommendation is to defer consideration of any fund allocation. Staff will detail financial implications associated with the recommendation in fiscal 25/26 after assessment of the impact of deactivating FEP/WSF is complete.

RISK CONSIDERATION

⁸ [HRM Public Space Litter Receptacle Criteria. Revised 2021.](#)

⁹ [HRM Public Space Litter Receptacle Criteria. Revised 2021.](#)

Approving a community benefit program at this time would present a moderate financial risk as such funding is not currently contemplated as part of the budget planning process.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Regional Council could choose to direct the Chief Administrative Officer to immediately establish a community benefit program with respect to the Otter Lake landfill. In such case, an additional staff report would be required to more fully present financial implications and options for disbursement.

ATTACHMENTS

No attachments.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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