
Integrating the Recovery Park Project with Required Saskatoon Regional Waste Management Centre Projects

Recommendation

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

That the Administration continue with preparation and planning for the Recovery Park project and defer procurement until a comprehensive funding plan is in place for the Landfill Capital Investments as outlined in this report.

Topic and Purpose

The purpose of this report is to update City Council on the Recovery Park project and the need to coordinate this work with the next phases of landfill capital investment. The final phases of functional planning have demonstrated that Recovery Park is an integrated component of the Saskatoon Regional Waste Management Centre (SRWMC) and required capital projects.

Report Highlights

1. As the functional design progressed, it became evident that in addition to the construction of new landfill scales, the Recovery Park project should proceed concurrently with a planned Landfill capital project which would see relocation of existing out-buildings that have reached the end of their service life.
2. Landfill out-building relocation is required due to the need, by about 2020, to expand the active landfilling area into the area currently occupied by waste drop off, existing recycling, West (old) scales and building infrastructure, as identified in the 2011 Integrated Landfill Management Plan. The Administration has more clearly delineated costs associated with Recovery Park and costs associated with investments required to continue to operate the landfill. The recovery portions are estimated to cost \$7.4M, and the estimated cost for the planned relocation of landfill-related facilities is \$16M.
3. Implementation of the plan integrates facilities for the landfill and recycling into one comprehensive entry point, currently referred to as Recovery Park.
4. Relocation of landfill-related facilities to adjoin recovery functions will make available the final footprint expansion for the landfill. This cell construction is anticipated to be required in 2020 at an estimated cost of \$8M.
5. Administration will report back in mid-2018 on funding for the integrated Recovery Park project and present an Operating Plan.

Strategic Goal

This report supports the Strategic Goal of Environmental Leadership. Construction and demolition recycling and yard waste composting programs respond directly to the four-year priorities to promote and facilitate city-wide composting and recycling and eliminate the need for a new landfill by diverting waste for re-use. Recovery Park also supports the 10-year strategies to improve the quality and reduce the quantity of storm water run-off going to the river, reduce greenhouse gas (GHG) emissions and address soil-quality

issues on City-owned properties. Recovery Park will also support the Performance Target of diverting 70% of waste from the landfill by 2023.

Background

On August 17, 2011, City Council considered and approved the Integrated Landfill Management Plan to extend the life of the landfill. The 2011 plan includes: building steeper landfill slope-sides, expanding waste cells to the area currently occupied by infrastructure that has largely reached the end of its service life, reclaiming inefficiently filled areas, and maximizing opportunities for waste minimization.

The Integrated Landfill Management Plan was comprehensive in nature and effectively describes how the landfill should be expanded and operated until its ultimate closure. For a variety of reasons, most notably private landfill competition and a long-standing internal business model where residential waste is received at the landfill with no associated revenue, revenue actuals have been significantly below planned projections. This has led to a situation where there is insufficient capital funding accumulation in the Landfill Replacement Reserve (LRR).

On November 28, 2016, City Council consolidated \$7M in capital funding for the construction of Recovery Park.

On May 23, 2017, City Council approved the issuance of a Request for Proposal(s) for the design and construction of Phases 1 and 2 of Recovery Park, which included a new landfill scale.

On August 28, 2017, City Council approved procuring specialized design services for the scale house and occupied buildings associated with Recovery Park.

Report

Landfill Expansion to Occur Beginning in 2020

Based on current trends, the active waste cell at the landfill will be full within three to four years and construction of a new cell will need to commence by 2020.

Room for a new cell is available within the current landfill footprint where the waste transfer facility is currently located. Expansion of the landfill mound was described in the Integrated Landfill Management Plan, approved by City Council in 2011, which includes constructing a new waste cell on the eastern portion of the existing site, including required leachate collection systems. Consistent with the report's optimization strategy and to accommodate this expansion, existing infrastructure is planned to be demolished in the spring of 2020. Further details are provided in Attachment 1, Additional Information.

The construction of this new cell is the last expansion of the landfill footprint in the Integrated Landfill Management Plan and will allow the landfill to maximise the use of the airspace at the site in compliance with regulatory requirements. As such, once this investment is made, the new public scale site, transfer station and recycling

infrastructure (Recovery Park) are expected to be in place until the landfill reaches the end of its service life and is closed.

Recovery Park

The plan integrates all landfill and recycling entry facilities into one comprehensive entry point, currently called Recovery Park, which becomes the new public face of the landfill and contributes to realizing the full potential of the SRWMC. The project includes construction of a new scale house and waste acceptance area in response to the planned demolition of the existing public landfill infrastructure. Future infrastructure for compost operations may also be constructed at Recovery Park, making the site the largest and most prominent City-owned waste management facility and similar to facilities constructed in other Canadian cities.

Dundonald Avenue

Dundonald Avenue is currently aligned north-south, immediately east of the footprint of the Recovery Park site, and provides primary access to SaskPower further to the east. The SRWMC will be designed to be a secure facility and, in doing so, a portion of the existing Dundonald Avenue requires closure. A new access road to SaskPower is being considered through the western portion of the Recovery Park site. The Administration and SaskPower are currently working together to determine a new alignment and a cost arrangement.

Operations

The current planning for operations anticipates that Recovery Park can replace or augment the operations of the following existing waste management programs: waste transfer station, community recycling depots and Household Hazardous Waste Days. Funding for these programs can therefore be consolidated to help fund Recovery Park operations. Compost depots are not at this time being proposed to be moved to Recovery Park immediately and therefore this funding has not been included in the initial operating budget. Administration is currently working through a preliminary operations plan, including preparation of service levels and associated costs for City Council approval. This operating information will be presented to Committee in the second quarter of 2018.

Project Development Status and Schedule

Following the reports in May and August, Administration carried out a call for consultant services for the design of the Recovery Park Scale House and Ancillaries. The returns from the call were deemed unacceptable, and as such all proposals were rejected. Because of the complexity of the project and the need to carefully coordinate the work across many disciplines, Recovery Park is likely to proceed using a design-build procurement model.

As the site concept was advanced, it became clear that the landfill capital works need to be integrated into the Recovery Park work. The updated project plan includes refinement of the site layout, scope and preparation of owner's technical requirements. This work will be completed over the course of Q4-2017 and Q1-2018 to prepare for

tender of the design-build package. This work will also allow for refinement and approval of the funding plan for the integrated Recovery Park capital project in mid-2018.

Because the project cannot be tendered until funding is approved, the schedule for the design-build of the integrated Recovery Park project becomes aggressive with little room for contingency. A 15-month design and construction period from Q3-2018 to early 2020 allows for the demolition of existing infrastructure at the landfill in the spring of 2020, along with the operations commencing at Recovery Park at that time. Funding approval delays will result in later design and construction of Recovery Park. Any delays in the delivery of the Recovery Park construction, commissioning and transfer of public operations from the existing scales to the new scales at Recovery Park, would push back construction of the new cell putting landfill operations at risk.

Options to the Recommendation

City Council could rescind its resolution to construct both Phases 1 and 2 instead of instructing Administration to only proceed with Phase 1 of Recovery Park, as outlined in the report that City Council received on May 23, 2017. This is not recommended due to the efficiencies of an integrated site and the schedule for demolishing existing infrastructure at the landfill, which this option does not resolve.

An option exists to defer selecting a funding strategy until a decision has been made with respect to expanding the Waste Services Utility as this could provide a basis for funding an internal loan against future utility revenues.

A more radical option exists where the City could close the landfill to commercial customers and residential self-haul customers but remain open for residential waste collected by City garbage trucks. This is estimated to result in delaying the need to expand the footprint of the landfill by 4 years. This is not recommended due to the resulting loss of revenues and service.

Financial Implications

In the November 28, 2016, and May 23, 2017, reports approved by City Council, approximately \$7M of capital funding was consolidated from existing capital projects for Recovery Park and Administration indicated that an additional \$7M was expected to be needed in order to construct the full scope of the project. The previous \$14M estimate excluded costs such as staff buildings, equipment purchases, surface water management pond, Dundonald realignment and other costs not directly associated with the construction of the civil works. It was previously expected that the Landfill Replacement Reserve would contribute to the construction of replacement landfill infrastructure and site requirements at Recovery Park, but this reserve is currently in a deficit. The current reserve sufficiency shows that the LRR could come out of a deficit position in 2018 pending revenues are fully realized and the Leaves & Grass program/Compost programs are self sufficient.

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Administration also reported that Federal funding would be pursued for the project; however, details of this funding are not expected before March 2018 and at this time it is not believed that the unfunded aspects (i.e. landfill scales and support buildings) of the project would be eligible. The May 23, 2017, report also communicated the need for relocation of Dundonald Ave but did not provide a capital cost estimate or funding strategy for this new road.

Attachment 2, Recovery Park, Regina and Calgary Comparison, includes further comparison of Saskatoon's proposed Recovery Park to Calgary and Regina sites.

The following table provides Administration's updated capital cost estimate for the Recovery Park project as well as the Landfill capital projects running concurrently.

Project	Associated Costs			Funding Available	Required Additional Funding
	Total	Diversion	Landfill		
Saskatoon Regional Waste Management Centre	\$20,600,000	\$7,400,000	\$13,200,000	\$ 7,000,000	\$13,600,000
Site Work	\$ 6,900,000	\$3,500,000	\$ 3,400,000		
Operational Roads	\$ 2,800,000	\$1,400,000	\$ 1,400,000		
Stormwater Pond	\$ 1,400,000	\$ 200,000	\$ 1,200,000		
Scales and Scale House	\$ 3,500,000	\$ -	\$ 3,500,000		
Equipment & Kiosks	\$ 500,000	\$ 300,000	\$ 200,000		
Design/Build Contractor Costs	\$ 1,300,000	\$ 500,000	\$ 800,000		
Admin and Other Costs	\$ 4,200,000	\$1,500,000	\$ 2,700,000		
Landfill Outbuildings	\$ 2,800,000	\$ -	\$ 2,800,000		\$ 2,800,000
TOTAL	\$23,400,000	\$7,400,000	\$16,000,000	\$ 7,000,000	\$16,400,000

Future Work Required for the Regional Waste Management Centre

Liner and Leachate System	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 8,000,000	
COMBINED TOTAL	\$31,400,000	\$7,400,000	\$24,000,000	\$15,000,000	\$16,400,000

Should Committee choose to approve the complete scope as recommended, Administration will continue to investigate funding options and provide a report to the Standing Policy Committee on Finance with a recommendation to fund this shortfall (as options include borrowing). Administration will also diligently continue to seek ways to reduce life-cycle costs for the project.

Alternatively, if the City were to construct a replacement landfill facility, very preliminary estimates put this capital cost at approximately \$100M plus decommissioning of the existing site. Further work to refine this estimate is planned to begin later this year, with anticipated completion in the first quarter of 2018.

A new landfill would result in increased operating cost impacts due to:

- The landfill would be further from the city centre.
- A new landfill further from the City could result in a reduction of landfill revenue, as customers may chose commercial sites that are more easily accessed; and
- A transfer station may be required to minimize trips to the new landfill, generating additional operating costs and implications.

Communications Plan

A communications plan will be developed in conjunction with the funding plan utilizing the information provided in Attachment 3, Frequently Asked Questions.

Other Considerations/Implications

There are no public and/or stakeholder involvement, policy, environmental, CPTED or privacy implications or considerations.

Due Date for Follow-up and/or Project Completion

Administration will report back on a funding plan for both Recovery Park and the Outbuilding Relocation capital projects in mid-2018. Further reporting on the value of the Landfill airspace and an updated cost estimate for constructing a new landfill will be provided in 2018.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Additional Information
2. Recovery Park, Regina and Calgary Comparison
3. Frequently Asked Questions

Report Approval

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