

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 25, 2013**

SUBJECT REGIONAL KITCHEN SCRAPS PROCESSING

ISSUE

To address the processing capacity issues associated with implementation of the Regional Kitchen Scraps Strategy.

BACKGROUND

At its April 11, 2012 meeting, the Capital Regional District (CRD) Board approved the following phased Regional Kitchen Scraps Strategy:

- offer an incentive of \$20/tonne for source-separated kitchen scraps loads delivered to a CRD-approved transfer station or composting facility in 2013 and 2014
- charge a 20% surcharge on garbage loads containing kitchen scraps at Hartland in 2014
- ban kitchen scraps from disposal at Hartland landfill starting 01 January 2015; and
- tender the interim processing of residential kitchen scraps from confirmed municipal partners for 2013 and 2014.

Staff were requested to conduct ongoing program monitoring to ensure long-term plans would be in place prior to a ban. Staff report updates on the implementation of the strategy were presented to the Environmental Services Committee on October 24, 2012 (Appendix A), and June 26, 2013 (Appendix B).

In the June 26 staff report, staff advised of a potential shortfall in processing capacity in preparation for the 2015 kitchen scraps ban, as there was only one licensed facility in the region (Foundation Organics Ltd) and limited capacity at adjacent facilities in the Cowichan Valley Regional District.

In August, staff suspended the interim processing contract with Foundation Organics and subsequently issued a conditional suspension of their Recycler Licence under Capital Regional CRD Bylaw No. 2736. As a result, the Foundation Organics facility is temporarily prohibited from receiving and processing food waste. Segregated food waste that is currently collected in the region is either being hauled to facilities up island or landfilled at Hartland.

The Regional Kitchen Scraps Strategy was meant to provide a level playing field and drive the development of private sector processing infrastructure. There have been a number of challenges with implementing this business model, including lack of appropriately zoned land, overlapping jurisdictional authorities and bylaw non-compliance. It may therefore become necessary for the CRD to take a lead role in establishing processing capacity.

CRD engineering staff developed a short-term kitchen scraps option at Hartland landfill that will facilitate the diversion of kitchen scraps from being landfilled and allow for processing of this material once a compost facility is developed that can responsibly process the material. The

short-term solution involves storing the materials in the Toutle Valley area of the landfill, incorporating a geotextile liner, leachate collection, gas collection, clay capping and odour management.

Long-term processing options will be discussed in the 2014 ERM budget process. It is anticipated that, resulting from the budget process, direction will be given with respect to the preferred location, technical, financial and procurement approach for the facility.

ALTERNATIVES

That the Environmental Services Committee recommend to the CRD Board that:

1. Implementation of the Regional Kitchen Scraps Strategy proceed as planned, and that:
 - (a) The Board approve the addition of \$200,000 to the Environmental Resource Management (ERM) 2013 capital budget, funded from the ERM sustainability fund, to construct a temporary kitchen scraps diversion site at Hartland landfill; and,
 - (b) CRD staff develop long-term kitchen scraps processing options for consideration in the 2014 ERM budget.
2. Implementation of the Regional Kitchen Scraps Strategy be delayed by one year to allow the private sector more time to develop kitchen scraps processing capacity in the region.

FINANCIAL IMPLICATIONS

Assuming an annual volume of 30,000 tonnes of kitchen scraps being directed to the landfill, both alternatives will generate revenue of \$3.2 million dollars. For Alternative 1, the annual cost of operating the temporary food waste diversion site is anticipated to be \$600,000. Costs to excavate the material and direct it to a processing facility are not included. Financial implications of long-term processing capacity will be evaluated as part of the 2014 ERM budget process.

For Alternative 2, the CRD cost of delaying implementation of the kitchen scraps strategy by one year would be based on the cost of one additional year of \$20/tonne diversion incentives at an estimated cost of \$450,000.

ENVIRONMENTAL IMPLICATIONS

Both alternatives will result in the generation of landfill gas and will result in long-term environmental benefits, such as landfill space savings, greenhouse gas reductions and valuable end products.

SOCIAL IMPLICATIONS

There has been a significant investment in kitchen scraps diversion education and awareness within the region by both the CRD and local municipalities. In addition, there is increasing public momentum associated with behaviour change in anticipation of the widely-publicized 2015 Hartland kitchen scraps ban. Any significant deviation from the current kitchen scraps diversion strategy would likely result in vocal opposition and concern from the community.

INTERGOVERNMENTAL IMPLICATIONS

There have been significant investments in solid waste collection infrastructure by many CRD municipalities to ensure they can address the 2015 Hartland kitchen scraps ban. In addition, several municipalities have been embarking on kitchen scraps diversion education and awareness programs. A significant change to the kitchen scraps diversion strategy would likely result in a detrimental impact to those recent municipal investments.

The CRD would require long-term volume commitments from municipal waste haulers if the CRD were to consider a kitchen scraps processing facility at Hartland.

CONCLUSION

The implementation of short-term kitchen scraps storage at Hartland provides an opportunity to properly evaluate long-term kitchen scraps processing options while keeping in place the landfill ban date of 2015. Extending the landfill ban, or landfilling kitchen scraps, will result in a loss of momentum associated with various kitchen scraps diversion initiatives currently being implemented in the region.

RECOMMENDATION

That the Environmental Services Committee recommend to the CRD Board:

That implementation of the Regional Kitchen Scraps Strategy proceed as planned, and that:

- (a) The Board approve the addition of \$200,000 to the Environmental Resource Management (ERM) 2013 capital budget, funded from the ERM sustainability fund, to construct a temporary kitchen scraps diversion site at Hartland landfill; and,
- (b) CRD staff develop long-term kitchen scraps processing options for consideration in the 2014 ERM budget.

Russ Smith
Senior Manager
Environmental Resource Management

Larisa Hutcheson, P.Eng.
General Manager
Parks & Environmental Services
Concurrence

Robert Lapham, MCIP, RPP
Chief Administrative Officer
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Attachments: 2



**REPORT TO ENVIRONMENTAL SUSTAINABILITY COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 24, 2012**

SUBJECT REGIONAL KITCHEN SCRAPS STRATEGY – IMPLEMENTATION UPDATE

ISSUE

To provide an update on the implementation of the regional kitchen scraps strategy.

BACKGROUND

At its April 11, 2012 meeting, the Capital Regional District (CRD) Board approved the following phased kitchen scraps strategy for the region:

- offer an incentive of \$20 per tonne for source-separated kitchen scraps loads delivered to a CRD-approved transfer station or composting facility in 2013 and 2014
- charge a 20% surcharge on garbage loads containing kitchen scraps at Hartland in 2014
- ban kitchen scraps from disposal at Hartland landfill starting January 1, 2015; and
- tender the interim processing of residential kitchen scraps from confirmed municipal partners for 2013 and 2014

Municipalities with Municipal Residential Collection Services

Municipalities that provide residential garbage services are developing their own options for collecting kitchen scraps. As directed by the Board, CRD staff tendered the interim processing of residential kitchen scraps from confirmed municipal partners. The Board, at its meeting of September 12, 2012, awarded hauling of residential kitchen scraps to Super Save Disposal Inc. and receiving/processing to Vantreight Farms. Staff are working on purchasing two additional transfer bins and making modifications to the Hartland transfer station as well as consulting with the City of Victoria on adjustments to their transfer station. The contract will start February 1, 2013.

Electoral Areas and Municipalities with Private Residential Collection Services

Residents that arrange their own private hauling services for garbage will need to do the same for kitchen scraps. The CRD has been consulting with private sector haulers to ensure they are aware of the new services their customers may be looking for.

As an alternative, residents could install an on-site food digester on their property. CRD staff propose to work with local digester distributors to bulk purchase on-site food digesters at a competitive price and facilitate centralized distribution events on the Saanich Peninsula, Westshore and the electoral areas in 2013 (and 2014, if demand is high). Staff will contact appropriate municipal staff and recycling societies in the electoral areas to see if there is interest in this approach.

Commercial Sector

Businesses are serviced by private sector service providers who offer garbage, recycling and kitchen scraps collection. Multi-family dwellings are considered part of the commercial sector

and use private collection services. Commercial sector service costs are anticipated to be reduced due to the incentive for source-separated kitchen scraps loads.

Incentive for Source-Separated Kitchen Scraps Loads (All Sectors)

The \$20 per tonne incentive for source-separated kitchen scrap loads delivered to a CRD-approved transfer station or composting facility will be offered to all municipal and private sector haulers from January 1, 2013 to December 31, 2014. Payment of the incentive is subject to a registration process:

- Haulers must register with the CRD and produce documentation, such as a scale ticket, from an approved facility. They will invoice the CRD on a monthly basis.
- Transfer stations and composting facilities must also register with the CRD to become an approved facility. Composting facilities, including those located out-of-region, must meet all applicable regulations and be classified as an in-vessel facility.

Education Strategy

CRD staff have received inquiries related to the implementation of the phased kitchen scraps strategy. More education is needed to inform the public about the strategy and options. Staff have updated CRD website materials and are working on developing an education strategy in consultation with municipal staff. In the past, the CRD has occasionally distributed information of region-wide interest with annual property tax notices. Staff will contact all municipalities to determine interest in including an insert with information about the CRD kitchen scraps strategy as it applies to their residents in the 2013 property tax notices.

CONCLUSION

The CRD has approved a phased kitchen scraps strategy for the region. This report provides an update on activities to implement the strategy.

RECOMMENDATION

That the Environmental Sustainability Committee receive Report ERM 12-66 Regional Kitchen Scraps Strategy – Implementation Update for information.

Russ Smith, Senior Manager
Environmental Sustainability

Larisa Hutcheson, P.Eng., General Manager
Environmental Sustainability
Concurrence

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**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, JUNE 26, 2013**

SUBJECT REGIONAL KITCHEN SCRAPS STRATEGY UPDATE

ISSUE

To provide an update on the implementation of the Regional Kitchen Scraps Strategy.

BACKGROUND

At its meeting of April 11, 2012, the Capital Regional District (CRD) Board approved a three-phased Regional Kitchen Scraps Strategy. The strategy is currently being implemented, and includes:

- incentive funding program
- on-site digester distribution in areas without municipal curbside collection
- education and communications
- interim kitchen scraps processing contract

Appendix A provides a detailed overview of activities to date.

Feedback from the municipal and solid waste industry liaison groups indicates that collection programs will be established by the January 2015 ban date; however, the processing industry is responding slowly to the scheduled ban. Foundation Organics is currently the only licensed facility in the region with an annual processing capacity of up to 10,000 tonnes of organic materials and they are reaching capacity. Michell Brothers Farm has recently been awarded a processing contract by the District of Saanich. They are expected to apply for a license to process up to 14,000 tonnes annually, most of which will be committed to the Saanich contract.

Approximately 50% of the tonnage processed by a composting facility is kitchen scraps; the other half is organic materials such as yard waste, which provides essential carbon sources for the composting process. Subject to approval of the Michell Brothers Farm licence application, the capacity for processing kitchen scraps in the region could reach 12,000 tonnes by spring 2014. Additional kitchen scraps processing capacity of at least 5,500 tonnes annually may be available at Fisher Road Recycling, located in Cobble Hill, raising the total potential processing capacity for kitchen scraps generated in the Capital Region to 17,500 tonnes per year. It is estimated that the kitchen scraps ban will divert 30,000 tonnes of materials, indicating a potential shortfall of 12,500 tonnes of processing capacity (Appendix B).

IMPLICATIONS

The fixed kitchen scraps ban date was meant to drive the development of a long-term collection and processing infrastructure and capacity for kitchen scraps within the region. The processing industry is responding slowly to the scheduled ban. It may be necessary for the CRD to establish interim processing capacity, and possibly establish an interim plan or confirm private sector capacity, until sufficient private sector capacity is established within the region. Staff are actively monitoring the situation and will provide an update in the fall.

CONCLUSION

The regional kitchen scraps strategy is currently being implemented. It appears that collection programs are expected to be established by the January 2015 ban date. The processing industry is responding slowly to the scheduled ban. It may be necessary for the CRD to establish processing capacity on an interim basis until private sector capacity is established in the region. Staff are actively monitoring the situation and will provide an update in the fall with options for committee's consideration in the event processing capacity does not increase.

RECOMMENDATION

That the Environmental Services Committee receive the Regional Kitchen Scraps Strategy Update for information.

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REGIONAL KITCHEN SCRAPS STRATEGY IMPLEMENTATION STATUS

INCENTIVE FUNDING

In 2013 and 2014, the Capital Regional District (CRD) is offering an incentive of \$20/tonne for source-separated kitchen scraps delivered to a CRD-approved transfer station or composting facility. A number of funding applications have been received from municipalities and private sector haulers. Tonnages have increased steadily since the beginning of the year, with approximately 700 tonnes of kitchen scraps per month currently being accounted for as part of the incentive funding program. This is lower than anticipated for 2013; however, major kitchen scraps program launches are scheduled within the next year, which will increase diversion levels significantly.

DIGESTER DISTRIBUTION

On-site food digesters are an alternative for residents in areas without municipal collection services. The CRD obtained 1,000 units at a bulk purchase price well below the regular retail cost. They are for re-sale at two scheduled distribution events on June 1 at Panorama Recreation Centre and June 15 at Westshore Parks & Recreation and will continue to be sold at the reduced rate by the Greater Victoria Compost Education Centre until September 2013. The digesters have also been made available to Salt Spring and the Southern Gulf Islands. Residents are advised that the digesters are meant to complement existing programs, not replace them. Depending on demand, more events may be held in the future. The program works on a cost recovery basis.

EDUCATION AND COMMUNICATIONS SUPPORT

Staff have updated the CRD website with a Backgrounder and Frequently Asked Questions and prepared a rack card. The program is being promoted through a variety of community outreach events. A number of service providers are listed on myrecyclopedia.ca. CRD Source Control staff continue to provide outreach to local businesses during their site inspections.

INTERIM PROCESSING CONTRACT

An interim processing contract for residential kitchen scraps, from confirmed municipal partners, was awarded to Foundation Organics until December 31, 2014. Current participating municipalities include the City of Victoria, the District of Oak Bay and the Town of View Royal.

Note: The District of Saanich recently awarded a separate five-year processing contract for 10,000 tonnes of residential kitchen scraps and yard waste to Michell Brothers Farm, scheduled to commence in the spring of 2014.

REGIONAL KITCHEN SCRAPS PROCESSING CAPACITY

KITCHEN SCRAPS PROCESSORS (JUNE 2013)	POTENTIAL KITCHEN SCRAPS PROCESSING CAPACITY
Foundation Organics* • Total licensed tonnage: 10,000 t	5,000 t (at capacity)
Fisher Road Recycling* • Total licensed tonnage: 18,000 t	5,500 t (minimum additional capacity)
Michell Brothers Farm • Anticipated licensed tonnage: 14,000 t (subject to application and approval)	7,000 t (new capacity)
Total Potential Capacity (Spring 2014)	17,500 t
Estimated Kitchen Scraps Diversion • 2012: 7,500 t • 2013: 15,000 t • 2014: 22,500 t • 2015: 30,000 t Required Processing Capacity	 30,000 t
Potential Processing Capacity Shortfall	12,500 t

* Can apply for amendments.