

Long Term Funding Options

A Review of Surrounding Regional District's Solid Waste
Management Services

Purpose of Review



To understand what neighbouring Regional Districts are doing with regards to their solid waste management services

- How are other solid waste management services being funded?
- What is the breakdown of those funding sources?
- What are the current tipping fees and what is the projected increase?
- What are the main financial issues currently being faced?
- What are the long term funding options and perspectives being looked at?
- How does the CSWM system compare with surrounding Regional Districts?

Overview of Regional Districts



- Capital Regional District (CRD)
 - Population: 375,823
 - 1 regional landfill and 1 small transfer station
- Cowichan Valley Regional District (CwVRD)
 - Population: 80,330
 - No regional landfill – garbage exported to Washington
 - 1 regional transfer station
- Regional District of Mount Waddington (RDMW)
 - Population: 11,500
 - 1 regional landfill and 3 transfer stations
- Regional District of Nanaimo (RDN)
 - Population: 146,574
 - 1 regional landfill and 1 transfer station
- CSWM Service
 - CSWM service area population: 104,950
 - 2 regional landfills (waste management centres), 3 remote landfills, 3 transfer stations

Summary of 2013 Revenue Sources



SOLID WASTE SERVICE REVENUE SOURCES IN 2013 (%)

<u>REGIONAL DISTRICT</u>	<u>TIPPING FEES</u>	<u>TAX REQUISITION</u>	<u>OTHER</u>
CAPITAL RD	95%	0%	5%
COWICHAN VALLEY RD	45%	43%	12%
RD OF MOUNT WADDINGTON	30%	50%	20%
RD OF NANAIMO	91%	4%	5%
CSWM SERVICE	96%	3%	1%

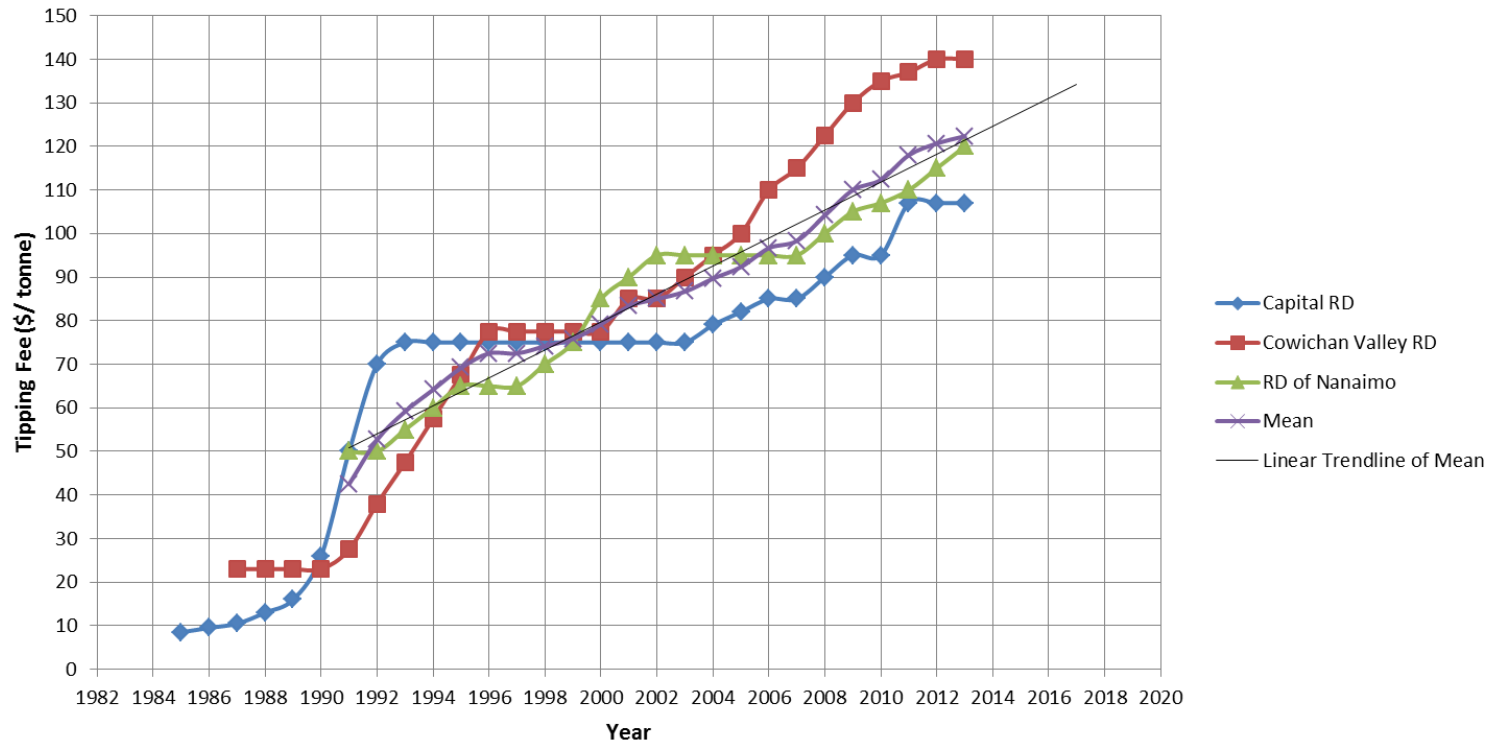
Other: Revenue from recyclables, recoveries, and grants

Regional District Tipping Rates in 2013

REGIONAL DISTRICT TIPPING RATES IN 2013		
<u>REGIONAL DISTRICT</u>	<u>GARBAGE (REFUSE) (\$/TONNE)</u>	<u>C&D WASTE (\$/TONNE)</u>
CAPITAL RD	107	107
COWICHAN VALLEY RD	140	132
RD OF MOUNT WADDINGTON	115	115
RD OF NANAIMO	120	120
MEAN	120.5	118.5
CSWM SERVICE	90	100

Tipping Rate Projection

Historic Tipping Fees of Surrounding Regional Districts



- By 2017, mean tipping rate projected to be at least \$130/tonne (constraint)
- If tipping rates exceed mean rate then risk “leaking” garbage from system → reduced revenue

Main Financial Issues & Funding Options

- Increasing costs of disposal facilities and diversion programs with a related decrease in tipping fee revenue due to the increase in diversion rates
- In a few years, system costs will greatly exceed system revenues
- Regional districts are exploring options to either increase revenue or decrease system costs
- Increase revenue
 - Increase tipping rates
 - Tax requisition
 - Importing garbage
 - Rock extraction
- Decrease costs
 - Improve efficiency of landfill operations
 - Reduce landfill operating hours
 - Closing or scaling back diversion programs

Conclusions

- Main financial issue: Increasing costs of disposal facilities and diversion programs with a related decrease in revenue
- Many funding options currently being explored – Increasing tipping rates and tax requisition are the most feasible options for the CSWM service
- There is a constraint on increasing tipping rates – exceeding the mean tipping rate runs the risk of “leaking” garbage from the system → decreased revenue
- CSWM service will be undergoing a significant change in the structure of its solid waste management service in the next five years
- A unique funding strategy needs to be developed to ensure capital improvements occur and operating costs are covered