



STAFF REPORT TO COMMITTEE

DATE OF REPORT October 16, 2024
MEETING TYPE & DATE Committee of the Whole of October 30, 2024
FROM: Recycling and Waste Management
Operations Department
SUBJECT: Bings Creek Modernization – Project Update
FILE: 5360-30

PURPOSE/INTRODUCTION

The purpose of this report is to provide an update on the Bings Creek Modernization Project.

RECOMMENDED RESOLUTION

For Information.

BACKGROUND

In 2022, the CVRD applied to the Union of Municipalities for funding under the Strategic Priorities Fund Capital Infrastructure Stream to support the CVRD's 2018 Solid Waste Management Plan objectives, in particular, expanding the Bings Creek Recycling Centres (Bings) Household Hazardous Waste (HHW) building for residential drop-off and, building an organic waste transfer station to manage increasing volumes of curbside collected organics from CVRD municipalities, First Nations and Electoral Areas at Bings Creek. The Board approved the following motion on June 22, 2022:

That an application for grant funding through the Strategic Priorities Fund (SPF) Grant application through the Federal/Provincial Community Building Fund – Capital Infrastructure, for modernization of Bings Creek Solid Waste Management Complex (BCSWMC) in the amount up to \$6,000,000 be submitted and that subject to grant approval, cost overruns and ineligible expenses be funded by capital and operating reserve funds.

The CVRD submitted a high-level design and a cost estimate based on similar projects to meet the funding application requirements. At the time of application, the Project cost was estimated at \$7.164M. The CVRD requested funding of \$6M, with the remaining \$1,164,000 coming from CVRD's reserves.

In 2023, the CVRD received notification of a successful application and award of \$6M for the 'Bings Creek Modernization' (the Project).

ANALYSIS

Lead Consultant

In January 2024, via a request for proposal (RFP), the CVRD retained Morrison Hershfield, now Stantec, as the lead consultant for the Project. As per the RFP, the total Project budget was set

at \$6M with some additional funds to help the CVRD realize budgetary and operational efficiencies by completing outstanding capital work in conjunction with the Project (e.g. to replace the failing roof of the garbage transfer building, review the onsite stormwater management systems on site, etc.). Below is a summary of project milestones, next steps, opportunities, and challenges associated with this Project. As the Project is located within the boundaries of the Municipality of North Cowichan (MNC), items in *italics* are requirements under the MNC's building permit.

Milestones - Completed

- ✓ Retained a lead consulting firm
- ✓ Retained an Indigenous liaison
- ✓ *Geotechnical investigation*
- ✓ *Erosion and sediment control plan*
- ✓ *Stormwater drainage study*
- ✓ *Aquifer vulnerability assessment*
- ✓ *Aquifer protection plan*
- ✓ *Fire hazardous assessment*
- ✓ 30% design concept
- ✓ Consultation with local First Nation communities
- ✓ Consultation with CVRD operations, asset management and health and safety staff
- ✓ *50% design concept*
- ✓ Consultation with CVRD operations and health and safety staff
- ✓ *Development permit application*

Milestones – To be Done

- ☐ 90% design concept (2025)
- ☐ Tender drawings for construction, issue and award the tender (2025)
- ☐ Construction (2026)
- ☐ Project close out (2026/2027)

Project Opportunity – Indigenous Collaboration

To align with the CVRD's strategic plan, Staff and Project consultants (the Team) have consulted with local First Nations to learn how to honour and incorporate local Indigenous history and values into the Project. To support this effort, the CVRD retained Jared Qwustenuxun Williams (Qwustenuxun) as an Indigenous Liaison for the Project. To date, Qwustenuxun has assisted the Team, including but not limited to:

- facilitated consultation with local First Nations Elders and community members
- facilitated knowledge sharing between the Project parties;
- worked to help identify ways that the CVRD can show respect for First Nation history and values; and,
- worked with Elders to determine an appropriate Hul'qumi'num site name.

Through this work, the Team has learned that the most important aspect of this Project is that we continue to invest in relationships, environmental protection and honor cultural values. Examples of the next steps will include:

- Hosting a ceremony to help prepare the ground before site construction begins;
- Retaining a local Indigenous archeological monitor to oversee the earthworks for the site preparations; and
- Ensuring that the construction company has training and experience in how to work successfully with Indigenous archeological monitors.

Project Challenges

1. Temporary Curbside Organics Consolidation

To meet the conditions as set by the grant, the Project has to be completed by December 31, 2026. As MNC, the City of Duncan and the CVRD are rolling out three-stream curbside collection in 2025, the current transfer station (a lock block structure with a fabric cover and a leachate collection tank) will have to be maintained until the new building is operational.

Next Step: As the current structure has limited storage capacity, the CVRD will need to ensure frequent hauling of curbside collected organics to the processing facility.

2. Truck Wash Station, Leachate and Grey Water Disposal

Something that was not considered in the grant application was the need for a truck wash station. As organic waste is corrosive, trucks will need to be cleaned each day. It is the CVRD's understanding that the regional municipalities may also be interested in utilizing this wash station.

Next Step: The estimated cost of establishing a basic wash station (hose, drain, and leachate collection) is \$100,000. There will also be costs associated with pumping and hauling leachate to a treatment facility. Due to ongoing cost concerns with a pump-out system, the Team is looking at alternatives to support an onsite and sustainable disposal system.

To address the need for a wash station, Staff has put in a capital enhancement request for \$100,000 (from Operational Reserves) to support the wash station, as this needs to be operational by mid-2025 and the rollout of the three-stream curbside collection program. The cost of a potential onsite leachate and greywater disposal system is not included as the Team is still working on a solution.

3. Water Capacity Concerns

The Bings site relies on an onsite well to meet operational and domestic water needs. The CVRD also has a pond, which is used for fire suppression. As the onsite water capacity is a growing concern (due to increasingly hot and dry summers), the CVRD is interested in a water connection supplied by MNC. The CVRD understands there may be an opportunity for site servicing with MNC water some years from now, and staff are in conversations with MNC staff regarding this.

Next Step: The Team will work to determine if the onsite well and pond are sufficient to meet all operational needs. If necessary, the Team will consider how to increase the onsite water capacity, including but not limited to drilling additional wells, installing additional stormwater collection systems, etc., trucking in water for domestic use, etc. At this time, a stormwater collection tank that collects roof runoff is part of the new organics transfer building. Water collection via this system is intended to be used to wash down the organic building's tipping floor each day. The Team is currently working to determine the required capacity and cost of this system, as well as what to do with the wash water.

4. Costs

With an estimated Project cost of \$7.164M and a 2024 Board-mandated tax requisition goal of 3%, \$491,408 was set aside in capital reserves in budget function 520 (F520) in 2024. Further,

\$672,592 has been budgeted for capital reserves in 2025 to ensure that \$1,164,000 is available to support the Project.

The Team anticipated that the Project could be completed within the \$6M grant budget and that no additional CVRD funds would be required. However, based on the Class D cost estimates from the 30% design stage, the CVRD will be required to contribute funding from capital and operating reserves. Based on the current "cost climate," costs are not anticipated to decrease. With this understanding, as part of the design process, the Team will continue to look for cost-saving opportunities. The final Project costs won't be fully known until the construction tender and site works have been completed. Below is a summary of the various cost components based on the Class D cost estimate on the 30% design.

Project Item	Est. Cost	Notes	Potential Savings
Household Hazardous Waste Building	\$899,300	This cost reflects the preferred expansion to support operational needs. The expansion could be pared down to reduce costs. As needed, the Project Team will look at cost savings on this item. The Team may be able to simplify the design to reduce costs by ~\$200,000.	-\$200,000
Organics Transfer Building	\$5,670,877	The building is a basic structure; hence, there are limited savings opportunities. The Team is planning to delay the truck scale installation to save approx. \$100,000.	-\$100,000
Consulting – Lead	\$925,000	Lead Consultant – Stantec (includes change orders to date, e.g. extra work to address MNC requirements)	
Consulting – Support	\$50,000	Other consultants (e.g. Indigenous Liason)	
Sub-total Cost	\$7,545,177	Class D estimate on the 30% design and consulting costs	
Total Cost	\$7,245,177	Cost after potential savings	
Funding – Grant	\$6,000,000	SPF Grant funding	
Funding – CVRD capital reserves	\$1,164,000	2024 and 2025 capital reserve allocations	
Funding - Total	\$7,164,000		
Deficit	-\$81,177		

While there is currently an estimated project deficit of \$81,177, the Team aims to address the discrepancy through potential cost-saving measures as the Project progresses. It may, however, be necessary for Staff to seek Board support for additional funding to support the Project, including but not limited to operating reserves in 2025 and 2026, as well as any potential funding that may be available through the Local Government Climate Action Program funding.

The following capital investment, which may or may not be needed to support the Project, are not included in the above table:

Item	Est. Cost	Notes
Wash Station	\$100,000	2025 capital enchantment request and to be funded from F520 operating reserves
Works to increase onsite water capacity	TBD	If required. Costs are not known at this time and, if required, will be addressed in the 2026 budget.
Works to treat leachate and wash water onsite.	TBD	If required. Costs are not known at this time and, if required, will be addressed in the 2026 budget. Any 2025 costs will be managed under the current grounds budget.

FINANCIAL CONSIDERATIONS

With an estimated Project cost of \$7.164M, \$6M has been provided by grant funding, \$491,408 was set aside in capital reserves in budget function 520 (F520) in 2024, and an additional \$672,592 has been budgeted for capital reserves in 2025.

COMMUNICATION CONSIDERATIONS

Staff will continue to work with MNC to assess requirements and timelines for providing the site with services.


STRATEGIC/BUSINESS PLAN CONSIDERATIONS

CVRD's 2018 Solid Waste Management Plan.

Referred to (upon completion):

- ☐ Community Services *(Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit)*
- ☐ Corporate Services *(Finance, Human Resources, Information Technology, Legislative Services)*
- ☐ Operations *(Utilities, Parks & Trails, Recycling & Waste Management)*
- ☐ Land Use Services *(Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement)*
- ☐ Strategic Services *(Communications & Engagement, Economic Development, Emergency Management, Environmental Services)*

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Reviewed for form and content and approved for submission to the Committee:

Resolution:

☒ Corporate Officer

Financial Considerations:

☒ Chief Financial Officer