

The Corporation of the City of Kawartha Lakes
Council Report

Report Number EA2019-005

Date: February 19th, 2019
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: Ward 1

Title: Updates to Capital Projects 997146301 (Laxton Landfill Site) and 997180101 (Laxton Landfill)

Description: This report provides updates and proposes changes to the above-noted capital projects in light of new information.

Author and Title: Adam Found, Manager of Corporate Assets

Recommendation(s):

That Report EA2019-005, **Updates to Capital Projects 997146301 (Laxton Landfill Site) and 997180101 (Laxton Landfill)**, be received;

That capital project 997146301 (Laxton Landfill Site) be closed with its remaining balance of \$170,216.02 remitted to the Capital Reserve;

That the budgeted expenditure for capital project 997180101 (Laxton Landfill) within capital program 9971801 (Landfill Siteworks) be increased by \$110,000 funded by the Capital Reserve; and

That the closure date for capital program 9971801 (Landfill Siteworks) be extended from June 30th, 2019 to December 31st, 2019.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

On January 1st, 2016, the Corporate Assets Division was transferred from the Department of Corporate Services to the newly formed Department of Engineering and Corporate Assets. Along with this reorganization came new responsibilities for the Corporate Assets Division, such as management of certain capital projects as follows:

1. Water-wastewater capital projects with a highly asset management-related focus (e.g. water-wastewater capacity studies) or otherwise beyond the resource constraints of the Infrastructure Design and Construction Division; and
2. Solid waste capital projects beyond the resource constraints of the Infrastructure Design and Construction Division.

As a result, Corporate Assets Division inherited a backlog of capital projects, some dating back several years. Over time the division has worked to reduce the backlog substantially, and continues to do so while taking on new capital projects each year.

This report brings forward proposed updates to two solid waste capital projects, 997146301 (Laxton Landfill Site) and 997180101 (Laxton Landfill), in light of new information.

Rationale:

The 2018 capital program 9971801 (Landfill Siteworks) comprises capital projects 997180101 (Laxton Landfill) and 997180102 (Lindsay-Ops Landfill Cell 4/5 Phase II), and is funded by the tax levy in the amount of \$67,000 pooled over the two projects. The following is an update on these projects:

1. 997180102 (Laxton Landfill): This project is earmarked \$48,000 of the total \$67,000 pool for its capital program. The purpose of the project is the relocation of the weigh scale and reconfiguration of the entrance and access so as to make the landfill's remaining approved capacity accessible and available for use. Through the project's procurement process, site visits conducted with prospective vendors revealed the structural inadequacy of the existing scale. In particular, staff was advised by vendors that the scale could not sustain relocation and must therefore be replaced upon removal. A fibre optic cable was also discovered through the site visits, and its owner, Cable-Cable, has advised it must be relocated to accommodate the scale relocation. These changes in need impact the cost of the project considerably, increasing it by approximately \$84,000 (inclusive of contingency).

2. 997180102 (Lindsay-Ops Landfill Cell 4/5 Phase II): This project is earmarked \$19,000 of the total \$67,000 pool for its capital program. The purpose of the project is to facilitate the redesign and miscellaneous preparations for the construction of Phase II of Cell 4/5. While the project is complete, it incurred unanticipated engineering costs relating to the assessment of the former compost pad, which is now to be decommissioned during construction, and development of a plan to manage excess composted soils. The resulting increase in cost was approximately \$23,000, which was absorbed by the pool of funding for capital program 9971801. This leaves in the program an uncommitted balance of approximately \$22,000.

Given only \$22,000, instead of the original \$48,000 estimate, is left available for capital project 997180101, and given the need to utilize the remaining capacity at the Laxton Landfill, staff is recommending the project's funding be increased by \$110,000 drawn from the Capital Reserve. Given the delay caused to the project by the above-noted unforeseen events, staff is also recommending the project's closure date be extended from June 30th, 2019 to December 31st, 2019 to ensure adequate time for project completion.

Turning to capital project 997146301 (Laxton Landfill Site), one of the backlogged projects inherited by the Corporate Assets Division, it is funded by the tax levy in the amount of \$173,750. The purpose of this 2014 project is the acquisition of land for expansion to the contamination attenuation zone (CAZ) surrounding the Laxton Landfill. In accordance with previous Ministry of Environment direction, the intent of the project was to acquire a particular parcel of land based on the potential pattern of the landfill's subterranean effluent plumb. Efforts to acquire this parcel through voluntary transaction, however, proved unsuccessful as the owner declined to sell the land to the City.

To avoid a lengthy and costly expropriation process, the City approached the Ministry of Environment about alternate solutions. Through this dialogue, the Ministry of Environment has approved, as a comparably inexpensive alternative to CAZ expansion, the future installation of additional wells to improve the monitoring of the effluent plumb. As a result, capital project 997146301 is no longer required. Accordingly, staff is recommending it be closed and its remaining balance of \$170,216.02 be remitted to the Capital Reserve.

The overall financial effect of the foregoing recommendations is a net increase of \$60,216 to the balance of the Capital Reserve.

Other Alternatives Considered:

The only alternative to increasing funding for capital project 997180101 is to close the project and remit its remaining balance of approximately \$22,000 to the Capital Reserve. Staff does not recommend this alternative as it would force the closure of the Laxton Landfill, waste scarce approved landfill capacity and reduce

the lifespan of other City landfill sites due to the resulting shifting of landfill demand.

The alternative to closing capital project 997146301 would be to keep it open, needlessly depriving the Capital Reserve of approximately \$170,000. As such, staff does not recommend keeping this capital project open.

Financial/Operation Impacts:

The financial and operational implications of the recommended actions are outlined in the previous sections of this report.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The recommendations of this report align with the following strategic enablers identified in the Corporate Strategic Plan:

1. Responsible Fiscal Resource Management
2. Efficient Infrastructure and Asset Management

Consultations:

Manager of Environmental Services
City Treasurer

Department Head E-Mail: jrojas@kawarthalakes.ca

Department Head: Juan Rojas, Director of Engineering and Corporate Assets