

WASTE & RECYCLING SERVICES INFRASTRUCTURE INVESTMENT PLAN (WRIIP)

EXECUTIVE SUMMARY

The 2015-2024 Waste & Recycling Services Infrastructure Investment Plan (WRIIP) is a strategic, long range capital plan that underpins the delivery of critical waste and recycling services. Capital investments are needed to: maintain assets; meet increasingly stringent regulatory requirements; provide reliable and high quality waste and recycling services; and keep pace with growth. The WRIIP identifies needed infrastructure investments to address the above drivers and to continue to make progress toward the goal of 80 per cent diversion of waste from City landfills by 2020.

ADMINISTRATION RECOMMENDATION(S)

That the Standing Policy Committee on Utilities and Corporate Services receive this report for information and forward it to the 2014 March 17 Strategic Session of Council along with a report on the anticipated impact on rates and fees.

RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED 2014 FEBRUARY 26:

That Council receive Report UCS2014-0023 for information.

PREVIOUS COUNCIL DIRECTION / POLICY

At the meeting on 2007 November 26, Council approved Waste & Recycling Services' (WRS) goal to achieve 80 per cent diversion of waste from landfills by 2020 (80/20 by 2020).

BACKGROUND

Infrastructure is a vital component for the delivery of services to citizens by Waste & Recycling Services (WRS). In 2012-2104, about one-quarter of WRS's annual funding was invested in infrastructure. This infrastructure provides for the collection of recyclable and waste materials; processing and diversion of recyclable materials; and processing, disposal and landfilling of waste materials.

Development of a ten-year investment plan provides an opportunity to prioritize infrastructure investments. Prioritization involves anticipating the needs and availability of resources (funding, land and construction capacity). This approach helps ensure planned investments can meet existing and emerging customer and regulatory and environmental protection requirements. It also ensures financial and resource plans are in place for the delivery and construction of the proposed infrastructure projects.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Infrastructure investments for WRS are categorized in the following programs:

1. Landfill
2. Diversion
3. Facilities & Equipment

Over the next ten years, this infrastructure will face additional strain due to factors such as:

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- Aging of the infrastructure which impacts its ability to operate efficiently and effectively;
- Revisions to regulatory and environmental requirements which necessitate upgrades or construction of additional infrastructure;
- Introduction of new services for customers which require upgraded or new infrastructure;
- Continued population growth which impacts the capacity of existing and future infrastructure.

It is anticipated that the investments required to address these factors over the 2015-2024 timeframe will be approximately \$624 million.

Recognizing the impact of these factors on infrastructure, four investment drivers have been identified in the table below:

INVESTMENT DRIVER	EXPLANATION
Maintain assets	Maintaining, protecting and extending the life of infrastructure investments.
Regulatory & Environmental Protection	Continuing to meet increasingly stringent regulatory and environmental protection requirements.
Services	Continuing to provide reliable and high quality waste and recycling services to meet the needs of citizens.
Growth	Investing in growth to meet the needs of a growing Calgary.

Considering these investment drivers within each of the investment programs allows for a focused review of specific infrastructure projects. Projects can be evaluated based on their need and timing, as well as their ability to meet customer and environmental priorities.

WRS undertook a review of the infrastructure projects for the ten-year plan in two phases. The first phase considered the need and the timing for infrastructure projects. Projects were deemed either “high priority” or “low priority” based on their ability to meet customer and environmental priorities in the proposed timeframe. During this first phase, timing of projects was evaluated to ensure timing of need matched timing of implementation.

The second phase involved a review to ensure the necessary resources were available (funding, land and construction capacity). This phase also included a consideration of the timing of projects to make sure there was a logical sequencing of projects. This two step process resulted in an infrastructure investment plan which addresses customer and environmental priorities within the constraints of the available resources. The complete report outlining the prioritization process and results is included as an Attachment.

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Stakeholder Engagement, Research and Communication

Implementation of infrastructure projects will adhere to the Corporate Project Management Framework. This framework requires formal project chartering, including the preparation and implementation of a stakeholder engagement and communication plan.

Strategic Alignment

The WRIIP aligns with Council's Fiscal Plan for Calgary, The City of Calgary's Municipal, Development Plan (MDP), the Triple Bottom Line (TBL) Framework and 2020 Sustainability Direction. The WRIIP has prioritized investments to meet customer and environmental priorities and to move towards the goal to achieve 80 per cent diversion of waste from landfills by 2020.

Social, Environmental, Economic (External)

The WRIIP ensures that the investments in the ten-year horizon support customers as they deliver waste and resource material for processing; increases capacity to divert additional materials from landfills; and addresses regulatory and environmental risks.

Financial Capacity

Current and Future Operating Budget:

The proposed investments of \$624 million in the WRIIP will be funded through self-supported debt, revenues, reserves and Gas Tax funding.

Current and Future Capital Budget:

The WRIIP priorities identify lifecycle, maintenance and new growth requirements over the next ten years. Investments in existing facilities will improve efficiency and effectiveness of facilities and programs.

Risk Assessment

The WRIIP provides a prioritized perspective for long-term and strategic investments in infrastructure. This minimizes risks of decreased service delivery, increases effectiveness of existing infrastructure, reduces impact on the environment, and ensures logical sequencing of projects.

REASON(S) FOR RECOMMENDATION(S):

Administration has identified prioritized infrastructure investments over the next 10 years (2015-2024). The next step is the development of business plans and budgets for Action Plan 2015-2018. As such, it is recommended that Council receive this report for information and forward it to the 2014 March 17 Special Strategic Planning Meeting of Council for consideration during discussions of impacts on rates and fees.

ATTACHMENT

Waste & Recycling Services Infrastructure Investment Plan (WRIIP)