



CORPORATE REPORT

To: CAO for the Regional and Corporate Services Committee

Date: 2019-01-09

From: Jamie Benton, Environmental Services Coordinator

File No: 5380-29-005

Subject: The BC Organics Infrastructure Program

INTENT

This report is intended to advise the Board of information pertaining to the BC Organics Infrastructure Program. Staff is not looking for a recommendation and has forwarded this information should members want more clarification to discuss the item further.

STRATEGIC AREA(S) OF FOCUS

Support Environmental Stewardship
Provide Responsive & Effective Public Services

PRIORITIES

Priority #1 Waste Mangement
Priority #2 Air & Water Quality

BACKGROUND

The BC government ran a submission process from September to November, 2018, asking for Expression of Interest in the BC Organics Infrastructure Program. The program, which was set up with \$10 million from the Province and an additional \$10 million from the federal Low Carbon Economy Fund, is designed to facilitate investment towards organic infrastructure to reduce greenhouse gas emissions. This funding opportunity was open to and had to be submitted by local governments only; however, applicants could choose to team with a range of partners. The applicant is expected to contribute one-third of all eligible costs and have a long term commitment to the proposed infrastructure.

The Fraser Valley Regional District (FVRD) received a number of unsolicited proposals from private companies wanting to pursue this funding opportunity and to partner with a local government as the lead applicant. One of the more formal proposals was from the Catalyst Agri-Innovation Society, led by Mr. Chris Bush, who presented to the Regional & Corporate Services Committee in December. Mr. Bush was requesting the FVRD to enter into a joint venture partnership with his Society through a Certified Benefits Corporation and become the lead applicant for a \$15 million animal manure/municipal sewage treatment proposal which included piloting technology for organics deconstruction, an on-farm anaerobic digester and a commercial fertilization plant. Mr. Bush was also asking for \$20,000 directly from the FVRD to engage a consultant to prepare an Organics Conversion Strategy, which would help form part of the application package for grant funding.

DISCUSSION

The eligibility conditions of the Organics Infrastructure Program put the onus and responsibility on local governments to apply as the lead applicant; however, the short submission period and difficult timing through recent local elections did not allow local governments time for due process or adequate due diligence. It is the FVRD's practice to conduct business in an open and transparent manner and entering into an unsolicited partnership with one local business would not have allowed for a competitive procurement process that is a requirement under the FVRD's Corporate Purchasing Policy.

It is also a concern that partnering in such a fashion would be in violation of section 25 of the *Community Charter* and section 182 of the *Local Government Act*. Although the FVRD is not the purveyor of the grant, entering into a partnering agreement with a private business could be considered "assistance to a business" as there was no public procurement process or call for expressions of interest by the FVRD which would have allowed other businesses the opportunity to also benefit from a potential partnering agreement and subsequent access to grant funding.

In Mr. Bush's proposal, part of the concept involved the Joint Abbotsford Mission Environmental System "JAMES" Waste Water Treatment Plant which already produces beneficial biogas and Class A biosolids. The treatment of effluent from these municipalities is not the responsibility of the FVRD, nor does the FVRD have any ownership in this established infrastructure; therefore, the FVRD would not be an appropriate body to commit to its involvement in a proposal.

Lastly, the FVRD does not have a mandate to manage regional issues involving animal manure, municipal sewage, or biosolids. There is no forecasted budgetary consideration to take on this responsibility. The FVRD does have a mandate through its Solid Waste Management Plan to further the diversion of Municipal Solid Waste, but in the case of Mr. Bush's proposal, it was not intended to process this material. The other unsolicited proposals did involve the treatment of Municipal Solid Waste, but as the FVRD does not have any contractual obligations or ownership in these private facilities, nor has plans to, it would not be an appropriate local government to lead these grant applications.

COST

N/A

CONCLUSION

The FVRD was approached by several unsolicited private businesses requesting that the FVRD be the lead applicant for grant funding under the Organics Infrastructure Program. This opportunity was not acted upon by the FVRD for a variety of reasons including a lack of mandate, a lack of transparent competitive procurement process, and a lack current financial interest or contractual obligations involving private organics infrastructure in the region.

After a very short submission window, the Organics Infrastructure Program has now closed and the Province is no longer accepting submissions.

COMMENTS BY:

Barclay Pitkethly, Director of Regional Programs

Reviewed and supported

Mike Veenbaas, Director of Financial Services

No further financial comment

Paul Gipps, Chief Administrative Officer

Reviewed and supported