**Agenda – Council – February 25, 2021**

**Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – February 9, 2021**

**Item No. 1 Green Municipal Fund Grant for Landfill Gas Beneficial Use Feasibility Study**

STANDING COMMITTEE RECOMMENDATION:

On February 17, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the following to Council:

1. That the acceptance of funding from the Federation of Canadian Municipalities, Green Municipal Fund, for up to a maximum amount of $67,000.00 to support the Landfill Gas Beneficial Use Feasibility Study, RFP 1370-2019 be approved.

2. That the City enter into, execute, and deliver a funding agreement with the Federation of Canadian Municipalities, Green Municipal Fund, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the funding agreement with the Federation of Canadian Municipalities, Green Municipal Fund and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That, subject to execution of the funding agreement, the approved Capital Budget for Brady Road Resource Management Facility - Alternative Energy Feasibility Study, Account Distribution No. 445 181000 200753 2062000716 in the amount of $200,000.00 be modified by reducing Retained Earnings funding by the amount of the Green Municipal fund amount so that the revised funding source be $133,000.00 Retained Earnings and $67,000.00 Federation of Canadian Municipalities, Green Municipal Fund Grant.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

**Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – February 9, 2021**

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 17, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On February 9, 2021, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** GREEN MUNICIPAL FUND GRANT FOR LANDFILL GAS BENEFICIAL USE FEASIBILITY STUDY

**Critical Path:** Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – Executive Policy Committee – Council

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| M. Gordichuk, CCLP, Manager, Solid Waste Services | M. L. Geer, CPA, CA, Director, Water and Waste Department | P. Olafson, Interim CFO | M. Ruta, Interim CAO |

## EXECUTIVE SUMMARY

In February 2020, the Public Service undertook exploratory conversations with the Federation of Canadian Municipalities (FCM) to assess potential funding opportunities for its existing and future projects. The Landfill Gas Beneficial Use Feasibility Study, RFP 1370-2019, was recommended as a strong candidate for Green Municipal Fund (GMF) funding.

In October 2020, the Public Service received a letter from the GMF Council confirming that the City of Winnipeg has been approved for a grant in the amount of up to $67,000.00 in support of the Landfill Gas Beneficial Use Feasibility Study.

If accepted, the project's $200,000 budget would remain the same, with $133,000 sourced from Retained Earnings and $67,000 from the GMF.

## RECOMMENDATIONS

1. That the acceptance of funding from the Federation of Canadian Municipalities, Green Municipal Fund, for up to a maximum amount of $67,000.00 to support the Landfill Gas Beneficial Use Feasibility Study, RFP 1370-2019 be approved.

2. That the City enter into, execute, and deliver a funding agreement with the Federation of Canadian Municipalities, Green Municipal Fund, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the funding agreement with the Federation of Canadian Municipalities, Green Municipal Fund and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That, subject to execution of the funding agreement, the approved Capital Budget for Brady Road Resource Management Facility - Alternative Energy Feasibility Study, Account Distribution No. 445 181000 200753 2062000716 in the amount of $200,000.00 be modified by reducing Retained Earnings funding by the amount of the Green Municipal fund amount so that the revised funding source be $133,000.00 Retained Earnings and $67,000.00 Federation of Canadian Municipalities, Green Municipal Fund Grant.

5. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

## REASON FOR THE REPORT

Council approval is required to receive funding from, and enter into the funding agreement with, the FCM GMF.

## IMPLICATIONS OF THE RECOMMENDATIONS

The GMF Grant, in the maximum amount of $67,000.00, would provide financial support for the Landfill Gas Beneficial Use Feasibility Study, RFP 1370-2019 for the Brady Road Resource Management Facility (BRRMF).

The approved Capital Budget for BRRMF - Alternative Energy Feasibility Study would be revised to include $67,0000 from the GMF, and $133,000 Retained Earnings (down from $200,000 previously).

At the time of this report, it is anticipated that the project will not be impacted by the COVID-19 pandemic.

## HISTORY/DISCUSSION

The City awarded a contract for a Landfill Gas Beneficial Use Feasibility Study, RFP 1370-2019 (LFG Feasibility Study) in March 2020 to investigate the beneficial use of Brady Road Resource Management Facility (BRRMF) landfill gas (LFG) to alternative energy. The Study assesses the relative feasibility of four beneficial use options for the conversion of LFG captured at BRRMF into a marketable energy source.

The LFG Feasibility Study is financed by the approved Capital Budget for the BRRMF - Alternative Energy Feasibility Study, Account Distribution No. 445 181000 200753 2062000716. This project is currently financed by Retained Earnings. At the time of budget approval, the City was exploring opportunities for other contributions to the feasibility study.

The Federation of Canadian Municipalities Green Municipal Fund (GMF) is a Canadian government funding program that provides financial support to municipalities for capital projects and programs that demonstrate an innovative solution or approach to environmental issues involving air, water, and soil quality, and reducing greenhouse gas emissions.

In February 2020, Solid Waste Services (SWS) undertook exploratory conversations with GMF representatives to assess potential funding opportunities for its future and existing projects. The LFG Feasibility Study was recommended as a strong candidate for GMF funding.

In March 2020, SWS submitted a grant application to GMF to support costs associated with the LFG Feasibility Study.

In October 2020, SWS received a letter from the GMF Council confirming that the City of Winnipeg has been approved for a grant in the amount of up to $67,000.00 in support of the LFG Feasibility Study.

This funding grant will provide financial support for the LFG Feasibility Study and reduce the amount of Retained Earnings funding source required from the Capital Budget that the study is financed from (BRRMF - Alternate Energy Feasibility Study Capital Budget). The overall $200,000 budget will remain the same.

## FINANCIAL IMPACT

## Financial Impact Statement

**Date:** December 21, 2020

**Project Name:** **First Year of Program** **2020**

GREEN MUNICIPAL FUND GRANT FOR LANDFILL GAS BENEFICIAL USE FEASIBILITY STUDY

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | - | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants - Green Municipal Fund | 67,000 | - | - | - | - |
| Reserves, Equity, Surplus | (67,000) | - | - | - | - |
| Other | - | - | - | - | - |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | - | - | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** Upon execution of the funding agreement , the approved Capital Budget for Brady Road Resource Management Facility (BRRMF) - Alternative Energy Feasibility Study, Account Distribution No. 445 181000 200753 2062000716 in the amount of $200,000.00 be modified whereby Retained Earnings funding will be reduced by the amount of the Green Municipal fund amount so that the revised funding source would be $133,000.00 Retained Earnings and $67,000.00 Federation of Canadian Municipalities, Green Municipal Fund Grant. The Funding Sources above show a reduction in Reserves, Equity, Surplus (Retained Earnings) of the $67,000.00 and addition of new Grant funding of the same amount.

*"Original signed by L. Szkwarek, CPA, CGA"*
Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

## CONSULTATION

This Report has been prepared in consultation with:

- Legal Services

## OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through

OurWinnipeg Reference: 02-2 Environment

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Direction and Actions 6.1 Reduce Consumption and Increase Waste Diversion from Residential, Commercial and Industry:

- Advance strategies and pilot projects to divert and utilize biomass resources for energy production. (Medium Term 2022-2026)

## SUBMITTED BY

Department: Water and Waste Department
Division: Solid Waste Services
Prepared by: Richard Bolton, M.N.R.M.
Date: December 22, 2020
File No.: G-190