



March 13th, 2019

The Honourable Graham Letto, MHA
Minister of Municipal Affairs and Environment
Government of Newfoundland and Labrador
PO Box 8700
St. John's, NL
A1B 4J6

“The aim of argument or of discussion should not be victory, but progress.” – Joseph Joubert

Dear Minister Letto:

After receiving your letter of February 8th, I met with you and your Deputy Minister to clarify your definition of un-serviced roads. In that meeting you indicated the roads in question were only those roads ERSB could not service year-round. You specifically mentioned “seven roads”, and asked for us to provide you with that list as soon as possible. We did just that, published the list, notified those residents and issued refunds. At that same meeting we also discussed general implications of your directive. We were assured the list of roads we discussed was the full extent of un-serviced roads and any further issues would be directed to the ongoing review of the Provincial Waste Management Strategy. It now appears you could not make such a commitment, and in your subsequent letter of February 27th you mentioned a further Departmental review of all roads in the region. So, we now acknowledge your additional directives of March 8th.

As we have stated repeatedly and it was expressed again in our most recent face-to-face meeting, Government originally directed the Board to provide service in these areas, and Government can subsequently change that directive (as is now the case).

However, it is unfortunate the issue could not have been clarified in our meeting of February 13th, because your latest directives seem to be coming from COATT and a group of MHAs who met on March 4th. This is in contrast to the positive cooperation you and I have had in recent weeks. COATT is now claiming on social media they have directed Government's position on these issues. This group is unelected and represents only a small fraction of our client base. Many others will be impacted by your directives, and their views have not been considered. This is rather disconcerting to our Board, which as you know is made up of 20 elected municipal representatives.

Per your letter, you directed ERSB to submit a plan by April 1st to implement the further changes outlined on March 8th. To that end, we need immediate clarification of the following points and time to consult with various stakeholders to fully develop a plan, including our employees, contractors and clients.

First, the following issues need your clarification:

1. Can secondary properties in municipalities, local service districts or unincorporated areas with roads maintained by government opt out of the regional waste management system? If these properties are only used seasonally, are they required to pay the fee regardless?
2. The LSD of Deer Park/Vinland Road is an unusual situation. As we understand it, they created an LSD for the specific purpose of collecting road fees. Their roads are maintained by the LSD, without support from the Provincial Government. Can these properties opt out?

Secondly, the following issues require consultation and consideration:

JOB LOSSES

We estimate your new directive will result in the elimination of upwards of 15-20 jobs. This takes into account the impact on the employees of our contractors and our own internal and external staff. The vast majority of these anticipated layoffs will be in rural parts of our region, with a smaller number in our head office in St. John's. We will examine the various human resource options and the reworking of contracts to minimize the overall impact on people and families.

ENVIRONMENT IMPACT

We anticipate your new directive will have a negative impact on our environment. It will present a real problem with the improper disposal of bulk waste by illegal dumping in these areas, as was the case in the past. We will consider how this can be minimized.

FINANCIAL IMPLICATION AND IMPACT

We anticipate the financial and logistical impact of your directives will be significant. Opting out of the service will reduce revenue, but will not curb costs.

The cost of a contractor providing service in an area where residents opt out does not change. Equipment, wages, fuel costs would be the same. Operationally, determining just who is in and who has opted out on roads with no names and civic addresses is problematic if not impossible at curbside.

As an example, if hypothetically there are 200 properties in a particular area, we pay the contractor approximately \$20,000. If going forward, only 100 residents pay for the service, the cost will remain the same, but we will have reduced the revenue by allowing properties to opt out.

In addition, our experience shows that many residents would avail of the service, specifically bulk waste collection, by putting material at one of the nearby properties that have opted in.

Again, the cost of collecting, transporting and disposing of this waste must be borne by all the other users (without any cost recovery or fee increase).

CONSULTATION

We anticipate your new directives will have significant impacts on other users as previously mentioned. Municipalities and LSD's in particular can expect more waste to be disposed at their curbside, stemming from secondary properties. This was the case in the past, particularly those communities near un-serviced areas. Ultimately, as a result, these communities will be required to face higher tipping fees and collection fees to support the regional waste management system.

As previously noted, we anticipate these issues will be a major concern for them, and we will, in the spirit of consultation, endeavour to solicit their feedback on this operational change before we submit an operational plan to your department.

With all things considered (and for clarification), the Board's position at this point is to discontinue waste collection services for any road that is not serviced, directly or indirectly, by a level of government. We recognize this will mean contracts will have to be cancelled/adjusted, and permanent residents will have to find other alternatives waste collection methods. After we complete the consultation noted above, we will confirm our final position/plan.

SPECIAL AUDIT

With regards to the ordering of a special audit, we welcome Departmental officials reviewing our waste collection services and associated fee-setting practices. I must say though, to include this point in your letter to me and 20 elected officials is particularly insulting and clearly infers you question the Board's ability to operate and be transparent.

On what I expect will be a more positive note from your perspective, I have informed the Board that they should start the process of identifying a replacement Chair pursuant to the *Regional Services Board Act*. Government's lack of support for the Provincial Waste Management Strategy has led to my decision. The ERSB has been a leader in the implementation of the Strategy and has made a positive impact in the region. Unfortunately, all efforts to work collaboratively with government has been rebuffed. Fortunately, we have made tremendous progress with our clients, my Board colleagues, joint councils and communities in the region.

Minister, we need a reply to the questions we raised above before we can finalize our plan. We look forward to your response.

Sincerely,



ED GRANT
Chairperson