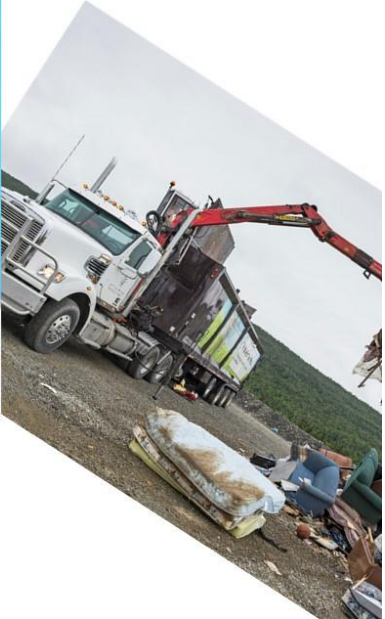


**Eastern Regional Service Board
Annual Performance Report 2014**



Message from the Chairperson



I am pleased to present the 2014 annual report for the Eastern Regional Service Board. This report covers the period January 1, 2014 to December 31, 2014 and was prepared in accordance with the *Transparency and Accountability Act* requirements for a category two government entity.

The Board has been very active in the advancement of the Provincial Waste Management Strategy. In partnership with the Newfoundland and Labrador English School District and Multi Material Stewardship Board (MMSB), we developed and implemented a program to divert recyclable containers and paper fibre from schools in the eastern region. The Board also implemented services at our facilities to accept used and unwanted electronics and divert these materials from disposal in the landfill. The communities across the eastern region continue to move forward and develop programs to divert waste from the regional landfill.

As chairperson, my signature indicates that all members of the Board are accountable for the results reported in this document. I am very pleased with the Board's past year of operations and I look forward to continued progress in 2015.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Ed Grant', written in a cursive style.

Ed Grant
Chairperson
Eastern Regional Service Board

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Overview

The Eastern Regional Service Board (the “Board”) was charged with implementing the regional plan developed by its predecessor committee – Eastern Waste Management for the 163 communities and 270,000 people in the eastern region. The plan was developed to accomplish three broad goals:

- advance the implementation of modern waste management practices,
- divert materials from disposal in the landfill, and
- close the 42 community landfills that operated in the region.

As of December 31, 2014, there were four community landfills operating in the eastern region with 38 operationally closed in accordance with the Eastern Regional Plan. The Province has chosen the Robin Hood Bay facility to be the focus for landfill and diversion services/facilities. The City of St. John’s operates the Robin Hood Bay facility for the benefit of the region.

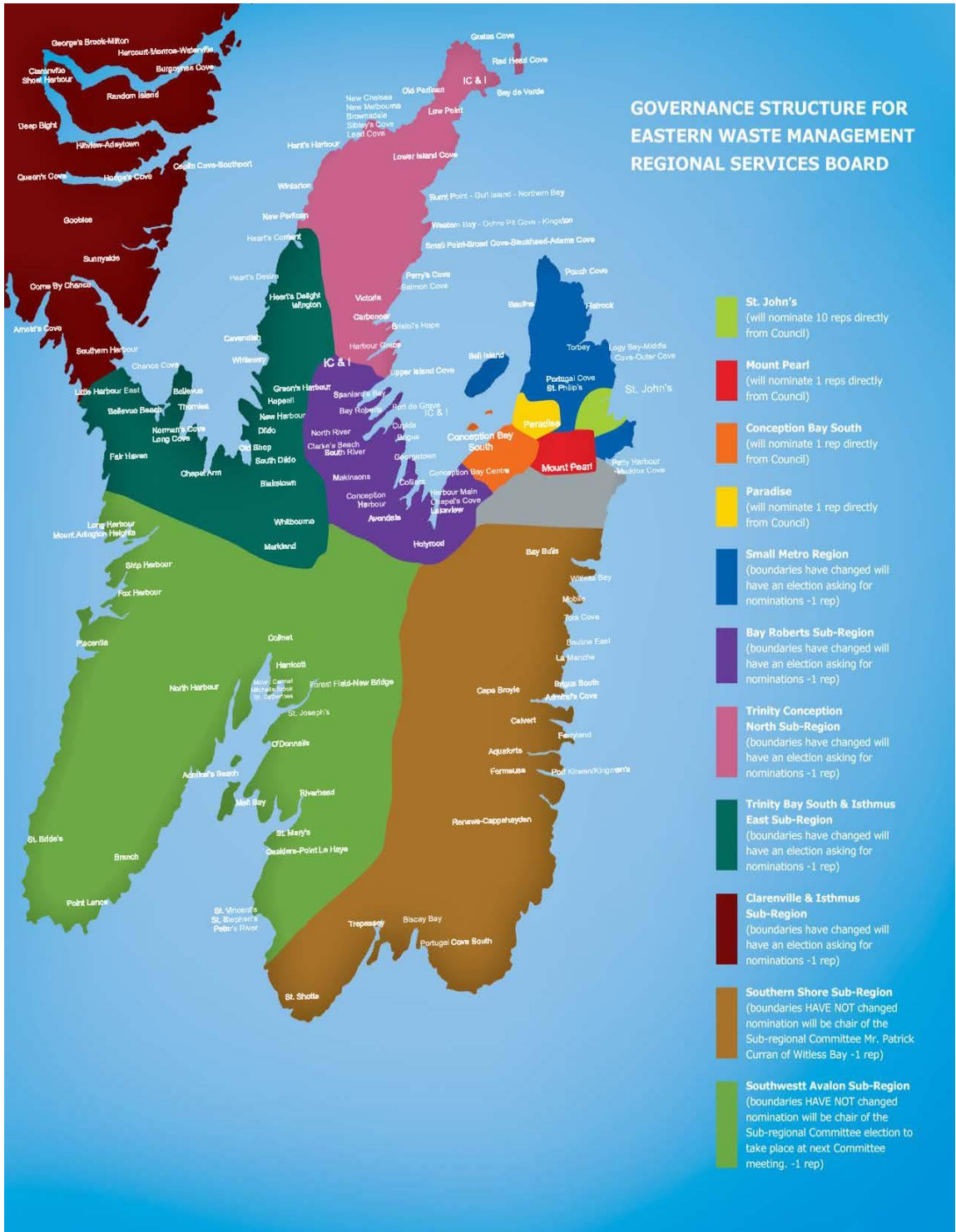
While many of the larger urban communities have dedicated waste fleets, the smaller municipalities, local service districts and unincorporated areas have joint service delivery contracts. These contracts allow for an efficient and effective collection, transport and diversion of waste materials. The Board provides direct service to approximately 18,000 households and businesses through these contracts. This includes weekly waste collection, biweekly recyclables collection (fiber and containers), and regular bulk garbage collection events.



Incinerator in Old Perlican being dismantled and replaced with a waste recovery facility

In addition to the roadside/curbside collection, the Board also operates a series of waste recovery facilities throughout the region to ensure that residents have ready access to services and facilities to dispose of household bulk items. Throughout the year, household hazardous waste collection events take place to allow residents to properly dispose of these hazardous materials.

Operations are overseen by a board of twenty municipal government representatives led by a chairperson appointed by the Province. These twenty members are either nominated by their respective Council or are elected by the Councils in a sub region to represent the sub region on the Eastern Regional Service Board. The map on the following page illustrates the representation for each area in the eastern region.



EASTERN REGIONAL SERVICES BOARD MEMBERS:		
		Area Represented
Mr. Ed Grant	Chair:	
Mr. Harold Mallowney	Vice-Chair:	Southern Shore
Mr. Dave Aker		Mount Pearl
Mr. Gordon Stone		Trinity Conception North
Mr. Bill Bailey		Clarenville & Isthmus
Mr. Danny Breen		St. John's
Ms. Peggy Roche		Metro Area
Mr. Bernard Davis		St. John's
Mr. Wally Collins		St. John's
Ms. Joy Dobbie		Trinity Bay South & Isthmus East
Mr. Jonathan Galgay		St. John's
Mr. Ken McDonald		Conception Bay South
Mr. Dave Lane		St. John's
Mr. Dennis O'Keefe		St. John's
Mr. Tom Hann		St. John's
Mr. Sam Whalen		Bay Roberts Area
Mr. Sandy Hickman		St. John's
Mr. William Woodman		Southwest Avalon
Mr. Art Puddister		St. John's
Mr. Bruce Tilley		St. John's
Mr. Sterling Willis		Paradise

Revenue and Expenditures

The Board is accountable for the funds it receives from government and the funds that are generated through user fees. Each year it has audited financial statements prepared.

The Board's 2014

budget is presented in the

table below.

Budget 2014		
Expenditures		
	Regional Services	\$ 3,590,282
	Waste Collection	\$ 2,665,886
Total		\$ 6,256,168
Revenue		
	RHB Tipping fee Derived	\$ 2,952,328
	Waste Collection	\$ 2,851,380
	Other	\$ 452,460
Total		\$ 6,256,168

The Board's office is currently located at 255 Majors Path, Suite 3 in St. John's, NL, A1A 0L5 and is staffed by 27 employees (20 full time and 7 part time) of which 9 are female and 18 are male. Contact information for the office is as follows: Ph: (709) 579-7960; Fax: (709) 579-5392; Email: info@easternwaste.ca

Mandate

In accordance with section 3 of the *Eastern Regional Service Board Regulations, 2013*, the authority granted to the Eastern Regional Service Board is to:

- construct, acquire, maintain and operate a waste management system within the eastern region.

The boundaries of the Eastern Regional Service Board are from St. John's in the East, Clarenville in the West and down the Burin Peninsula to Swift Current and Random Island.

These regulations can be viewed in their entirety on the following website: <http://www.assembly.nl.ca/Legislation/sr/Regulations/rc130008.htm>

Lines of Business

1) Operation of waste facilities and management of waste collection:

The Board operates six waste recovery facilities across the region – Bay Bulls, Renew's-Cappahayden, St. Joseph's, Placentia, Sunnyside and Old Perlican. These facilities accept residential bulk garbage at no

charge, including appliances, tires, construction and demolition materials, vehicles and parts.



Use of modern and efficient equipment for collection and transport

Collection services are provided by the Board to 18,000 homes and businesses on a weekly basis. This includes weekly waste collection, biweekly recyclables collection and regular bulk pick up events. Appendix 1 contains an illustrative map of communities that have curbside recycling as of January 2014. Appendix 2 contains an illustrative map of the 104 communities served by the Board's weekly waste collection service.

In addition, the Board provides household hazardous waste collection events.

2) Education and promotion of the Provincial Waste Management Strategy:

Through its regular contact with municipal stakeholders, the Board supports the education and promotion of the Provincial Waste Management Strategy in the eastern region. For example, it conducts household education campaigns in service areas to increase the participation of residents in the recycling program. In conjunction with other municipal organizations the Board continues to focus on the education of residents and the increase in recycling services offered by municipalities.



Separation of bulky goods for diversion and transportation

Vision

The vision of the Eastern Regional Service Board is to improve the quality of life and protect the environment in the eastern region by ensuring cost effective, value added, sustainable waste services are provided to all properties as required by the province while providing leadership to modernize waste services.

Mission

By December 31, 2016, the Eastern Regional Service Board will have implemented initiatives to improve the efficiency of waste management services in the region.

Shared Commitments

In partnership with the Newfoundland and Labrador English School District and Multi Material Stewardship Board (MMSB), we developed and implemented a program to divert recyclable containers and paper fibre from schools in the eastern region. This program started with 6 pilot schools to demonstrate the concept with the intention of full roll out of the program to all schools in the region. Using the curbside residential services that are already in place we can offer efficient and cost effective services to schools across the region. This program if adopted across the Province by the NL School District will greatly enhance participation of this large institutional body and reinforce the messaging of the benefits of diversion with hands on experience in the school setting. This should translate into increased participation at home in the curbside recycling programs.

Highlights and Accomplishments

Several new areas have adopted the regional curbside waste collection service in 2014 including the towns of Holyrood, Conception Harbour, Colliers, the local service districts of Marysvale, Georgetown and Deer Park/Vinland Road and the unincorporated area along Salmonier Line.

In addition to the planned work the Board has also implemented new services such as the ability to divert electronics and cellular telephones from the landfill through our network of waste recovery facilities. This builds on the network of existing electronics diversion centers to provide these services to more rural and less populated areas of our region.

Our network of waste recovery facilities received material from approximately 31,000 clients. This material included; household appliances, furniture, electronics, residential construction material, tires, metal, shingles, floor coverings, propane tanks (20 lbs or less), trees, and branches.

Waste diversion activities included

- The chipping of trees, branches and other non-treated wood that did not contain nails for recovery by municipalities and property owners for inclusion in beautification projects
- 416 metric tonnes of metal was diverted to approved metal recyclers and generated revenue for regional services
- 11,795 tires, as accepted by the Used Tire Recycling Program of the MMSB
- 32 pallets of electronic waste, as accepted by the Recycle My Electronics Program of the Electronic Products Recycling Association (EPRA)

In 2014, 5,267,160 Kg of waste was transferred from the Waste Recovery Facilities (WRFs) to the Regional Waste Management Facility located at Robin Hood Bay for disposal in the landfill.

The Board held 40 Household Hazardous Waste events in communities across the region and removed 23,500 liters of paint, 4,608 liters of flammable liquids, 3,942 liters of propane, 5,701 liters of waste oil. In total over 40,000 liters of hazardous materials were collected in partnership with local volunteer fire departments.

Report on Performance

The Business Plan for the Board identified two strategic issues that guided the Board's work over the past year. This section reports on the Board's achievement of its 2014 objectives.

Issue 1: Waste Management

The Government of Newfoundland and Labrador's Provincial Solid Waste Management Strategy is founded on five primary actions:

- Increase waste diversion.
- Establishment of regional waste management and regional structures.
- Development of modern standards and technology.
- Maximization of economic and employment opportunities associated with waste management.
- Public education.

The Board has built upon its success to date through continued diversion expansion, modernization and better management of the waste stream.

In 2014 the Board contributed to the “municipal infrastructure” component of the strategic direction “Strengthened Support for Municipal Governments” as well as the “regional cooperation” component of the strategic direction “Strengthened Municipal Capacity.”

Goal 1: By December 31, 2016 the Eastern Regional Service Board will have modernized waste management services in the region.

Objective 1: By December 31, 2014, the Eastern Regional Service Board will have completed the construction of the regional waste management transportation infrastructure in priority areas.

Measure: Completed construction.

Indicators:

1. Completed construction of the eastern transfer station, to be built in Clarenville.

The construction of this facility was not completed in 2014. The first procurement process for this infrastructure did not result in the award of a contract because the cost for construction exceeded the budget for the project. A joint decision of the Board and the Department of Municipal and Intergovernmental Affairs was made to divide the construction into smaller components and tender for each component separately. A contract to purchase equipment and a separate contract to complete site work have been awarded. The construction of the building will be tendered in the first quarter of 2015. This project is fully funded by the Province.

2. Completed construction of the waste recovery facility in Whitbourne.

This piece of infrastructure has been hampered by the ability to find a suitable parcel of land upon which to construct the facility. The preferred parcel of land was undergoing the Provincial Environmental Assessment Review process when the Board decided to withdraw the registration of that project. A second parcel of land has been identified and the process of purchase and permitting of that site has begun. If the purchase and permitting are successful then it is expected that a site will be operational in 2015. This project is fully funded by the Province.

Objective 2: By December 31, 2015, the Eastern Regional Service Board will have developed additional waste diversion options for the region.

Carry over indicators from Fiscal 2014

1. Completed construction of the eastern transfer station, to be built in Clarenville.

2. Completed construction of the waste recovery facility in Whitbourne.

Measure: Developed additional waste diversion options for the region

Indicators:

3. Increased the number of communities providing curbside recycling programs.

4. Increased electronics diversion services.

Issue 2: Building Capacity

The Board continued to build the necessary administrative and organizational foundations for service delivery.

In 2014 the Board contributed to the “municipal infrastructure” component of the strategic direction “Strengthened Support for Municipal Governments” as well as the “regional cooperation” component of the strategic direction “Strengthened Municipal Capacity.”

Goal 2: By December 31, 2016, the Eastern Regional Service Board will have created a financially self-sustaining organization.

Objective 1: By December 31, 2014, the Eastern Regional Service Board will have developed key policies to ensure a financially self-sustaining organization.

Measure: Developed key policies.

Indicators:

1. Signed Memorandum of Understanding with City of St. John’s for use of Regional Waste Management Facility located at Robin Hood Bay.

A memorandum of understanding was signed by both parties in June of 2014 that successfully defined the use, management and funding of the facility. This has been completed and signed.

2. Developed policy on capital and operating reserves.

The Board established a policy to fund a capital reserve equivalent to the annual depreciation of its equipment and property. The Board established a policy for its operating reserve to maintain the tipping fees charged at the landfill at the 2012 rate plus the annual rate of inflation for the province. This policy has been completed and adopted.

3. Developed transportation policy.

The purpose of the transportation policy is to ensure that the costs of operating a waste collection system across the region were not disproportionately more costly in areas that were further from the Robin Hood Bay landfill. The Board established a policy that a mechanism to subsidize areas further from the regional landfill was not required. All municipalities are charged the same rate to use the regional landfill and the costs of the curbside collection program are the same across the region. This policy has been completed and adopted.

4. Developed cost comparison of internal versus contracted service delivery.

Throughout 2014 the Board developed a comparison of the cost to provide curbside waste collection services internally utilizing its own staff and equipment versus contracting for that service. The comparison resulted in the decision in the Fall of 2014 to develop the internal capacity for the provision of services in the Southwest Avalon and the Towns of Carbonear and Spaniard’s Bay. This cost comparison has been completed and adopted.

5. Developed policy on user fees (tipping fee –disposal and recycling, administrative fees).

The Board has not completed the development of this policy with respect to the portion of administrative costs to be allocated to the curbside waste collection services. Additional analysis is required to complete the policy. The work of the Finance and Audit Committee on this issue will continue into 2015.

6. Developed Governance Management Framework.

The Governance Committee of the Board has developed a Governance Management Framework for the work of the Board based on best practices in other leading government entities. This framework will ensure that the Board reviews its work and performance on a regular basis against a comprehensive framework for governance oversight. This framework has been completed and adopted.

Objective 2: By December 31, 2015, the Eastern Regional Service Board will have continued to develop key policies to ensure a financially self-sustaining organization.

Measure: Developed key policies.

Indicators:

- 1. Developed policy on user fees and the portion recovered for administration.**
- 2. Developed agreements for use of land for Waste Recovery Facilities and Transfers Stations in each community that hosts this infrastructure.**
- 3. Developed service level agreement for each service provided to a community.**

Opportunities and Challenges Ahead

During the 2014 operating year it became evident to the Board that its efforts to further implement the Provincial Waste Management Strategy were hampered by two significant issues with the enabling legislation.

Firstly, the *Regional Service Boards Act, 2012* and the subsequent regulations do not provide the necessary tools for the appropriate administration of services. In comparison to municipalities the regional service boards lack tools such as:

- the ability to lien a property for non-payment of fees,
- regional service boards have the burden of going to small claims court to collect debts,
- there is no requirement to be notified of property sales similar to cities such as St. John's and Mount Pearl,
- regional service boards do not have the ability to retroactively collect fees or issue certificates of good standing for accounts.

These items combined with the lack of a comprehensive property ownership database in the Province negatively affects the revenue sustainability of regional service boards. The Eastern Regional Service Board has tried to mitigate these deficiencies through the creation of a comprehensive property ownership database which is enabled with geographic mapping information. The focus for this database has been in unincorporated areas and local service districts where identifying property ownership and accurate mailing addresses for property owners is the most challenging.

It is the Board's understanding these tangible administrative issues are intertwined with the overall issue of regional governance. The Province is looking to resolve these issues as part of the development of a new regional governance model. The Board hopes to participate in the development of the principles and main components of the new governance model and the consultations that are planned by the Province.

Secondly, the full implementation of the Provincial Waste Management Strategy (PWMS) is challenging because the objectives outlined in the PWMS may not always be the same as the objectives of those charged with implementing the PWMS. The authority for waste collection resides with the municipalities, local service districts and waste disposal committees under the *Municipalities Act 1999*. The Eastern Regional Service Board has had great success in working with community leaders to adopt the objectives of the PWMS. Those communities that have not adopted the PWMS often cite the cost of implementing additional services as the main impediment and state that until it is mandatory they will continue to provide a cheaper, garbage only service. The voluntary nature of the PWMS presents a challenge for its full implementation. The Eastern Regional Service Board is working with the PWMS Oversight Committee to explore options to resolve these issues.

Luckily, the opportunities for the Eastern Regional Service Board far outweigh the current challenges. As a regional entity providing services to a vast array of communities from unincorporated areas to large municipalities the Board has focused on building organizational capacity to leverage its knowledge and expertise. One of the most significant aspects for any organization is revenue collection and as discussed this challenge is greater when property ownership is not known. The development of a comprehensive Geographic Information System (GIS) enabled database has given the Board a unique advantage to support municipalities and for future service delivery. This will facilitate the cost effective collection of fees for other services if the mandate of the Board is expanded. This database can also be a valuable tool for other services such as the dispatch of emergency response services, protecting information on water/sewer lines, regional and local planning.

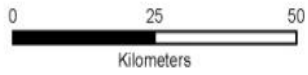
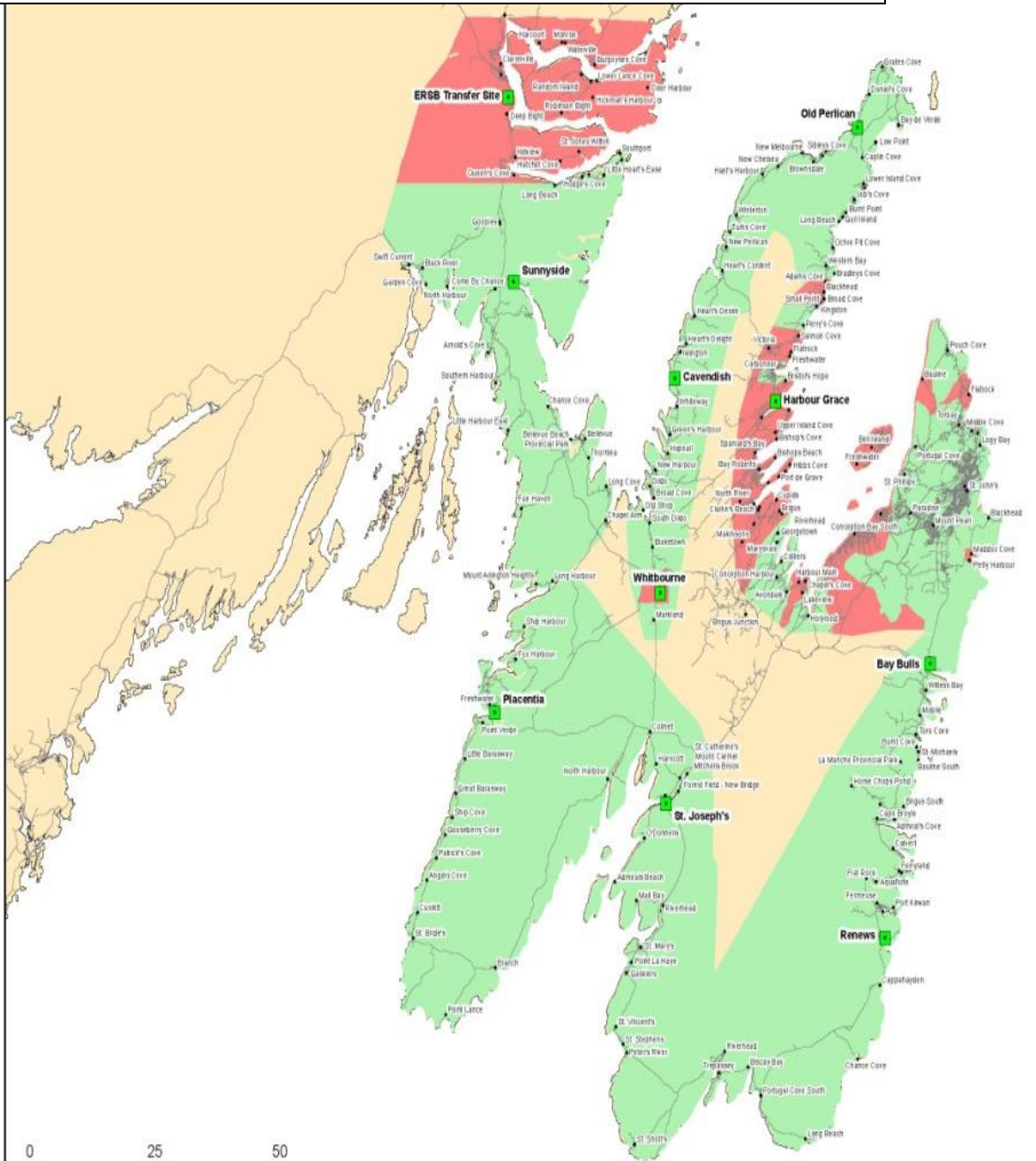
The expansion of a regional geographic information system can also help protect valuable municipal knowledge. As the municipal workforce ages the ability to capture and map key infrastructure such as buried water and sewer lines will help mitigate the loss of corporate knowledge in these entities as staff retire. Having access to this information may also enhance the design and construction of future infrastructure.

The regional service boards can also build upon their existing relationships with municipalities, local service districts and representative groups such as joint councils, road associations, etc... to facilitate the

delivery of other municipal services. The *Regional Service Boards Act, 2012* under Section 19 contemplates the regional service boards delivering other services such as fire, water and waste water, regional transportation, recreation, and other services of a regional nature such as regional planning. In some of these areas the regional service boards could provide an administrative capacity that allows the municipalities to continue to have the authority for provision of the service while purchasing the service from the Board.

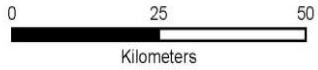
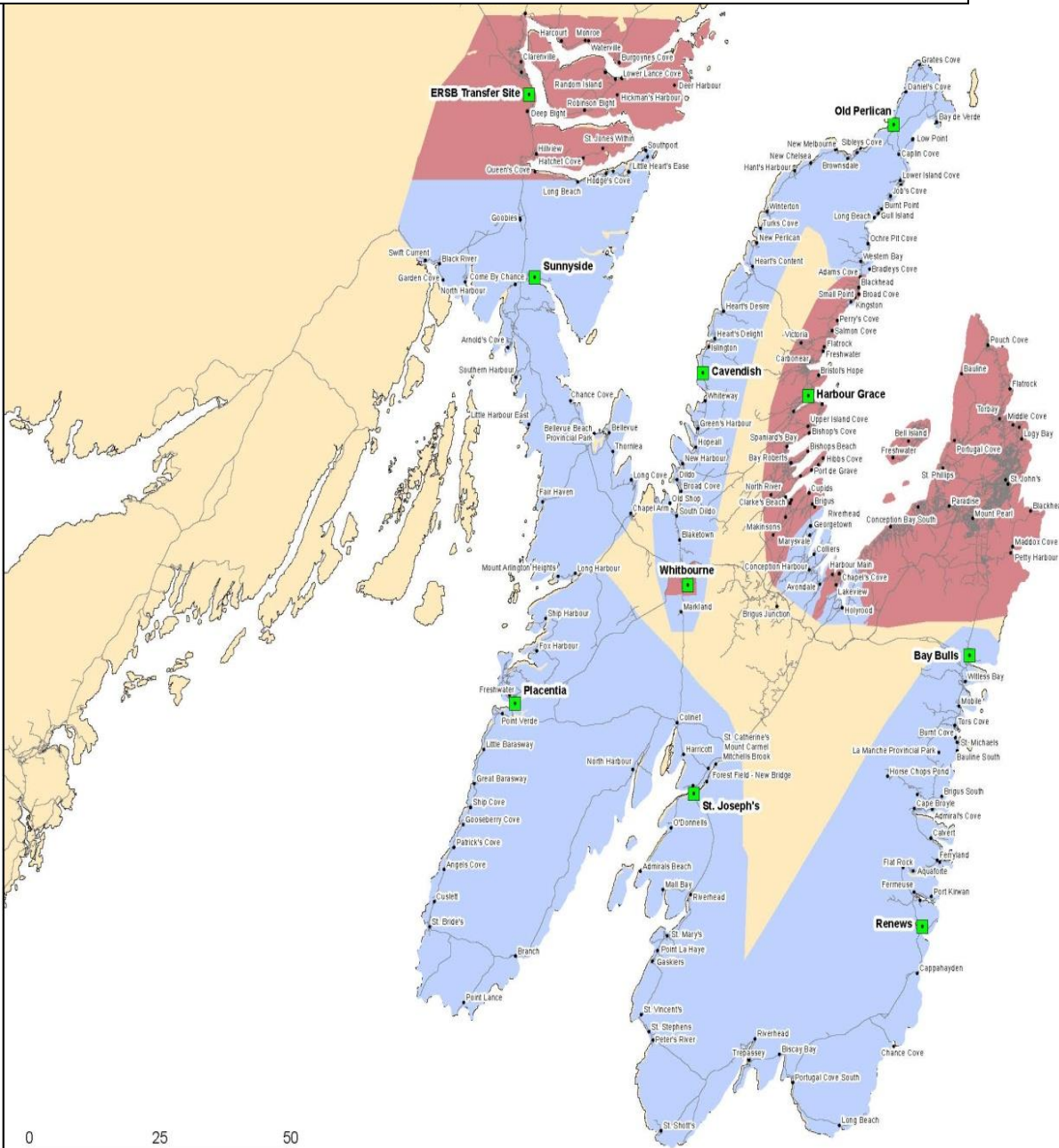
The addition of services also provides an opportunity to make the regional service boards more sustainable in that the administrative cost can be shared over more services instead of being carried by only one service.

Appendix 1: Communities that have Curbside Recycling as of January 2013



- Waste Recovery Facility (WRF)
- Communities that recycle
- Communities that do not recycle

Appendix 2: Communities with waste collection services provided by the Board.



- Waste Recovery Facility (WRF)
- EWM Collection Area
- Self Collect Area