

EASTERN REGIONAL SERVICE BOARD

Minutes of Meeting #34

June 24, 2015

5:00 p.m.

Fairfield Inn & Suites by Marriott

199 Kenmount Road, St. John's

In Attendance:

Ed Grant, Chairperson
Harold MULLOWNEY, Vice Chair/Southern Shore
Dave Aker, Mount Pearl
Bill Bailey, Clarenville & Isthmus
Danny Breen, St. John's
Wally Collins, St. John's
Joy Dobbie, Trinity Bay South & Isthmus East
Tom Hann, St. John's
Sandy Hickman, St. John's
Ken McDonald, Conception Bay South
Dennis O'Keefe, St. John's
Peggy Roche, Small Metro
Gordon Stone, Trinity Conception North
Sam Whalen, Bay Roberts
William Woodman, Southwest Avalon

Regrets:

Bernard Davis, St. John's
Jonathan Galgay, St. John's
Dave Lane, St. John's
Art Puddister, St. John's
Bruce Tilley, St. John's
Sterling Willis, Paradise

Other Attendees:

Ken Kelly, Chief Administrative Officer, Eastern Waste Management
Lynn Tucker, Manager Corporate Services, Eastern Waste Management
Christie Dean, Manager Waste Operations, Eastern Waste Management

1. Call to Order

Mr. Grant, Chairperson, called the meeting to order at 5:05 p.m.

2. Adoption of Agenda

**It was moved and seconded (K McDonald/B Bailey) to adopt the agenda as tabled.
MOTION 2015-029: Carried (unanimously)**

3. Review of Minutes – May 26, 2015

It was moved and seconded (K McDonald/T Hann) that the minutes of the May 26, 2015 meeting be adopted as tabled.

MOTION 2015-030: Carried (unanimously)

4. Privileged Meeting

It was moved and seconded (H Mallowney/G Stone) that the following portion of the meeting will be held as a privileged session and members of the public are asked to leave the meeting room.

MOTION 2015-031: Carried (unanimously)

It was moved and seconded (D Aker/J Dobbie) that the privileged meeting be adjourned.

MOTION 2015-032: Carried (unanimously)

5. Committee Reports

i. Strategy & Policy Committee – S Hickman, Chairperson

- i. **Discussion of Diversion Objectives** – Mr. Hickman stated that the Strategy & Policy Committee had a lengthy discussion about the decline in curbside recycling in both St. John’s and Mount Pearl and what steps could be taken to regain the lost ground and to increase the diversion rate. A good deal of time was spent discussing the recent implementation of curbside recycling in Central Newfoundland where participation is mandatory. In Central they use a two-bag system – clear bags for regular garbage and blue transparent bags for recyclables. During the recent forum for regional service boards there was a tour of the new recycling processing facility at Norris Arm. The committee debated the question “Are we headed in the right direction?” Is it time to discuss mandatory curbside recycling programs as there are some communities that still have not implemented a curbside program. As members know, organics processing has been delayed until 2025; therefore, should we use this time to study alternative options to increasing diversion and should we explore the operational and capital costs of simplifying the current system.

Mr. Kelly noted that the City of Mount Pearl’s diversion rate has dropped from 15.5% of total weekly household waste to 9.55%. The City of St. John’s has seen a similar decrease in the tonnage collected for recycling. It appears that the diversion of waste is getting worst – not better. The discussion at committee asked if we should change how recyclables are collected so as to increase participation. In addition, adopting a single-stream recycling collection would allow the Board to easily add other types of recyclables such as textiles, etc.

Mr. Grant stated that he and Mr. Mallowney recently attended a meeting with a German company, Pyradec, who was in St. John’s exploring opportunities for their waste-to-energy technology. This particular business has technology that burns waste without oxygen to produce energy. The proposal is that the German company would incur all capital costs with a

minimum 10-year contract. In addition at least 100,000 metric tonnes of materials are needed annually (this is about ½ of what is disposed of at RHB). This amount of material produces 10 MW power. Their end product is ash which can be landfilled. In Germany that power is sold to the grid; however, legislation in NL prohibits the sale of power and that would have to be addressed.

He continued that as members are aware it currently costs approximately \$230 per metric tonne to process recyclables. It seems that exploring waste-to-energy technologies would assist the Board in addressing its diversion targets. Mr. Grant concluded that overall the system seems fantastic and certainly worth more consideration.

Mr. Kelly stated that he would send a copy of the presentation that Mr. Grant referred to along to all Board members for their perusal. In addition he would forward along a copy of the email sent by Mr. Grant to the Ministers of Municipal and Intergovernmental Affairs and Conservation and Environment regarding the Board studying waste-to-energy technologies and its possible use in this region.

Mr. Grant concluded that no further investigation is worthwhile unless the Province is open to changing its current legislation around the sale of energy.

- ii. **Waste Operations Quarterly Report** - Mr. Hickman noted that overall waste operations has collected and transported over 6,100 metric tonnes of curbside and bulk waste from the waste recovery facility (WRF) sites in the past five (5) months. The report included in tonight's meeting package (Appendix A) gives a very detailed breakdown of material collected by area and by WRF site. The mobile household hazardous waste (HHW) collection program started in late May and will continue in September. In addition, 19 metric tonnes of non-program tires have been collected at our WRF sites and brought to the Regional Waste Management Facility at Robin Hood Bay (RHB).

Board members asked what are non-program tires?

Mr. Kelly responded that non-program tires are those tires that do not have levies applied such as ATV, forklift or other industrial tires as these are not collected under the MMSB's Used Tire Recycling Program. Acceptable tires for the MMSB program are highway vehicle tires, passenger tires, motorcycle tires, etc.

Mr. O'Keefe informed members that RHB accepts non-program tires during a two-week period each year. There is a lot of pressure to accept tires, especially the non-program tires; therefore, RHB is looking at extending the length of time it accepts these.

Mr. Hickman continued that lastly, as members will recall, we started a "Recycle at School" program in partnership with MMSB. This program now has one full school year of experience. We are looking at ways to improve and expand the program to other schools in the Eastern Region.

It was moved and seconded (S Hickman/B Bailey) to accept the Waste Operations Report for January 1 to May 31, 2015 as tabled.

MOTION 2015-033: Carried (unanimously)

b. Governance Committee – H MULLOWNEY, Chairperson

- i. **Regional Service Boards Act Changes** - Mr. MULLOWNEY noted that included in tonight's meeting package is legislation to amend the current *Regional Service Boards Act* (Appendix B). These changes are directed at the way the board members are chosen as well as the Chairperson. This proposed legislation will establish the election process that the boards use as part of the legislation. It will also remove the need for the Minister to appoint members and the Chairperson. The Chairperson will now be chosen by the board members from either amongst themselves or by a person that the board selects. These changes will continue the current board membership and chairperson until the next general municipal election. It should also be noted that even if members do not run in the next general election they are still members of the board until replaced.

c. Finance & Audit Committee – D BREEN, Chairperson

- i. **Cheque Register and Payroll Summary for May 2015** – Mr. Breen stated that the cheque register and payroll summary for May 2015 are included in tonight's meeting package (Appendix C). The Canada Revenue Agency statement of account for our payroll remittances is also included. No issues have been identified.

It was moved and seconded (S Whalen/D O'Keefe) to adopt the cheque register and payroll summary for May 2015 as tabled.

MOTION 2015-034: Carried (unanimously)

- ii. **Financial Statements 2014** – Mr. Breen noted that the draft 2014 financial statements are included in tonight's meeting package (Appendix D). Mr. Breen asked Mr. Kelly to provide a summary of the statements.

Mr. Kelly stated that the best place to begin is on page 5 of the document which presents the 2014 actual revenue and expenditures against the Board's budget. As members will see 2014 was very close to budget with the main difference being additional capital money received from the Province and capital spent on the development of waste recovery facility sites and landfill closures. The surplus of revenue over expenses from operations for 2014 was \$648,052. He continued that page 6 presents the Statement of Cash Flow and there is one item to be noted under Capital Activities – Deferred Income of \$3,378,927. This is capital funding that the Province has advanced to the Board for its capital projects. The Board has invested this money and uses it as required and approved by the Province. This money has been approved for the Clarendville transfer station, the Whitbourne WRF and maintenance depot, landfill closures, etc. It is presented as deferred income on our financial statements. He noted that pages 13-14 provides a detailed breakdown of the Board's expenditures.

It was moved and seconded (D Aker/D O’Keefe) that Eastern Regional Service Board operating as Eastern Waste Management adopt the Financial Statements Year Ended December 31, 2014 as prepared by Harris Ryan Chartered Accountants.

MOTION 2015-035: Carried (unanimously)

Mr. Kelly stated that beginning this year (2015) the Board will see the money advanced by the Province for capital projects presented as a reserve fund for capital projects instead of deferred income.

- iii. **Purchase of Land for Whitbourne Waste Recovery Facility and Maintenance Depot** – Mr. Breen stated that the detail for this item has been included in tonight’s meeting package (Appendix E). The Board’s plan for the region included a site in the Whitbourne area that was easily accessible for the majority of people. The Board engaged AMEC Foster Wheeler to identify suitable parcels of land looking at the proximity to the highway, population and ease of access. This parcel was the most suitable choice for this facility out of 14 possible locations. A market value appraisal of the land was completed and returned a value of \$80,000 per acre based on the most recent completed sales in the area. The value of this parcel of land is in its easy access to the highway. No other parcel of land in the area provides this level of access without having to build a new access to the highway. Negotiations started with the owner of the land and an agreement has been reached. The agreement includes a waiver of future claims of ‘injurious affect’ on other lands owned by this landowner in the area. The Town of Whitbourne has considered the proposal and has given its approval for the project. We have made a formal request to the Department of Environment and Conservation asking for a decision on whether the project has to be registered and undergo an environmental assessment process. There is a map of the area in tonight’s meeting package (Appendix E). The Department of Municipal and Intergovernmental Affairs has been active in this process and they are in agreement with the purchase of this land at the recommended price of \$530,000.00.

It was moved and seconded (D Breen/T Hann) that Eastern Regional Service Board purchase 6.19 acres of land on Old Brigus Road, Whitbourne from Margaret Bishop for the sum of \$530,000.00 for the construction of a waste recovery facility and a maintenance depot.

MOTION 2015-036: Carried (unanimously)

Mr. Grant informed members that the Province has provided the capital funding to purchase this parcel of land. He continued that Mr. Kelly is looking into whether or not an environmental assessment will be required and he will report back to the Board when he has information.

6. New Business

- i. **Meeting with Isthmus Area Towns and Local Service Districts regarding the Clarenville Transfer Station and waste management services in the area** – Mr. Grant stated that a meeting was held in Clarenville on June 17th to provide information to communities in the area on the transfer station logistics, pricing, regional curbside waste collection and other regional service delivery options. Mr. Mullowney, Mr. Kelly and Mr. Bailey were also in

attendance on the Board's behalf. There was good representation from local communities with no real contentious issues. There are two (2) landfills/dumps in the area to be closed at the end of this year.

- ii. **Invitation to visit Germany to see waste-to-energy technology in use** – Mr. Grant stated that an invitation has been extended to the Board to visit Germany to see the waste-to-energy technology in use and to better understand how it works. However, before this can be seriously considered, the Board would need to know that the Province is okay with the generation of power and that Nalcor would purchase any power produced at RHB. He noted that as stated earlier all information would be forwarded along to members.

Mr. O'Keefe stated that it is his understanding that the Province is currently looking at two (2) proposals for waste-to-energy. The difference in the two proposals is the end product of the waste-to-energy process – the end product for one proposal is power while the end product for the other proposal is bio-fuel. Both processes burns all types of waste. He concluded that he would have information on the proposal producing bio-fuel forwarded to Ms. Tucker so that she may forward the information along to all Board members.

General discussion ensued with members agreeing that the Province must change its position on organics processing and power generation before any serious consideration can be given to this invitation.

7. Next ERSB Meeting – SEPTEMBER 2, 2015

The next meeting of the Eastern Regional Service Board will take place on **Wednesday, September 2, 2015 at 7:00 p.m. at the Fairfield Inn & Suites by Marriott.**

No committee meetings will be held in July; however, the following committee meetings are scheduled for August:

- Finance & Audit Committee – Wednesday, August 12 at 12:00 noon, EWM Boardroom
- Strategy & Policy Committee – Thursday, August 13 at 10:00 a.m., EWM Boardroom
- Governance Committee – Tuesday, August 19 at 10:00 a.m., EWM Boardroom

8. Adjournment

It was moved by B Bailey to adjourn the meeting at 6:10 p.m.

*Prepared by:
Lynn Tucker
June 25, 2015*

APPENDIX

A

Operations Report: (January 1 to May 31 2015)

Community Waste Collections:

- 3 Snow days during the period. For our staff & T2 Ventures, 2 Snow days for ATB and Ridge G&P.
- Our Staff conducted Bulk Collection events in both the South West Avalon, Carbonear and, Spaniard's Bay.

WRF's:

- Monthly site visits were not conducted to all facilities
- Accepted metals from bulk day (s)
- Preparations for highway site signage installation (on going), received permit to install (27Oct) permit valid until 12Aug 2015
- Electronic Recycling Program not being offered at Harbour Grace Waste Recovery Facility due to vandalism.
- Removed 19,090KG's of non-MMSB tires from Bay Bulls, St. Joseph's, Placentia, Cavendish, Harbour Grace and Old Perlican.
- May 11, 2015 Fire at Harbour Grace WRF set by Scavengers – HG Fire Dept did attend to the fire on the site and RCMP investigated. May 22, meeting with Harbour Grace Deputy Mayor and Town Manager to discuss options to secure the site. They are not in favour of additional barricades at the site as it will block ATV access to trails. We will make formal proposal to them for consideration. June 4, 2015 met with RCMP detachment commanding officer to discuss aggressive behavior of scavengers on the site towards staff and the public. Later that day RCMP Officers approached scavengers on site and took names. We either have to pursue Petty Trespass or have them charged with theft (requires evidence).

Other Waste Operations:

- 32 Hours of Backhoe related activities
- Overall waste collected and transported to Regional Landfill from the curbside program of 4,120,345 kgs and 2,011, 960 from the WRF's for a combined total of 6,132,305 kgs or 6132 metric tonnes. The tables below have more specific details by area or WRF.
- See Section below on Recycle @ School program

Tonnage:

Table 1:

Area	Waste	Recycling	Bulk	Total	Diversion %
Southern Shore*	587,260	19,450		606,710	3
Isthmus *	475,270	12,820		488,090	3
Trinity South Center *	490,480	16,240		506,720	3
South West Arm *	70,680	3,480		74,160	5
Trinity Bay North**	318,740	1,190		319,930	4
South West Avalon	892,040	22,300		914,340	2
CBC *	398,855	26,220		425,075	6
Carbonear	689,670	24,210		713,880	3
Clarke's Beach *	197,350	1,990		199,340	1

-* volumes to the end of April

** volumes to end of March

Note all Bulk Volumes are incorporated with Waste Volumes,

Table 2:

WRFs	Waste	Removals	Metals	Tires	E-Waste (bags)
Bay Bulls	319,070	18		400	10
Renews / Cappahayden	202,210	11			7
St. Joseph's	51,300	3		344	10
Placentia	224,500	13	5		6
Sunnyside	69,340	4	2		6
Cavendish	219,280	13	4	100	12
Harbour Grace	557,730	34	7	150	
Old Perlican	221,280	21	3		
Total in kgs	1,864,710		147250		

Recycle @ School Pilot Program

- 2014 – 2015 School Recycling Pilot - see below Table 3 for waste results.
- Developed list of proposed Schools to offer providing recycling to in 2015/2016 School Year. Still to determine details with MMSB and School Board ie number of schools expanding to and the resources that will be supplied.

First Choice

Holy Redeemer Elementary (#285)
K - 9
Spaniard's Bay
St. Catherine's Academy (#274)
K - L4
Mount Carmel
Immaculate Conception Primary (#260)
K - 6
Colliers
Acreman Elementary (#265)
K - 6
Green's Harbour
Tricentia Academy (#924)
K - L4
Arnold's Cove
Southwest Arm Academy (#431)
K - L4
Little Heart's Ease
Baltimore School (#447)
K - L4
Ferryland
Holyrood
Laval High School (#280) or St. Annes Academy (#435)
9 - L4

Second Choice

Fatima Academy (#286)
K - L4
St. Bride's

Holy Cross Elementary (Holyrood) (#272)
K - 6
Placentia
St. Annes Academy (#435) or Laval High School (#280)
K - 6
Dunville

Would like to request that program is no longer offered to Stella Maris Academy, Trepassey. However this may not be possible due to 2 year school waste contracts.

Still need to compensate Contractors for collecting Waste.

Table 3:

School	Community	Waste	Recycle
Dunne Memorial Academy	St. Mary's	1022	226
Crescent Collegiate	Blaketown	2789	836
Woodland Elementary	Dildo	1271	272
Stella Maris Academy	Trepassey	382	89
Mobile Central High	Mobile	2544	501
St. Bernard's Elementary	Witless bay	2526	454

Waste Collection Calls (note that approximately 99% of calls were handled by office staff, due to field work).

Medium	January	February	March	April
Email	1582	585	499	752
Counter	377	123	34	47
Telephone	946	814	359	801

Due to volumes not all calls were logged and no difference was noted between calls concerning waste collections and Invoicing.

Begun in June

- Staff cavassing New harbor to Green's harbor to obtain more client billing addresses
- HHW events in 17 Communities

APPENDIX

B

Fourth Session, 47th General Assembly
64 Elizabeth II, 2015

BILL 14

AN ACT TO AMEND THE REGIONAL SERVICE BOARDS ACT, 2012

Received and Read the First Time.....
Second Reading.....
Committee.....
Third
Reading.....
Royal Assent.....

HONOURABLE KEITH HUTCHINGS
Minister of Municipal and Intergovernmental Affairs

Ordered to be printed by the Honourable House of Assembly

EXPLANATORY NOTES

This Bill would amend the *Regional Service Boards Act, 2012* to

- remove the requirement that the minister appoint members to a regional service board and allow members of a regional service board to be elected or appointed by the municipal authorities in each ward;
- remove the requirement that a chairperson of a regional service board be appointed by the Lieutenant-Governor in Council and allow the members of a regional service board to elect a chairperson from among the members of the board or from outside the board;
- allow members from a band council constituted under the *Indian Act* (Canada) to be members of a regional service board; and

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- require a regional service board to prepare and publish an annual report.

A BILL

AN ACT TO AMEND THE REGIONAL SERVICE BOARDS ACT, 2012

Analysis

1. S.2 Amdt.
Definitions
2. Ss.5, 6, 7 & 8 R&S
 5. Chairperson and
vice-chairperson
 6. Board membership
 7. Wards
 8. Term
3. S.9 Amdt.
Board vacancies
4. S.13 Amdt.
Quorum
5. S.33.1 Added
Annual report
6. S.47 Amdt.
Regulations
7. Transitional
8. Commencement

Be it enacted by the Lieutenant-Governor and House of Assembly in Legislative Session convened, as follows:

SNL2012 cR-8.1
as amended

1. (1) Paragraph 2(e) of the *Regional Service Boards Act, 2012* is repealed and the following substituted:

- (e) "member" means, except in section 6, subsections 8(2) and 8(3), paragraphs 9(1)(b) and (c) and subsection 34(2),
- (i) a chairperson elected to a board under section, and
 - (ii) a person appointed or elected to a board under section 6;

(2) Paragraph 2(h) of the Act is repealed and the following substituted:

- (h) "municipal authority" means
- (i) the City of Corner Brook,
 - (ii) the City of Mount Pearl,
 - (iii) the City of St. John's,
 - (iv) a local service district committee or a council constituted or continued under the *Municipalities Act, 1999*, and

(v) a reserve as defined in the *Indian Act* (Canada);

2. Sections 5, 6, 7 and 8 of the Act are repealed and the following substituted:

Chairperson and vice-chairperson

5. (1) The members of a board shall, by resolution, elect a chairperson from among the members of the board or from outside the board.

(2) The members of a board shall, by resolution, elect a vice-chairperson from among the members of the board.

(3) In the absence or incapacity of the chairperson, or where the office of the chairperson is vacant, the vice-chairperson has the powers and shall exercise the duties of the chairperson.

Board membership

6. (1) Board members shall be appointed or elected as follows:

(a) where the number of municipal authorities in a ward is equal to the number of board members determined for that ward under section 7, each municipal authority shall appoint a person to the board; and

(b) where the number of municipal authorities in a ward is greater than the number of board members determined for that ward under section 7, each municipal authority may nominate a person to be a candidate in an election to be conducted in accordance with the regulations and those persons elected shall become members of the board.

(2) Notwithstanding subsection (1), where the number of persons appointed or elected to a board is less than the number of board members determined for that ward under section 7, the minister may select a person from among those persons who reside within the boundaries of that ward to be a board member.

(3) For the purposes of subsections (1) and (2), only the following persons from the region may be appointed or elected to the board:

(a) a councillor;

(b) a person serving on a local service district committee; and

(c) a member of a band council constituted under the *Indian Act* (Canada).

(4) In this section, "member" means a person appointed or elected to a board under this section but does not include a chairperson elected to a board under section 5.

Wards

7. The minister may, by regulation, divide a region into wards, establish and change the number and boundaries of those wards, and determine the number of members to be appointed or elected for each ward.

Term

8. (1) Where a councillor is appointed or elected to a board, the councillor shall remain in office on the board until the date of the next general election of councils under the *Municipal Elections Act*.

EXPLANATORY NOTES

(2) Where a person who serves on a local service district committee is appointed or elected to a board, the person shall remain in office on the board until the earlier of

- (a) the expiration of his or her term of office as member of the local service district committee; or
- (b) the date of the next general election of councils under the *Municipal Elections Act*.

(3) Where a member of a band council is appointed or elected to a board, the person shall remain in office on the board until the earlier of

- (a) the expiration of his or her term of office as member of the band council; or
- (b) 4 years after his or her appointment to the board.

(4) Where a chairperson is elected from outside the board, the chairperson shall remain in office on the board until the date of the next general election of councils under the *Municipal Elections Act*.

(5) Notwithstanding subsections (1) to (4), a member shall continue to be a member until he or she is reappointed, re-elected or replaced.

3. Paragraph 9(1)(b) of the Act is repealed and the following substituted:

- (b) he or she ceases to be a member of a municipal authority before the end of his or her term under subsection 8(1), 8(2) or 8(3);

4. Subsection 13(1) of the Act is repealed and the following substituted:

Quorum

13. (1) A majority of the number of members that may be appointed or elected to a board constitutes a quorum for the purpose of a meeting of the board.

5. The Act is amended by adding immediately after section 33 the following:

Annual report

33.1 (1) The board shall prepare and submit to the minister before June 30 each year

- (a) a report on the activities of the board in the previous year; and
- (b) the board's audited financial statements for the previous year.

(2) The board shall publish the annual report and its audited financial statements in a manner that they may be accessed by a member of the public.

6. Subsection 47(1) of the Act is amended by deleting the word "and" at the end of paragraph (a) and adding immediately after that paragraph the following:

- (a.1) establishing the process for elections under paragraph 6(1)(b); and

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EXPLANATORY NOTES

Transitional

7. The members of a board on the day before this Act comes into force shall continue to be members until they resign or until the date of the next general election of councils under the *Municipal Elections Act*, whichever is earlier.

Commencement

8. Sections 1 to 4 and sections 6 and 7 come into force on August 1, 2015.

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APPENDIX

C

Eastern Waste Management
 BNK2 - Bank of Montreal - EW
 Cheques from 000001 to 003917 dated between 05-01-2015 and 05-31-2015

CHEQUE REGISTER

Printed: 12:50:45PM 06/10/2015

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Number	Issued	Amount	SC	Status	Status Date
003821	05/05/2015 61366 Newfoundland and Labrador Inc.	4,915.50	A/P	OUT-STD	05/05/2015
003822	05/05/2015 Receiver General of Canada	49,027.56	G/L	CLEARED	05/31/2015
003823	05/05/2015 StCroix, Corrina	90.00	A/R	CLEARED	05/31/2015
003824	05/05/2015 Murphy, Rodney	279.11	A/R	OUT-STD	05/05/2015
003825	05/05/2015 Around The Bay Disposals Inc.	49,491.04	A/P	OUT-STD	05/05/2015
003826	05/05/2015 Bell Aliant	1,181.71	A/P	CLEARED	05/31/2015
003827	05/05/2015 Christie Dean	2,595.42	A/P	CLEARED	05/31/2015
003828	05/05/2015 Clowe Construction Ltd.	474.60	A/P	OUT-STD	05/05/2015
003829	05/05/2015 Dicks and Company Limited	99.59	A/P	CLEARED	05/31/2015
003830	05/05/2015 Dodd's Diesel Repair Ltd.	2,328.07	A/P	OUT-STD	05/05/2015
003831	05/05/2015 Dynamex Canada Limited	8.12	A/P	OUT-STD	05/05/2015
003832	05/05/2015 Eastcom Inc.	33.84	A/P	OUT-STD	05/05/2015
003833	05/05/2015 E K Lomond Auto Solutions Inc	153.54	A/P	CLEARED	05/31/2015
003834	05/05/2015 Fairfield Inn & Suites by Marriott	1,128.15	A/P	OUT-STD	05/05/2015
003835	05/05/2015 G Groves & Sons Limited	1,163.35	A/P	OUT-STD	05/05/2015
003836	05/05/2015 Harbour Construction Limited	1,322.10	A/P	OUT-STD	05/05/2015
003837	05/05/2015 James Higdon	35.00	A/P	OUT-STD	05/05/2015
003838	05/05/2015 Jonathan Miller	423.75	A/P	OUT-STD	05/05/2015
003839	05/05/2015 Kerr Global Communications	1,145.31	A/P	CLEARED	05/31/2015
003840	05/05/2015 Leslie Squires	440.00	A/P	CLEARED	05/31/2015
003841	05/05/2015 M J Hickey Construction Ltd.	226.00	A/P	CLEARED	05/31/2015
003842	05/05/2015 M J Hickey Construction Ltd.	672.26	A/P	CLEARED	05/31/2015
003843	05/05/2015 NATIONAL Public Relations	3,560.08	A/P	OUT-STD	05/05/2015
003844	05/05/2015 Pat Singleton	500.00	A/P	OUT-STD	05/05/2015
003845	05/05/2015 Pro-Tech Construction Ltd.	7,700.49	A/P	OUT-STD	05/05/2015
003846	05/05/2015 Ridge G&P Services Ltd.	32,520.15	A/P	OUT-STD	05/05/2015
003847	05/05/2015 Royal Garage Ltd.	88.07	A/P	CLEARED	05/31/2015
003848	05/05/2015 Sam Whalen	207.80	A/P	OUT-STD	05/05/2015
003849	05/05/2015 T2 Ventures Inc.	174,804.35	A/P	CLEARED	05/31/2015
003850	05/05/2015 Town of Clarke's Beach	4,000.00	A/P	OUT-STD	05/05/2015
003851	05/05/2015 Transcontinental Atlantic Media Group G.P.	480.97	A/P	OUT-STD	05/05/2015
003852	05/05/2015 Tulk Tire & Service Ltd.	1,335.05	A/P	OUT-STD	05/05/2015
003853	05/05/2015 Wedgwood Insurance Limited	1,265.00	A/P	CLEARED	05/31/2015
003854	05/21/2015 AMEC Foster Wheeler Environment & Infrastructure	563.99	A/P	OUT-STD	05/21/2015
003855	05/21/2015 Bell Mobility Inc.	818.58	A/P	OUT-STD	05/21/2015
003856	05/21/2015 Brookside Services Ltd.	68.85	A/P	OUT-STD	05/21/2015
003857	05/21/2015 Channel 6 Ads - Clarenville	240.00	A/P	OUT-STD	05/21/2015
003858	05/21/2015 City of St. John's	22,867.47	A/P	OUT-STD	05/21/2015
003859	05/21/2015 Coish's Trucking & Excavating Ltd.	9,004.01	A/P	OUT-STD	05/21/2015
003860	05/21/2015 D&L Russell Limited	36.90	A/P	OUT-STD	05/21/2015
003861	05/21/2015 Daniel Breen	1,294.26	A/P	OUT-STD	05/21/2015
003862	05/21/2015 De Lage Landen Financial Services Canada Ltd.	286.42	A/P	OUT-STD	05/21/2015
003863	05/21/2015 Dicks and Company Limited	94.89	A/P	OUT-STD	05/21/2015
003864	05/21/2015 Dodd's Diesel Repair Ltd.	9,333.46	A/P	OUT-STD	05/21/2015
003865	05/21/2015 Ed Grant	1,100.94	A/P	OUT-STD	05/21/2015
003866	05/21/2015 Edward Collins Contracting Ltd.	10,396.00	A/P	OUT-STD	05/21/2015

* - Name on Check was modified

Eastern Waste Management
 BNK2 - Bank of Montreal - EW
 Cheques from 000001 to 003917 dated between 05-01-2015 and 05-31-2015

CHEQUE REGISTER

Printed: 12:50:45PM 06/10/2015

Page 2 of 2

Number	Issued	Amount	SC	Status	Status Date
003867	05/21/2015 Gordon Stone	194.84	A/P	OUT-STD	05/21/2015
003868	05/21/2015 Harvey & Company Ltd.	985.58	A/P	OUT-STD	05/21/2015
003869	05/21/2015 Imperial Oil	22,479.99	A/P	OUT-STD	05/21/2015
003870	05/21/2015 Iron Mountain Canada	35.93	A/P	OUT-STD	05/21/2015
003871	05/21/2015 Joy Dobbie	302.92	A/P	OUT-STD	05/21/2015
003872	05/21/2015 Ken Kelly	5,979.22	A/P	OUT-STD	05/21/2015
003873	05/21/2015 Kevin Butt	604.78	A/P	OUT-STD	05/21/2015
003874	05/21/2015 Lynn Tucker	63.40	A/P	OUT-STD	05/21/2015
003875	05/21/2015 Nortrax Canada Inc.	410.18	A/P	OUT-STD	05/21/2015
003876	05/21/2015 Pat Singleton	5,800.00	A/P	OUT-STD	05/21/2015
003877	05/21/2015 Patterson's Steel Products Ltd.	90.40	A/P	OUT-STD	05/21/2015
003878	05/21/2015 Pinnacle Office Solutions Ltd.	318.22	A/P	OUT-STD	05/21/2015
003879	05/21/2015 Pitney Bowes	193.49	A/P	OUT-STD	05/21/2015
003880	05/21/2015 Pro-Tech Construction Ltd.	7,700.49	A/P	OUT-STD	05/21/2015
003881	05/21/2015 Redline Automotive 0765	85.57	A/P	OUT-STD	05/21/2015
003882	05/21/2015 Royal Garage Ltd.	117.43	A/P	OUT-STD	05/21/2015
003883	05/21/2015 Sam Pike Masonry Ltd.	74.89	A/P	OUT-STD	05/21/2015
003884	05/21/2015 Transcontinental Atlantic Media Group G.P.	1,692.74	A/P	OUT-STD	05/21/2015
003885	05/21/2015 Wayde Higdon	211.97	A/P	OUT-STD	05/21/2015
003886	05/21/2015 William Woodman	248.43	A/P	OUT-STD	05/21/2015
003887	05/21/2015 Encon Group Inc.	4,263.15	G/L	OUT-STD	05/21/2015

Cheque Totals Issued: 451,655.37

Void: 0.00

Total Cheques Generated: 451,655.37

Total # of Cheques Listed: 67

* - Name on Check was modified

**EASTERN REGIONAL SERVICE BOARD
EASTERN WASTE MANAGEMENT**

**PAYROLL EXPENSE
MAY 2015**

Payroll – Staff (<i>2 pay periods</i>)	\$107,166.26
Payroll – Board	<u>\$00,000.00</u>
Total Payroll (<i>25 employees</i>)	\$107,166.26
Payroll CRA Remittance (<i>Chq#3889</i>)	<u>\$37,210.61</u>
TOTAL GROSS PAYROLL	<u>\$144,376.87</u>

PREVIOUS MONTH

APRIL 2015

Payroll – Staff (<i>3 pay periods</i>)	\$132,478.19
Payroll – Board.....	<u>\$16,665.03</u>
Total Payroll (<i>25 employees</i>)	\$149,143.22
Payroll CRA Remittance (<i>Chq#3822</i>)	<u>\$49,027.56</u>
TOTAL GROSS PAYROLL	<u>\$198,170.78</u>



Canada Revenue Agency / Agence du revenu du Canada

STATEMENT OF ACCOUNT FOR CURRENT SOURCE DEDUCTIONS

Statement of account as of May 14, 2015

Account number 86109 6600 RP0001

Employer name Eastern Regional Service Board

002163

Balances on last statement		Current balances	
Amount paid for 2015	Assessed amount owing	Amount paid for 2015	Assessed amount owing
96,802.31Cr	240.13Cr	145,829.87Cr	240.13Cr

EXPLANATION OF CHANGES

Date	Description	Amount
May 13	Payment Apr 2015	Recd May 12 2015 49,027.56Cr

You want to request your HCSB as a refund? You can request it online using My Business Account service at www.cra.gc.ca/mybusinessaccount. Make sure you sign up for direct deposit to get your HCSB refund and all your Canada Revenue Agency payments quickly and conveniently. Simply fill out Form RC366, Direct Deposit for Businesses, available online at www.cra.gc.ca/directdeposit and mail it to your tax centre. Enroll now, because the Government of Canada is phasing out federal government cheques by April 2016.

Please use remittance voucher to make your next remittance or explain on the last page why you will not be remitting.

If you already receive your statement and remit source deductions electronically, please continue to do so.

Thank you for your payment.

If you need more information, please call 1-800-959-5525.

Andrew Treusch
Commissioner of Revenue

CPP contributions	EI premiums	Tax deductions	Current payment	Gross payroll	No. of employees in last pay period

PD7A E (13/05) Tear off here and return lower portion with your payment.

Canada Revenue Agency / Agence du revenu du Canada

CURRENT SOURCE DEDUCTIONS REMITTANCE VOUCHER

PD7A E (13/05)

ST. JOHN'S NL A1B 3Z1

Account number **06** 86109 6600 RP0001

Do not use this area

Gross payroll in remitting period (dollars only)

_____ 0,0

Eastern Regional Service Board
3-255 MAJORS PATH
ST JOHN'S NL A1A 0L5

Number of employees in last pay period _____

End of remitting period for which deductions were withheld Year _____ Month _____

Amount paid _____

0610020006000000861096600RP00010000000000000000000610027

2014


96

APPENDIX

D



EASTERN REGIONAL SERVICE BOARD
Financial Statements
Year Ended December 31, 2014



DRAFT

HARRIS RYAN



EASTERN REGIONAL SERVICE BOARD

Index to Financial Statements

Year Ended December 31, 2014

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HARRIS RYAN

INDEPENDENT AUDITOR'S REPORT

To the Members of Eastern Regional Service Board

We have audited the accompanying financial statements of Eastern Regional Service Board, which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of operations, changes in net financial assets and cash flows for the years ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

Suite 202 120 Stavanger Drive, St. John's, NL Canada A1A 5E8
Phone: (709) 726-8324 Fax: (709) 726-4525

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Independent Auditor's Report to the Members of Eastern Regional Service Board *(continued)*

Basis for Qualified Opinion

Eastern Regional Service Board derives revenue from waste management fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Eastern Regional Service Board. Therefore, we were not able to determine whether any adjustments might be necessary to waste management fee revenue, annual surplus, and cash flows from operations for the years ended December 31, 2014 and December 31, 2013, current assets and net assets as at December 31, 2014 and December 31, 2013.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Eastern Regional Service Board as at December 31, 2014 and December 31, 2013 and the results of its operations and its cash flows for the years then ended in accordance with Public Sector Accounting Standards.

St. John's, Newfoundland and Labrador
June 2, 2015

CHARTERED PROFESSIONAL ACCOUNTANTS

EASTERN REGIONAL SERVICE BOARD

Statement of Financial Position

December 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 7,333,922	\$ 3,671,483
Accounts receivable (Note 3)	390,326	252,485
Harmonized sales tax recoverable	635,924	454,019
	8,360,172	4,377,987
LIABILITIES		
Accounts payable (Note 5)	\$ 1,567,561	\$ 495,272
Obligations under capital lease (Note 6)	632,834	746,043
	2,200,395	1,241,315
NET FINANCIAL ASSETS	6,159,777	3,136,672
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 4)	1,859,316	866,250
Prepaid expenses	34,762	23,954
	1,894,078	890,204
NON-FINANCIAL LIABILITIES		
Deferred income (Note 7)	4,820,626	1,441,699
ACCUMULATED SURPLUS	\$ 3,233,229	\$ 2,585,177

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

EASTERN REGIONAL SERVICE BOARD
Statement of Changes in Net Financial Assets
Year Ended December 31, 2014

	2014	2013
ANNUAL SURPLUS (DEFICIENCY)	\$ 648,052	\$ 1,582,431
Acquisition of tangible capital assets	(1,353,058)	(361,735)
Amortization of tangible capital assets	359,992	291,757
Acquisition of prepaid expenses	(34,762)	(23,955)
Use of prepaid expenses	23,954	19,752
Acquisition of deferred income	4,342,481	852,453
Recognition of deferred income	(963,554)	(1,357,507)
INCREASE IN NET FINANCIAL ASSETS	3,023,105	1,003,196
NET FINANCIAL ASSETS – BEGINNING OF YEAR	3,136,672	2,133,476
NET FINANCIAL ASSETS – END OF YEAR	\$ 6,159,777	\$ 3,136,672

See notes to financial statements

EASTERN REGIONAL SERVICE BOARD

Statement of Operations

Year Ended December 31, 2014

	Budget 2014	2014	2013
REVENUE			
Government grants <i>(Note 7)</i>	\$ -	\$ 468,893	\$ 1,411,845
Tipping fees <i>(Note 8)</i>	2,952,328	2,952,328	3,204,906
Waste management fees	3,065,640	3,108,854	2,655,353
Metals recycling revenue	35,000	57,721	41,242
	6,052,968	6,587,796	7,313,346
EXPENSES			
Administrative expenses <i>(Schedule 1)</i>	1,202,949	1,317,367	1,199,590
Interest on obligations under capital lease	34,080	34,080	39,489
Transfer station - operating expenses	209,724	-	-
Transfer station - site development	-	306,505	-
Waste management operating expenses	2,965,886	3,169,425	2,738,552
Waste recovery facilities - operating expenses <i>(Schedule 2)</i>	1,183,586	1,106,092	895,550
Waste recovery facilities - site development <i>(Note 7)</i>	-	9,918	826,005
Waste site closures <i>(Note 7)</i>	-	160,118	181,768
	5,596,225	6,103,505	5,880,954
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	456,743	484,290	1,432,392
OTHER INCOME			
Interest income	-	149,252	98,049
Miscellaneous revenue	-	14,510	51,990
	-	163,762	150,039
ANNUAL SURPLUS (DEFICIENCY)	456,743	648,052	1,582,431
ACCUMULATED SURPLUS – BEGINNING OF YEAR	2,585,177	2,585,177	1,002,746
ACCUMULATED SURPLUS – END OF YEAR	\$ 3,041,920	\$ 3,233,229	\$ 2,585,177

See notes to financial statements

EASTERN REGIONAL SERVICE BOARD**Statement of Cash Flows**

Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Annual surplus (deficiency)	\$ 648,052	\$ 1,582,431
Item not affecting cash:		
Amortization of tangible capital assets	359,992	291,757
	1,008,044	1,874,188
Changes in non-cash working capital:		
Accounts receivable	(137,841)	93,161
Accounts payable	1,072,289	(458,485)
Prepaid expenses	(10,808)	(4,202)
HST receivable	(181,905)	(184,949)
	741,735	(554,475)
Cash flow from operating activities	1,749,779	1,319,713
CAPITAL ACTIVITIES		
Purchase of property, plant and equipment	(1,353,058)	(361,735)
Deferred income	3,378,927	(505,054)
Cash flow from (used by) capital activities	2,025,869	(866,789)
FINANCING ACTIVITIES		
Repayment of obligations under capital lease	(113,209)	(107,800)
Cash flow from (used by) financing activities	(113,209)	(107,800)
INCREASE IN CASH FLOW	3,662,439	345,124
Cash - beginning of year	3,671,483	3,326,359
CASH - END OF YEAR	\$ 7,333,922	\$ 3,671,483

See notes to financial statements

EASTERN REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2014

1. DESCRIPTION OF OPERATIONS

The Eastern Regional Service Board (the "organization") was established in September of 2011 by the Province of Newfoundland under the authority of the Regional Services Board Act, 2012. Prior to its formal incorporation it operated as a Ministerial Committee in order to develop a regional plan and oversee the modernization of the solid waste management system for the eastern portion of the island. The authority of the Board covers the area from St. John's to Clarenville. As a committee Eastern Waste Management was not able to enter into contracts and carry out operations. In an effort to further the implementation of the Provincial Waste Management Strategy in the region it facilitated and guided the development of not for profit corporations that were comprised of the municipalities, local service districts and unincorporated areas in smaller geographic areas of the eastern region. Six not for profit corporations were established in order to be the contracting entity for the communities. Each operated as a separate entity with its own board of directors nominated by the member communities. Eastern Waste Management acted as the "Business Manager" for each of these entities. With the formal establishment of the Eastern Regional Service Board (ERSB) the not for profit corporations were not necessary. Starting in 2012 contracts for waste collection started to expire and were retendered and awarded by ERSB. Contracts that had not expired were transferred to the ERSB along with all remaining receivables and cash assets of the organizations as they ceased to operate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian generally accepted accounting principles for government organizations as prescribed by the Public Sector Accounting Board (PSAB).

Revenue recognition

Government grants with stipulations restricting their use are recognized as revenue when the transfer is authorized and the eligibility criteria are met, except when and to the extent the transfer gives rise to an obligation that constitutes a liability. When the transfer gives rise to an obligation that constitutes a liability, the transfer is recognized in revenue when the liability is settled.

Tipping fee revenues are provided to the extent required in the organization's annual budget and are recognized as revenue when received.

Waste management fee revenues are invoiced annually and are recognized as revenue when invoiced to customers. Metals recycling revenues are also recognized as revenue when invoiced.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in guaranteed investment certificates and are valued at cost plus accrued interest.

EASTERN REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2014

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Furniture and equipment	20%	declining balance method
Computer equipment	55%	declining balance method
Computer software	100%	declining balance method
Heavy equipment	30%	declining balance method
Heavy equipment under capital lease	30%	declining balance method
Leasehold improvements	5 years	straight-line method
Motor vehicles	30%	declining balance method

The company regularly reviews its tangible capital assets to eliminate obsolete items.

Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Non-financial assets

Non-financial assets include all assets of a fixed or permanent nature, claims to goods and services, and consumable goods.

Non-financial liabilities

Non-financial liabilities are comprised of the unspent portion of government grants designated for the construction and engineering of waste recovery facilities and the Clarendville Transfer Station, as well as costs associated with the closure of various dump sites previously used in the eastern region. Due to the nature of this liability, these amounts will not be required to be repaid by the organization, but will be recognized into income as the funds are spent on approved projects.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

EASTERN REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2014

3. ACCOUNTS RECEIVABLE

	2014	2013
Waste management fees receivable	\$ 648,817	\$ 441,933
Government funding receivable	-	7,626
Allowance for doubtful accounts	(258,491)	(197,074)
	\$ 390,326	\$ 252,485

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Buildings	\$ 7,084	\$ 849	\$ 6,235	\$ 6,495
Computer equipment	28,003	21,410	6,593	6,573
Computer software	3,517	3,031	486	1,271
Furniture and equipment	57,096	20,927	36,169	35,211
Heavy equipment	1,492,446	207,930	1,284,516	260,438
Heavy equipment under capital lease	874,864	510,483	364,381	520,544
Leasehold improvements	3,106	311	2,795	-
Motor vehicles	198,654	40,513	158,141	35,718
	\$ 2,664,770	\$ 805,454	\$ 1,859,316	866,250

5. ACCOUNTS PAYABLE

	2014	2013
Trade payables	\$ 1,490,672	\$ 409,553
Other accruals	74,988	85,694
Employee deductions payable	1,901	25
	\$ 1,567,561	\$ 495,272

EASTERN REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2014

6. OBLIGATIONS UNDER CAPITAL LEASE	2014	2013
<hr/>		
TD Equipment Finance		
TD Equipment Finance lease bearing interest at 4.8% per annum, repayable in monthly blended payments of \$12,274. The lease matures on November 1, 2019 and is secured by equipment.	\$ 632,834	\$ 746,043
Amounts payable within one year	(147,289)	(147,289)
	\$ 485,545	\$ 598,754

Future minimum capital lease payments are approximately:

2015	147,289
2016	147,289
2017	147,289
2018	147,289
2019	<u>122,989</u>
Total minimum lease payments	712,145
Less: amount representing interest at 4.8%	<u>(79,311)</u>
	\$ 632,834

EASTERN REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2014

7. DEFERRED INCOME

During the year, the organization received government funding in the amount of \$3,895,429 for the construction and engineering of waste recovery facilities, costs associated with the closure of various dump sites previously used in the eastern region, and construction and engineering of the Clarenville Transfer Station. This deferred income will be recognized as revenue when spent on approved projects.

Deferred income has also been recognized with respect to tipping fee revenue described in Note 8. During the year, funding received from the City of St. John's exceeded the amount determined by the organization's annual budget. The excess has been included in deferred revenue at year end.

	2014	2013
Deferred income - beginning of year	\$ 1,441,699	\$ 1,946,754
Government funding	3,895,429	46,711
Prior year spending with government approval in current year	23	(349,735)
Transfer station - site development	(306,505)	(46,711)
Waste recovery facilities - site development	(9,918)	(826,005)
Waste site closures	(160,118)	(181,768)
Funding overpayment from City of St. John's	812,469	-
Funding overpayment from City of St. John's - prior year	(852,453)	852,453
Deferred income	\$ 4,820,626	\$ 1,441,699

8. TIPPING FEES

The Government of Newfoundland and Labrador has officially designated the Robin Hood Bay Waste Management Facility, which is owned and operated by the City of St. John's, as the site for the Eastern Region's Integrated Waste Management Facility. Eastern Regional Service Board contracts with the City of St. John's to provide waste disposal services for other municipalities in the Eastern Region.

Tipping fees charged per tonne at the Robin Hood Bay Waste Management Facility are determined annually by Eastern Regional Service Board based on estimated tonnage and budgeted costs to operate both Eastern Regional Service Board and the Robin Hood Bay Waste Management Facility. Operational funding is provided to Eastern Regional Service Board from tipping fees collected from facility users to the extent required in its annual budget.

EASTERN REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2014

9. LEASE COMMITMENTS

The company has a long term lease with respect to its premises, which expires April 1, 2017. Future minimum lease payments as at December 31, 2014, are as follows:

2015	81,775
2016	81,775
2017	27,258
	<hr/>
	\$ 190,808

10. FINANCIAL INSTRUMENTS

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The company has a significant number of customers which minimizes concentration of credit risk.

Fair value

The company's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the capital lease obligation approximates the fair value as the interest rates are consistent with the current rates offered to the company for debt with similar terms.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its investment in guaranteed investment certificates.

EASTERN REGIONAL SERVICE BOARD

Notes to Financial Statements

Year Ended December 31, 2014

11. EXPENSES BY OBJECT

	2014	2013
Advertising and promotion	\$ 162,699	\$ 127,355
Amortization	359,992	291,757
Bad debts	64,568	158,564
Business taxes, licenses and memberships	16,301	25,936
Directors fees	84,145	77,930
Insurance	32,609	27,088
Interest and bank charges	13,920	12,099
Interest on obligations under capital lease	34,080	39,489
Office	32,406	30,299
Professional fees	58,374	105,014
Rental	110,228	64,434
Repairs and maintenance	82,479	32,383
Salaries and wages	919,532	682,710
Telephone	27,201	19,158
Training	33,244	-
Transfer station - site development	306,505	-
Travel	53,748	72,991
Vehicle	177,492	185,577
Waste management operations	3,169,425	2,738,552
Waste recovery facilities - operations	194,521	181,845
Waste recovery facilities - site development	9,918	826,005
Waste site closures	160,118	181,768
	\$ 6,103,506	\$ 5,880,954

EASTERN REGIONAL SERVICE BOARD

Administrative expenses

(Schedule 1)

Year Ended December 31, 2014

	2014	2013
Advertising and promotion	\$ 162,699	\$ 127,355
Amortization	15,489	12,483
Bad debts	64,568	158,564
Business taxes, licenses and memberships	16,301	25,936
Directors fees	84,145	77,930
Insurance	32,609	27,088
Interest and bank charges	13,920	12,099
Office	32,406	30,299
Professional fees	58,374	105,014
Rental	110,228	64,434
Repairs and maintenance	5,711	8,776
Salaries and wages	606,724	457,463
Telephone	27,201	19,158
Training	33,244	-
Travel	53,748	72,991
	\$ 1,317,367	\$ 1,199,590

EASTERN REGIONAL SERVICE BOARD

Waste recovery facilities – operating expenses

(Schedule 2)

Year Ended December 31, 2014

	2014	2013
Amortization	\$ 344,503	\$ 279,274
Contractor costs	194,521	181,845
Repairs and maintenance	76,768	23,607
Salaries and wages	312,808	225,247
Vehicle	177,492	185,577
	\$ 1,106,092	\$ 895,550

DRAFT

APPENDIX

E

Briefing Note: Purchase of Land Whitbourne WRF

Purpose: To purchase land for the development of a waste recovery facility and maintenance depot in Whitbourne area.

Background:

The Eastern Regional Plan for waste management identified the need for a waste recovery facility in the Whitbourne area. The Board engaged AMEC Foster Wheeler to identify suitable parcels of land looking at proximity to the highway, population and ease of access. This parcel was the most suitable choice for this facility out of 14 locations.

A market value appraisal of the land was completed and returned a value of \$80,000 per acre based on the most recent completed sales in the area. The value in this piece of land is its easy access to the highway. No other parcel of land in the area provides this level of access without having to build access from the highway which is very costly.

Negotiations started with the owner of the land and an agreement has been reached. The agreement includes a waiver of future claims of “injurious affect” on other lands owned by this landholder in the area.

The Town of Whitbourne has considered the proposal and has given its approval for the project. We have made a formal request to the Dept of Environment and Conservation asking for a decision on whether the project has to be registered and undergo an Environmental Assessment process.

We will want both of these items in place before the transaction is completed.

A map is attached of the location of the project.

