

# Beaver Municipal Solutions



## MCC Business Plan

# BUSINESS PLAN

## Section 1

## Business Overview

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### EXECUTIVE SUMMARY

#### Objectives / Description of the Corporation

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Create a municipal-controlled corporation, that is the General Partner of a Limited Partnership of five Alberta municipalities, which will operate and expand the existing regional landfill in Ryley, Alberta in order to take additional waste tonnage from Alberta, and from outside provincial borders, specifically British Columbia.

Develop additional long-haul transport capacity to deliver wastes to the landfill facility at Ryley.

Lever existing landfill and transport competencies to manage other client's facilities, specifically landfills.

Increase stable, long-term income distribution to municipal ownership.

Pursue income opportunities to develop waste diversion facilities, generally at the Ryley location, but potentially elsewhere including all Canadian provinces and across the United States, to support customer waste diversion requirements, and mitigate landfill greenhouse gas emissions.

#### Business History / Nature of Operations

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Become the western Canadian leader in solid waste hauling and disposal, and related waste management diversion operations.

#### Products and Services

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1. Solid waste landfill hauling and disposal at Beaver Regional landfill near Ryley, AB.
2. Pursue long-haul opportunities.
3. Pursue opportunities in recycling, composting and waste to energy projects, and greenhouse gas mitigation projects.

#### Project Financing

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Financing is from internal operations as well as external debt, where warranted and within corporate borrowing guidelines (see confidential appendix).

#### Management / Advisors

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See organizational chart, Appendix 5.

#### Directors

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The Board of Directors will be appointed by the municipalities that form the Limited Partnership.

#### Risk Assessment & Contingency Plan

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See confidential appendix.

#### Financial Institution

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ATB Financial.

#### Supporting Documents

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### Municipally Controlled Corporations Regulation AR 112/2018

Alberta Regulation 112/2018 regulates the creation of municipally controlled corporations in Alberta. Section 4 of the Regulation describes the content to be included in the required Business Plan for the corporation.

For reference, the following table matches the Subsection requirements of the Regulation to the location of the relevant content in this Business Plan.

4(a) the services the corporation intends to provide;	Ref. Section 2 Sales and Marketing Plan, Focus
4(b) the names of the shareholders of the corporation;	Ref. Section 1 Business Overview, Description of the Business
4(c) the geographic locations in and outside Alberta in which the corporation intends to provide services;	Ref. Section 2 Sales and Marketing Plan, Focus
4(d) any potential environmental, financial, labour or other liability risk in controlling the corporation;	Ref. Section 1 Business Overview, Government Regulation and Implications or Risk Factors – Cost Drivers
4(e) information demonstrating that the corporation will not be dependent on the shareholders for its ongoing operations;	Ref. Section 3 Operating Plan and Appendices 3 and 4
4(f) the impact of controlling the corporation on each municipality's financial viability	Ref. Section 3 Operating Plan and Appendix 4
4(g) in the case of a corporation that intends to provide utility services, a projected rate structure	Ref. Section 3 Operating Plan, Additional Information – Local Services and Appendix 4
4(h) a market impact analysis if municipal control of the corporation would result in competition with similar services provided by the private sector	Ref. Section 1 Business Overview, The Market and The Competition



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## Business Overview

Legal Name	<u>Claystone Waste L.P.</u>
Trading Name	<u>Claystone Waste</u>
Business Address	<u>50117 Range Road 173 (Box 322) Ryley, AB T0B 4A0</u>
Phone:	<u>780-663-2038 Fax: 780-663-2006</u>
E-mail:	<u><a href="mailto:info@claystonewaste.com">info@claystonewaste.com</a></u>

### 1. Description of the Business

Claystone Waste L.P. is the proposed successor organization to the Beaver Regional Waste Management Services Commission, also known as Beaver Municipal Solutions (BMS). The Commission was created in 1992 by the five municipalities (termed members) of Beaver County Alberta – the towns of Tofield and Viking, the villages of Ryley and Holden and the county of Beaver – to provide waste collection and disposal services for the local population (2016: approximately 10,000).

The proposal is for a Limited Partnership to be formed among the five previously-named municipalities to which the Commission's assets will be transferred. Claystone Waste Ltd. will be a municipally-controlled corporation of these municipalities which will become the General Partner of the Limited Partnership, and have the exclusive right to operate the LP assets for the purpose of providing both local and income-producing waste management services. The Commission will continue to exist as the employer for the employees in order to permit employees' continued participation in the Local Authorities Pension Plan, an Alberta Pensions Services managed plan for municipalities, hospitals, school and other not-for-profit entities. Commission employees will exclusively work, however, for the GP corporation. The Commission will continue to own the title to the lands that the landfill is sited upon, and will control the funds dedicated for the landfill's future closure.

The legal structure of the business is still in the process of being finalized. Brownlee LP of Edmonton Alberta is the legal advisor assisting the municipalities in this process.

For the purposes of this document, references to the Commission, BMS and Claystone Waste, will be used interchangeably.

The Commission's major facility has been the Beaver Regional Landfill located approximately 3 kilometres north of the village of Ryley. Because of its proximity to the Edmonton Capital Region (approximately 1 hour route to downtown Edmonton), and its all-weather provincial highway access, the regional landfill has become the major municipal waste disposal facility for the Capital Region, while continuing to dispose of municipal waste from the local area. The Regional Landfill facility includes the administrative offices and the equipment, maintenance and storage shops for the Commission.

The Commission also operates four municipal waste transfer stations within Beaver County located:

1. near the hamlet of Lindbrook just east of the county line with Strathcona County;
2. near the town of Tofield;
3. near the town of Viking;
4. near the hamlet of Kinsella at the east end of Beaver County.

These transfer stations are primarily used for the collection and transfer of local residential municipal waste.

The Commission operates a long-haul waste transport service for selected municipal customers outside of Beaver County: the city of Edmonton, Parkland County (west of Edmonton) and Vermillion County (north-east of Edmonton).

The Commission also operates the local waste collection service for town, village and Beaver County residents.

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All Commission operations are directly-run using hired employees, numbering approximately 65. Executive direction is provided by a General Manager who reports to the Commission Board of Directors. The Directors are all municipal appointees of the five municipalities.

The Regional Landfill disposed of approximately 717,000 metric tonnes of municipal (residential) and industrial wastes in 2018, of which 98.9 % came from outside the local area. The outside wastes were generated primarily from a catchment area less than 2 hours one-way truck transport from the landfill location. Municipal (residential) waste was 59.8 % of total wastes disposed in 2018. Industrial wastes comprise primarily of soils contaminated with petroleum which have been excavated from sites subject to real estate development (commercial projects) or industrial remediation (oil and gas production, treatment or processing/refining facilities).

For the past five years, tonnage disposed at the Regional Landfill has averaged 750,000 metric tonnes, with similar waste generation and classification profiles.

The Regional Landfill possesses an Alberta provincial Class 2 (municipal waste) license. The current license expires September 1, 2020 and is under review by the government for a standard 10 year renewal. The Regional Landfill has an exemplary environmental record and renewal is expected.

With the current approved-for-landfilling land holdings of approximately 121 hectares, and at current disposal tonnages and compaction rates, the Regional Landfill has an estimated remaining life of approximately 46 years.

With immediately-neighbouring owned lands, the Regional Landfill can be expanded to provide an additional 90 years of life, for a total useful life of approximately 136 years.

A recent aerial view of the Regional Landfill is provided in Appendix 1.

The Regional Landfill operation generates financial surpluses. Landfill revenues are generated by per tonnage disposal rates charged to customers. With the exception of rates charged to the five stakeholder municipalities, customer rates are at-market (spot) rates, or are competitively-bid, multi-year contract rates.

Long-haul trucking services to the City of Edmonton operate at a small loss, and was previously bid as a "loss-leader" service to get higher margin waste disposal tonnage. Long-haul trucking services to other customers, such as Vermillion and Parkland, operate at higher margins, though they are less overall transport tonnage.

Local waste collection and transfer services are subsidized by the profit generated by landfill disposal services.

Summarized operating results for the five years 2014 – 2018 follow:

**Table 1.1**

\$ in ,000	2014	2015	2016	2017	2018
Landfill Revenue	24,105	18,148	19,390	16,924	17,195
Hauling Revenue	2,120	1,431	1,539	1,515	1,968
Local Services	495	493	527	507	516
Other	295	376	360	318	443
Total Revenue	27,014	20,449	21,816	19,264	20,122
Landfill Expenses	3,179	3,286	3,393	3,266	3,501
Hauling Expenses	2,241	1,520	1,655	1,576	2,173
Local Services Expenses	1,051	893	832	821	927
G & A, Other	3,448	3,216	3,744	3,937	3,522
Total Expenses	9,920	8,915	9,624	9,600	10,123
Operating Income	17,094	11,534	12,192	9,664	9,999
Depreciation & Amortization	3,460	4,167	4,347	4,670	4,692
Gains/Losses	- 0	139	-176	20	303
Net Income	13,634	7,506	7,669	5,013	5,308

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The Commission has significant capital expenses related to landfill cell construction to maintain built capacity for incoming waste and scheduled equipment replacement, in particular landfill heavy equipment that operates in difficult site conditions.

Capital expenses are funded from operations, and since 2014, the Commission has no debt.

Net capital expenditures for the five years 2014 – 2018 follow:

**Table 1.2**

\$ in ,000	2014	2015	2016	2017	2018
Net-Capital Expenditures	1,712	5,861	6,976	6,547	10,792

The Commission is responsible for closure of the landfill facility upon reaching capacity, and post-closure environmental monitoring and facility maintenance. The present value of the estimated closure and post-closure costs are calculated annually, and funds are transferred to a restricted closure liability reserve account, as required.

The Commission has distributed financial surpluses of its ongoing operational and capital requirements to municipal members since 2014, subject to approval by the Alberta government. The surplus distribution is in accordance with a formula agreed upon by the five members, that is 1/3 based equally distributed, and 2/3's distributed based on recent census population statistics. The surplus distribution is a significant non-tax revenue stream to the municipal members, and its long-term stability and growth is a financial concern for the five municipalities. Income distribution to the five municipalities since 2014 is as follows:

**Table 1.3**

\$ in ,000	2014	2015	2016	2017	2018
Total	1,000	3,300	2,000	2,000	2,000
Tofield	215	710	431	414	414
Viking	138	454	275	279	279
Ryley	101	332	201	198	198
Holden	93	306	185	180	180
Beaver County	454	1,498	908	928	928

Information, Commission audited financial statements, governing legislation and Board policies can be viewed on the Commission website: [www.beavermunicipal.com](http://www.beavermunicipal.com)

The website also contains information regarding current services and facilities.

As described further in this Plan, the competitive and changing nature of the solid waste industry in Alberta poses both threats and opportunities to the Commission. The threats are related to the long-term loss of waste disposal tonnage and related profits, thereby reducing or eliminating the income distribution relied upon by the municipal members. Specifically, the disposal tonnage loss risk is from the Commission's largest customer the City of Edmonton. The City of Edmonton is actively implementing waste diversion policies that will reduce the amount of its generated waste that is disposed of in a landfill. The opportunities are related to the Commission investing in new waste management technologies and facilities that can provide new revenue and profits, and provide long-term stability and growth in income distribution to the member municipalities.

Accordingly, the Board of Directors of the Commission have recommended to the municipal members the adoption of a Strategic Plan Roadmap that includes the creation of a municipal-controlled corporation (MCC), under Alberta governing legislation, which would own the transferred assets of the Commission. The creation of this MCC would provide the business flexibility to invest in new business services and expand existing business services elsewhere in Alberta and beyond, in order to diversify existing revenue streams and protect and enhance the income distribution to members. The Strategic Plan Roadmap is provided in Appendix 2.

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Key financial goals in the Road map included:

1. No single customer providing more than 35% of total revenues by 2022;
2. Regional landfill revenue being no more than 60% of total revenue by 2022;
3. Minimum annual surplus distribution to members of \$2 million (with goal to increase);
4. Continued subsidy of local waste management services.

As described earlier in this report, legal counsel has recommended the formation of a Limited Partnership arrangement among the municipal members which would control the assets of the Commission through a General Partner municipal corporation, owned by the municipal members.

## 2. Major Demographic, Economic, Social and Cultural Factors

Solid waste management, meaning the collection, transport, recycling, processing and disposal of solid wastes, in Alberta is governed by several pieces of legislation. Key legislation regarding municipal waste management is the Alberta Environmental Protection Act and the Municipal Government Act. There are several provincial Acts which also govern the handling, transport, processing and disposal of industrial wastes, most notably for the petroleum and related processing industries. Other important legislation affecting solid waste management in Alberta are the Climate Change and Emissions Management Act and the Carbon Competitiveness Incentive Regulation. These relate to the management of greenhouse gas emissions by all commercial and industrial producers, including gasses produced by the provision of solid waste management services, most particularly landfills. More information regarding the impact of this legislation on BMS will be described further in this Plan.

Unlike some provinces, the Alberta government has not legislated comprehensive controls on municipal waste generation or disposal in the form of landfill bans, or annual landfill tonnage caps. However, similar to other provinces, there are recycling management authorities with provincial mandates to collect fees, and manage recycling systems, for certain waste products including beverage containers, agricultural pesticide containers, automotive tires, household paints and coatings, used oil and oil products (filters and containers) and consumer electronic devices.

Despite the lack of mandated landfill bans, many Alberta municipalities have implemented comprehensive municipal recycling and landfill waste diversion programs including innovative processing facilities. Notable among these facilities are the waste composting facilities and waste-to-energy facilities built by the City of Edmonton.

However, the landfill diversion efforts by Alberta jurisdictions have not yet achieved the results of other provinces. Per capita waste generation from residential and industrial sources per Canadian province, and estimated landfill disposal 2014 weights per capita per Canadian province, are provided in the following table:

**Table 1.4** (Statistics Canada. Table 153-0041 - Disposal of waste, by source, Canada, provinces and territories)

Geography	Sources of waste for disposal	2014 Per Capita Rates, Kilograms
Canada	All sources of waste for disposal	706.4
Canada	Residential sources of waste for disposal (1)	280.5
Canada	Non-residential sources of waste for disposal (2)	425.9
Newfoundland and Labrador	All sources of waste for disposal	785.7
Newfoundland and Labrador	Residential sources of waste for disposal (1)	N/A
Newfoundland and Labrador	Non-residential sources of waste for disposal (2)	N/A
Prince Edward Island	All sources of waste for disposal	N/A
Prince Edward Island	Residential sources of waste for disposal (1)	N/A
Prince Edward Island	Non-residential sources of waste for disposal (2)	N/A
Nova Scotia	All sources of waste for disposal	386.5

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Nova Scotia	Residential sources of waste for disposal (1)	170.7
Nova Scotia	Non-residential sources of waste for disposal (2)	215.9
New Brunswick	All sources of waste for disposal	673.3
New Brunswick	Residential sources of waste for disposal (1)	310.8
New Brunswick	Non-residential sources of waste for disposal (2)	362.5
Quebec	All sources of waste for disposal	696.0
Quebec	Residential sources of waste for disposal (1)	352.9
Quebec	Non-residential sources of waste for disposal (2)	343.1
Ontario	All sources of waste for disposal	670.0
Ontario	Residential sources of waste for disposal (1)	255.2
Ontario	Non-residential sources of waste for disposal (2)	414.8
Manitoba	All sources of waste for disposal	801.4
Manitoba	Residential sources of waste for disposal (1)	335.8
Manitoba	Non-residential sources of waste for disposal (2)	465.6
Saskatchewan	All sources of waste for disposal	839.3
Saskatchewan	Residential sources of waste for disposal (1)	295.8
Saskatchewan	Non-residential sources of waste for disposal (2)	543.6
Alberta	All sources of waste for disposal	997.4
Alberta	Residential sources of waste for disposal (1)	299.5
Alberta	Non-residential sources of waste for disposal (2)	697.8
British Columbia	All sources of waste for disposal	585.7
British Columbia	Residential sources of waste for disposal (1)	202.6
British Columbia	Non-residential sources of waste for disposal (2)	383.1
Yukon, Northwest Territories and Nunavut	All sources of waste for disposal	N/A
Yukon, Northwest Territories and Nunavut	Residential sources of waste for disposal (1)	N/A
Yukon, Northwest Territories and Nunavut	Non-residential sources of waste for disposal (2)	N/A

Note (1) Residential non-hazardous waste disposal includes solid waste produced by all residences and includes waste that is picked up by the municipality (either using its own staff or through contracting firms), and waste from residential sources that is self-hauled to depots, transfer stations and disposal facilities.

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Note (2) Non-residential non-hazardous solid waste are those wastes generated by all sources excluding the residential waste stream. These include: industrial materials, which are generated by manufacturing, and primary and secondary industries, and is managed off-site from the manufacturing operation; commercial materials, which are generated by commercial operations, such as shopping centres, restaurants, or offices; and institutional materials which are generated by institutional facilities, such as schools, hospitals, government facilities, seniors homes, or universities.

These wastes also include construction, renovation and demolition non-hazardous waste, also referred to as DLC (demolition, land clearing and construction waste). These refer to wastes generated by construction, renovation and demolition activities. It generally includes materials, such as, wood, drywall, certain metals, cardboard, doors, windows, or wiring. It excludes materials from land clearing on areas not previously developed as well as materials that include asphalt, concrete, bricks and clean sand or gravel.

Specifically in the Edmonton capital region, the city of Edmonton waste management strategy to achieve 90% landfill diversion of municipal waste by 2012 has not achieved its targets. In 2018, the City changed its measurement of diversion targets to a measurement of single-unit residential. Current landfill diversion for Edmonton single-unit residential in 2018 is estimated at 36%. The City will present its revised long-term landfill diversion targets in the fall of 2019.

There is considerable public pressure across Canada, and especially in the country's large urban areas such as Edmonton, to implement comprehensive solid waste reduction, reuse and recycling programs. The desire among waste generators to be perceived as "green" is palpable, and a considerable market demand for sustainable environmental system solutions has developed. With respect to landfill disposal, some provinces (Nova Scotia) have created legislation mandating achievement of capped landfill disposal weights per capita, i.e. 350 kg. In comparison to the Canadian average landfill per capita disposal weight, there is a significant opportunity for landfill waste diversion, and the development by vendors of systems to supply desired solutions. Current diversion system technologies include processing facilities for the sorting and sale of consumer recyclables (paper fibre, metals and plastics), composting facilities for organic wastes such as yard and garden wastes and food wastes, and pelletizing facilities to convert waste to saleable energy products (solid, liquid and gaseous).

The technologies for current diversion systems are often customized to particular clients' requirements and are generally more expensive to construct and operate than traditional landfill disposal. This is particularly true when management of heavy industrial and natural resource wastes are considered, including management of contaminated soil excavations and spoils. Despite some jurisdictions desire to achieve a state of "zero" waste generation, the practical implementation of such systems is prohibitively expensive. Depending on the generators' willingness to pay and the jurisdictions' motivations to mandate diversion practices, landfills remain an important part of the Canadian, and Albertan, waste management system.

There are high barriers of entry to siting new landfills particularly because of public resistance to perceived pollution risks, and valuation risks to neighbouring lands, resulting in long, and contentious, permitting processes. Long-term costs relating to future landfill closure and post-monitoring regulatory requirements, and the unknown costs of greenhouse gas emission mitigations are also negative factors.

However, large regional landfills built and operated to stringent environmental standards with strong quality control and assurance systems, can provide broad economies of scale and excellent pollutant containment. Accordingly, for the foreseeable future, Canadian solid waste management systems will include both diversion processing systems as well as landfill disposal facilities, and play an important role in maintaining environmental sustainability as well as pollution control and public sanitation for society.

### 3. Major Players

#### 1.Vendors

Exclusive of employee compensation and benefits, major operating expense line items are for equipment fuel and equipment parts and repair supplies. A breakdown of 2018 operating expense percentages follows:

Labour	63.2%
General/Admin	7.6%
Contracted	2.1%
Supplies & R&M	24.3%
Other	2.8%

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A local fuel supplier, Bruce Fuels, is the largest operations vendor. However, there is no long-term contract. Equipment parts and supplies come from a variety of vendors. There can be long-lead times for replacement of specialized equipment parts. Accordingly, a parts inventory is maintained at the mechanical repair shop at the landfill site.

Capital expenses are primarily spent on landfill cell construction and equipment replacement. Building construction and improvements are generally smaller in comparison.

There are no long-term supplier contracts (greater than 1 year). Purchases are made through competitive quotes and tenders (capital expenses).

### 2. Customers (external only)

The largest BMS customer is the City of Edmonton. There are six multi-year contracts in place:

City of Edmonton, municipal solid waste (MSW) disposal, expiry 2027  
City of Edmonton, MSW hauling, expiry 2019 (bid proposal under review)  
Vermilion Waste Commission (County), MSW hauling and disposal, expiry 2032  
Parkland County, MSW hauling and disposal, expiry 2021  
GFL Environmental, MSW hauling and disposal, expiry 2020  
EPCOR Water Services, wastewater residuals (special waste – SW), expiry 2022

With the exception of EPCOR, all these contracts have minimum put-or-pay arrangements regarding annual minimum disposal tonnages or hauled loads. These are common in the waste industry. Rates are subject to annual step-ups or escalation due to inflation. For hauling contracts, there are rate adjustments based on fuel price changes related to a contract year benchmark.

All other disposal or hauling contracts for municipal solid waste (MSW), contaminated soils (CS) or other class 2 wastes termed special wastes (SW) are based on quoted short-term sales contracts of less than one year.

The top 5 external waste customers in 2018 are as follows: (%age of revenue)

City of Edmonton	61%	MSW Disposal & Hauling
GFL Environmental Inc.	10%	MSW Disposal
Civil Joint Venture	4%	CS Disposal
KBL Logistics	3%	SW Disposal
Vermilion River Regional Waste MSC	2%	MSW Disposal & Hauling

### 3. Local

The five municipalities are both customers and stakeholders.

Collection service contracts are in place for the five members. The contract rates were set in 2009. In 2014, the contracts expired, however, the contracts have been rolled over at the 2009 rates annually since. For Beaver County, only the hamlet of Bruce is provided contract collection service. For the remainder of Beaver County, residents can bring their waste to any of the four transfer stations or to the public drop-off area at the landfill, or they can contract directly (direct bill) with BMS to have a monthly collection service (3 cubic yard capacity rural bins) for which they pay directly. An exception to direct bill is made for County residents in a defined area adjacent the Regional Landfill. In 2017, a County by-law was enacted whereby residents desiring the monthly collection service in this area only, would have the prescribed rate paid for by the County. The funds for this came from the Good Neighbour Grant (see following).

Residents of the towns and villages can also access the four transfer stations and the landfill public drop-off. Not all transfer stations provide the same service.

All municipal residents can get term roll-off bin service for construction projects at direct bill as well.

Rates for bin collection service have been the same since 2010.

Local rates are posted on the website.



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Exclusive of the member collection contracts, solid waste management levels of service, including management of change, have not been formally defined between BMS and municipal members. This will be addressed in a Members Service Charter that will become part of the municipal-controlled corporation founding agreements.

The business plan anticipates that member and residential rates will remain unchanged during the planning period for the services currently provided and budgeted improvements. It is expected that the current subsidy of local services will continue based on the business plan's income estimates.

As stakeholders, the five municipalities receive annual surplus distributions. Beaver County and the town of Viking also receive annual grants in lieu of property taxes, where BMS has land and buildings within the municipal member. Beaver County and the village of Ryley also each receive an annual Good Neighbour Grant to compensate for perceived negative impacts on County and village residents living in the vicinity of the Regional Landfill.

The annual distributions and grants to the municipalities are not guaranteed year-to-year, however, they have been consistently paid since program inception in 2013/2014. Annual distributions also require the approval of the Alberta Government. There is current approval in place for the annual payment of a maximum of \$2 million to the municipalities through to 2020.

BMS has formal policies on the calculation of the annual income distribution and grant payments to municipal members.

BMS also has an active community support grant program in place since 2014, and a full-time Program and Communications Supervisor in place since 2016 to manage the grant program, and relations with residents and municipal member Councils. Grants are made on a competitive-application basis to qualifying community associations located within the five member municipalities. The program has been extremely popular, and has served as a strong local promotion of BMS.

In the five years 2014 - 2018, municipal member and community support grants have totaled approximately \$1.3 million.

### Nature of the Industry

The solid waste management industry in Alberta is driven by regulation. Municipalities regulate public sanitation within their jurisdiction which generally include prescriptions regarding the collection and transport to processing and disposal of municipal waste. The Alberta government regulates the waste management practices of the petroleum and other related natural resource industries.

Waste transfer, storage, processing and disposal facilities require a provincial operating permit, and generally require a development permit from the municipal jurisdiction the facility is located in.

As described in Subsection 1.1 Description of the Business, landfill disposal is the largest facility component of waste management in Alberta.

Landfills in Alberta are classed as 1. Hazardous waste; 2. Municipal/oil & gas (oilfield) waste; 3. Construction and Demolition Waste.

Hazardous waste landfills are specialized landfills for handling and disposal of potentially toxic wastes. There are two class 1 landfills – Clean Harbours in Ryley immediately neighbouring the Beaver Regional Landfill; Secure Energy Services south of Drayton Valley.

Municipal waste landfills are landfills regulated by Alberta Environment if primarily meant for municipally-generated wastes, and regulated by the Alberta Energy Regulator if primarily meant for petroleum industry wastes. There are over 60 operating municipal class 2 landfills in Alberta. There are 8 operating oilfield waste class 2 landfills in Alberta.

In addition to the Beaver Regional Landfill, important class 2 landfills in the Edmonton area include:

- Roseridge Regional, Sturgeon County (municipally-owned, privately operated by GFL Environmental)
- Thorhild Landfill, Thorhild County (privately-owned and operated by Waste Management)
- West Dried Meat Lake Regional, Camrose County (municipally-owned and operated)
- Coronation Landfill, Paintearth County (privately-owned and operated by Waste Connections)
- Drayton Valley, Brazeau County (municipally-owned, privately operated by GFL Environmental)



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Construction and demolition landfills are meant for disposal of inert wastes that pose negligible pollution containment risks. Important class 3 landfills in the Edmonton area include:

- Northlands Recycling, Parkland County (privately-owned and operated by Northlands Recycling)
- Leduc Regional, Leduc County (municipally-owned, privately operated by GFL Environmental)

### Trends in the Industry

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Trends in the industry vary depending on the type of waste stream.

#### **Municipal Waste**

Municipal waste generation, including generation from construction and demolition waste, is growing because of population and urban development. However, there is a strong public desire to increase waste recycling efforts, and divert waste from landfills. Landfills are seen as poor land use and are greenhouse gas emitting facilities.

Accordingly, municipalities have developed extensive waste collection and diversion efforts to recycle paper, cardboard, glass, plastic, metal containers and films. Many of the collection and processing systems are operated by private operators under contract to municipalities. The recycled wastes are bundled for resale to manufacturers for use as a substitute for virgin materials that would otherwise be employed. Paper and metal recycling has generally met with success, but plastic recycling has not been as successful.

Increasingly, municipalities have developed two processes for the waste remaining from recycling efforts:

1. Converting the waste to a burnable fuel (either solid or liquid) to generate energy;
2. Separating organic wastes from the remaining waste, and composting the organics for use as an agricultural and horticultural soil amendment.

Technologies used for these efforts vary in complexity and scope and have not always been successful in improving waste diversion. Regardless, these processes produce residual wastes that can not be further processed or otherwise used. These wastes are landfilled.

#### **Construction and Demolition Waste**

In the construction and demolition waste industry, waste recycling is also prominent. Metal recycling and crushing of concrete and masonry for use as aggregate has been done for a number of years. Dimensional lumber and limited amounts of coated wood-based construction products and furniture are segregated from other wastes for use in energy production systems similar to municipal wastes.

Nevertheless, with the increasingly multi-material composition of construction products, landfill disposal is required. Some legacy construction materials containing asbestos must be landfilled because of the human respiratory risks created by exposed asbestos fibres.

Another waste from the construction and demolition industry is contaminated soil, excavated from real estate development sites, i.e. brownfields. Often the soil is impacted with petroleum (see Extraction below).

#### **Extraction Industry Waste**

In the resource extraction industries prevalent in much of western Canada (oil and gas, mining), certain expensive chemical products are collected and recycled. Remaining chemicals are generally classified as hazardous wastes and are transported to either disposal or incineration and specialized waste facilities.

Residual wastes from extraction industries generally comprise of construction and demolition wastes, by-product waste such as sulphur, drill cuttings, wastewater and wastewater sludges and mine tailings and petroleum or chemical-impacted soils.

# BUSINESS PLAN

## Section 1

## Business Overview

Many of these residual wastes are landfilled, often in municipal class landfills. Wastewater from hydraulic fracturing operations in the oil and gas industry continue to be disposed of in deep injection wells, options for reuse and recycling only beginning to be developed to meet the required treatment volumes.

### Government Regulation

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As previously explained, the waste industry is subject to environmental regulations of varying restriction. Environmental storage, processing, containment and disposal facilities such as waste transfer stations, compost facilities, waste-to-energy facilities, landfills and disposal wells are generally heavily regulated among Canadian provinces.

Obtaining construction and operation permits from government authorities for such facilities can take several years of engineering studies and public presentations.

Regulations controlling the generation of waste, especially municipal waste, vary from province to province.

Alberta does not have regulations regarding the sorting of municipal wastes and directing certain wastes such as recyclable and organic wastes to be diverted to processing facilities as opposed to landfill disposal facilities. Rather, these initiatives are left to individual municipalities. Alberta controls the diversion of wastes indirectly through its carbon tax regulation, the Carbon Competitiveness Incentive Regulation. (CCIR) Facilities that generate more than 100,000 tonnes of equivalent carbon dioxide per year, must pay \$30 per tonne for each tonne over the threshold. There are unconfirmed plans to increase the levy to \$40 per tonne in 2021 and \$50 per tonne in 2022. The cost of the levy can be passed on to waste generators. Since landfills are net emitters of carbon dioxide and waste processing facilities generally are not, landfill disposal prices are expected to rise under the scheme, making other processing facilities more price competitive.

In 2018, the Ryley landfill became a regulated facility under the CCIR and was issued a carbon dioxide emission benchmark. Impact of this registration is discussed further in this Plan under Cost Drivers, and in the Confidential Appendix.

Some Alberta municipalities have become recognized leaders in implementing landfill diversion policies, most notably Edmonton, Fort McMurray and Calgary. However, especially in Edmonton's case, diversion efforts have not met publicized targets.

In British Columbia, municipal wastes are governed under regional plans approved by the provincial government. The focus of the plans is to encourage waste diversion from landfill disposal. Municipalities, particularly those whose waste management services are governed by the Greater Vancouver Sewage and Drainage District, more popularly known as Metro Vancouver, have been particularly innovative in developing recycling and composting programs, and implementing landfill disposal bans and annual landfill disposal tonnage caps.

Both provinces want to achieve a per capita landfill disposal rate of 450 kilograms. In 2014, the Alberta landfill disposal rate was 988 kilograms. The same year, the British Columbia disposal rate was 588 kilograms.

## THE MARKET

### Market Segment

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The solid waste market place is divided into two broad categories:

1. Municipal waste from residential and commercial sources
2. Industrial and construction and demolition waste which can be further broken down into hazardous and non-hazardous categories

These segments apply in both provinces highlighted in the previous section – Alberta and British Columbia.

# BUSINESS PLAN

## Section 1

## Business Overview

### Products & Services

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The solid waste market involves the collection, transport, sorting, processing, recycling and disposal of various waste streams.

Collection and transport are an important part of the industry since they capture the waste at the generator source and transport the waste to a facility for further sorting, processing and/or disposal.

Facilities are sited strategically to optimize collection and transport logistics. Generally, landfill disposal facilities are sited within a two hour one-way capture area for trucking from generator to disposal.

### Pricing and Distribution

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Pricing for simple long-haul trucking (point to point) and acceptance for landfill disposal is done on a per load basis (trucking) with fuel escalation price protection, and on a per tonne basis for landfill disposal.

For municipal wastes, guaranteed multi-year price contracts are sought with a minimum annual tonnage/load requirement termed "*put or pay*".

For industrial and construction and demolition wastes, most pricing arrangements are spot contracts based on the length of a particular project, with the most typical rate being per tonne transported and disposed. Where the waste stream is stable, guaranteed price contracts are negotiated.

For transfer and processing facilities, pricing arrangements are customized, especially if management contracts are considered (generally cost-plus).

While not common yet, carbon pricing relating to greenhouse gas emissions, can be considered in the unit pricing, just as fuel escalation clauses are considered in trucking arrangements.

### Market Trends

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Market trends are towards landfill diversion where regulatory requirements (provincial or municipal) mandate source-separation of waste and direct separated wastes to recycling and composting facilities, or to waste-to-energy facilities.

With respect to landfills, pricing can be very competitive where there is ample capacity, as there is for landfill disposal in Alberta. Landfill pricing in Alberta is driven by logistics and proximity to the generator's location. Most generators are extremely price-sensitive, and see waste removal as a commodity service. Generators, however, do want certainty of removal, so insurance that the capacity is available is important (see below).

For large municipal contracts, long-term capacity of the landfill (or other processing site) becomes important. However, again, in the Alberta context, there is considerable capacity available.

In British Columbia, landfill capacity is constrained, primarily by government regulation. Transport of waste outside provincial borders (to the US) is common. The opportunity exists for transport of waste to landfills in Alberta, where transport logistics are competitive. Out-of-province landfills, however, must be approved by regional planning agencies.

### Implications or Risk Factors – Cost Drivers

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Labour cost is 60% of operating costs. Finding skilled labour for equipment operators, mechanics and environmental engineers and technicians, and retaining same, is a constant concern, particularly for sites away from urban centres.

The industry is capital-intensive, with foreign exchange concerns regarding equipment acquisition, and construction inflation concerns regarding built facilities. Cost of fuel for trucking is a concern that must be hedged. Of course, where debt instruments are required, interest rate sensitivity is a concern.

The requirement for stable waste streams secured by contract is critical. Spot contracts represent unreliable waste stream revenue. Accordingly, cost controls on fixed costs are critical. Specifically for BMS, reliance on large customer waste stream (City of Edmonton) increases revenue generation risk.

# BUSINESS PLAN

## Section 1

## Business Overview

Government regulations can pose both opportunities and threats. Waste regulations can require waste generators to use new processing services (recycling and composting, residuals management) which open opportunities for waste management firms. However, government regulations can increase waste industry costs if not appropriately hedged in contracts, since costs cannot necessarily be passed on to customers.

A particular regulatory cost is the cost of compliance with mitigating carbon dioxide gas emissions under the Carbon Competitiveness Incentive Regulation. (CCIR) The Ryley facility became a registered facility in 2018, and paid a compliance fee of approximately \$319,000. The cost of compliance could increase to \$1.5 million in 2023, unless the gas emissions are controlled below the provincially-assigned benchmark. Gas mitigation feasibility studies are underway to quantify the gasses being emitted to validate the compliance fees, and to determine what infrastructure investments may be necessary to bring gas emissions below the assigned benchmark. The results of these studies will not be known until 2020.

Public acceptance of waste facilities, specifically landfills, and compost processing facilities, can also pose risks with relation to perceived land values, traffic flow, aesthetics and nuisance factors such as animals (vectors), roadside waste from transport and odours. (especially with respect to compost facilities).

In summary, business cost drivers include:

- Labour
- Fuel
- Capital equipment and construction
- Government regulation – carbon taxes

### Planned Response

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Wherever possible, guaranteed term price contracts with customers are to be sought in order to cover the high fixed costs of the business. These contracts will also include hedges relating to variances in fuel costs, and the imposition of costs caused by new government regulations.

Careful management of capital projects, and clear guidelines on returns on investment and debt capacity limits are to be followed as well.

Generators require insurance that their waste can be removed without complication. A focus on efficient and effective removal for processing and disposal will maintain customer satisfaction, and can be a deciding factor among competitive price contracts.

With respect to public acceptance, operators must deliver transparent, regular and fact-based communications to neighbouring residents, and actively develop and promote programs that support the local community's needs. In BMS's case, BMS has a full-time Program and Communications Supervisor who manages BMS communications and efforts and Community Support Grant Program.

## THE COMPETITION

### Competitors and type of Competition

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Waste competitors are generally large waste management companies such as Waste Management, Waste Connections of Canada and GFL Environmental. Both Waste Management and Waste Connections Canada own and operate two regional landfills (Thorhild and Coronation) that compete for waste with the Ryley landfill. GFL is a customer of the Ryley landfill, and does not own or operate a significant regional landfill.

Competition also exists from companies offering diversion or treatment of industrial wastes, specifically contaminated soil remediation for reuse. (Norstar Industries or Nelson Environmental Remediation).

These companies have been active in the market for many years including collection, transport and transfer, processing and landfill disposal.

# BUSINESS PLAN

## Section 1

## Business Overview

Small municipal landfills are generally not strong competition because of capacity constraints and lack of management depth and capital financing ability. They can, however, be price-competitive for certain waste disposal projects that do not require complicated disposal logistics or infrastructure capacity. The Camrose County owned and operated landfill at West Dried Meat Lake has been successful at obtaining contaminated soil and construction and demolition waste from the Edmonton area and securing multi-year arrangements with central Alberta municipalities.

With regard to long-haul trucking, established trucking firms can be formidable competition, however, they could also be contract partners.

### Competitors' Strengths and Weaknesses

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Large waste management companies can leverage experience and capital financing ability, and accordingly offer customers pricing benefits based on their economies of scale. However, because they are remotely-owned, they may not be as responsive to local marketplace concerns, and customer service (guarantee of efficient and effective waste removal) can suffer. They also carry large fixed costs because of their investment in disposal capacity.

Remediation companies can offer unique technologies to clients with complicated remediation needs. However, for large projects with lightly contaminated soils, or with large concentrations of some pollutants like chloride (salt) that their technologies cannot easily remediate, capacity constraints may be an issue. In this case, "dig and dump" to a landfill may be the only practical and economic solution.

With respect to landfills specifically, landfill location and the size and experience of the operations crew can be critical to making the landfill efficient, and hence, price competitive.

Appendix 3 provides key comparative financial statistics of BMS in comparison to Waste Management and Waste Connections of Canada.

### Competitive Advantage

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BMS has a strong competitive advantage regarding its regional landfill operation in Ryley. BMS has secure contracts for relatively-large tonnages that provide experience for crews in handling large tonnages, and provides its customers with quick load tipping turn-around times. It has managed its cash flow with no debt so that its capital financing is strong. It has substantial capacity available for many years (75 years plus) at current waste tonnages. Finally, it has built up corporate management experience in landfill operations, including a customized health and safety program, allowing it to leverage its expertise into managing facilities at other locations, with for its own account, or on a management contract basis.

A long-term competitive advantage is that smaller competing landfills, generally municipally-owned, will be near their landfill capacity in the next ten years, and begin to save capacity for their local waste generating ratepayers. Accordingly, only Ryley and the Thorhild facilities will remain with capacity to accommodate the capital region, and hence allow prices to increase and reflect a more normal national landfill disposal price average.

# BUSINESS PLAN

## Section 2

## Sales and Marketing Plan

### Focus

1. Near-term (3 years):
  - a. Renew existing and secure additional multi-year contracts from waste generators in Edmonton area for disposal at Ryley landfill;
    - i. maintain and increase municipal waste tonnage from current generators,
    - ii. significantly increase tonnage from construction and demolition contractors,
    - iii. increase tonnage from private waste cartage companies serving industrial, commercial and industrial waste generators, including development of partnership ventures;
  - b. Bundle long-haul transport of waste using 53 foot walking floor trailers from waste generator locations and transfer sites in Edmonton area to Ryley landfill ;
2. Longer-term:
  - a. Develop partnerships to implement a regional composting facility at the Ryley landfill, initially for composting leaf and yard waste;
  - b. Develop a landfill gas collection system at the Ryley landfill that has the potential to sell the renewable natural gas;
  - c. Transport waste from lower mainland BC and Calgary area for disposal at the Ryley landfill;
  - d. Develop partnerships or bid contracts to use landfill management expertise to manage other landfill and transfer sites on a percentage of revenue basis.

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### Advertising & Promotion

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Advertising and promotion is done through both industry trade shows, where BMS is a prominent sponsor, and business to business, done through personal contacts. Sales and marketing efforts are led by the Business Development Manager, working closely with the General Manager. As sales contracts grow in number, there will be an opportunity to have an assistant work under the direction of the Business Development Manager to increase our sales and marketing scope. Additional sales resources will be hired as volume warrants. As growth dictates, some marketing efforts can also be outsourced to a professional marketing firm in concert with internal resources.

# BUSINESS PLAN

## Section 2

## Sales and Marketing Plan

### Pricing & Distribution

See Confidential Appendix

### Customer Service Policy

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Sales contracts – whether term or spot permits – are enforceable written contracts, with payment terms 30 day standard.

Custody of the wastes become BMS's upon receipt for transport, processing and/or disposal subject to the waste complying to agreed characterization. Wastes have to be characterized according to chemical analysis by a certified laboratory. Wastes not in compliance are rejected, with the costs of removal and remediation to the account of the generator customer.

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### ADDITIONAL INFORMATION

The Confidential Appendix provides information on existing customer terms and conditions, and specifics of market prospects, opportunities and risks.

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# BUSINESS PLAN

## Section 3

## Operating Plan

### Location

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The Beaver Regional landfill facility is located near Ryley AB (Appendix 1). The facility comprises of 3 quarter sections of land permitted for waste processing and landfill disposal with an adjacent 4 quarter sections that could be permitted. The facility includes administrative and maintenance buildings for managers, labour, equipment and materials.

### Size and Capacity

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Details on landfill capacity, available equipment and key statistics are in Appendix 3.

### Advantages or Disadvantages

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The advantage of the landfill is its excellent geological underlayment providing a near-impermeable natural clay lining. The facility is less than three kilometres to a major provincial highway (Highway 14) and the main Vancouver to Toronto rail line owned and operated by CN Rail. The facility is located 1 hour away from central Edmonton, a metropolitan area of 1.1 million people. There is land available for expansion of the landfill, including additional support facilities, or waste diversion facilities. (composting, recycling)

The facility is within 3 kilometres of the village of Ryley, population 490. However, BMS heavily promotes itself in the region providing grants to local groups in addition to corporate payments to the village municipality. A number of operating staff are residents of the village and neighbouring area.

### Lease or Ownership Details

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The facility is owned by BMS.

### Equipment, Furniture & Fixtures

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See Appendix 3.

### Future Expenditures / Technology Requirements

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The 2019 – 2023 5 year operating and capital plan for BMS is provided in Appendix 4, both on a cashflow and a net income basis. This includes anticipated revenues and expenses and capital construction and equipment expenses, as well as forecast income distributions.

Prospective projects and their impact on BMS are discussed in the confidential appendix.

### Research and Development

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With regard to the landfill facility, greenhouse gas mitigation projects including landfill gas capture and waste to energy are in the development stage. Costing is unavailable at this time. Some of these projects may be subject to government grants and subsidies.

BMS maintains a fully-funded future closure fund. Research into innovative closure caps, including landfill gas management and possible installation of solar energy system on the cap expanse are development projects that could be funded internally from the closure fund, and with government grant/subsidy assistance.



# BUSINESS PLAN

## Section 3

## Operating Plan

### Environmental Compliance

The landfill facility is fully permitted under the Alberta Environmental Protection Act. The permit is undergoing a customary 10 year renewal. The current expiry is September 1, 2020. Renewal is expected.

### Additional Information – Local Services

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BMS operates the local collection and transfer station system for the five municipal owners in Beaver County. The operating and capital costs of this service are subsidized by the income received from services provided to external customers. The level of subsidy to the municipalities and their residents is not expected to change, however, this is highly related to ongoing external revenue generation. Local municipal services cannot be changed without unanimous approval of the municipalities, and rates for each municipality must be equivalent to the service provided, and be approved by each affected municipality.

In its 2019 – 2023 five year operating plan, rates to local residents and to the member municipalities, will be frozen at the same levels established in 2009. Service levels will be maintained, and where feasible, expanded, including new services such as agricultural plastics collection for recycling.

Appendix 4 provides the five year plan for maintenance and expansion of local waste services.

# BUSINESS PLAN

## Section 4

## Human Resources Plan

### Key Employees

NAME OR TITLE (N° OF POSITIONS)	KEY RESPONSIBILITIES	QUALIFICATIONS
1 Pierre Breau, General Manager	Chief Executive	Professional Engineer, 35 years experience in municipal public works and waste management. ICD.D Accredited Director, Institute of Corporate Directors
2 Juvy Ceniza, Chief Financial Officer	Accounting and Finance	CPA, 20+ years financial management experience
3 Mark Lowe, Operations Manager	Waste Operations	20+ years waste operations experience
4 Jeanie DeGrande, Human Resources and Payroll Manager	Human Resources	Certified Human Resources Professional, 20+ years human resources experience
5 Greg Olson – Business Development Manager	Business Development	10+ years industrial experience, primarily in sales

## POLICIES AND PROCEDURES

### Hours of Operations

Landfill operations are 4:00am – 5:00pm, 6 days a week, closed Sundays, Christmas Day and New Years. Special open hours available for projects. County development permit regulates open hours.

### Number of Employees

Average head count is 65. Employees are non-unionized. Appendix 5 provides the current Organizational Chart.

### Vacation

See Remuneration and Benefits following.

### Performance Assessment

BMS has an extensive performance assessment system including an Annual Incentive Program bonus system. Human Resource policies are listed in Corporate Policies Appendix 7.

### Training & Development

BMS has an extensive training and development program including a comprehensive Health Safety and Environment workflow system, Intalex, that manages all safety and environmental incident investigations and facility audits and employee training. BMS has a Certificate of Recognition from the Alberta Construction Safety Association.

### Remuneration and Benefits

See Appendices 6 and 7.

BMS is a recognized 2018 Alberta Top 70 Employer and 2019 Alberta Top 75 Employer. (MediaCorp)

# BUSINESS PLAN

## Section 5

## Action Plan

### Action Plan

ACTION	BY WHEN
1 Renew expiring MSW contracts	Through to 2023
2 Develop construction and demolition waste disposal and transport revenue to \$4.5 million/yr	2023
3 Increase Special Waste disposal tonnage revenue to \$3 million/yr	2023
4 Develop additional long-term waste disposal and hauling contracts in Alberta to regional landfill with put or pay waste tonnage provisions	2019 - 2023
5 Maintain current level of local waste service subsidy to municipalities	Through to 2023
6 Scan for customer opportunities in waste diversion projects as well as out-of-province waste disposal that match our management experience and capital funding capacity	Through to 2023
7 Pursue revenue diversification so that no one customer represents more than 35% of total revenue and no more than 80% of total revenue is derived from regional landfill disposal	2023
8 Maintain minimum \$2 million per year surplus (income) distribution with increase to \$3 million in 2021 and \$3.5 million in 2022	Through to 2023

### ADDITIONAL INFORMATION

1. Refer to 5 year financial plan Appendix 4;
2. Refer to additional details – Confidential Appendix





**LEGEND**

New Photo Area ■ ■ ■

BMS PROPERTY ■ ■ ■

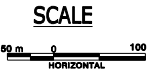
**NOTE**

1. Properties shown within Twp 50-Rge 17-W4

2. New Imagery area from JUNE 30, 2017. Aerial flight by Amec Foster Wheeler

3. Other background Imagery from HEXAGON Valtus (June - Sept 2015)

4. B.R.W.M.C. Indicates Beaver Regional Waste Management Commission



SURVEYED	BY		DATE		
	Amec Foster Wheeler Environment & Infrastructure		June 30, 2017		
0	ISSUED FOR INFORMATION		JULY 13, 2017	O.S.	B.C. I.M.
NO.	REVISION		DATE	BY	CK'D APP'D

**FOR INFORMATION ONLY**

July 13, 2017

<b>SCALE</b> Scale Bar	<b>CLIENT NAME</b> <i>BEAVER MUNICIPAL SOLUTIONS</i>		
	<b>PROJECT NAME</b> RYLEY LANDFILL, 2017 AERIAL IMAGERY		
	<b>DRAWING TITLE</b> REGIONAL LANDFILL BOUNDARY - IMAGERY UPDATE NW, NE, & SE of 10 and NW, NE, SE & SW of 11 - 50-17-W4Mer		
	<b>PROJECT NUMBER</b> ET15-0001	<b>DWG. NO.</b> 2017AerialPlan	<b>REV</b> <span style="border: 1px solid black; padding: 0 2px;">0</span>
	<b>amec foster wheeler</b>  Environment & Infrastructure		





# Beaver Municipal Solutions

## Strategic Roadmap and Action Plan

27 June 2016

## PURPOSE OF A STRATEGIC ROADMAP



A strategic roadmap is a visual tool that provides clear direction and defines what an organization hopes to achieve (goals), the specific results that support achieving its goals (objectives) and the areas that require focus (strategies)

*“Without strategy, execution is aimless...  
... Without execution, strategy is useless”*

# STRATEGIC ROADMAP



## Beaver Municipal Solutions – Strategic Roadmap

### VISION

*Our desired future state*

*To ensure the safe handling, treatment and disposal of waste and to enhance the quality of life for the people of Beaver County*

### MISSION

*Our reason for being*

- ✓ To ensure the environmentally safe handling, treatment and disposal of waste
- ✓ To promote the advancement of technologies and the establishment of related industries for waste reclamation
- ✓ To use the resources generated from Beaver Municipal Solutions' operations to provide economic benefits to the people of the member municipalities of the Commission

### VALUE PROPOSITION

*Benefits to stakeholders*

#### For OUR CITIZENS

*We will*

- ✓ Provide economic benefits to the county residents
- ✓ Provide employment opportunities in the region
- ✓ Be recognized as a pride in the local community
- ✓ Be recognized for our community involvement

#### For OUR CUSTOMERS

*We will*

- ✓ Be recognized as the "best in the industry"
- ✓ Move from 'waste management' to 'municipal solutions'
- ✓ Become the preferred service provider of choice
- ✓ Be seen as a leaders and experts in the sector

#### For OUR EMPLOYEES

*We will*

- ✓ Be recognized as one of the top employers in Canada
- ✓ Be recognized as one of the best managed companies in the province
- ✓ Be recognized as the center of excellence for waste management services
- ✓ Leverage engineering accreditations

### CURRENT VALUES

*Guidelines for our decision-making*

**Customer service** - Deliver services in a timely, responsive and proactive manner meeting their needs and aiming to delight

**Environmentally responsible** – Continue to reduce our environmental footprint and to provide a safe disposal of wastes

**Integrity** - Act with honesty and honour without compromising the truth

**Support local community** - Contribute to society and demonstrate corporate social responsibility

**Accountability** - Acknowledge and assume responsibility for actions, services, decisions, and policies

**Safety focussed** - Ensure the health and safety of staff and going beyond the legal requirements to an accident-free workplace

**Transparency** - Provide a framework that promotes trust and confidence among staff, clients and other stakeholder

**Promote learning** - Value learning, feedback, coaching and mentoring

### GOALS AND OUTCOMES

*What we hope to achieve*

Establish a minimum of \$2 million dividend to shareholders annually

Reduce reliance on a single customer to no more than 35% of gross revenues by 2022

Increase service diversity so less than 60% of gross revenues come from Beaver county regional landfill services by 2022

Provide transparent and open communication

Exceed environmental standards and regulations

Maintain cost-recovery disposal rates for members

Maintain and exceed operational safety standards

Continue to support and provide local grants

Be one of the top 50 best managed companies in Alberta

**Becoming leaders in industry**  
– Be waste management service providers of choice

**Focus on business development**  
– Develop sales-focused role  
– Implement an active marketing strategy

**Rebranding**  
– Expand the company name so the span implies the entire province not only Beaver County

**Governance and accountability**  
– Be responsible and sustainable  
– Be future focused

**Community focus**  
– Focus on corporate social responsibility  
– Provide community grants and sponsorships

**Effectiveness and efficiency**  
– Invest in new technologies  
– Seek innovative solutions

**Tax planning**  
– Explore opportunities to minimize taxes if the company moves from a commission to corporation

**Adding business expertise**  
– Bring in business experts on the Board

**Logistics provider**  
– Deliver brokered services for hauling or transportation of wastes

**Employer of choice**  
– Instill a culture of excellence  
– Set and exceed industry standards

### STRATEGIES

*Areas of focus to realize any opportunities*

# STRATEGIC ROADMAP



## VISION & MISSION:

An organization's vision and mission describes its fundamental purpose and its long term desired future

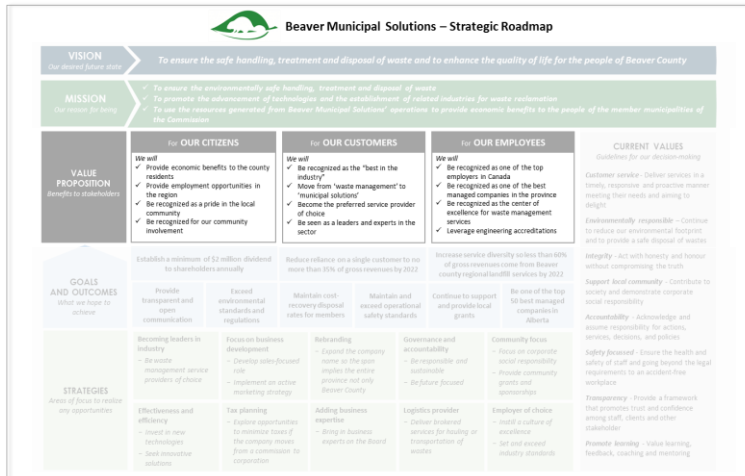
It answers the questions:

- *What do we ultimately hope to achieve if we are successful?*
- *Where do we see ourselves in the future?*
- *What is our reason for being?*





# STRATEGIC ROADMAP



## VALUE PROPOSITION:

A value proposition statement communicates the benefits a client or stakeholder will get from using our services

It answers the questions:

- *What we want our clients or stakeholders to say about us?*
- *How are we different from our competitors?*

### VALUE PROPOSITION *Benefits to stakeholders*

#### For OUR CITIZENS

- We will**
- ✓ Provide economic benefits to the county residents
  - ✓ Provide employment opportunities in the region
  - ✓ Be recognized as a pride in the local community
  - ✓ Be recognized for our community involvement

#### For OUR CUSTOMERS

- We will**
- ✓ Be recognized as the "best in the industry"
  - ✓ Move from 'waste management' to 'municipal solutions'
  - ✓ Become the preferred service provider of choice
  - ✓ Be seen as a leaders and experts in the sector

#### For OUR EMPLOYEES

- We will**
- ✓ Be recognized as one of the top employers in Canada
  - ✓ Be recognized as one of the best managed companies in the province
  - ✓ Be recognized as the center of excellence for waste management services
  - ✓ Leverage engineering accreditations

# STRATEGIC ROADMAP



## GOALS AND OUTCOMES:

Goals and outcomes represent what the organization wants to achieve as it works towards realizing its mission and vision.

It answers the questions:

- *What do we hope to achieve in support of realizing our vision?*
- *What does it mean to fulfill our mandate over the next five years?*

### GOALS AND OUTCOMES What we hope to achieve

**Establish a minimum of \$2 million dividend to shareholders annually**

**Provide transparent and open communication**

**Exceed environmental standards and regulations**

**Reduce reliance on a single customer to no more than 35% of gross revenues by 2022**

**Maintain cost-recovery disposal rates for members**

**Maintain and exceed operational safety standards**

**Increase service diversity so less than 60% of gross revenues come from Beaver county regional landfill services by 2022**

**Continue to support and provide local grants**

**Be one of the top 50 best managed companies in Alberta**

# STRATEGIC ROADMAP



## STRATEGIES:

Strategies are specific areas of focus that the organization must engage in to realize its objectives.

It answers the questions:

- *How are we going to get to where we are going?*
- *What are the strategies that should be developed to realize any current or future opportunities/risks?*

### STRATEGIES

Areas of focus to realize any opportunities

#### Becoming leaders in industry

– Be waste management service providers of choice

#### Effectiveness and efficiency

– Invest in new technologies  
– Seek innovative solutions

#### Focus on business development

– Develop sales-focused role  
– Implement an active marketing strategy

#### Tax planning

– Explore opportunities to minimize taxes if the company moves from a commission to corporation

#### Rebranding

– Expand the company name so the span implies the entire province not only Beaver County

#### Adding business expertise

– Bring in business experts on the Board

#### Governance and accountability

– Be responsible and sustainable  
– Be future focused

#### Logistics provider

– Deliver brokered services for hauling or transportation of wastes

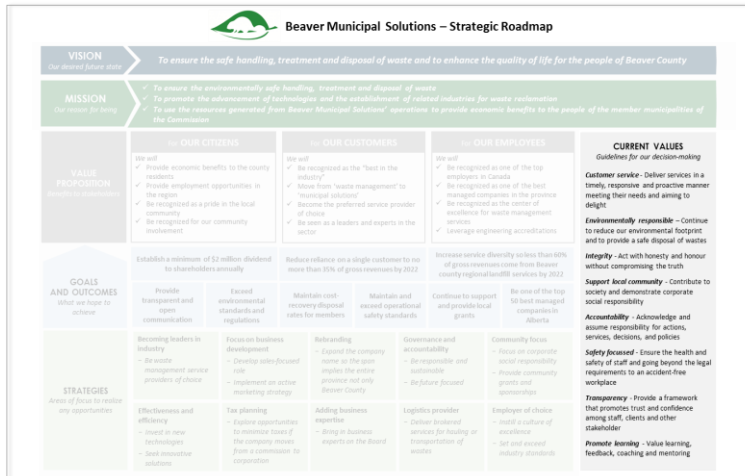
#### Community focus

– Focus on corporate social responsibility  
– Provide community grants and sponsorships

#### Employer of choice

– Instill a culture of excellence  
– Set and exceed industry standards

# STRATEGIC ROADMAP



## CURRENT VALUES:

Current values outlines the key beliefs or principles that guide our actions

It answers the questions:

- What are the suitable guidelines for our decision-making and interactions with each other, clients and stakeholders?
- What are the established norms, rules, or ethics for our organization?

## CURRENT VALUES

Guidelines for our decision-making

**Customer service** - Deliver services in a timely, responsive and proactive manner meeting their needs and aiming to delight

**Environmentally responsible** – Continue to reduce our environmental footprint and to provide a safe disposal of wastes

**Integrity** - Act with honesty and honour without compromising the truth

**Support local community** - Contribute to society and demonstrate corporate social responsibility

**Accountability** - Acknowledge and assume responsibility for actions, services, decisions, and policies

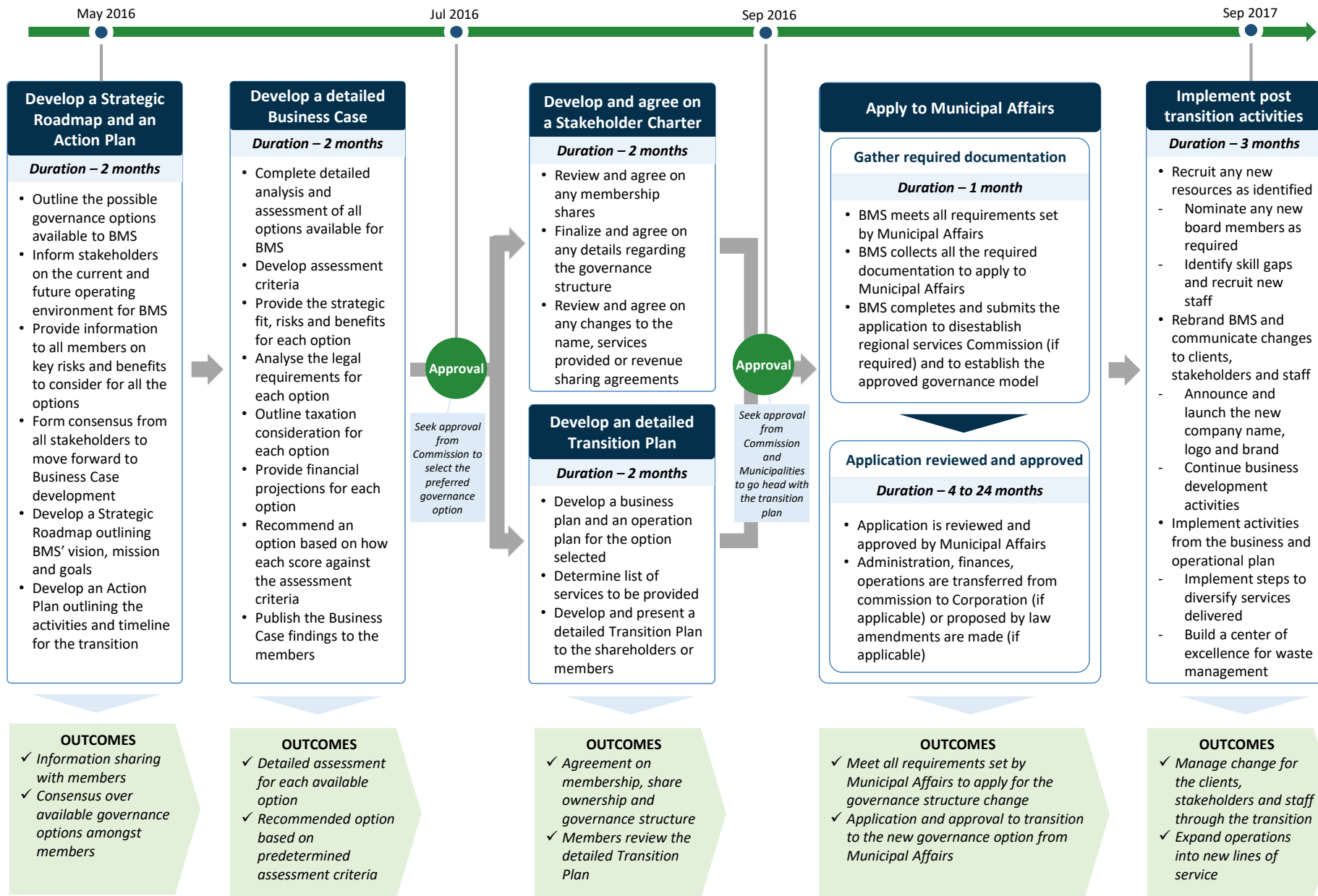
**Safety focussed** - Ensure the health and safety of staff and going beyond the legal requirements to an accident-free workplace

**Transparency** - Provide a framework that promotes trust and confidence among staff, clients and other stakeholder

**Promote learning** - Value learning, feedback, coaching and mentoring



# Beaver Municipal Solutions – Action Plan



## QUESTIONS AND DISCUSSION







## APPENDIX 3 – LANDFILL CAPACITY, AVAILABLE EQUIPMENT, KEY STATISTICS & COMPARATORS

### Landfill Capacity

Airspace of NE 10 Phase 1 to 8 <sup>7</sup>		17,429,000	cubic metres
Air Space used at end 2017 <sup>8</sup>		7,508,015	cubic metres
% Air space utilized to end 2017		0.43	per cent
Remaining airspace		9,920,985	cubic metres
Average annual airspace utilization		606,000	cubic metres
No. of years to consume all airspace		16.4	years
Year capacity reached		2032	year
Current year		2016	year
Airspace of SE 10		19,500,000	cubic metres est.
Year capacity reached (@ current avg. annual)		2065	

### Available Equipment (landfill)

LANDFILL EQUIPMENT 2018						
Asset ID	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs
100	525 ALJON COMPACTOR 2013	COMPACTOR	active	9,756	11,569	1,813
101	2006 627G CAT Scraper	SCRAPER	spare	10,461	11,001	540
102	2006 - CAT 143 H	GRADER	active		0	
103	1989 CAT 953 Crawler Loader	LOADER	spare		0	
104	Tana Compactor	COMPACTOR	active	1,676	3,239	1,563
105	2010 973D Track Loader	LOADER	spare		0	
106	2007 972 Bomag Compactor	COMPACTOR	dispose		0	
107	NEW D7E CAT CRAWLER 2013	DOZER	active	11,743	13,647	1,904
108	973D TRACK LOADER	LOADER	active	5,949	7,016	1,067



109	E520 TANA Compactor	COMPACTOR	active	7,098	8,686	1,588
110	627K Scraper T4F	SCRAPER	active	1,687	2,610	923
111	973D Cat Track loader	LOADER	active	4,166	6,049	1,883
112	2017 Lovol Dozer	DOZER	new	0	1,500	1,500
113	Track Loader	LOADER	new	0	500	500
114	Grader	GRADER	new	0	500	500
115	Dozer	DOZER	new	0	250	250

## Comparator Statistics

Parametre	WM (USD)	WCN (USD)	BMS (CAD)		WM	Waste Management
ROE Current	35.40%	11.50%	11.34%		WCN	Waste Connections of Canada
ROE 5 yr	18.80%	6.50%	34.53%		BMS	Beaver Municipal Solutions
ROE Sector median	11.40%	11.40%				
ROA Current	9.60%	5.90%	9.78%			
ROA 5 yr	5.00%	2.90%	25.39%			
ROA Sector	4.70%	4.70%				
Rev/Emp current \$K	\$ 344.10	\$ 306.20	\$ 332.33			
Rev/Emp 5 yr \$K	\$ 334.20	\$ 284.70	\$ 359.24			
Rev/Emp Sector \$K	\$ 508.10	\$ 508.10				
Assets/Equity current	3.6	1.9	1.2			
Assets/Equity 5 yr	3.8	2.3	1.2			
Assets/Equity Sector	1.8	1.8				
LT Debt/Equity current	1.5	0.6	0.0			
LT Debt/Equity 5 yr	1.6	0.8	0.0			
LT Debt/Equity Sector	0.2	0.2				
5 yr Rev growth	1.20%	22.80%	10.19%			
5 yr op income growth	5.50%	20.10%	15.24%			
5 yr earnings growth	20.20%	20.10%	8.35%			
5 yr dividends growth	3.70%	-	20.00%	WCN first paid dividends in 2016		
2017 dividends \$M	\$ 737	\$ 132	2			
Revenue 2017 \$M	\$ 14,485	\$ 4,630	19.264			
Market cap \$M 2018.05.14	\$ 35,637	\$ 25,388	-	BMS has no shares		
Operating Margin 2017	18.09%	16.93%	50.17%			
Operating Margin 5 Yr Average	16.61%	18.09%	53.74%			
Net Margin 2017	13.46%	12.46%	26.02%	BMS pays no income tax		
Net Margin 5 Yr Average	7.65%	8.19%	35.21%			
Free Cashflow % of Revenue 2017	11.54%	15.29%	16.18%	BMS pays no income tax		
Free Cashflow % of Revenue 5Yr Average	10.03%	14.68%	27.65%			
Dividend Payout Ratio 2017	37.80%	22.83%	39.90%			
Dividend Payout Ratio 5 Yr Average	66.51%	-	29.02%	WCN first paid dividends in 2016		
	source: Morningstar	source: Morningstar				
<b>WM</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
Revenue \$M	\$ 13,983	\$ 13,996	\$ 12,961	\$ 13,609	\$ 14,485	
Operating Income \$M	\$ 2,070	\$ 2,221	\$ 2,142	\$ 2,412	\$ 2,620	
Net Income \$M	\$ 98	\$ 1,298	\$ 753	\$ 1,182	\$ 1,949	
Free Cash Flow \$M	\$ 1,184	\$ 1,180	\$ 1,265	\$ 1,621	\$ 1,671	
Dividends/Share	\$ 1.46	\$ 1.50	\$ 1.54	\$ 1.64	\$ 1.70	
Outstanding Shares K	464,321	458,537	447,177	439,316	433,319	
Dividends \$K	677,909	687,806	688,653	720,478	736,642	
<b>WCN</b>						
Revenue \$M	\$ 1,929	\$ 2,079	\$ 2,117	\$ 3,376	\$ 4,630	
Operating Income \$M	\$ 407	\$ 453	\$ 433	\$ 480	\$ 784	
Net Income \$M	\$ 196	\$ 233	-\$ 96	\$ 247	\$ 577	
Free Cash Flow \$M	\$ 274	\$ 304	\$ 338	\$ 451	\$ 708	
Dividends/Share				\$ 0.19	\$ 0.50	
Outstanding Shares K				262,803	263,495	
Dividends \$K	-	-	-	49,933	131,748	

Five Year Business Plan Scenario  
Summary

Five year plan 2019 - 2023 - cash basis

Year	Budget 2019	Revised 2020	Revised 2021	Revised 2022	Estimate 2023	Total
Revenues						
Disposal Contract 1 (before fuel) - CoE	\$ 11,713,200	\$ 10,303,210	\$ 8,854,584	\$ 7,366,557	\$ 7,464,215	
Disposal Revenue 3 - C&D	\$ 1,253,232	\$ 3,892,918	\$ 3,928,000	\$ 4,215,622	\$ 4,518,050	
Disposal Contract 2 - other MSW	\$ 2,211,520	\$ 2,211,520	\$ 2,211,520	\$ 3,158,020	\$ 3,158,020	
Disposal Revenue - CS	\$ 1,585,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	
Disposal Revenue 2 - SW	\$ 2,331,000	\$ 2,331,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	
Wastewater	\$ -	\$ -	\$ -	\$ -	\$ -	
Others	\$ 2,971,568	\$ 2,972,000	\$ 2,972,000	\$ 2,972,000	\$ 2,972,000	
New	\$ 374,480	\$ 1,500,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	
Total Revenue	\$ 22,440,000	\$ 24,710,648	\$ 24,716,104	\$ 24,962,199	\$ 25,362,286	\$ 122,191,236
Expenses	\$ 11,240,000	\$ 12,320,967	\$ 12,326,298	\$ 12,386,415	\$ 12,435,547	\$ 60,709,226
Operating income (cash generated)	\$ 11,200,000	\$ 12,389,681	\$ 12,389,806	\$ 12,575,784	\$ 12,926,738	\$ 61,482,010
% to revenue	50%	50%	50%	50%	51%	50%
Investing Activities						
Capital Projects, net of disposals	\$ 13,284,014	\$ 6,695,000	\$ 3,914,000	\$ 3,605,000	\$ 2,575,000	\$ 30,073,014
Marketable Securities, Post Closure funding	\$ 886,000	\$ 899,270	\$ 921,580	\$ 990,888	\$ 998,397	
Fund balance	\$ 6,499,617	\$ 7,398,887	\$ 8,320,468	\$ 9,311,355	\$ 10,309,752	
Marketable Securities, Working Capital deposit (withdrawal)	\$ (5,000,000)	\$ 5,000,000	\$ 4,500,000	\$ 5,500,000	\$ 5,500,000	
Fund balance	\$ 5,756,841	\$ 10,756,841	\$ 15,256,841	\$ 20,756,841	\$ 26,256,841	
Marketable Securities, Equipment Resen	\$ 5,000,000	\$ 2,914,000	\$ 2,605,000	\$ 1,575,000	\$ 2,000,000	
Financing Activities						
Bank Loan payments	\$ -	\$ -	\$ -	\$ -	\$ -	
Member distribution	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 14,000,000
						23%
Cash balance, end of period	\$ 1,612,491	\$ 1,493,902	\$ 1,857,128	\$ 1,867,024	\$ 1,795,366	

Five year plan 2019 - 2023 - Net Income

Year	Budget 2019	Revised 2020	Revised 2021	Revised 2022	Estimate 2023	Total
Revenues						
Disposal Contract 1 (before fuel) - CoE	\$ 11,713,200	\$ 10,303,210	\$ 8,854,584	\$ 7,366,557	\$ 7,464,215	\$ 103,994,237
Disposal Revenue 3 - C&D	\$ 1,253,232	\$ 3,892,918	\$ 3,928,000	\$ 4,215,622	\$ 4,518,050	\$ 17,807,822
Disposal Contract 2 - other MSW	\$ 2,211,520	\$ 2,211,520	\$ 2,211,520	\$ 3,158,020	\$ 3,158,020	\$ 26,227,018
Disposal Revenue - CS	\$ 1,585,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 29,738,939
Disposal Revenue 2 - SW	\$ 2,331,000	\$ 2,331,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 20,037,281
Wastewater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,661
Others	\$ 2,971,568	\$ 2,972,000	\$ 2,972,000	\$ 2,972,000	\$ 2,972,000	\$ 23,940,288
New	\$ 374,480	\$ 1,500,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 8,648,980
<b>Total Revenue</b>	<b>\$ 22,440,000</b>	<b>\$ 24,710,648</b>	<b>\$ 24,716,104</b>	<b>\$ 24,962,199</b>	<b>\$ 25,362,286</b>	<b>\$ 122,191,236</b>
Expenses	\$ 11,240,000	\$ 12,320,967	\$ 12,326,298	\$ 12,386,415	\$ 12,435,547	\$ 108,908,519
<b>Operating Income</b>	<b>\$ 11,200,000</b>	<b>\$ 12,389,681</b>	<b>\$ 12,389,806</b>	<b>\$ 12,575,784</b>	<b>\$ 12,926,738</b>	<b>\$ 61,482,010</b>
% to revenue	50%	50%	50%	50%	51%	50%
Interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation - sustaining projects	\$ 2,090,271	\$ 2,343,608	\$ 2,405,833	\$ 2,109,468	\$ 2,362,791	\$ 11,311,971
Amortization (airspace) & closure	\$ 2,590,804	\$ 2,689,080	\$ 2,755,793	\$ 2,963,043	\$ 2,985,496	\$ 13,984,216
Depreciation - business growth projects	\$ 349,725	\$ 841,223	\$ 840,800	\$ 863,105	\$ 885,671	\$ 3,780,524
<b>Net Income</b>	<b>\$ 5,030,800</b>	<b>\$ 5,873,911</b>	<b>\$ 6,002,426</b>	<b>\$ 5,935,616</b>	<b>\$ 6,233,958</b>	<b>\$ 29,076,711</b>
% to revenue	22.42%	23.77%	24.29%	23.78%	24.58%	23.80%

SCHEDULE B - 3 (6.1 RFD 2018.11.22) 2019 - 2023 5 Year Capital Program

				2019 Estimate									Prior 5 Year	Total Revised		
Category	Capital Project Type	2018 Allocation	2018 YE	Prior 5 Year	2019 Project	2020	2020R	2021	2021R	2022	2022R	2023	Plan Total +	2018 - 2023	Variance	Comment
Land			Forecast	Plan	Budget								2023			
				\$ 300,000	\$ 300,000								\$ 300,000	\$ 300,000	\$ -	
	Landfill Bldg Relocation	\$ 1,274,000	\$ 1,036,401													
	New Admin Building	\$ 100,000	\$ -	\$ 1,000,000	\$ 1,600,000											
Buildings	Transfer Sites Program	\$ 100,000	\$ 81,015	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 2,974,000	\$ 3,217,416	-\$ 243,416	Increase in Admin Building
					\$ 323,500											
	Major Pieces	\$ 2,150,951	\$ 1,857,570	\$ 1,200,000	\$ 400,000	\$ 1,143,000	\$ 1,000,000	\$ 1,782,400	\$ 1,700,000	\$ 1,000,000	\$ 2,800,000	\$ 1,400,000	\$ 8,676,351	\$ 11,929,104	-\$ 3,252,753	Increase in Compactors, Dozers - See Schedule B-4
	Highway Tractor Replacement	\$ 178,000	\$ 189,657	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,178,000	\$ 989,657	\$ 188,343	Reduction in 2019
	Collection Bin Growth and Replacement	\$ 100,000	\$ 100,081	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000	\$ 600,081	-\$ 81	
					\$ 50,000											
					\$ 30,000											
Equipment	Other Equipment and Allowances	\$ 709,904	\$ 1,001,655	\$ 550,000	\$ -	\$ 550,000	\$ 200,000	\$ 550,000	\$ 200,000	\$ 550,000	\$ 200,000	\$ 200,000	\$ 3,109,904	\$ 1,881,655	\$ 188,343	Reduction to Offset Major Equipment Increase
	Landfill Cells (7B, 6)	\$ 3,920,000	\$ 5,369,033	\$ 7,500,000	\$ 4,601,379								\$ 11,420,000	\$ 9,970,412	\$ 1,449,588	Reduction: Stage 6 Cell Construction Increases Available Capacity to 2024 at Current Disposal Volume
	Monitoring Well Improvements	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000		\$ 50,000			\$ 250,000	\$ 100,000	\$ 150,000	Reduction: Expected Lesser Improvements Required
					\$ 15,000											
					\$ 400,000											
					\$ 100,000											
	Site and Grounds Improvements	\$ 961,129	\$ 1,153,200	\$ 500,000	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 100,000	\$ 500,000	\$ 3,461,129	\$ 3,368,200	\$ 92,929	Paving and Landscaping Improvements
	Sediment Pond Construction	\$ 79,902	\$ 49,947	\$ 940,000	\$ 111,871			\$ -	\$ 1,000,000	\$ -			\$ 1,019,902	\$ 1,161,818	-\$ 141,916	Construction of Pond Moved to 2021
	Cell 3 capping & construction services		\$ 13,000		\$ 307,317								\$ -	\$ 320,317	-\$ 320,317	Capping Funded from Seaparte Liability Closure - Only Stage 3 Shown
	Assigned Benchmark Verification				\$ 20,000								\$ -	\$ 20,000	-\$ 20,000	GHG Compliance
	Landfill Gas Feasibility Study				\$ 100,000		\$ 1,000,000						\$ -	\$ 1,100,000	-\$ 1,100,000	GHG Compliance - Landfill Gas Collection System
Infrastructure Subtotal		\$ 9,623,886	\$ 10,851,560	\$ 12,440,000	\$ 11,157,101	\$ 2,643,000	\$ 3,150,000	\$ 3,282,400	\$ 3,800,000	\$ 2,500,000	\$ 3,500,000	\$ 2,500,000	\$ 32,989,286	\$ 34,958,661	\$ 1,969,375	
Related Labour (3% est.)		\$ 282,880	\$ 325,547	\$ 373,200	\$ 334,713	\$ 79,290	\$ 94,500	\$ 98,472	\$ 114,000	\$ 75,000	\$ 105,000	\$ 75,000	\$ 983,842	\$ 1,048,760	-\$ 64,917	
Subtotal		\$ 9,906,766	\$ 11,177,107	\$ 12,813,200	\$ 11,491,814	\$ 2,722,290	\$ 3,244,500	\$ 3,380,872	\$ 3,914,000	\$ 2,575,000	\$ 3,605,000	\$ 2,575,000	\$ 33,973,128	\$ 36,007,421	\$ 2,034,292	
Business Development	C&D prospect			\$ 1,740,000	\$ 1,740,000	\$ -	\$ -	\$ -		\$ -			\$ 1,740,000	\$ 1,740,000	\$ -	
	C&D prospect					\$ 1,600,000	\$ 1,600,000						\$ 1,600,000	\$ 1,600,000	\$ -	BD - Funded from Operations
	C&D prospect					\$ 1,750,000	\$ 1,750,000						\$ 1,750,000	\$ 1,750,000	\$ -	
	SE10 Water Diversion					\$ 1,000,000	\$ -						\$ 1,000,000	\$ -	\$ 1,000,000	Diversion Only Required in 2024 Unless Additional Revenue Tonnage Requires SE10 Capacity
Related Labour			\$ -	\$ 52,200	\$ 52,200	\$ -	\$ 100,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,200	\$ 152,700	-\$ 100,500	
Subtotal Business			\$ -	\$ 1,792,200	\$ 1,792,200	\$ 4,350,000	\$ 3,450,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,142,200	\$ 5,242,700	\$ 899,500	
Total		\$ 9,906,766	\$ 11,177,107	\$ 14,605,400	\$ 13,284,014	\$ 7,072,290	\$ 6,695,000	\$ 3,380,872	\$ 3,914,000	\$ 2,575,000	\$ 3,605,000	\$ 2,575,000	\$ 40,115,328	\$ 41,250,121	-\$ 1,134,792	

SCHEDULE B - 4 (6.1 RFD 2018.11.22) 2019 - 2023 5 Year Major Equipment Program

LANDFILL EQUIPMENT			2018					2019				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
100	525 ALION COMPACTOR 2013	COMPACTOR	active	9,756	11,200	1,444		active	11,200	11,300	100	
101	2006 627G CAT Scraper	SCRAPER	active	10,461	11,000	539		active	11,000	11,100	100	
102	2006 - CAT 143 H	GRADER	active	10,000	10,500	500		active	10,500	10,600	100	
103	1989 CAT 953 Crawler Loader	LOADER	dispose									
104	Tana Compactor	COMPACTOR	active	1,676	3,700	2,024		active	3,700	5,450	1,750	
105	2010 973D Track Loader	LOADER	dispose									
106	2007 972 Bomag Compactor	COMPACTOR	dispose									
107	NEW D7E CAT CRAWLER 2013	DOZER	dispose									
108	973D TRACK LOADER	LOADER	active	5,949	7,700	1,751		active	7,700	8,300	600	
109	E520 TANA Compactor	COMPACTOR	active	7,098	9,000	1,902		dispose				
110	627K Scraper T4F	SCRAPER	active	1,687	3,200	1,513		active	3,200	4,600	1,400	
111	973D Cat Track loader	LOADER	active	4,166	7,000	1,883		active	7,000	7,600	600	
112	2017 Lovol Dozer	DOZER	new	0	1,200	1,200	\$ 390,918	active	1,200	2,400	1,200	
	Sweeper							new	0	500	500	\$ 400,000
	Grader	GRADER						new	0	400	400	\$ 323,500
	Dozer (D8 Komatsu)	DOZER	new	0	50	50	\$ 1,112,313	active	50	2,550	2,500	
	Compactor (Tana)	COMPACTOR						new	0	1,900	1,900	\$ 1,200,000
	Compactor (Bomag)	COMPACTOR						new	0	1,900	1,900	\$ 1,248,034
	Track Loader	LOADER										
	Dozer (Lovol)	DOZER										
	Compactor (Tana)	COMPACTOR										
	Dozer (D8 Komatsu)	DOZER										
	Scraper	SCRAPER										
	Compactor (Bomag)	COMPACTOR										
Capital Budget Totals							\$ 1,503,231					\$ 3,171,534
COLLECTION			2018					2019				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
207	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	active	2515	3675	1160		active	3675	5755	2080	
208	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	active	2729	4001	1272		active	4001	6081	2080	
209	2017 WESTERN STAR MULTILIFT	TRUCK	active	798	1422	624		active	1422	3502	2080	
279	2006 Western Star - Multilift	TRUCK	spare	8897	9177	280		spare	8897	10977	2080	
287	2008 Autocar	TRUCK	active	9519	9762	243		spare	9519	11599	2080	
210	2018 PAKMOR	TRUCK	new	0	1250	1250	\$ 354,339	active	1250	3330	2080	
	PAKMOR	TRUCK										
Capital Budget Totals							\$ 354,339					\$ -
SUMMARY							2018 YE \$ 1,857,570	2019 Program \$ 3,171,534				

**SCHEDULE B - 4 (6.1 RFD 2018.11.22) 2019 - 2023 5 Year**

LANDFILL EQUIPMENT			2020					2021				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
100	525 ALJON COMPACTOR 2013	COMPACTOR	dispose									
101	2006 627G CAT Scraper	SCRAPER	dispose									
102	2006 - CAT 143 H	GRADER	dispose									
103	1989 CAT 953 Crawler Loader	LOADER										
104	Tana Compactor	COMPACTOR	active	5,450	7,200	1,750		dispose				
105	2010 973D Track Loader	LOADER										
106	2007 972 Bomag Compactor	COMPACTOR										
107	NEW D7E CAT CRAWLER 2013	DOZER										
108	973D TRACK LOADER	LOADER	dispose									
109	E520 TANA Compactor	COMPACTOR										
110	627K Scraper T4F	SCRAPER	active	4,600	6,100	1,500		active	6,100	7,600	1,500	
111	973D Cat Track loader	LOADER	active	7,600	7,700	100		dispose				
112	2017 Lovol Dozer	DOZER	active	2,400	3,600	1,200		active	3,600	4,200	600	
	Sweeper		active	500	1,500	1,000		active	1,500	2,500	1,000	
	Grader	GRADER	active	400	900	500		active	900	1,400	500	
	Dozer (D8 Komatsu)	DOZER	active	2,550	5,050	2,500		active	5,050	7,550	2,500	
	Compactor (Tana)	COMPACTOR	active	1,900	3,800	1,900		active	3,800	5,700	1,900	
	Compactor (Bomag)	COMPACTOR	active	1,900	3,800	1,900		active	3,800	5,700	1,900	
	Track Loader	LOADER	new	0	1,100	1,100	\$ 1,000,000	active	1,100	2,300	1,200	
	Dozer (Lovol)	DOZER						new	0	600	600	\$ 500,000
	Compactor (Tana)	COMPACTOR						new	0	1,750	1,750	\$ 1,200,000
	Dozer (D8 Komatsu)	DOZER										
	Scraper	SCRAPER										
	Compactor (Bomag)	COMPACTOR										
Capital Budget Totals							\$ 1,000,000					\$ 1,700,000
COLLECTION			2020					2021				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
207	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	spare	3675	5755	2080		spare	3675	5755	2080	
208	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	active	6081	8161	2080		active	8161	10241	2080	
209	2017 WESTERN STAR MULTILIFT	TRUCK	active	3502	5582	2080		active	5582	7662	2080	
279	2006 Western Star - Multilift	TRUCK	spare	8897	10977	2080		spare	8897	10977	2080	
287	2008 Autocar	TRUCK	spare	9519	11599	2080		dispose				
210	2018 PAKMOR	TRUCK	active	3330	5410	2080		active	5410	7490	2080	
	PAKMOR	TRUCK										
Capital Budget Totals							\$ -					\$ -
SUMMARY							2020 R \$ 1,000,000					2021 R \$ 1,700,000

SCHEDULE B - 4 (6.1 RFD 2018.11.22) 2019 - 2023 5 Year

LANDFILL EQUIPMENT			2022				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
100	525 ALJON COMPACTOR 2013	COMPACTOR					
101	2006 627G CAT Scraper	SCRAPER					
102	2006 - CAT 143 H	GRADER					
103	1989 CAT 953 Crawler Loader	LOADER					
104	Tana Compactor	COMPACTOR					
105	2010 973D Track Loader	LOADER					
106	2007 972 Bomag Compactor	COMPACTOR					
107	NEW D7E CAT CRAWLER 2013	DOZER					
108	973D TRACK LOADER	LOADER					
109	E520 TANA Compactor	COMPACTOR					
110	627K Scraper T4F	SCRAPER	dispose				
111	973D Cat Track loader	LOADER					
112	2017 Lovol Dozer	DOZER	active	4,200	4,400	200	
	Sweeper		active	2,500	3,500	1,000	
	Grader	GRADER	active	1,400	1,900	500	
	Dozer (D8 Komatsu)	DOZER	dispose				
	Compactor (Tana)	COMPACTOR	active	5,700	7,450	1,750	
	Compactor (Bomag)	COMPACTOR	active	5,700	7,600	1,900	
	Track Loader	LOADER	active	2,300	3,500	1,200	
	Dozer (Lovol)	DOZER	active	600	1,600	1,000	
	Compactor (Tana)	COMPACTOR	active	1,750	3,650	1,900	
	Dozer (D8 Komatsu)	DOZER	new	-	2,500	2,500	\$ 1,200,000
	Scraper	SCRAPER	new	-	1,500	1,500	\$ 1,200,000
	Compactor (Bomag)	COMPACTOR					
	Capital Budget Totals						\$ 2,400,000
COLLECTION			2022				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
207	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	spare	3675	5755	2080	
208	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	active	10241	12241	2000	
209	2017 WESTERN STAR MULTILIFT	TRUCK	active	7662	9742	2080	
279	2006 Western Star - Multilift	TRUCK	spare	8897	10977	2080	
287	2008 Autocar	TRUCK					
210	2018 PAKMOR	TRUCK	active	7490	9570	2080	
	PAKMOR	TRUCK	new	0	80	80	\$ 400,000
	Capital Budget Totals						\$ 400,000
	SUMMARY						2022 R \$ 2,800,000



SCHEDULE B - 4 (6.1 RFD 2018.11.22) 2019 - 2023 5 Year

LANDFILL EQUIPMENT			2023				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
100	525 ALJON COMPACTOR 2013	COMPACTOR					
101	2006 627G CAT Scraper	SCRAPER					
102	2006 - CAT 143 H	GRADER					
103	1989 CAT 953 Crawler Loader	LOADER					
104	Tana Compactor	COMPACTOR					
105	2010 973D Track Loader	LOADER					
106	2007 972 Bomag Compactor	COMPACTOR					
107	NEW D7E CAT CRAWLER 2013	DOZER					
108	973D TRACK LOADER	LOADER					
109	E520 TANA Compactor	COMPACTOR					
110	627K Scraper T4F	SCRAPER	dispose				
111	973D Cat Track loader	LOADER					
112	2017 Lovol Dozer	DOZER	active	4,400	4,600	200	
	Sweeper		active	3,500	4,500	1,000	
	Grader	GRADER	active	1,900	2,400	500	
	Dozer (D8 Komatsu)	DOZER					
	Compactor (Tana)	COMPACTOR	active	7,450	9,200	1,750	
	Compactor (Bomag)	COMPACTOR	dispose				
	Track Loader	LOADER	active	3,500	4,700	1,200	
	Dozer (Lovol)	DOZER	active	1,600	2,600	1,000	
	Compactor (Tana)	COMPACTOR	active	3,650	5,550	1,900	
	Dozer (D8 Komatsu)	DOZER	active	2,500	5,000	2,500	
	Scraper	SCRAPER	active	1,500	3,000	1,500	
	Compactor (Bomag)	COMPACTOR	new	-	1,900	1,900	\$ 1,400,000

Capital Budget Totals							\$ 1,400,000
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COLLECTION			2023				
Asset	Description	Type	Status	Start Hrs	End Hrs	Annual Est. Hrs	\$ Purch.
207	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	spare	5755	7835	2080	
208	2016 AUTOCAR W/PAKMOR - VOLVO	TRUCK	dispose				
209	2017 WESTERN STAR MULTILIFT	TRUCK	active	9742	11822	2080	
279	2006 Western Star - Multilift	TRUCK	spare	8897	10977	2080	
287	2008 Autocar	TRUCK					
210	2018 PAKMOR	TRUCK	active	9570	11650	2080	
	PAKMOR	TRUCK	new	0			
	Capital Budget Totals						\$ -

SUMMARY			2023				
			\$ 1,400,000				
			5 Year				
			\$ 11,929,104				

## **Schedule D (6.1 RFD 2018.11.22 Budget 2019)**

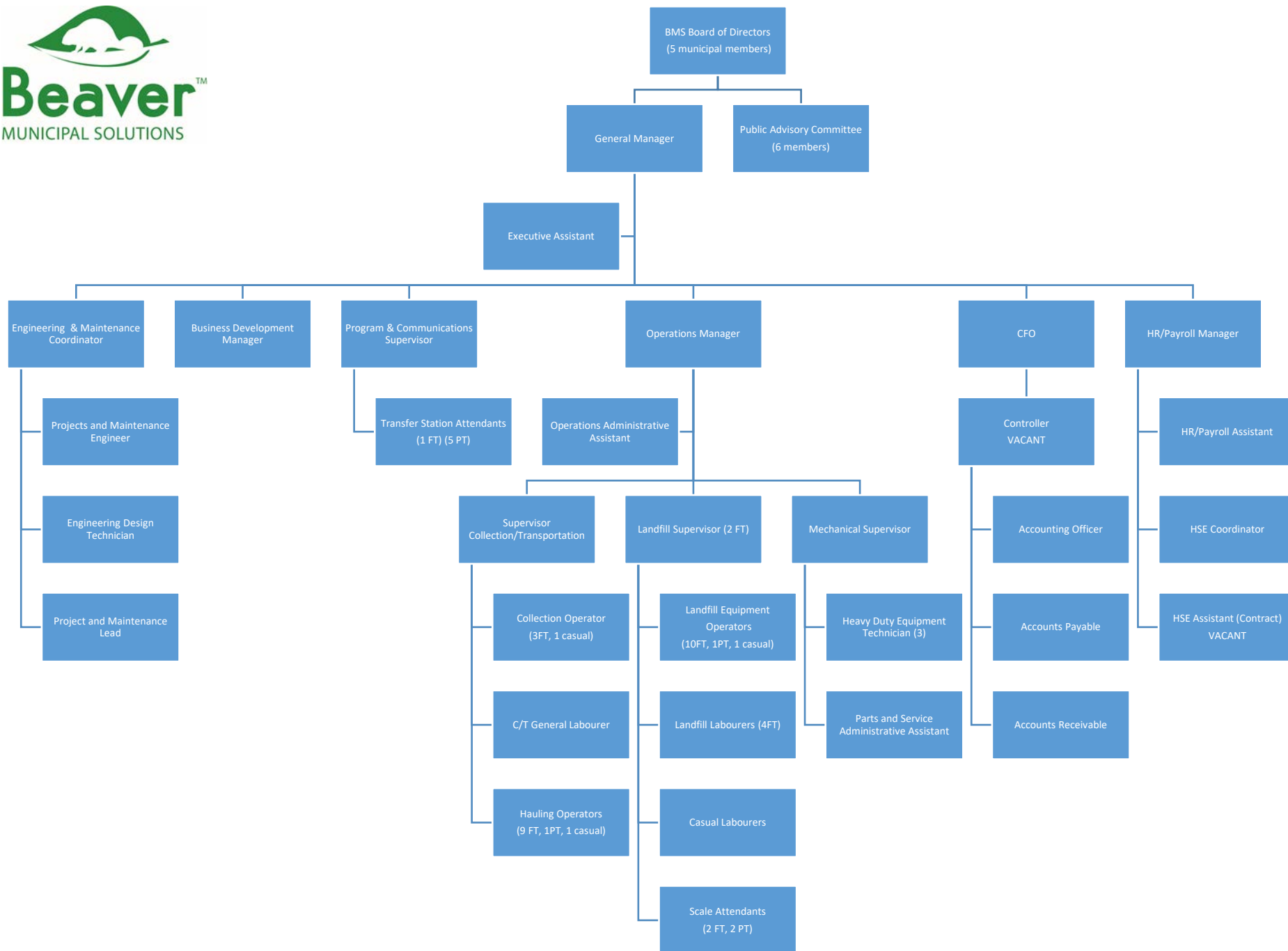
### **Fees**

<b>2019 General Disposal Rates BMS Regional Landfill</b>	<b>Cost per metric tonne (1000 kg) Unless Noted Otherwise</b>
Construction & demolition waste, county	\$25.00
Construction & demolition waste, out of county	\$60.00
Concrete waste, county	\$5.00
Concrete waste, out of county	\$15.00
Animal carcass disposal (non BSE waste)	\$60.00 (min. \$15.00 charge)
Freon removal, per appliance	\$25.00
Gate charge (out of county MSW)	\$60.00 (min. \$15.00 charge)
Rural (Min 3 cubic yard) Bin	\$50.00 (delivery fee)
Rural (Min 3 cubic yard) Bin	\$30.00 (per month tipping fee)
Roll-off Bin rental (40 yard)	\$85.00 per day \$100.00 per week \$300.00 per month
Roll-off Bin Trucking Charge	\$110.00 per trip
Roll-off Bin Waste Disposal	\$40.00 per metric tonne

Project or Task	Resources Required	Budget Impact	Comments	2018	2019	2020	2021	2022	2023
Highway Litter Program	Support for promotion, recruiting, education, training, monitoring, recording, swag	\$15,000 (ops)	planned for 2018 but not implemented	X	X	Implement	√	√	√
Ag Plastic Program	two trailers, tractor, staff, loading ramp, skid steer, roller		Province is working with CleanFarms so a program may be coming; could becoming collection point for northern areas; receive funding for clean rolls; need to transport to southern AB. If provincial program appears to be a reality discussion with Beaver County to ensue	X	X	Implement	√	√	√
Community parades	staff, development of mascot, minor decorations annually, candy and swag		summer (5) and winter (2) parades, staffing is always an issue - create mascot to bring excitement and possible volunteers - could look at paying staff to participate (minimum 3 hours); need to create. Promotions staff hire in 2019 will assist	√	√	√	√	√	√
Community event	staff, prizes, venue rental, program supplies, swag		Beaver Municipal Solutions sponsored annual event such as Upcycle Challenge	X	X	X	Implement	√	√
Remembrance Day ceremonies	Staff (promotion/recognition)	\$1,000 (ops)	donation to each chapter for their poppy campaign	√	√	√	√	√	√
Annual FCSS Christmas Hamper	Promotion (recognition)	\$5,000 (ops)	Support both Viking and Tofield campaigns	√	√	√	√	√	√
MAN VAN - annual event	Promotion, swag	\$3,000 (ops)	Timing did not work for Viking this year - have requested 2019; others will want in future years. Promotions staff hire in 2019 will assist	X	Implement	√	√	√	√
Annual Open House	Promotion, staff, swag, refreshments, display boards		Held SWANA event and the TS Open house in 2018; need to continue momentum and do annually	√	√	√	√	√	√
Radio promotion	monthly ad sharing "what's new at BMS" - veg radio		Can talk about large item programs, new recycling initiatives, grant programs, highway litter program	X	X	Implement	√	√	√
Community education programs	staff, swag, program supplies		Can provide to schools, seniors centres, chamber of commerce, community groups	X	X	Implement	√	√	√
Create mascot	design character, recruit, train and records		Develop a mascot that is recognized with BMS, could use PAC input or a contest for ideas	X	X	X	Implement	√	√
Community Grant Program	Promotion, award follow ups, photo ops, staff		More active promotion of grant program; more photo ops in the community with award winners	√	√	√	√	√	√
Community Collection Program - Beverage Container Collection Program	Promote, recruit, staff, program supplies (storage, bins, bags, etc), records, follow up	\$5,000 (cap)	Purchase 5 bins and construct concrete bases for mounting (at all TS and PDO), community groups apply to be sponsor for pre-determined amount of time	X	X	Implement	√	√	√
Community Collection Program - Leaf and Yard	staff, bins, collection driver, skid steer and operator, promotion, education, monitoring, reporting		collect leaf and yard in bins at LTS, VTS, TTS and PDO - set up small compost program, turning with skid steer, use compost in community garden or site landscaping. Interest from commercial customers in providing fee-paying waste which can help support capital cost.	X	X	X	Implement	√	√
Community Collection Program - C&D	staff, yellow card system, updated fee schedule (commercial vs residential), bins, collection driver and truck, promotion, education		C&D bins at LTS, VTS and PDO	X	X	X	Implement	√	√

Project or Task	Resources Required	Budget Impact	Comments	2018	2019	2020	2021	2022	2023
Community Collection Program - newsprint	dedicated pacmor and driver, promotion, education, training, signage		blue bins already in inventory, require signage, and pacmor system to collect and deliver to Edmonton - will set up in LTS and VTS to start, expanding to TTS and PDO in future years. Expect cost-savings from contract pick-up fee reduction	X	Implement	√	√	√	√
Community Collection Program - fluorescent bulb	Bulb eater, staff, training, collection drums		Can set up pilot in LTS and at PDO, could expand in the future; staff to be trained to use equipment (in Ryley)	X	X	Implement	√	√	√
Community Collection Program - HHW	Contained collection container (sea can with side doors and divider), staff, training, education and promotion, signage		will take over this program from Beaver County, require registering our site as a HHW collection location (ARMA),	X	X	Implement	√	√	√
Community Collection Program - pesticide recycling	staff, program supplies, signage, educate staff		will take over this program from Beaver County, require some repairs to building in PDO (may relocate as part of overall redesign)	X	X	Implement	√	√	√
Community Collection Program - plastics (separated)	Collection bins, promotion, education, signage		will depend entirely on markets,	X	X	X	X	Implement	√
Community Collection Program - paint	shed, totes, pallets		ARMA program; already set up at LTS, VTS, and PDO - expand to TTS	√	Implement	√	√	√	√
Community Collection Program - metal	bins		Currently at LTS, VTS and PDO - expand to TTS	√	√	Implement	√	√	√
Community Collection Program - automotive batteries	Secure collection containers		Currently collecting at LTS, VTS and PDO, however not secure - can expand to TTS	√	Implement	√	√	√	√
Community Collection Program - textile recycling	Contractor, sea can, staff, training, promotion, education		Start in LTS as a pilot and depending on results, expand to PDO and possibly VTS	X	X	Implement	√	√	√
Community Garden/Trail Program	staff, volunteers, program materials (plants, fences, raised beds, etc).		Working with PAC, design a community garden	X	X	X	Implement	√	√
Improve efficiencies at TS	Staff, GPS,		GPS can support more efficient pick up scheduling, analyze data to determine bldg vs bin efficiencies	X	Implement	√	√	√	√
Redesign PDO layout	Redesign current bin placement, allow for expanded program storage (ie. HHW, batteries)		2019 capital program.	X	Implement	√	√	√	√
TS site upgrades	landscape design, plantings, maintenance, road improvements, signage, lighting		2020 capital program.	X	X	Implement	√	√	√
TS building upgrades	staff, contractors, project supplies, pressure washer		inspect building roofs and replace as required; inspect office buildings and repair as required, bldg door review and upgrade as required (return to former system), annual cleaning (including painting of bollards, graffiti removal, etc.)	X	Implement paint repairs	Implement blg wash	Implement bldg inspections	√	√
TS security upgrades	security camera, training, reports		at LTS; expand to VTS and TTS in future	√	√	√	√	√	√
TS debit/credit upgrades	card reader, training		implemented in VTS, already had a system at LTS, need to expand to TTS and KTS when yellow card program is implemented	√	√	Implement in TTS and KTS	√	√	√

Project or Task	Resources Required	Budget Impact	Comments	2018	2019	2020	2021	2022	2023
TS maintenance	grass cutting contractor, staff (snow plow, sanding, grading)		Have secured contractor for site mowing, need to develop process for plowing and sanding requests	√	√	√	√	√	√
Develop brand	contractor, staff, promotion, education	\$25,000	Develop visual and written brand, style guide, new logo, new name - can be done independent of MCC. At this time, budget is unfunded - waiting for MCC development	X	Implement	√	√	√	√
Website upgrade	contractor, staff, promotion, education	\$20,000 (ops)	create new website that is mobile friendly - residential and commercial (see below)	X	Implement	√	√	√	√
Develop branded app for commercial customers	contractor, staff, promotion, education		Greg to take lead with respect to requirements for this app	X	Implement	√	√	√	√
Develop branded app for residential customers	contractor, staff, promotion, education		Use current recycling apps that others in the province use	X	Implement	√	√	√	√





Innovative Solutions  
for a Changing World<sup>TM</sup>

Employee Handbook



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## Section 1 - Definitions

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1.1 In this handbook, the following definitions apply:

**\*\*A word used in the plural also applies in the singular**

**\*\*A word used in the masculine applies also in the feminine**

- a. **Apprentice:** any person indentured by this organization under the terms of the Apprenticeship Act
- b. **Continuous service:** unbroken periods of employment - a period of greater than three (3) months with no hours worked will result in a new start date (excluding an authorized absence)
- c. **Contract employees:** are hired under the specific terms and conditions of their employment contracts, which may supersede this handbook
- d. **Date started:** the start date of most recent continuous service
- e. **Day of rest:** a day when an employee is not regularly scheduled to work
- f. **Designate:** Senior Manager assigned by the General Manager to act on his behalf
- g. **Emergent:** an event or situation that could not be reasonably foreseen and calls for immediate response
- h. **Employee:** any person employed by the employer under the Terms and Conditions of this policy handbook – See Section 2
- i. **Employer:** Beaver Municipal Solutions – Beaver Regional Waste Management Services Commission
- j. **Immediate family:** a spouse (includes common-law), son, daughter, parent, sibling, grandparent or grandchild of the employee or their spouse; a person permanently residing in the employee's household, or with whom the employee permanently resides; or a person under the legal guardianship of the employee or their spouse
- k. **Manager/Management:** any individual classified within the management job family (includes Managers, Supervisors)
- l. **Month:** a calendar month
- m. **Official employee file:** the personnel file of employees maintained by Human Resources and containing copies of all documentation pertinent to the employee's employment
- n. **Resignation:** an employment separation initiated by an employee
- p. **Standard operations:** operations that conduct work during a work week (typically Monday through Saturday)
- q. **Supervisor:** an employee whose job responsibilities include supervision of other employees (includes Managers)
- r. **Termination:** an employment separation initiated by the employer
- s. **Vacation leave:** the annual leave granted to employees
- t. **Vacation pay:** the money paid to employees not eligible for paid vacation leave
- u. **Vacation Week:** one week is equal to week as stated per department per section 5.1
- v. **Work day:** any day on which employees are normally expected to be at their place of employment
- w. **Work week:** defined as Monday through Sunday

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## *Section 2 – Employee Types*

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- 2.1 **Permanent employees:** are employed on a continuous basis in either a full-time or part-time authorized position (minimum of 14 hours per week).
  - 2.2 **Temporary employees:** are non-permanent employees, employed for a defined duration (nine months or longer) on a salaried basis, in either a full-time or part-time position (minimum of 14 hours per week).
  - 2.3 **Contract employees:** are hired under the specific terms and conditions of their employment contracts, which may supersede this handbook.
- 

## *Section 3 – Administration*

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- 3.1 Every employee is required to notify Human Resources, using the appropriate form, of any changes in their personal status including changes to the following:
    - a. name, address or personal telephone number
    - b. beneficiary (for Life and AD&D insurance purposes)
    - c. benefit plan status (single or family)
    - d. income tax exemptions
    - e. bank information for automatic deposit
    - f. emergency contact information
    - g. social insurance number (contact Payroll)
  - 3.2 Employees must also advise their department supervisor of any changes in their personal contact information.
  - 3.3 Employees must contact Human Resources to request confirmation of employment status or salary.
  - 3.5 Employees will have access to their own official employee file upon request.
  - 3.6 Managers may access employee file information relevant to particular situations.
- 

## *Section 4 – Probationary Period*

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- 4.1 Probationary Periods served per employee are as follows
  - a. Employees will only serve one probationary period (unless there is a break in service; then refer to 4.2.b).
  - b. All employees will serve a probationary period of six (6) months.
  - c. When previous employees have been rehired, Beaver Municipal Solutions may waive the probationary period on the written recommendation of the General Manager (GM).
  - d. Upon satisfactory completion of the probationary period, an employee in a permanent position may be granted a permanent appointment.

- e. Eligible Regular Full time and Part time employees will serve a waiting period of three months for Pension Plan and Benefit enrollment.

#### 4.2 Probationary period extensions

- a. If an employee's suitability for continued employment cannot be determined during the initial probationary period, the probation may be extended by Human Resources on the written recommendation of the GM. In no instance will the length of extension exceed the length of the initial probationary period. For example, a six-month probationary period cannot be extended any longer than an additional six (6) months.
- b. Employees will be advised in writing of the reason for the extension before the end of the initial probationary period. In addition, employees will be provided with the requirements for continued employment.

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### *Section 5 – Hours of Work and Attendance*

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#### 5.1 Hours of work by department

- a. Landfill Staff – 40 hours per week
  - Hours of work will fall within 4 am – 6 pm
- b. Scale Attendants – 40 hours per week
  - Hours of work will fall within 4 am – 6 pm
- c. Collection Operators – 40 hours per week
  - Hours of work will fall within 6 am – 4 pm
- d. Finance and Administration – 35 hours per week
  - Hours of work will fall within 8 am – 4 pm
- e. Operations – 40 hours per week
  - Hours of work will fall within 8 am – 4 pm
- f. Hauling Staff – 50 hours per week
  - Hours of work will fall within 3 am – 5 pm
- g. Part-time hours as assigned by the employer per department.

#### 5.2 Absences

- a. Employees absent from work for reasons beyond their control and without prior authorization must contact their supervisor a minimum of one (1) hour prior to the stipulated shift start time (unless the employee has a reasonable explanation), and report as may be required by their supervisor if the absence continues.
- b. Employee must provide adequate notice of intention to return to work after an authorized leave of absence of longer than three days.

#### 5.3 Sick leave absence

- a. Must be reported within the first two (2) hours of absence.

- b. A medical certificate may be required when an employee is sick for one (1) day or more.
- c. Supervisors may request that employees on sick leave show proof of a medical, dental or optical appointment if time off work is granted to attend such appointments.
- d. Employees are required to provide a medical certificate after three (3) or more days of sick leave. See subsection 6.5.

#### **5.4 Position abandonment**

- a. Employees who have not contacted their supervisor to provide reasons for their absence after three (3) consecutive work days will be considered to have abandoned their position and will be deemed to have resigned, unless they can subsequently show that special circumstances prevented them from contacting their supervisor and returning to work.

#### **5.5 Breaks**

- a. Employees working shifts 5 hours or longer will be eligible for one 30-minute paid rest break, which can be broken into two 15-minute breaks or three 10-minute breaks. If it is not operationally feasible for the employee to take a rest break, compensation in the form of a 30-minute break allowance will be provided.
- b. Breaks will not be granted within one hour of the start or end of a work period.

#### **5.6 Additional time**

- a. Employees may be required to work hours beyond their regularly scheduled hours to overcome unexpected workloads and meet extraordinary situations. For needs which are known in advance, and when operationally feasible, a temporary rescheduling of hours should be utilized. Any additional time worked must be authorized by the supervisor prior to the hours being worked. The additional time worked will be "overtime" (as defined below) and may be banked for future use. Time not authorized prior to being worked will not be compensated.
- b. Management employees are not eligible for overtime or banking time.

#### **5.7 Overtime occurs when:**

- a. An employee works approved time in excess of regularly scheduled hours per day.
- b. Time worked on a scheduled day of rest, provided full-time hours have been worked for the week.
- c. Time worked on a paid holiday per subsection 6.2.
- d. Overtime may be taken as paid time at an hourly rate of time and one half (1.5) of their regular pay or accumulated as banked time in lieu of payment per employment standards.
- e. Overtime pay will be calculated at the pay rate in effect at the time overtime is paid and adjusted later if there is a subsequent retroactive change in that rate.
- f. The preceding may not apply for employees who are on an hours of work averaging agreement.
- g. Overtime will be calculated to the nearest quarter hour.
- h. Banked time off in lieu of payment for extra time or overtime will be per Employment Standards.

- i. When an employee is required to return to work after leaving and it is unplanned, the employee is eligible for call-back pay. See section 5.10.

## 5.8 Scheduling changes

- a. The supervisor will be responsible for scheduling the hours of work for employees.
- b. In non-emergent situations, the supervisor may adjust the regular hours of work of an employee to accommodate operational requirements by providing a minimum of 24 hours' notice, as per Employment Standards.
- c. In emergent situations, the supervisor may adjust an employee's regular hours of work to accommodate the situation by providing employees with as much notice as is reasonable, dependent on the situation.

## 5.9 On-call pay

- a. On-call pay applies when employees are scheduled to be immediately available to receive a call back to work or to receive phone calls to provide emergency service or other similar activities. Employees who are on call are required to remain 'fit for work' as per Fit for Work Policy.
- b. Employees in supervisory positions in pay level 5 and above are not eligible for standby/call back pay.

## 5.10 Call-back pay

- a. Call-back pay applies when employees are required to return to the work site outside regularly scheduled work hours because of an emergent situation.
- b. Employees in supervisory positions in pay level 5 and above are not eligible for standby/call back pay.
- c. Employees who report to site because of a call-back will be paid for a minimum period of three (3) hours at overtime rate.
- d. If employees receive a second call back to the same site within the paid three-hour period, they will not receive additional compensation unless the total time exceeds three (3) hours; in which case they will be compensated for the total hours worked at overtime.
- e. Employees wishing time off in lieu of overtime pay will be governed by subsection 5.7.

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## Section 6 – Paid and Unpaid Leaves

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6.1 For additional information on leaves, please refer to the *Paid and Unpaid Leaves of Absence Guide*

## 6.2 Statutory and non-statutory paid holidays

- a. All employees will receive the recognized statutory holidays for which they are eligible at the rates described in the *Guide*. Employees are entitled to one day's paid leave for each of the following holidays based on their average regular hours of work or as per Employment Standards Code

- b. Statutory Holidays Observed:
 

New Year's Day – landfill closed	Heritage Day
Family Day	Labour Day
Good Friday	Thanksgiving
Easter Monday	Remembrance Day
Victoria Day	Christmas Day – landfill closed
Canada Day	Boxing Day
- c. To be eligible for general holiday pay, employees must:
  - i. work their scheduled shift before and after the holiday (unless employer consent is given for the absence).
  - ii. work on the general holiday if required and scheduled to do so.
- d. Statutory Holiday pay will be paid per one of the following:
  - i. When a day designated as a paid holiday falls on employees' regularly scheduled day of rest and they are not required to work, they will receive pay equal to one (1) day of regular pay.
  - ii. When eligible employees are required to work on the day observed as the paid holiday, they will receive:
    - 1. pay at one and one-half (1.5) times their regular pay rate for time worked and one (1) day off in lieu with pay at the regular rate
    - OR
    - 2. pay at one and one-half (1.5) times their regular pay rate for time worked and pay equal to one (1) day of regular pay;

### 6.3 Vacation Leave

- a. Permanent employees will be entitled to vacation pay as follows:
  - i. One (1) Year – two (2) weeks of vacation. A week is defined per Section 5.01
  - ii. Two (2) to Ten (10) Years – three (3) weeks of vacation.
  - iii. Ten (10) to Twenty (20) Years – four (4) weeks' vacation.
  - iv. Twenty (20) to Twenty-Five (25) Years - five (5) weeks' vacation
  - v. Twenty Five (25) Years or more - six weeks' (6) vacation
- b. Calculation of paid vacation leave for permanent and temporary part-time employees is based on the above schedule, prorated based on the number of hours worked
- c. Vacation time is calculated and loaded at the beginning of each calendar year and may be booked at any time.
- d. If an employee resigns or is terminated within a calendar year, a calculation will be done and any overused vacation time and dollars will be held back in the final pay calculation.

### 6.4 Workers' Compensation

- a. Employees will receive pay per limits set in the *Paid & Unpaid Leaves of Absence Guide*.
- b. Employees who are injured on the job during working hours and required to leave the job site for treatment, or are sent home as a result of accident or injury will not suffer loss of pay for that day's work, regardless of the time of injury.



## 6.5 Illness Leave (Sick)

- a. Sick Leave will accrue at a rate of 30% of the weekly hour's amount, once per month.
- b. Sick leave will accrue to a maximum of 17 work weeks per employee, prorated as necessary.
- c. To be eligible for sick pay, an employee must notify their supervisor at least one hour prior to start of their shift. If the employee is absent from work due to illness and does not advise their supervisor prior to start of shift, they will have Sick Pay commence at the time of notification.
- d. Sick leave pay does not accumulate towards weekly limits for purposes of overtime calculations.
- e. Casual illness causes an employee to be absent from work for a period of not more than three (3) consecutive work days.
- f. General Illness causes permanent employees to be absent from duties for more than three consecutive work days. A medical certificate is required when on General Illness Leave.
- g. Return to work - Employees on illness leave in excess of 10 consecutive days may be required to provide a Work Readiness Report or a medical certificate confirming their ability to return to work and specifying any work restrictions and their duration.
- h. Transition to Short Term Disability (STD) – See HR for benefit provider handbook.
- i. Transition to Long Term Disability (LTD) – See HR for benefit provider handbook.

## 6.6 Medical appointments

- a. An employee's supervisor may authorize up to two (2) hours to be coded as "Medical Appointment" time for reasonable, medically necessary appointments which cannot be scheduled during non-work hours.

## 6.7 Special leave – paid

- a. Permanent and temporary full-time employees may be granted up to a combined total of 10 working days of paid special leave (see details below in 6.7.c below) per calendar year, prorated for part-time employees.
- b. The maximum length cannot be exceeded for each circumstance requiring use of special leave. However, special leave may be granted more than once for the same circumstance within a calendar year, provided the total special leave granted does not exceed ten working days per year. Additional special leave may be approved by the GM
- c. Details of leaves are explained in the *Paid & Unpaid Leaves of Absence Guide*
  - i. Bereavement leave – equivalent to one work week maximum per year
  - ii. Family Medical leave – equivalent to 40% of one work week maximum per year
  - iii. Critical illness within the immediate family leave – equivalent to one work week maximum per year
  - iv. Birth or adoption proceedings of the employee's child – equivalent to 40% of one work week maximum per year
  - v. Citizenship leave – equivalent to 20% of one work week maximum lifetime
  - vi. Additional special leave of absence with pay may be granted (after the probationary period) due to exceptional circumstances and at the discretion of the GM

- vii. Personal leave – up to the equivalent to 40% of one work week maximum per year may be earned
- viii. Volunteer fire fighters – maximum 4 hours per scheduled work shift
- xi. Court leave – paid or unpaid
- x. Leave on Election Day – paid

## 6.8 Unpaid Leaves of Absence

- a. Listed below are unpaid leaves which are in addition to the 6.7 Special Leave – Paid. Details of leaves are explained in the *Paid & Unpaid Leaves of Absence Guide*.
- b. Special leave of absence without pay may be granted at the sole discretion of the employer, upon written application to the GM.
- c. Unpaid leaves which are governed by Alberta Employment Standards include:
  - i. Bereavement
  - ii. Citizenship ceremony
  - iii. Compassionate care
  - iv. Criminal death or disappearance of a child
  - v. Critical illness of a family member
  - vi. Domestic violence
  - vii. Long-term illness, injury or quarantine
  - viii. Maternity
  - ix. Parental / adoption
  - x. Personal and family responsibility
- d. Unpaid leaves of absence may be eligible for Employment Insurance (EI) Benefits

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## Section 7 – Employee Pension and Benefit Plan

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### 7.1 Components

- a. Beaver Municipal Solutions may, from time to time, change components of the benefit package, including cost-share. Insured benefits are subject to and governed by the terms and conditions of the policies or contracts entered into with the underwriters of the plans.
  - i. Extended Health Care  
100% funded by BMS
  - ii. Dental Health Care  
100% funded by BMS
  - iii. Basic Group Life Insurance  
100% funded by BMS
  - iv. Basic Group Accidental Death and Dismemberment Insurance – AD&D  
100% funded by BMS
  - v. Group Short Term Disability Insurance - STD  
100% funded by BMS
  - vi. Group Long Term Disability Insurance - LTD  
100% paid by employee

- vii. Dependent Life Insurance  
100% paid by employee
- viii. Optional Life Insurance  
100% paid by employee
- ix. Health Care Spending Account  
100% funded by BMS
- x. Employee and Family Assistance Program - EAP  
100% funded by BMS
- xi. Local Authorities Pension Plan - LAPP  
Regular, bi-weekly contributions cost-shared – per LAPP Legislation
- xii. Health and Wellness  
Per Policy – Wellness Benefit HUM-008
- xiii. ATB Group RRSP Plan  
100% paid by employee. Per Policy – Voluntary RRSP Benefit HUM-013
- xiv. Windshield Replacement  
Per Policy - Windshield Replacement Benefit HUM-011
- xv. Cellphone Allowance  
Per Policy – Cellphone Benefit Policy HUM-010
- xvi. Long Service Awards  
Per Policy – Long Service Awards HUM-XXX

## 7.2 Eligibility

- a. By employee type
  - i. Permanent full time and regular part-time employees are eligible for all of the preceding benefits, with the following conditions:
    - 1. all employees serve a three month waiting period
    - 2. employees must work a minimum of 20 hours per week to qualify for benefits
    - 3. amounts may be pro-rated based on hours per week worked
  - ii. Regular part time employees may be awarded benefit and allowance amounts pro-rated on hours worked each week.
  - iii. Contract employees must consult the terms of their contract.
- b. Details
  - i. Employees will be contacted by HR when they become eligible.
  - ii. All benefits are deemed to be mandatory for permanent full time and regular part time employee's position are part of the terms and conditions of employment.

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## Section 8 – Employee Injury Illness and Wellness

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### 8.1 Occupational Health and Safety

- a. All employees must read the Occupational Health and Safety Employee Manual. See Occupational Health and Safety Policy HUM-004

### 8.2 Personal Protective Equipment (PPE)

- a. Issuance, replacement or reimbursement of required Personal Protective Equipment (PPE) expenses will be per Employee Clothing and Personal Protective Equipment Policy HUM-009
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### *Section 9 – Staff Learning, Development and Growth*

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- 9.1 Beaver Municipal Solutions values the continuous development of all employees in support of current and future business needs. Learning and development can take place both on-the-job; and, when the organization can accommodate the request and still meet operational needs, through approved formal courses. See Staff Learning Development and Growth Policy HUM-003
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### *Section 10 – Performance and Annual Incentive*

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- 10.1 Employee evaluations for merit pay increases and annual incentive bonuses will proceed in accordance with the Performance Management (PM) and Annual Incentive Plan (AIP) HUM-014
  - 10.2 BMS encourages and supports a pay-for-performance program that aligns employees with the BMS Strategic Plan, supports the development of employees and creates an engaging work environment
  - 10.3 Annual reviews with supervisors will be done on the following schedule
    - a. January 1 – Merit Increase and Cost of Living Adjustment
    - b. January 1 – Check In Review of AIP
    - c. Annual Incentive Payout (AIP Bonus) will be paid out to employees on March 1st of each year
    - d. June – Mid Year Check In
    - e. October – Annual Incentive Performance (AIP) Review and Goal Setting
    - f. Day to Day Feedback and Coaching
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### *Section 11 – Position Abolishment*

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- 11.1 Position abolishment/staff reduction shall be utilized only when normal attrition and redeployment of staff does not provide sufficient reduction in staff to meet the organizational requirements of the department
  - a. Permanent employees will be given at least one (1) month's prior written notice (or more if required by the Employment Standards Code) that their position is to be abolished.
  - b. The employer will attempt to place the employee in another position with BMS for which they are qualified and suitable.
  - c. During the period of notice of position abolishment, the supervisor will allow the affected employees a reasonable amount of time off with pay in order to be interviewed by prospective employers.

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## *Section 12 - Disciplinary Action*

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12.01 Any disciplinary action will be in accordance with the Staff Suspension, Termination, Demotion or Reassignment Policy HUM-005.

12.02 All employees with BMS will be governed under the Code of Ethics and Responsibilities Policy HUM-001.

12.02 Driver's License Suspension

If employees have received a Driver's License Suspension, the employee may be terminated immediately.

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## *Section 13 – Appeal Process*

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13.01 Per Policy Staff Suspension Termination Demotion or Re-assignment HUM-005, employees who have an appeal with respect to disciplinary action or the interpretation of this handbook are encouraged to seek a resolution through informal means with their direct supervisor. However, if the issue cannot be resolved informally, the formal procedure is as follows:

- a) Upon receipt of the written appeal, the HR Manager will meet with the employee and direct supervisor in an attempt to resolve the issue and respond in writing within ten (10) business days.
- b) Should the matter not be resolved with the HR Manager, the employee may submit the appeal in writing within 14 calendar days to the GM. Upon receipt of the written appeal, GM will meet with and respond in writing to the employee and HR Manager within ten (10) business days.
- c) If the GM decides that the appeal is warranted, the employee shall be reinstated, and/or the letter removed from the employee's file. The GM's decision is final.
  - i. through mutual agreement, timelines to hear and respond to appeals may be extended if agreed to by both parties in writing.
  - ii. Should an employee timeline be passed without an extension, the appeal shall be considered null and void.





As a condition of employment, all employees must read this handbook

All employees when agreeing to an employment contract, hereby agree to align with this handbook

Employee Name \_\_\_\_\_

Employee Signature \_\_\_\_\_

Date of Hire \_\_\_\_\_

Date of signing \_\_\_\_\_

## APPENDIX 7 – CORPORATE POLICIES

### Board Policies

BRD-001 – Board of Directors Code of Conduct

BRD-002 – Board Reports Policy

BRD-003 – Policy Reviews

BRD-004 – Communications Policy

BRD-005 – Strategic and Business Planning

BRD-006 – Board Mandate Visions and Values

BRD-007 – Board and Organizational Priorities Policy

BRD-008 – Board Director Orientation Policy

BRD-009 – Board Performance Self-Assessment

BRD-010 – Board Director and Committee Member Selection Policy

BRD-011 – Board Director and Committee Member Compensation and Expenses

BRD-013 – Contractual Services Policy

BRD-014 – Annual Budget Approvals and Changes Policy

BRD-015 – Recruitment and Selection of General Manager Policy

BRD-016 – Employment and Compensation of General Manager Policy

BRD-017 – Performance Review of General Manager Policy

BRD-019 – Approval of Organizational Changes and Position Roles

### Finance Policies

FIN-001 – Employee Business Expense

FIN-003 – Accounting for Tangible Capital Assets

FIN-004 – Enterprise Risk Management(ERP)

FIN-004A – Insurance Management

FIN-005 – Debt Management

FIN-006 – Reserves

FIN-008 – Investments-Policy

FIN-008A -Banking-Authority Policy

FIN-009 – Purchasing Policy

FIN-010 – Service & Contract Fees Policy

FIN-011 – Distribution of Surplus Funds to Municipal Members

FIN-012 – Payment of Grants In Lieu of Taxes to Municipal Members

FIN-013 – Grants to Not-for-Profit Community Organizations

FIN-014 – Good Neighbor Grants

FIN-015 – US Dollar Account & Foreign Exchange

FIN-016 – Waste Collection Bin Order

FIN-018 – Financial Management

FIN-019 – Internal Controls

FIN-020 – Inventory Management

#### Human Resource Policies

HUM-001 – Code of Ethics and Rules

HUM-003 – Staff Learning Development and Growth

HUM-004 – Occupational Health and Safety

HUM-005 – Staff Suspension Termination Demotion or Re-assignment

HUM-006 – Respectful Discrimination and Harassment Free Workplace

HUM-008 – Wellness Benefit

HUM-009 – Employee Clothing and Personal Protective Equipment (PPE)

HUM-010 – Cellphone-Benefit-Policy

HUM-011 – Windshield Replacement Benefit

HUM-013 – Voluntary RRSP Benefit

HUM-014 – Performance Management (PM) and Annual Incentive Plan (AIP)

HUM-015 – Extended Hours Premium

HUM-016 – Inclement Weather Policy