

# Claystone Waste Proposal

## Frequently Asked Questions (FAQ)

Below are answers to popular questions about the proposal to transition Beaver Municipal Solutions from a regional waste management services commission to a municipally controlled corporation under the name of Claystone Waste Ltd.

The FAQ is separated into five sections and provides answers to questions surrounding the Claystone Waste proposal, community benefits and services, accountability and transparency, commitment to community partnership and operational improvements, and public consultation.

## The Claystone Waste Proposal

### 1. What is a municipally controlled corporation?

A Municipally controlled corporation is a for-profit entity that is owned by a municipality or group of municipalities that is designed to provide dividends back to the shareholder municipalities. In this case, Claystone Waste Ltd. would provide revenues back to its shareholders of Beaver County, the Town of Tofield, Town of Viking, Village of Holden, and the Village of Ryley.

Municipally controlled corporations are not uncommon in Alberta. EPCOR owned by the City of Edmonton, ENMAX owned by the City of Calgary, and Aquatera owned by the City of Grande Prairie, County of Grande Prairie, Town of Sexsmith and Town of Wembley are all examples of municipally controlled corporations.

### 2. What is the difference between a regional waste management services commission, like Beaver Municipal Solutions is now, and a municipally controlled corporation?

Regional services commissions and municipally controlled corporations have different purposes and different laws that they must follow. As such, regional services commissions are not permitted to do some of the things that municipally controlled corporations are.

Current laws for regional services commissions mean that Beaver Municipal Solutions must receive approval from the Government of Alberta to share its profits with its municipal members or sell any asset, even a small one, such as a used truck. Regional Services Commissions are designed to allow Alberta municipalities to work together to deliver municipal services on a cost-recovery basis – they are not meant to generate profits and dividends for municipalities.

These legal limitations can be cumbersome and do not guarantee that member municipalities and the wider community can benefit from the operations and profits of the landfill.

Municipally controlled corporations on the other hand, are enabled to share profits to their municipal shareholders without government approval. Municipally controlled corporations are also run more like a private sector business and are permitted to seek out revenue-generating opportunities outside their municipal and provincial boundaries while regional services commissions are not.

Municipalities also have far more input into the governance and operations of a municipally controlled corporation than the regional services commission structure. The regional services commission structure is more heavily regulated by the provincial government, while the municipally controlled corporation structure provides for greater municipal oversight and accountability through an annual business planning review process and other control measures. Under the municipally controlled corporation proposal, Claystone Waste would have to continue to abide by all the laws, rules and regulations governing landfills as outlined by Alberta Environment and Parks through the Environmental Protection and Enhancement Act (APEA).

### **3. Why is this transition to form a municipally controlled corporation being proposed now?**

For several years, elected members of council, municipal administrations, and Beaver Municipal Solutions have been studying whether to transition the regional services commission to a municipally controlled corporation. Councils and administrations are now seeking public input on the Claystone Waste proposal for several reasons including the desire to minimize legal risk, provide more revenues back to municipalities to fund local priorities, and to increase community and economic benefits to the region.

Regional services commissions are not designed to generate profit and provide dividends back to their member communities. Since 2014 Beaver Municipal Solutions, with approval from the provincial government, has provided over \$14.3 million in dividends to its member municipalities but there is no guarantee that the Alberta government will continue to approve these dividends. There is a risk that current operations could be ruled noncompliant with provincial regulations and this could mean reduced revenues and no transfers to member municipalities. A transition to a municipally controlled corporation would protect these revenues for Beaver region municipalities.

The proposal to transition Beaver Municipal Solutions to Claystone Waste is also designed to grow dividends providing more revenue to support local priorities. The **Claystone Waste business plan** proposes to grow municipal dividends by over 40% by 2022 to \$3.5 million annually. These additional revenues can help ensure member municipalities have the funding they need to build infrastructure and deliver services.

#### **4. Why is Beaver Municipal Solutions proposing to change its name as part of the proposal?**

The municipally controlled corporation proposal includes a rebranding of Beaver Municipal Solutions to Claystone Waste Ltd. This is because Beaver Municipal Solutions can get confused as a department of Beaver County, but it is separate entity, and provides services to all the towns and villages in the Beaver region. Rebranding to Claystone Waste will reduce confusion and signifies that a new chapter is beginning for the landfill. Claystone was selected because of its tie to the geology of the landfill site which is comprised of clastic sedimentary rock commonly referred to as claystone.

#### **5. What would the organizational structure of Claystone Waste look like?**

The proposed organizational structure of Claystone Waste is described in detail in the **Summary & Status** document.

Claystone Waste would be formed as a limited partnership. A draft **Limited Partnership Agreement** describes this arrangement. In the Limited Partnership Agreement, Claystone Waste Ltd. is established as the “general partner”, which is responsible for the management, operations, and business of the landfill. The “limited partners” are the shareholding municipalities of Beaver County, the Town of Tofield, Town of Viking, Village of Holden, and Village of Ryley. The elected councils of the

shareholding municipalities are responsible for approving Claystone Waste business plans, approving changes to rate structures or services, and appointing a Board of Directors to Claystone Waste.

The Board of Directors would guide Claystone Waste's strategic direction, evaluate the performance of its management, and ensure approved business plans are implemented.

## **6. How is the environmental liability of the landfill to be managed under the Claystone Waste proposal?**

As part of provincial legislation governing landfills and waste management, Claystone Waste, much like Beaver Municipal Solutions today, would have an obligation to remediate the landfill site once its functional lifecycle concludes. Every landfill has a lifespan and thus an important component of the Claystone Waste proposal is to ensure effective remediation funding and ensure that all laws and procedures regulating landfills from the provincial and federal governments are followed.

One of the draft formation agreements for the municipally controlled corporation is the **Claystone Trust Deed**. This deed creates a non-profit society to collect and safeguard the funds that will be needed to effectively remediate the landfill site. The Claystone Trust Deed binds Claystone Waste to setting aside revenues in a remediation fund and establishes safeguards through the creation of a non-profit society to ensure remediation liability is completely funded.

The non-profit society would be called the Claystone Trust Association. Its membership would be made up of the five municipalities and the board of directors of the non-profit society would be the Chief Administrative Officers (CAO) of the shareholder municipalities and be separate from the operations of Claystone Waste.

Under the municipally controlled corporation proposal, Claystone Waste would continue to abide by all other laws, standards, rules and regulations governing landfills and the safe disposal of waste as outlined by Alberta Environment and Parks through the Environmental Protection and Enhancement Act (APEA).

## Community Benefits and Services

### **1. How would a change to a municipally controlled corporation affect me in a practical sense?**

While the name and corporate structure of Beaver Municipal Solutions may change under the Claystone Waste proposal, the mandate to provide waste management services to the residents and businesses of the Beaver region and to provide tangible benefits back to shareholding municipalities would not.

Many residents will likely not notice too many practical changes as a result of a transition to a municipally controlled corporation outside of the re-branding to Claystone Waste Ltd. Residents who live closer to the landfill site may notice positive changes as landfill management continue to work to improve areas of operational concern including bird and gull control, mud control, and traffic safety among other initiatives.

### **2. Will the rates that I pay for waste management services be affected by the proposal?**

No. There are no changes to rates included in the proposal for residents and local businesses. Residents and businesses will continue to receive below-cost garbage pick-up and waste services that are 66% less than market rate.

Any changes to rate structures in the future would have to be approved by elected councils of the shareholding municipalities allowing for direct resident input.

### **3. Will my services I receive be affected by the proposal?**

No. Service levels or the nature of services will not be negatively affected by the proposed transition.

Claystone Waste, as part of its mandate to provide benefits back to the community, would explore ways to improve services or provide new services for residents.

Any changes to services or the addition of new services in the future would also have to be approved by elected councils through the annual business plan process allowing for direct resident input.

#### **4. How will communities in the Beaver region benefit from this proposal?**

The Claystone Waste proposal is designed to provide increased community benefit to residents and protect and promote municipal shareholder sustainability.

In 2019, Beaver Municipal Solutions provided \$2 million in dividends to its member municipalities. These dividends are used across the region to support infrastructure, community programming, and other priorities of member councils that would otherwise have to be funded by tax dollars.

The proposal to transition Beaver Municipal Solutions to Claystone Waste is not only meant to protect the dividends that flow to member municipalities, but to grow them, providing more revenue to support local priorities. The Claystone Waste business plan proposes to grow municipal dividends by over 40% by 2022 to \$3.5 million per year.

These additional revenues will help ensure member municipalities have additional funding to build infrastructure, deliver services, and support community programming across the region.

There would also be opportunity for members of the community to help advise Claystone Waste on ways to improve community benefits through a Public Advisory Committee. This committee would be responsible for bringing forth issues and concerns from residents of the Beaver region directly to the Board of Directors and is another avenue for residents to engage directly with Claystone Waste in the providing community benefits.

#### **5. How will communities in the Beaver region benefit economically from this proposal?**

Claystone Waste Ltd. retains the commitment of Beaver Municipal Solutions to provide local employment and be an economic driver within the Beaver region.

Because the proposal to form Claystone Waste will enable the landfill to operate more like a private sector business, revenues from the municipally controlled corporation are expected to grow which can translate to additional employment and investment in the region. Larger municipal dividends support local infrastructure and more community amenities such as the [proposed Claystone Park](#) on the outskirts of Ryley. Investments and amenities like these can make the region a more desirable

place to live and work, which can enhance community vitality and attract newcomers.

## **6. Are there any layoffs associated with the proposal?**

No. There will not be layoffs or any elimination of positions as a result of the transition to Claystone Waste.

Claystone Waste would strive to continue to be one of Alberta's Top 75 Employers. The proposal to transition Beaver Municipal Solutions to Claystone Waste would also not affect existing employment conditions.

One of the formation documents of Claystone Waste, the **Mandate and Roles Document**, commits Claystone to support employment in the region and ensures that local residents are prioritized for jobs and local contractors are prioritized for procurement and construction projects.

## **Accountability and Transparency**

### **1. How would Claystone Waste be accountable to residents and municipalities?**

The proposed transition from Beaver Municipal Solutions to Claystone Waste Ltd. empowers the shareholder municipalities, and by virtue, the residents of Beaver County, the Town of Tofield, the Town of Viking, the Village of Holden, and the Village of Ryley to have greater control over the operations of the municipally controlled corporation than the existing regional services commission structure. The regional services commission structure is more heavily regulated by the provincial government, while the municipally controlled corporation structure provides for greater municipal oversight and accountability.

Claystone Waste Ltd. is proposed to be accountable to its municipal members and residents through its corporate structure and operating agreements. Municipal councils would appoint directors to the Board of Directors of Claystone Waste and a **Unanimous Shareholder Agreement** between all member municipalities establishes control provisions for municipal oversight, and helps to ensure the operations of Claystone Waste are conducted in the public interest. The Unanimous Shareholder Agreement also dictates that in certain key matters where a major or material change to Claystone Waste is to be considered, the decision would not be made by

the Claystone Board of Directors, but rather will go back to each municipal council for approval, allowing for direct resident input.

In addition, municipal councils would be responsible for reviewing the Claystone Waste business plan on an annual basis for the municipally controlled corporation which would address:

- Operating and capital budgets for Claystone Waste
- Any new proposed services to be provided
- Any rate changes and rate structures for residents and local businesses
- Operating, financial, human resources or other policies governing Claystone Waste

## **2. How would Claystone Waste be transparent?**

The proposal commits Claystone Waste to be a well-governed and transparent organization in its actions and in its reporting. As outlined in the **Unanimous Shareholder Agreement**, Claystone Waste Ltd. would be obligated to publish an annual budget, provide audited financial statements, publicize an annual business plan for elected officials to approve and the public to review.

## **3. How would members of the public engage with Claystone Waste?**

The Claystone Waste proposal provides a number of avenues for residents and community members to engage with the municipal corporation.

The **Unanimous Shareholder Agreement** establishes the process for many public accountability measures including annual shareholder meetings for Claystone Waste where audited financial statements must be presented, where new business plan items must be approved, and where board appointments can be considered. The Business Corporations Act of Alberta further stipulates that Claystone Waste would have to hold an annual general meeting (AGM) which members of the public could attend. This AGM would be another opportunity for residents to receive updates on the operations and planning of Claystone Waste, and provide residents with a venue to share their concerns or perspectives.

Another formation document of the Claystone Waste proposal is a **Mandate and Roles Document**. The document mandates that the Claystone Board of Directors creates a Public Advisory Committee. This committee would be responsible for bringing forth issues and concerns from residents of the Beaver region directly to the

Board of Directors and is another avenue for residents to engage directly with Claystone Waste. Shareholding municipalities would also be empowered to directly appoint a member to the Public Advisory Committee. This could include a sitting municipal mayor, reeve, or councillor, or a private citizen selected by council. The Board would be required to meet with the Public Advisory Committee on a regular basis.

Elected municipal councils would also be responsible for reviewing annual business plans for Claystone Waste. Business plans would be publicized allowing members of the community to review and provide feedback or concerns to their elected representatives prior to their approval.

#### **4. Who would be the Claystone Board of Directors and how would they be selected?**

The Claystone Waste Board of Directors would consist of a minimum of five Directors with the potential to have a total of seven Directors if agreed to by all municipal shareholders. Board members would be appointed by the shareholder municipality councils.

Board members of Claystone Waste would all be independent, public-at-large directors - none of whom would be elected members of municipal councils. The Board of Directors would be a professionalized board with appointees having demonstrated skills and experience in areas directly applicable to the business of Claystone Waste. These skills and experiences could include individuals with a background in business administration, finance, engineering, environment, law, marketing or other senior management experience. Municipal councils would approve appointments to the Board of Directors based off of a competencies matrix.

### **Commitment to Community Partnership and Operational Improvements**

#### **1. Living near a landfill has many drawbacks for residents who live close by. What is Beaver Municipal Solutions doing, and what would Claystone Waste do to reduce negative impacts on neighbouring residents?**

It's important that those living closest to the landfill site have their concerns heard and acted upon. Beaver Municipal Solutions is committed to being a responsive

community partner, to listen to community concerns, and to take action to improve conditions that affect neighbours who live closest to the landfill. This commitment is maintained within the proposal to transition to Claystone Waste.

In the fall of 2019, Beaver Municipal Solutions in partnership with its member municipalities, held public information sessions across the Beaver region regarding the proposal to transition to Claystone Waste. Several concerns raised by residents who live closest to the landfill site were not directly related to the Claystone Waste proposal, but were operational in nature.

These concerns included issues of highway traffic and safety, prevalence of birds and gulls, and mud on roadways. These are ongoing community concerns that require action whether Beaver Municipal Solutions transitions to Claystone Waste or remains as a regional waste commission. Beaver Municipal Solutions responded to these concerns through the release of a [Response to Consultation](#) report in February 2020.

The report detailed several action plans that have been implemented to address operational issues surrounding birds and gulls, mud on roadways, and traffic safety. Reducing negative impacts on the landfill is an ongoing initiative requiring collaboration with Beaver County, the Village of Ryley, community residents, the Clean Harbors landfill, and the Government of Alberta.

In April 2020, Beaver Municipal Solutions publicly released a [Cumulative Effects of Landfill Operations on Neighbouring Residents](#) presentation. This presentation describes ongoing efforts to reduce the impacts of the landfill on neighbouring residents, details potential long-term strategies to continue these efforts, and has a stated goal of reducing negative aspects of living near the landfill and creating a more positive environment for county residents.

The actions taken to date and the strategies for the future are expected to deliver meaningful improvements to the concerns expressed by community residents. These efforts would continue under the municipally controlled corporation.

## **2. What is the strategy to control mud on roadways?**

Keeping roadways clean is a key operational priority because mud on roadways – beyond being an unpleasant eyesore – can become a traffic safety hazard that reduces traction and creates challenging road conditions for motorists.

Beaver Municipal Solutions has responded to resident concerns about mud control by investing \$1.5 million in capital projects and new equipment to better control mud and prevent it from being tracked onto adjacent roadways.

Throughout 2018 and 2019, Beaver Municipal Solutions completed paving of the main site entrance from its intersection with Highway 854 (N) into the truck scale area. In 2020, the entrance road paving will be complete with pavement applied from the truck scale area to the landfill equipment storage area. The pavement reduces tracking of mud debris and stones onto Highway 854, and the hard surface permits easier clean-up of mud debris.

Beaver Municipal Solutions also purchased specialized clean-up equipment and attachments dedicated for mud removal in 2019 and installed “shaker” mats at the exit lanes for landfill truck traffic.

Controlling the spread of mud will be an ongoing operational priority of Beaver Municipal Solutions and Claystone Waste, should the municipally controlled corporation be formed. More information on the actions taken to date are detailed in the [Response to Consultation](#) report and more information about longer-term strategies can be found in the [Cumulative Effects of Landfill Operations on Neighbouring Residents](#) presentation. Both actions to date and the longer-term strategies are anticipated to noticeably improve the nuisance of mud on roadways.

### **3. What is the strategy for bird and gull control?**

Bird and gull control is an operational priority for all landfill sites. In addition to reducing impacts on adjacent landowners, bird and gull control is a workplace safety initiative. For instance, a large number of birds and gulls on the landfill site can compromise the ability for large equipment operators to see one another.

Beaver Municipal Solutions has reformed bird and gull control practices to be more effective in response to community feedback. These reforms were developed in consultation with migratory bird experts and the Canadian Wildlife Service.

Beaver Municipal Solutions has significantly reduced the use of firearms and sound cannons to deter birds and gulls and introduced more raptors (hawks) to the landfill site. Over time, the presence of hawks on the site will not only deter birds and gulls from the landfill site but also adjacent properties, as these nuisance birds will be afraid to encroach on known hawk territory.

Additionally, tipping and coverage policies have been reformed to decrease the availability of organic wastes attractive to birds such as bone meal, discarded seed, and oversized compost.

Based on experience at landfills in southern Alberta that have dealt with similar numbers of migratory birds, implementation of these practices will significantly reduce bird populations in 2020 and 2021 to daily counts of 300 or less from peaks observed in 2019 of 20,000 to 25,000.

More information on the actions taken to control birds and gulls can be found in the [Response to Consultation](#) report.

#### **4. What is the strategy to improve traffic safety near the landfill site?**

Beaver Municipal Solutions has heard the concerns of residents about heavy truck traffic, rock debris on roadways, and improper driving behaviours of truck operators including speeding, making unsafe turns, and failing to come to a complete stop at stop signs near the Ryley landfill site.

In response, Beaver Municipal Solutions has taken several steps to monitor truck traffic, investigate improper behaviours, and has invested more into enforcement. Specifically, Beaver Municipal Solutions has taken the following actions to improve traffic safety:

- Installed additional traffic warning signage for both northbound and southbound lanes of Highway 854 (N) indicating to motorists the upcoming truck entrance and the potential for slippery road surface conditions.
- A large-format, LED Stop sign has been placed at the truck exit intersection with Highway 854 (N) to encourage all operators come to a complete stop prior to executing a turn onto Highway 854.
- Installed speed radar warning signs on both its inbound and outbound truck travel lanes.
- Installed a video camera at the truck scale for inbound and outbound traffic. The video data can be used to record license plates and trailer numbers of trucks for site traffic enforcement matters.
- In addition, Beaver Municipal Solutions plans to install video camera equipment at the intersection of the site entrance with Highway 854 (N), pending regulatory approval, to assist in both enforcement of maximum

speed and stopping requirements at the intersection, and to continuously observe road surface conditions.

- Requested a reduced speed limit Highway 854 (N) from Alberta Transportation.

More information on the actions taken to control birds and gulls can be found in the [Response to Consultation](#) report. Under the proposal to transition to Claystone Waste, the commitment to continually enhance traffic safety and improve the effectiveness of monitoring and enforcement is maintained.

## **5. What is the long-term land strategy for the landfill site and how will that affect neighbouring residents?**

The long-term land strategy of the site in Ryley is described in detail in the [Cumulative Effects of Landfill Operations on Neighbouring Residents](#) presentation. The Ryley site is projected to continue to grow over time however operations are expected to be less disruptive to residents as active landfill cells will be further away from adjacent properties.

Over the next 5–7 years, active parts of the landfill will become a closed landfill, a recreational park will be developed, and a new administration building will be constructed. Residential neighbours to the north of the site will be further from operations and there will be fewer residents to the south as well as a result of the Equity Industrial Park.

Beaver Municipal Solutions has also discussed the concept of “green zoning” with Beaver County in an effort to reduce nuisance on residents. “Green zoning” is a collaborative approach with Beaver County to land management that could see a green zone identified around the landfill site that would focus on passive development to the north, and more industrial development to the south of the site, providing a greater buffer between landfill operations and neighboring residents.

Reducing nuisance for neighbouring residents is a key priority in the land strategy for the site in Ryley. This emphasis on reducing negative effects of living near a landfill through a land strategy would continue with Claystone Waste should the municipally controlled corporation be formed.

## **6. The Good Neighbour Grant was discussed in detail during prior consultation. Is this grant being reformed?**

The Good Neighbour Grant continues to be under review in collaboration with Beaver County and the Village of Ryley.

The Good Neighbour Grant was first established in 2013 and provides additional funds, on top of regular dividends, to Beaver County the Village of Ryley. These funds are provided in recognition that residents who live closest to the landfill site are more affected by operations than those who live further away. In 2019, the Good Neighbour Grant provided approximately \$73,000 to the Village of Ryley and \$36,500 to Beaver County to help support local priorities.

At the public information sessions about the Claystone Waste proposal held in the fall of 2019, some residents of Beaver County and Ryley stated they did not feel the impact of the Good Neighbour Grant in their day-to-day lives which prompted the review of the grant.

The status of this review and potential reforms are described in detail in the [\*\*Cumulative Effects of Landfill Operations on Neighbouring Residents\*\*](#) presentation. Reforms currently being discussed include adopting a more collaborative approach between Beaver County, the Village of Ryley, and Beaver Municipal Solutions to use the good neighbour grant to fund more visible improvements of priority to nearby residents.

The Good Neighbour Grant and other grants used to support community programming will be maintained if Claystone Waste is formed.

### **Public Consultation**

#### **1. What public consultation has occurred on the Claystone Waste proposal?**

In the fall of 2019, Beaver Municipal Solutions in partnership with its member municipalities held public information sessions across the Beaver region regarding the proposal to transition to a municipally-controlled corporation. These sessions were held to gain initial community feedback on the Claystone Waste proposal and consider any changes that residents requested.

The dates when the public information sessions occurred are as follows:

- Village of Holden information session – October 10<sup>th</sup>, 2019
- Village of Ryley information session – October 11<sup>th</sup>, 2019
- Town of Tofield information session – October 12<sup>th</sup>, 2019
- Town of Viking information session – October 13<sup>th</sup>, 2019
- Beaver County information session – October 30<sup>th</sup>, 2019

The public information sessions included a presentation detailing the reasons why a municipally controlled corporation was being considered by Beaver Municipal Solutions and its member municipalities. This presentation was followed by a discussion period where community members could ask questions and share their opinions on the proposal.

## **2. Was the Claystone Proposal changed as a result of prior consultation?**

Yes. Beaver Municipal Solutions took action to respond to community concerns and released a [Response to Consultation](#) report in February 2020.

Some aspects of the Claystone Waste business plan and proposal were changed as a result of the information sessions. For instance, a component of the Claystone Waste business plan included provisions that would allow for out-of-province waste to be transported to the landfill site in Ryley. Residents stated strong opposition to this potential at the public information sessions. In response to this community feedback, the Claystone Waste business plan has been amended to no longer allow for the potential of out-of-province waste to be transported to the landfill site in Ryley.

Another change to the Claystone Waste proposal as a result of the public information sessions included changes to the first Board of Directors for the municipally controlled corporation. The initial proposal allowed for the current Board of Directors of Beaver Municipal Solutions to carry over for a period as the board for Claystone Waste. This meant the Claystone Waste Board of Directors would be comprised of elected members of councils. Residents expressed concern about the potential for political interference with a Board of Directors that is envisioned to operate more like a private business and requested that the selection process of a professional board be expedited. Under the revised Claystone Waste proposal, a recruitment of a non-political, professional board would be completed by October 2020 in time for a January 1<sup>st</sup>, 2021 incorporation of Claystone Waste Ltd. (pending approval to establish the municipally controlled corporation from municipal councils).

### **3. Is further consultation planned and how can I participate?**

Yes. The next steps for public consultation are public hearings to be held by each municipal member council in June 2020.

The dates for each public hearing and information on how to make a submission, present to council, or provide feedback on the Claystone Waste proposal is available on each municipality's website.

#### **Further Information**

Several draft legal agreements and documents, including the Claystone Waste business plan, have been finalized and approved for public consultation by municipal member councils.

These agreements, and their summaries, can be read in full online on municipal websites and the [Beaver Municipal Solutions](#) website.