

PUBLIC HEARING

APRIL 5, 2023

Proposed Material Change to Claystone Waste Ltd. Municipally Controlled Corporation Business Plan

Many questions were posed by the six individuals who spoke including some that are operational in nature and not related to the subject of the Public Hearing. These operational questions have been addressed separately here. Questions related to the proposed Material Change to the Claystone Waste Ltd. Business Plan are [available here](#).

What we heard – Operational Questions/Concerns

How does Claystone address nuisance factors including highway traffic and safety, prevalence of birds and gulls, manage odours and dust?

Living near a landfill has some drawbacks for residents who live close by. Claystone is committed to being a responsive partner and good neighbour and we take our responsibility to reduce negative impacts on neighbouring residents seriously. Below are answers detailing how Claystone mitigates nuisance issues common to landfills.

Traffic and Highway Safety:

Managing traffic safety in industrial areas involves a range of strategies and practices to ensure the safety of workers and visitors in these areas. Although adjacent highways are managed by Alberta Transportation, Claystone has developed and implemented traffic management strategies to control the flow of vehicles and pedestrians in the industrial area. These measures include speed limits, designated pedestrian areas, and signage to guide traffic safely.

Claystone also uses cameras to monitor traffic flow, identify potential hazards, and enforce rules to ensure compliance with traffic safety requirements.

Claystone actively works with Alberta Transportation and Beaver County to improve traffic safety, and is responsive to resident concerns. To report a specific traffic concern, residents are encouraged to email info@claystone.ca or call 1-855-221-2038.

Birds:

Claystone has extensive experience managing birds at the Beaver Regional Landfill site. We work with a falconry contractor permitted by the Canadian Wildlife Service to control migratory birds like seagulls. The use of predator hawks on site will not only deters birds and gulls from the landfill site but also adjacent properties, as

	<p>these nuisance birds are afraid to encroach on known hawk territory.</p> <p>Litter control: Litter management is carried out in the following ways on our site.</p> <ul style="list-style-type: none"> • There are several layers of litter control fencing. The perimeter fence is a permanent fence. Semi-permanent fences are located at strategic points on closed portions of the landfill where high winds often blow litter. • Moveable wind fences are available for placement as wind blockers. • The collection of litter is done by landfill staff to ensure the site is litter-free. • When waste moves outside the landfill boundaries onto adjacent properties, Claystone makes all attempts to collect the waste with the authorization of property owners or tenants. • Off-site litter blown onto neighbouring, adjacent public roads and drainage ditches from a wind event is removed by Claystone following a wind event. • Off-site litter blown onto neighbouring adjacent properties from a wind event is removed by property owner-authorized contractors at Claystone’s cost, or by Claystone as soon as practicable after the wind event. Claystone will not and does not enter private property unless authorized by the property owner. <p>Odour control: Claystone employs various tactics to deal with odours depending on the type of organics. Active municipal solid waste is covered in the summer months, while odorous waste is covered immediately. Our best practices ensure that we can mitigate odours and respect our neighbours.</p> <p>Dust control: Dust management is a key operational function on the Claystone site. In dry weather conditions, internal landfill access roads are watered to suppress dust as needed. During construction projects, contractors are responsible for dust control in their working areas of the site, with compliance monitoring done by Claystone.</p>
What is the liability for post-closure of the landfill site and is it fully-funded?	<p>As part of provincial legislation governing landfills and waste management Claystone Waste has obligation to remediate the landfill site once its functional lifecycle concludes.</p> <p>Claystone’s current post-closure liability is approximately \$16 million and the portion of the liability related to the final capping of all active cells is fully funded. Re-assessment of capping costs and related post-closure monitoring costs is done by independent consultants at least every three years and any additional cost</p>

	<p>contribution to the closure fund are made by Claystone Waste to the Trustee Association.</p> <p>Post-closure remediation costs are spread over 25 years and would not be required to be paid immediately. This covers the annual costs for environmental studies, leachate management, and vegetation management.</p>
Who manages the trust for post-closure costs of the landfill?	<p>A non-profit society called the Claystone Trustee Association manages and oversees the remediation fund. The directors of the Claystone Trustee Association are the Chief Administrative Officers (CAO) of Claystone's shareholding municipalities and are independent of the Board of Claystone Waste.</p> <p>Claystone regularly sets aside revenues for the post-closure and remediation funding that is then managed by the arms-length non-profit society.</p>
Residents expressed concerns that Claystone does not provide enough community and economic benefits back to the region.	<p>Claystone is a Canadian leader in providing economic and community benefits back to the communities in which it operates.</p> <p>As a municipally controlled corporation, Claystone provides revenue to local communities through the municipal dividend, subsidized waste services, the Good Neighbour Grant, and sponsorships to support community organizations at levels that are much higher than any other waste management company.</p> <p>Municipal dividends from Claystone have valued \$3 million annually since 2019. These dividends are used by Beaver region municipalities to support infrastructure, community programming, economic development initiatives, and other priorities of municipal councils that would otherwise have to be funded by local taxpayers. The \$3 million dividend represents an approximately \$300 per person benefit to every resident of the Beaver region in 2023.</p> <p>Since 2015, Claystone Waste has provided over \$25 million back to local communities through various forms of support including dividends, grants, sponsorships, and other forms of community partnerships.</p>
Residents requested information on Claystone's methane production from landfill operations.	<p>Claystone's emissions, including those associated with methane gas are independently verified and monitoring results continue to show that landfill operation average annual emissions of greenhouse gases remain significantly below the regulatory annual threshold of 100,000 tonnes of carbon dioxide gas equivalent (CO₂e).</p>

	<p><i>Claystone is committed to reducing its emissions from operations, and Chief Operating Officer Corey Popick is a member of Environment and Climate Change Canada's Landfill Methane Gas Regulations Technical Working Group.</i></p> <p><i>Claystone has also begun issuing an annual Environmental Sustainability report which will be available for public review later in spring 2023.</i></p>
Residents expressed concerns that bio-sludge contains toxins.	<p><i>Bio-sludge, if not managed properly, can have negative environmental impacts.</i></p> <p><i>Bio-sludge can be treated and stabilized using various processes such as anaerobic digestion, aerobic digestion, composting, and thermal drying. These processes help to reduce the volume and weight of the sludge, as well as reduce the levels of pathogens and other contaminants, making it easier and safer to handle and dispose of.</i></p> <p><i>Claystone is committed to best-in-class environmental stewardship and all material received at the landfill site undergoes analytical review that ensures stringent requirements are met for safe disposal in a class II landfill.</i></p>
Residents expressed concern that Claystone Waste Board of Directors meetings are closed to the public.	<p><i>As a municipally controlled corporation, Claystone is a for-profit entity that is owned by the Beaver Region municipalities. Claystone is enabled to run like a private sector business with the intent of maximizing dividends back to shareholder municipalities.</i></p> <p><i>The waste management industry is extremely competitive. The primary reason Claystone Board of Directors meetings are held in private is to protect information that would compromise the competitiveness of Claystone and its ability to generate revenue.</i></p> <p><i>Claystone's Board Meeting procedures are consistent with industry standards and those of all other Alberta municipally controlled corporations including EPCOR, Enmax, and Aquatera.</i></p>
Residents asked about how Claystone financial statements are prepared and presented.	<p><i>Claystone publishes financial statements in our annual report which is available online.</i></p> <p><i>Claystone publishes its financial statements in accordance with the International Financial Reporting Standards (IFRS), which are a set of accounting standards developed by the International Accounting Standards Board.</i></p> <p><i>IFRS provides a standardized framework for companies to prepare and present their financial statements. The purpose of IFRS is to provide transparent and consistent financial reporting across countries and industries. IFRS is used in more than 140 countries,</i></p>

	<p>including the United States, European Union, Australia, Canada, and Japan.</p> <p>The 2022 annual report containing 2022 financial statements will be available after the 2023 Claystone Waste Annual General Meeting.</p>
Residents expressed concern about increasing costs for salaries and costs for Claystone Board members.	<p>Claystone is a western Canadian waste management leader and must compensate its talent and board directors consistent with industry benchmarks, or it will not attract and retain employees and board members.</p>
Residents asked about the final cost for the LEED-certified Claystone Waste Administration Building.	<p>Construction of the Claystone Waste Administrative Building was \$2.8 million. Costs associated with paving, furnishings, and landscaping totalled approximately \$315,000 for a total cost of approximately \$3.15 million for the building.</p>
Residents stated they did not wish for Claystone to work with or form partnerships with any federal government entities.	<p>The waste management sector is federally regulated, and Claystone must work with federal entities to comply with environmental and emissions regulations. In addition, the federal government often provides grants and other sources of funding to the waste management sector for environmental initiatives and deployment of new technologies. It is important that Claystone pursue such opportunities with the federal government when beneficial for the company. Nevertheless, Claystone Waste remains an independent company controlled by its founding municipalities through its appointed Board of Directors.</p>
Residents expressed concern about Claystone succession planning for workers nearing retirement.	<p>Claystone has a CEO succession planning policy and generally practices workforce planning to identify and develop employees within the company. Succession planning is an ongoing exercise and updates on plan execution are provided regularly to the Board of Directors.</p> <p>Claystone recognizes succession planning is an important component of workforce management and is committed to ensuring the company has the talent needed to achieve business goals.</p>
Is Beaver County responsible for the success of Claystone Waste?	<p>No. Beaver County is a shareholder municipality of Claystone Waste, along with the Town of Tofield, Town of Viking, Village of Ryley and Village of Holden.</p> <p>The elected councils of the shareholding municipalities are responsible for approving material changes to Claystone Waste business plans, approving changes to rate structures or services, particularly where local services are affected and appointing a Board of Directors to Claystone Waste.</p>

The Board of Directors are responsible for Claystone Waste's strategic direction, performance of executive management, through the Claystone CEO and to ensure approved business plans are implemented.
