

*Canada-Yukon Agreement on the Transfer of Federal Gas Tax
Revenues under the New Deal for Cities and Communities
2005-2015*

Yukon Gas Tax Fund Outcomes Report



September 2009



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1.0 Introduction

1.1 Gas Tax Fund Allocations

On May 26, 2005, the Government of Canada and Government of Yukon signed the *Canada-Yukon Agreement on the Transfer of Federal Gas Tax Revenues Under the New Deal for Cities and Communities 2005-2015*. Working together with the Association of Yukon Communities (AYC) and Yukon First Nations, the parties committed to investing the territory's \$37.5 million share of federal gas tax revenues directly into Yukon communities.

Yukon and Canada recently agreed to extend the Gas Tax Fund (GTF) to 2014, resulting in an additional \$60 million in funding for environmentally sustainable Yukon community infrastructure. As agreed to by all parties, Yukon's Gas Tax funds are divided among municipalities (68%), First Nations (25%), and the Yukon government on behalf of unincorporated communities (7%). Please refer to Table 1 for a summary of GTF allocations by jurisdiction.

Table 1. Total Yukon Gas Tax Allocation by Jurisdiction, 2005-2014

Year	Total	Unincorporated	First Nation	Municipal	% Total
2005-2006	\$4,500,000	\$315,000	\$1,125,000	\$3,060,000	4.5%
2006-2007	\$4,500,000	\$315,000	\$1,125,000	\$3,060,000	4.5%
2007-2008	\$6,000,000	\$420,000	\$1,500,000	\$4,080,000	6%
2008-2009	\$7,500,000	\$525,000	\$1,875,000	\$5,100,000	15%
2009-2010	\$15,000,000	\$1,050,000	\$3,750,000	\$10,200,000	15%
2010-2011	\$15,000,000	\$1,050,000	\$3,750,000	\$10,200,000	15%
2011-2012	\$15,000,000	\$1,050,000	\$3,750,000	\$10,200,000	15%
2012-2013	\$15,000,000	\$1,050,000	\$3,750,000	\$10,200,000	15%
2013-2014	\$15,000,000	\$1,050,000	\$3,750,000	\$10,200,000	15%
TOTAL	\$97,500,000	\$6,825,000	\$24,375,000	\$66,300,000	100%

1.2 Gas Tax Funding Categories

Now in its fifth year, the GTF has provided a stimulus for territory-wide sustainable community planning as well as stable, reliable funding for a wide range of infrastructure and capacity building projects that meet community-specific needs. Communities may access the Community Works Fund to build community infrastructure that achieves the GTF goals of cleaner air, cleaner water, and reduced greenhouse gas emissions (GHGs). Eligible project categories under the GTF include the following:

- Water and wastewater management

- Solid waste management
- Community energy systems
- Public transit
- Active transportation infrastructure (e.g., bike lanes)
- Building system improvements that lead to significantly increased energy efficiency
- Community capacity building related to GTF goals

Drinking water, capacity building, building system improvements, and wastewater projects constitute 75% of the applications approved for Gas Tax funding to date in Yukon. This dual emphasis on core infrastructure and capacity building is consistent with the challenges many rural Yukon communities face: that of aging, inefficient or inadequate basic infrastructure and a lack of human resource capability to implement and/or maintain improvements. The approximate distribution of Yukon Gas Tax Fund projects approved to date by funding category is shown in Figure 1.

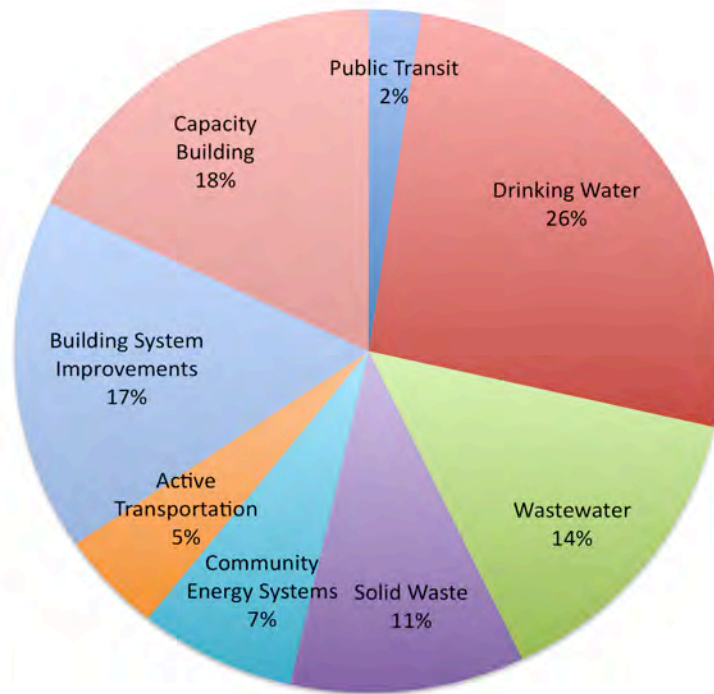


Figure 1. Distribution of Yukon Gas Tax Projects by Funding Category

1.3 Integrated Community Sustainability Plans

Yukon’s requirement for communities and First Nations to complete an Integrated Community Sustainability Plan (ICSP) as the pre-requisite to drawing down funding for infrastructure projects under the GTF has resulted in a diverse range of community-based planning activity across the territory.

Yukon communities have achieved a very high completion level for ICSPs. A total of 21 have been completed to date as follows:

- Eight municipal ICSPs
- Eleven First Nation ICSPs
- Two ICSPs submitted jointly by the First Nation and municipality (Teslin and Dawson City)

The three outstanding ICSPs – two First Nation ICSPs and the ICSP for rural Yukon - are currently in progress.

1.4 Gas Tax Fund Participation

As of December 2009, seven municipalities and eight First Nations have had 66 projects approved for Gas Tax funding. Eleven projects have reached the completion stage, with the remaining 55 currently underway or not yet initiated.

Uptake of the GTF by Yukon communities was initially slow to start, but has steadily increased with respect to both the number of projects submitted and the number of actively participating recipients. Please refer to Table 2 for a year-over-year comparison of GTF participation by Yukon municipalities and First Nations.

Year	# New Municipal Participants	# New First Nation Participants	# Projects Approved
2007	1	3	5
2008	2	2	17
2009	4	3	44
TOTAL	7	8	66

Table 2. Year-Over-Year Gas Tax Fund Participation in Yukon, 2007-09

1.5 Public Transit Fund

The Public Transit Fund (PTF) allocated \$390,654 in per-capita federal funding to Yukon for improvements to public transit infrastructure. In 2008, Yukon transferred the entire amount of its allocation under the PTF to the City of Whitehorse, which operates the only public transit system in the territory. Combined with funds from the Public Transit Capital Trust and a contribution from the municipality, four new transit buses were purchased at a total cost of just over \$1.2 million.

1.6 Gas Tax Fund Outreach

In early 2009, the Yukon Gas Tax Fund Secretariat hosted its first annual Gas Tax Fund Eligible Recipients Workshop as part of its ongoing efforts to build capacity in Yukon municipalities and First Nations to participate fully in the GTF.

The workshop focused on GTF basics: what the GTF is, what kinds of projects are eligible, and how to access infrastructure funding under it. Participation in the workshop was excellent, with 19 of the 22 eligible recipients represented.

The next workshop is scheduled for February 2010 and will focus on identifying community needs and how to draw down funding.



2.0 Gas Tax Fund Projects - Outputs and Outcomes

Since the signing of the Canada – Yukon Gas Tax Fund agreement, Yukon communities have submitted and received approval for 66 GTF projects. As of December 2009, 11 of the approved projects had been completed.

These 11 projects cover a wide range with respect to eligible Gas Tax funding category, cost, and complexity. The outcomes of some projects can be easily quantified, whereas the outcomes of others are more difficult to express in numerical terms. Regardless, all 11 projects succeed in meeting the GTF objectives of cleaner air, cleaner water, and reduced GHGs.

Please refer to Table 3 for an overview of the 11 projects completed to date under the GTF in Yukon and their associated outputs and outcomes.

Table 3. Summary of Outputs and Outcomes for Completed Gas Tax Fund Projects

<i>Community/ Applicant</i>	<i>Funds Received</i>	<i>Project Title</i>	<i>Outputs</i>	<i>Outcomes</i>
Water				
Selkirk First Nation	\$233,820	Small Diameter Piped Water System	80 meters of pipe installed under the Pelly River; 11,000 meters of pipe installed in the ground; 95+ connections made to residential and community buildings	Safe, clean source of drinking water for Pelly residents
Village of Teslin	\$61,166.67	Recreation Complex Water Supply	Two 2500 gallon water tanks installed and 100 meters of pipe laid to connect new water source to existing system	Safe, clean source of drinking water made available at a well-used community building
Wastewater				
Carcross/Tagish First Nation	\$180,000	Sewage Pump-out Truck Garage	Construction of new shop to house and maintain vacuum education truck in accordance with Yukon regulations	Cleaner water through relocation of shop away from lake; reduced GHGs via improved energy efficiency
Village of Teslin	\$3200	Sewage Lagoon Fencing	34 meters of fencing installed around perimeter of lagoon	Cleaner water through protection of lagoon from illegal dumping of contaminants
Village of Teslin	\$16,250	Recreation Complex Water Closet Replacement	23 toilets with 13 L flush capacity replaced with 6 L capacity toilets; 5 water-less urinals installed	Cleaner water through decreased demand on freshwater supply and sewage lagoon
Solid Waste				
Village of Teslin	\$78,350	Solid Waste Transfer Station and Electrification	34 cement blocks placed to build a 2000 ft ² retaining wall; two 30 cubic yard bins installed to house domestic waste; electricity supplied to the recycling shed located on site	Cleaner air due to significant reduction in burning; cleaner water through improved site management
Village of Teslin	\$12,174.25	Compost Project	Preparation of a 500 ft ² composting area including installation of a wire enclosure, general purpose fencing and electric fencing	Reduced GHGs through the conversion of a methane-producing process (landfilling organics) to non-methane producing process (composting)

Table 2 (continued). Summary of Outputs and Outcomes for Completed Gas Tax Fund Projects

<i>Community/ Applicant</i>	<i>Funds Received</i>	<i>Project Title</i>	<i>Outputs</i>	<i>Outcomes</i>
Public Transit				
Carcross/Tagish First Nation	\$72,000	School Bus Shelters and Lighting	Three bus shelters constructed to accommodate school children and reduce the number of vehicles driving	Reduced GHGs through the reduction of vehicle use during peak times
Building System Improvements				
Town of Watson Lake	\$36,635	Administration Building Skylight Replacement	Skylights removed and replaced with insulated covered roof	Reduced GHGs through improved energy efficiency
Village of Teslin	\$1763.85	Recreation Complex Energy Efficiency (Phase 1)	Energy efficiency audit of recreation complex completed and recommendations for retrofits made	Preparatory work to reduce GHGs in future Phase II
Capacity Building				
Liard First Nation	\$87,000	Albert Creek Water Quality Monitoring	Five LFN citizens trained in water sampling techniques and various environmental parameters potentially affecting drinking water quality investigated	Increased local capacity to detect and respond to water quality concerns; preparatory work to ensure cleaner drinking water in the future

3.0 Gas Tax Fund Project Success Stories

To date, a total of 11 projects have been completed with support from the GTF. The following section highlights three examples of how Gas Tax-funded projects are helping Yukon recipient communities reduce their environmental footprints and achieve the GTF goals of cleaner air, cleaner water, and reduced GHGs.

Applicant: *Village of Teslin*

Project: *Solid Waste Transfer Station, Electrification, and Compost Project*

The Village of Teslin, population 415, is located 170 kilometers from the capital of Whitehorse. In order to prolong the operating life of the local solid waste facility, the Village would periodically burn, a practice common in many rural Yukon communities. In an effort to reduce waste volumes that would subsequently be burned, the Village built a recycling shed and designated segregated waste disposal areas. The initiative was so successful that the Village Council decided to take the next step: conversion of the facility into a solid waste transfer station.



A section of the site was excavated in preparation for the placement of 34 cement blocks for use as a retaining wall. Two-30 cubic yard bins were purchased and installed in front of the blocks, allowing convenient vehicle access for garbage drop-off and minimizing the wind-blown litter present at the facility. All solid waste, with the exception of construction debris, is now hauled to the City of Whitehorse landfill. Burning has been significantly

reduced at the site.

As part of the same project, electrical power was supplied to the site via a spur line from the nearby Alaska Highway and connected to the recycling shed to facilitate recycling in the shoulder and winter seasons when daylight hours are fewer. With recycling now made convenient and accessible to community members, Village staff estimate that as much as 40% of solid waste generated in the community is being diverted from landfilling.

Under a separate GTF project, a community composting area was also prepared at the solid waste facility. A wire enclosure was installed to discourage nuisance animals and an electric fence was erected around the entire composting area. The Village's eventual goal is to achieve community-wide participation in composting and a corresponding reduction in GHGs from methane, a byproduct of landfilling of compostables.

Applicant: *Liard First Nation*
Project: *Albert Creek Water Quality Monitoring*

Albert Creek Subdivision is located 12 kilometers west of the community of Watson Lake and is home to about 60 First Nation citizens occupying 23 homes. With the exception of three homes, Albert Creek residents rely on individual shallow wells for their drinking water supply. Further expansion of the subdivision has stalled partly due to concerns about the Upper Liard Disposal Facility and two historic military dumpsites located up gradient of the proposed residential lots.

In the summer of 2008, Liard First Nation undertook a preliminary site investigation of the Albert Creek waste disposal sites. The primary objectives of the investigation were to assess groundwater quality at the Upper Liard Disposal Facility and determine whether potential leachates from the facility were impacting drinking water quality in the Albert Creek homes.



Over three days, five Liard First Nation residents were trained in environmental sampling protocol and techniques and conducted water quality sampling and field measurements from residential wells at the Albert Creek subdivision and groundwater monitoring wells at the Upper Liard Disposal Facility.

Testing results identified the presence of groundwater contaminants at the Upper Liard Disposal Facility. Other chemical and biological constituents of potential concern were detected in the Albert Creek domestic wells, including coliform bacteria and high turbidity, iron, and manganese levels. Liard First Nation is hoping to further build on its local capacity with a follow-up project to quantify the significance of the contaminants detected in Phase 1 and implement ongoing monitoring of the waste facility with the ultimate goal of ensuring a safe, clean water supply for its citizens.

Applicant: *Village of Teslin*
Project: *Recreation Complex Water Closet Replacement*

The Village of Teslin operates and maintains both the Town Hall and Teslin Recreation Complex. In an ongoing effort to minimize its environmental footprint and minimize costs, the Village replaced 23 standard toilets with low flush toilets, reducing the amount of water required per flush from 13 liters to 6 liters. Five waterless urinals were installed in the two buildings. The project will help to reduce the Village's freshwater demand, as well as impact on the local sewage lagoon, for many years to come.



4.0 Looking to the Future

The next few years promise to be busy for both Yukon communities and the Yukon Gas Tax Fund Secretariat as the majority of the 66 GTF projects approved to date (often multi-year initiatives) proceed to full implementation. With both community-specific and Yukon-wide knowledge and capacity increasing with every GTF project completed, it can be expected that participation will follow an upward trajectory during the extension of the GTF over the next four fiscal years (2010-2014).

As evidenced by the distribution of approved Yukon GTF projects by funding category, Yukon communities are utilizing the GTF to upgrade core infrastructure, primarily in the areas of drinking water, wastewater, and building systems. At the same time, they are ensuring that Yukoners are better equipped to meet ongoing infrastructure and environment-related needs in the future through capacity building initiatives. Many more success stories can be anticipated as Yukon communities continue to upgrade systems and realize new efficiencies, cost savings, and benefits to the local, regional, and global environment.

These investments in local infrastructure and capacity serve not only the individual needs of Yukon municipalities and First Nations but also contribute directly to the collective efforts of both Yukon and Canada to achieve the environmental goals of the GTF. The first five years of GTF implementation in the territory have amply demonstrated that the fund is achieving the objectives of cleaner air, cleaner water, and reduced GHGs – and in so doing, creating a more fiscally and environmentally sustainable Yukon.