



AGENDA

ESSEX-WINDSOR SOLID WASTE AUTHORITY

Essex County Civic and Education Centre
Meeting Room C

Wednesday August 11, 2010

PLEASE NOTE TIME HAS CHANGED - 3:30 p.m.

- | | Page |
|---|------|
| 1. CALL TO ORDER | |
| 2. DECLARATION OF PECUNIARY INTEREST | |
| 3. DELEGATION | |
| A) <u>Introduction of New Manager of Finance and Administration</u> | |
| 4. APPROVAL OF MINUTES | |
| A) <u>EWSWA Board Meeting – June 1, 2010</u> | 1-6 |
| 5. BUSINESS ARISING FROM THE MINUTES | |
| 6. CORRESPONDENCE | |
| 7. WASTE DISPOSAL ISSUES | |
| A) <u>Windsor-Essex Parkway – Verbal Report</u> | |
| 8. WASTE DIVERSION ISSUES | |
| A) <u>MHSW Agreement with Stewardship Ontario</u> | 7-8 |
| B) <u>Stewardship Ontario - Eco-Fees</u> | 9-11 |

9. GENERAL ISSUES

- A) 2009 Financial Statements and Auditor's Report 12-30
- B) January to June 2010 Six Month Financial Report (Available day of meeting)

10. ANY OTHER BUSINESS

11. SUMMARY OF ACCOUNTS

Legal Invoices up to and including June 30, 2010 31

12. IN-CAMERA AGENDA (Attached separately)

13. BY-LAWS

- A) By-Law 08-2010 - Being a By-Law to confirm the proceedings of the Board Essex-Windsor Solid Waste Authority. 32

14. NEXT MEETING – Wednesday, September 15, 2010 at 4:30 pm, Room "C", Essex County Civic and Education Centre

15. ADJOURNMENT

MINUTES
ESSEX-WINDSOR SOLID WASTE AUTHORITY

**Essex County Civic and Education Centre
Committee Room C
Tuesday June 1, 2010
4:30 pm**

Attendance:

EWSWA: County of Essex – Tom Burton, Robert Schmidt and Nelson Santos

City of Windsor – Ed Francis (Chair), Percy Hatfield, Jo-Anne Gignac, Alan Halberstadt and Drew Dilkens (via phone call)

Absent: Wayne Hurst (Vice-Chair)

EWSWA Staff: Eli Maodus, Acting General Manager & Manager of Finance and Administration
Ralph Reiser, Manager of Waste Disposal
Cameron Wright, Manager of Waste Diversion
Kate George, Executive Secretary

County of Essex Staff: Mary Brennan, Clerk

City of Windsor Staff: Anne Marie Albidone, Environmental Services Contract & Operations Administrator

1. CALL TO ORDER

The Chair called the meeting to order at 4:30 PM.

2. DECLARATION OF PECUNIARY INTEREST

There were no declarations of pecuniary interest.

3. DELEGATIONS

There were no delegations present at the meeting.

DRAFT

4. APPROVAL OF MINUTESA) EWSWA Board Meeting – May 11, 2010

Moved by Rob Schmidt

Seconded by Jo-Anne Gignac

THAT the minutes of the EWSWA Board Meeting of May 11, 2010 be adopted.

--CARRIED

5. BUSINESS ARISING FROM THE MINUTES

There was no business arising from the minutes

6. CORRESPONDENCEA) Essex Region Children's Water Festival

Moved by Jo-Anne Gignac

Seconded by Percy Hatfield

THAT the information regarding the Children's Water Festival be received for information purposes.

--CARRIED

The Manager of Waste Diversion extended to the Board an invitation to attend the Children's Water Festival lunch.

B) Town of Tecumseh RE: Correction to Resolution from March 23, 2010 Meeting, receiving the resolution from Town of Lakeshore Council

Moved by Rob Schmidt

Seconded by Tom Burton

THAT the letter from the Town of Tecumseh be received for information purposes.

--CARRIED

C) Town of Kingsville RE: Waste from Ontario Municipalities Support for Town of Lakeshore Council Opposition

Moved by Jo-Anne Gignac

Seconded by Rob Schmidt

THAT the letter from the Town of Kingsville be received for information purposes.

--CARRIED

7. WASTE DISPOSAL ISSUES

There were no Waste Disposal issues discussed.

8. WASTE DIVERSION ISSUES

There were no Waste Diversion issues discussed.

9. GENERAL ISSUES

A) For Those In Need National Network – Request for lower tipping fees under the EWSWA Charitable Organization Policy

Mr. Burton questioned whether the Authority approves all applicants under the Authority's charitable organization policy for a reduced tipping fee.

The Acting General Manager and Manager of Finance and Administration indicated that just because an organization is a charity does not automatically qualify them for a reduced fee. In order to qualify they must meet the criteria set out by the policy whereby they must "provide services that result in reduction, reuse or recycling of waste".

Moved by Tom Burton

Seconded by Jo-Anne Gignac

THAT *For Those In Need National Network* be granted subsidized disposal status as a charitable organization under EWSWA Policy EW-012.

--CARRIED

NOTE: *Alan Halberstadt arrived at 4:39 PM.*

B) Regional Landfill Tipping Fee Brackets Report

The Acting General Manager and Manager of Finance and Administration noted that the change in the brackets is recommended in order to entice smaller haulers to enter into contracts with the Authority. If this is successful, then the potential for earning additional revenue is increased.

Ms. Gignac questioned whether there would be concerns from the larger haulers now that there is a smaller bracket.

The Acting General Manager and Manager of Finance and Administration indicated that there is no anticipated affect on the current contracts. He further noted that for the EWSWA this move could mean a positive net impact on its revenue.

Mr. Burton questioned whether we could amend the recommendation to include a trial period for the new brackets.

The Acting General Manager and Manager of Finance and Administration noted that the time period could be worded to accommodate the suggestion.

Moved by Percy Hatfield

Seconded by Jo-Anne Gignac

THAT the Board permit administration to implement the proposed tipping fee bracket changes in accordance with the chart contained within the body of this report for a trial period ending December 31, 2011 as follows:

BRACKETS	
<u>TIP FEE / TONNE</u>	<u>TONNAGE LEVEL</u>
\$55	1
\$46	1,001
\$45	2,001
\$44	3,001
\$43	4,001
\$42	5,001
\$41	10,001
\$36	20,001
\$32	30,001
\$28	40,001 +

DRAFT

--CARRIED

10. ANY OTHER BUSINESS

There was no other business discussed.

11. SUMMARY OF ACCOUNTS

Moved by Jo-Anne Gignac

Seconded by Percy Hatfield

THAT the legal accounts up to and including invoices received on June 1, 2010 be paid in full.

--CARRIED

12. IN-CAMERA AGENDA (Attached Separately)

Moved by Rob Schmidt

Seconded by Percy Hatfield

THAT the Authority move into In-Camera Committee of the Whole to discuss a personnel issue and a legal matter at 4:45 PM.

--CARRIED

Motions Made In Open Session

Moved by Tom Burton
Seconded by Rob Schmidt
THAT the Board approve the Minutes from May 11, 2010.

--CARRIED

Moved by Jo-Anne Gignac
Seconded by Percy Hatfield
THAT the verbal report RE Fanotech Enviro Inc. mediation be received for information purposes.

--CARRIED

Moved by Jo-Anne Gignac
Seconded by Percy Hatfield
THAT the Board receive the verbal report regarding the General Manager for information purposes.

--CARRIED

Moved by Tom Burton
Seconded by Alan Halberstadt
THAT the Board move out of In-Camera session at 4:56 PM.

--CARRIED

13. BY-LAWS

A) By-Law 06-2010 - Being a By-Law to Confirm the Proceedings of the Board of the Essex-Windsor Solid Waste Authority.

Moved by Nelson Santos
Seconded by Alan Halberstadt
THAT By-Law 06-2010 - Being a By-Law to confirm the proceedings of the Board of the Essex-Windsor Solid Waste Authority be given three readings and be adopted this 1st day of June, 2010.

--CARRIED

14. NEXT MEETING

Tuesday, July 6, 2010 at 4:30 pm, Room "C", Essex County Civic and Education Centre

Discussion took place with regard to the next meeting. It was decided that the July 6, 2010 meeting be cancelled. Board members will be notified if matters arise prior to the August 11, 2010 meeting date, at the call of the Chair.

15. ADJOURNMENT

Moved by Nelson Santos
Seconded by Tom Burton
THAT the meeting be adjourned at 5:05 PM.

--CARRIED

All of which is respectfully submitted.

**ED FRANCIS
CHAIR**

**ILIJA MAODUS
ACTING GENERAL MANAGER AND
MANAGER OF FINANCE & ADMINISTRATION**

Essex-Windsor Solid Waste Authority

R E P O R T

August 4, 2010

file: WD - MHSW

TO: The Chair and Board Members of the Essex Windsor Solid Waste Authority

FROM: Cameron Wright, Manager of Waste Diversion

MEETING DATE: August 11, 2010

RE: **MUNICIPAL HAZARDOUS OR SPECIAL WASTE AGREEMENT**

PURPOSE

To recommend that EWSWA enter into an agreement with Stewardship Ontario for the provision of municipal hazardous and special waste (MHSW) services in Essex Windsor.

BACKGROUND

The Essex Windsor Solid Waste Authority currently operates MHSW depots in Windsor and Kingsville. Operation of the depot and disposal in Windsor is contracted out to Drain-All Ltd. The depot in Kingsville is operated by EWSWA staff and disposal is managed by Drain-All Ltd. The contract with Drain-All expires on January 7, 2011. In July 2008, the Authority also entered into an agreement with Stewardship Ontario to become a “collector” of MHSW under Phase 1 of the MHSW stewardship program. As part of the agreement, the Authority received partial payment for the disposal of several MHSW items, including paint and flammable materials.

DISCUSSION

Earlier this year the Authority entered negotiations with Stewardship Ontario regarding Phase 2 of the MHSW stewardship program. Under Phase 2, Stewardship Ontario is prepared to take over complete operations of the MHSW program including 100% of the disposal costs (excluding motor oil), contracted labour costs, and administrative costs.

As per discussions with Stewardship Ontario, Stewardship Ontario has agreed to assume responsibility for paying all Drain-All invoices directly beginning July 1, 2010 until the conclusion of the contract on January 7, 2011.

Stewardship Ontario will also pay EWSWA administrative costs estimated at \$140,000 per year.

Stewardship Ontario will issue a new tender for the operation of the Windsor depot and the disposal of all MHSW from all Essex-Windsor depots which will commence on January 8, 2011 and conclude on December 31, 2012. The new contractor will be required to maintain or improve the current service level.

Authority staff will continue to operate the depot at Transfer Station No. 2, however all related costs will be paid as a component of the annual administrative costs.

Authority staff will continue to monitor the day to day performance the MHSW contractor to ensure that a high level of service is maintained.

RECOMMENDATION

THAT the Authority authorize the General Manager to enter into an agreement with Stewardship Ontario for the provision of MHSW services in Essex Windsor. This agreement will be retroactive to July 1, 2010 and conclude on December 31, 2012.

SUBMITTED BY



Cameron Wright
Manager of Waste Diversion



Eli Maodus
General Manager

Attachments: None

Essex-Windsor Solid Waste Authority

R E P O R T

August 4, 2010

file: WD - MHSW

TO: The Chair and Board Members of the Essex Windsor Solid Waste Authority

FROM: Cameron Wright, Manager of Waste Diversion

MEETING DATE: August 11, 2010

RE: **ECO-FEES**

PURPOSE

To report on the impact of the Eco-Fee issue on the Municipal Hazardous and Special Waste (MHSW) program in Essex- Windsor.

BACKGROUND

The Essex Windsor Solid Waste Authority has operated a MHSW program in Essex-Windsor since 1988. Special collection days were replaced with permanent depots in 1995. Historically the program has been funded as a standard operating cost of the Authority. However in 2008, the Provincial Government introduced a new stewardship program for MHSW whereby the stewards (manufacturers, retailers, and first importers) began paying a portion of the costs for managing MHSW. The extended producer responsibility (EPR) model is supposed to eventually result in the “stewards” paying the full cost associated with recycling and disposing of their MHSW products. Stewardship Ontario is an industry funding organization charged with implementing the stewardship program. The province does not dictate how industry recovers the program cost however it does stipulate that any costs passed through cannot exceed the actual program costs.

DISCUSSION

The Authority originally signed an agreement with Stewardship Ontario in 2008 to be a “collector” of MHSW in Essex Windsor. Under Phase 1 of the program, the Authority received funding for a portion of the disposal costs associated with some MHSW products including paints and flammable materials. In July 2010, Phase 2 of the MHSW program, called “Orange Drop” began and this phase brought all MHSW materials into the program (excluding motor oil). These revenues are reflected in the 2010 EWSWA budget. Authority

staff are currently negotiating a new agreement with Stewardship Ontario which will encompass all aspects of the MHSW program including labour and disposal (see MHSW report in this agenda package).

Shortly after the introduction of Phase 2 of the MHSW stewardship program there were a substantial number of complaints received from the public because a number of companies decided to pass their program costs on to the public in the form of an "Eco-Fee" on their bill. Not only were the fees highlighted but in some cases different fees were being assessed on the same items by different stewards. Ultimately the confusion led to Canadian Tire Corp. making a corporate decision to abandon the fees and to the Minister of the Environment retracting the fee all together. Stewardship Ontario has been given three months to come up with a "solution" to the problem.

In correspondence dated July 21, 2010, Stewardship Ontario confirms that the Minister's announcement "will have no impact on Orange Drop operations" and they will continue to "honour (their) financial commitments" to the municipalities. The eco-fee issue therefore has no negative impact on the 2010 budget.

RECOMMENDATION

1. For information purposes.

SUBMITTED BY



Cameron Wright
Manager of Waste Diversion



Eli Maodus
General Manager

Attachments: -Letter – Stewardship Ontario RE Thinking Beyond the Box



Stewardship Ontario

July 21, 2010

Dear Municipal Partner:

You may have heard that Ontario Minister of the Environment John Gerretsen announced the elimination of consumer eco fees on all materials that were added to the Municipal Hazardous or Special Waste (MHSW) Program on July 1, 2010 at a press conference yesterday. The decision means that retailers are prohibited from charging eco fees on all phase two materials (the 13 new categories of material); however, they can still charge fees on the original nine materials – things like paints, solvents and batteries – introduced when the program launched in July 2008.

I am writing to confirm that **this announcement will have no impact on Orange Drop operations or your relationship with us.** As per our current (or pending) agreement, we will continue to count on our municipal partners to collect all 22 designated materials on our behalf, and we will honour our financial commitments to you for this purpose.

Stewardship Ontario remains committed to promoting the Orange Drop program to ensure consumers are aware of the importance of diverting this waste from our landfills and waterways.

We look forward to continuing to partner with you to achieve our ambitious diversion targets – and help protect Ontario’s environment for generations to come.

As always, if you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Lyle Clarke
Vice-President, Operations
Stewardship Ontario

Essex-Windsor Solid Waste Authority

R E P O R T

August 5, 2010

file:

TO: The Chair and Board of the Essex-Windsor Solid Waste Authority

FROM: Eli Maodus, General Manager

MEETING DATE: August 11, 2010

RE: **2009 FINANCIAL STATEMENTS AND AUDITORS' REPORT**

PURPOSE

The purpose of this report is to present the 2009 audited financial statements as well as KPMG's Auditors' Report. The statements have been prepared in accordance with a new format which has been legislated beginning with 2009. The biggest difference is the disclosure of tangible capital assets on the Statement of Financial Position. The amount will be described later on in this report.

DISCUSSION

KPMG has issued an "unqualified" audit opinion regarding the 2009 financial statements meaning that the statements "...present fairly, in all material respects, the financial position of the Authority as at December 31, 2009 and the results of its operations and changes in net debt and cash flows for the year then ended ..."

2009 FINANCIAL STATEMENTS

The following is a presentation of the major figures included in the 2009 financial statements.

STATEMENT OF FINANCIAL POSITION

Due from City of Windsor

The balance of \$11,991,190 represents the December 31, 2009 market value of proceeds from the settlement of the MFP suit. These proceeds were made payable to the City of Windsor and are being held in an investment account in trust for the EWSWA. The investment instruments are Government of Canada and Province of Ontario stripped coupon bonds. At maturity in 2011, 2016 and 2024 the stripped coupon bonds will be used to finance future Regional Landfill cell construction.

Regional Landfill Post Closure Costs

The balance of \$1,841,000 represents the liability that must be recorded in the Authority's financial statements in accordance with a calculation prescribed by section PS 3270 of the Public Sector Accounting Board recommendations. The liability must be shown whether or not funds have been set aside. The recommendations state that "The liability for closure and post-closure care begins when the site starts accepting waste." and "Financial statements should recognize a liability for closure and post-closure care as the landfill site's capacity is used. Usage should be measured on a volumetric basis (e.g. cubic metres)."

Net Long Term Liability

The balance of \$67,689,063 represents a debenture due to Sun Life Assurance Company Limited on account of the Regional Landfill. The City of Windsor and the County of Essex are jointly liable for this debenture. The last payment is scheduled for 2031.

Reserve Funds

The nature of the Reserves as well as their December 31, 2009 balances are as follows:

Balance as at December 31, 2009	Reserve Name	Description
\$1,304,611	Rate Stabilization	To manage future years' tipping fees
650,000	Working Capital	To manage cashflow
5,692,806	Recycling and Landfill Equipment Replacement	Equipment replacement
750,000	Recycling	To be used to fund future years recycling operating costs
12,492,534	Regional Landfill Debt Retirement	To pay Sun Life Debenture for Regional Landfill
1,382,225	Regional Landfill	To be used for Reg. LF related property matters
6,741,161	Regional Landfill Perpetual Care	To be used once the landfill is closed
11,991,190	Regional Landfill Future Cell Construction	For Cells 3, 4, and 5 (strip bonds as indicated above)
65,856	Landfill #2 Perpetual Care Accumulated Deficit	These monies will be used to finance 2009 expenses
168,022	Landfill #3 Perpetual Care Accumulated Surplus	These monies will be used to finance 2009 expenses
<u>\$41,238,405</u>	Total	

Tangible Capital Assets

The balance of \$36,500,315 represents the net book value of Authority assets. This figure is comprised of \$58,877,076 in historical costs of the assets less depreciation of \$22,376,761. Assets include such items as buildings, machinery, heavy equipment, vehicles, land and the Regional Landfill.

STATEMENT OF OPERATIONS

2009 Deficit

Operations for 2009 resulted in an excess of expenditures over revenue of (\$2,396,532). This deficit was discussed during the 2010 budget deliberations in late 2009 as the 2010 budget document included an estimate of the 2009 deficit. As was explained at that time the 2009 deficit stemmed in great part from the loss of tipping fee revenue associated with the City of Windsor strike during the summer of 2009. Another contributing factor was lower than expected revenue from the sale of recyclables due to lower commodity prices.

NOTES TO THE FINANCIAL STATEMENTS

Note 9 Accumulated (Deficit)

Note 9 includes disclosure of \$25,208,883 pertaining to the net book value of tangible capital assets. This figure is derived from the figure shown on the Statement of Financial Position of \$36,500,315 less \$11,291,432. The \$11,291,432 figure represents the amount that must be raised by the Authority in future years to retire the debt associated with the acquisition and construction of capital items from prior years. The funds required to finance the acquisition of these capital items came from internal borrowing from various Authority reserves. This was done so that external borrowing wouldn't take place. The Authority can borrow from its own reserves at a better rate of interest than from an external source such as a bank. The \$11,291,432 figure is not shown as a separate schedule within the financial statements and is therefore presented within this report:

\$1,585,858	Regional Landfill Heavy Equipment (2007, 2008)
94,510	Recycling Centre Processing Line (2001)
3,157,202	Fibre and Container Recycling Centres Processing Equipment (2008)
540,795	Fibre Recycling Centre Building Addition (2008)
91,667	Backhoe/Loader – Windsor Depot (2009)
2,089,838	Windsor Transfer Station (2006 - 2008)
3,358,288	Recycling Centre Building (2006 - 2008)
373,274	Compost Pad - Windsor (2006 - 2008)
<u>\$11,291,432</u>	

RECOMMENDATION

To receive this report, the 2009 financial statements and associated auditors' report.

Respectfully submitted,



Eli Maodus, CMA
General Manager



KPMG LLP
Chartered Accountants
618 Greenwood Centre
3200 Deziel Drive
Windsor ON N8W 5K8

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AUDITORS' REPORT

To the Members of the Essex-Windsor Solid Waste Authority

We have audited the statement of financial position of the Essex-Windsor Solid Waste Authority as at December 31, 2009 and the statements of operations and accumulated surplus (deficit), changes in net debt and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2009 and the results of its operations and changes in net debt and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Windsor, Canada
July 5, 2010

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2009, WITH COMPARATIVE FIGURES FOR 2008

	2009	2008
	\$	\$
		(Restated - Note 2)
FINANCIAL ASSETS		
Cash	16,776,383	19,036,406
Accounts receivable	3,158,391	2,436,731
Due from City of Windsor (Note 3)	11,991,190	11,956,717
Other current assets	9,475	10,135
TOTAL FINANCIAL ASSETS	<u>31,935,439</u>	<u>33,439,989</u>
 FINANCIAL LIABILITIES		
Due to County of Essex	155,315	153,382
Accounts payable and accrued liabilities	1,916,517	3,075,187
Holdbacks payable	4,500	88,896
Employee benefits payable (Note 5)	274,500	265,700
Regional landfill post closure costs (Note 6)	1,841,000	1,473,000
Net long term liability (Note 7)	67,689,063	67,121,980
TOTAL FINANCIAL LIABILITIES	<u>71,880,895</u>	<u>72,178,145</u>
NET DEBT	<u>(39,945,456)</u>	<u>(38,738,156)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	36,500,315	38,809,958
Prepaid expenses and deposits	87,866	85,637
TOTAL NON-FINANCIAL ASSETS	<u>36,588,181</u>	<u>38,895,595</u>
Contingency (Note 12)		
ACCUMULATED SURPLUS (DEFICIT) (Note 9)	<u>(3,357,275)</u>	<u>157,439</u>

The accompanying notes are an integral part of these financial statements.

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (DEFICIT) FOR THE YEAR ENDED DECEMBER 31, 2009, WITH COMPARATIVE FIGURES FOR 2008

	Budget 2009 \$ (Unaudited - Note 10)	Actual 2009 \$	Actual 2008 \$ (Restated - Note 2)
Revenue			
Tipping fees	14,280,483	12,353,727	15,193,518
Sale of recyclable materials	2,659,050	2,213,563	4,006,192
Recovery of perpetual care costs	857,996	857,997	772,971
Rent	79,000	78,982	78,982
Interest income	1,167,272	235,970	1,690,700
Sale of scrap metal - public drop-off depots	150,000	42,612	151,062
Other	353,099	491,803	331,204
Stewardship Ontario - recycling operating funding	900,000	905,686	939,994
Stewardship Ontario - recycling capital funding	-	-	194,400
Stewardship Ontario - municipal household and special waste	186,400	279,431	178,000
Stewardship Ontario - tires	-	22,383	-
Stewardship Ontario - public education and advertising	18,400	30,311	-
Stewardship Ontario - electronics	66,000	79,398	-
Sale of blue boxes	45,000	37,674	48,876
Sale of organic material	150,000	189,925	162,511
Insurance proceeds	-	152,586	9,256
Gain on sale of vehicles	-	-	252,982
Gain on sale of regional landfill heavy equipment	-	-	243,000
Total Revenue	20,912,700	17,972,048	24,253,648
Expenses			
Administration	1,109,100	1,131,219	1,095,348
Realty	22,200	13,894	14,412
Recycling	5,861,430	5,293,972	5,663,254
Municipal Hazardous or Special Waste	424,800	474,747	443,115
Waste reduction and reuse	814,500	710,629	844,911
Advertising and public education	347,650	355,444	334,027
Perpetual Care - Landfill Site # 2	218,000	174,843	195,741
Perpetual Care - Landfill Site # 3	732,925	673,926	594,043
Regional landfill	2,347,250	1,934,119	2,238,232
Regional Landfill - initial construction and future cell development	-	567,083	725,673
Windsor Transfer Station #1	1,317,800	921,014	1,378,362
Kingsville Transfer Station #2	558,050	552,662	551,274
Windsor Public Depot	856,465	574,730	828,079
Regional landfill debenture/rental payments	3,664,400	3,648,766	3,451,879
Regional landfill cell #2 north & south construction interest charges	-	-	3,100
Town of Essex compensation	1,326,100	1,159,207	1,409,696
Residents compensation	38,600	34,577	34,850
Post employment/retirement employee benefits	-	8,800	(13,600)
Regional landfill post closure costs (Note 6)	-	368,000	(285,000)
Amortization of tangible capital assets	2,889,130	2,889,130	2,871,834
Total Expenses	22,528,400	21,486,762	22,379,230
Annual surplus (deficit)	(1,615,700)	(3,514,714)	1,874,418
Accumulated surplus (deficit), beginning of year		157,439	(1,716,979)
Accumulated surplus (deficit), end of year		(3,357,275)	157,439

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009, WITH COMPARATIVE FIGURES FOR 2008

	2009 \$	2008 \$ (Restated - Note 2)
Cash provided by (used in):		
Operating Activities		
Annual surplus (deficit)	(3,514,714)	1,874,418
Items not involving cash		
Amortization of tangible capital assets	2,889,130	2,871,834
Gain on sale of tangible capital assets	-	(495,982)
Employee benefits payable	8,800	(13,600)
Regional landfill post closure costs	368,000	(285,000)
Change in non-cash assets and liabilities		
Accounts receivable	(721,660)	915,340
Due from City of Windsor	(34,473)	355,559
Prepaid expenses and deposits	(2,229)	392,925
Other current assets	660	-
Due to County of Essex	1,933	(327,759)
Accounts payable and accrued liabilities	(1,158,670)	(8,625)
Holdbacks payable	(84,396)	(110,116)
Net change in cash from operating activities	(2,247,619)	5,168,994
Capital Activities		
Proceeds on sale of tangible capital assets	-	1,143,000
Cash used to acquire tangible capital assets	(579,487)	(5,225,077)
Net change in cash from capital activities	(579,487)	(4,082,077)
Financing Activities		
Increase in net long term liability	567,083	725,673
Net change in cash from financing activities	567,083	725,673
Net change in cash	(2,260,023)	1,812,590
Cash, beginning of year	19,036,406	17,223,816
Cash, end of year	16,776,383	19,036,406

The accompanying notes are an integral part of these financial statements.

ESSEX - WINDSOR SOLID WASTE AUTHORITY

STATEMENT OF CHANGE IN NET DEBT FOR THE YEAR ENDED DECEMBER 31, 2009, WITH COMPARATIVE FIGURES FOR 2008

	BUDGET \$	2009 \$	2008 \$
	(Unaudited - Note 10)		
Annual surplus (deficit)	(1,615,700)	(3,514,714)	1,874,418
Acquisition of tangible capital assets	(350,100)	(579,487)	(5,225,077)
Amortization of tangible capital assets	2,889,130	2,889,130	2,871,834
Gain on sale of tangible capital assets	-	-	(495,982)
Proceeds on sale of tangible capital assets	-	-	1,143,000
	<u>923,330</u>	<u>(1,205,071)</u>	<u>168,193</u>
Acquisition of prepaid expenses and deposits	-	(87,866)	(85,637)
Use of prepaid expenses and deposits	-	85,637	478,562
Change in net debt	923,330	(1,207,300)	561,118
Net debt, beginning of year	<u>(38,738,156)</u>	<u>(38,738,156)</u>	<u>(39,299,274)</u>
Net debt, end of year	<u><u>(37,814,826)</u></u>	<u><u>(39,945,456)</u></u>	<u><u>(38,738,156)</u></u>

The accompanying notes are an integral part of these financial statements.

The Essex-Windsor Solid Waste Authority (the "Authority") is a Joint Board of Management created by the Corporation of the County of Essex (the "County") and the Corporation of the City of Windsor (the "City") pursuant to an agreement dated May 18, 1994, (the "EWSWA Agreement") to establish, operate and manage, among other things, the Regional Landfill, recycling and waste diversion programs.

1. Summary of Significant Accounting Policies and Reporting Practices:

The financial statements of the Authority are prepared in accordance with accounting policies prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of accounting:

(i) **Accrual:**

The accrual basis of accounting recognizes revenue as it becomes available and is measurable. Expenditures are recognized as they are incurred and are measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(ii) **Non-financial Assets:**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(iii) **Tangible Capital Assets:**

Tangible Capital Assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset Classification & Amortization Schedule

Classification	Useful Life (Years)
Buildings	15-20
Machinery & Equipment	5-15
Vehicles	7-10
Land Improvements	10-20
Heavy Machinery	7-10
Office Equipment	10

The Regional Landfill has an estimated service capacity of 8,000,000 tonnes and is being amortized using the units of production method based on capacity used during the year.

Land has an infinite life and accordingly is not amortized.

1. Summary of Significant Accounting Policies and Reporting Practices (continued):

(iv) Regional Landfill closure and post closure liability:

The liability for closure and post closure care of the Regional Landfill is recognized over the term of operation of the landfill, beginning when the site first accepts waste and will be fully recognized when the site stops accepting waste. The change in the liability and annual expenditure is determined pro-ratably based on the percentage of cumulative cubic metres used over total estimated cubic metres of capacity, to estimated total closure and post-closure expenditures, less expenditures previously recognized.

(v) Employee future benefit obligations:

The Authority has adopted the accrued method of accounting for employee future benefits as required by the Canadian Institute of Chartered Accountants. The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rate. Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumption used to determine the accrued benefit obligation. Actuarial gains and losses for non-pension post-retirement benefits are amortized over the average remaining service period of active employees, which is 14 years. Actuarial gains and losses for post-employment benefits are fully recognized in the year they arise.

(vi) Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, the valuation of employee future benefits, the carrying value of Regional Landfill post-closure costs and the carrying value of tangible capital assets. Actual results could differ from those estimates.

2. Change in Accounting Policies:

The Authority has implemented Public Sector Accounting Board ("PSAB") sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction.

Methods used for determining the cost of each major category of tangible capital assets

The financial information recorded includes the actual historical cost of the tangible capital assets.

2. Change in Accounting Policies (continued):

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus at January 1, 2008:	
Capital fund	\$ (11,043,044)
Reserve funds	38,897,939
Amounts to be recovered	(66,675,607)
Accumulated surplus, as previously reported	(38,820,712)
Net book value of tangible capital assets recorded	37,103,733
Accumulated surplus, as restated	\$ (1,716,979)
Annual surplus for 2008:	
Net revenues, as previously reported	\$ 168,193
Assets capitalized but previously expensed	5,225,077
Amortization expense not previously recorded	(2,871,834)
Gain on disposal of tangible capital assets	495,982
Proceeds on disposal of tangible capital assets previously reported as revenue	(1,143,000)
Annual surplus, as restated	\$ 1,874,418

3. Due from City of Windsor:

As more fully described in note 7, the Authority received certain proceeds and investments in settlement of certain litigation. These investments are held in trust by the City on behalf of the Authority and consist of the following:

	<i>Market Value 2009</i>	<i>Market Value 2008</i>
	\$	\$
Government of Canada Stripped Coupon Bond Matured December 1, 2009 - \$4,797,000	-	4,748,550
Province of Ontario Stripped Coupon Bond Maturing December 12, 2016 - \$5,961,150	4,486,362	4,271,760
Government of Canada Stripped Coupon Bond Maturing December 1, 2024 - \$5,317,650	2,727,954	2,936,407
CIBC Stripped Coupon Bond Maturing March 28, 2011 - \$4,531,352	4,445,257	-
RBC Dominion Securities - Cash	331,617	-
	<u>\$11,991,190</u>	<u>\$11,956,717</u>

4. Pension Agreements

The Authority contributes to the Ontario Municipal Employees Retirement System (OMERS) on behalf of 27 employees. OMERS is a multi-employer, defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on their length of service and earnings.

The amount contributed to OMERS for 2009 was \$101,567 (2008 - \$107,856) for current service. Contributions in the current year have been included as an expense within the statement of operations and accumulated surplus (deficit).

5. Employee Benefits Payable

Employee future benefit obligations are future liabilities of the Authority to its employees and retirees for benefits earned but not taken as at December 31, 2009 and consists of the following:

	2009	2008
	\$	\$
Post retirement benefits	237,400	217,600
Post employment benefits	37,100	48,100
	<u>\$274,500</u>	<u>\$265,700</u>

The Authority measures its post retirement and post employment benefit obligation for accounting purposes as at December 31 each year. A valuation date of December 31, 2009 has been used. The significant actuarial assumptions adopted in measuring the Authority's accrued benefit obligations are as follows:

	2009	2008
Discount rate	4.41%	5.25%
<i>Medical trend rate</i>		
Initial	12%	10%
Ultimate	6%	6%
Dental trend rate	4%	4%

Information about the Authority's future obligation with respect to post retirement and employment benefits are as follows:

	2009	2008
	\$	\$
Accrued benefit liability at the beginning of the year	265,700	279,300
Current service cost	11,700	12,100
Interest	13,100	13,000
Amortization of net actuarial gains	(9,600)	(29,300)
Benefits paid	(6,400)	(9,400)
Accrued benefit liability at the end of the year	<u>274,500</u>	<u>265,700</u>
Unamortized net actuarial gains	(17,800)	(27,500)
Accrued benefit obligations at the end of the year	<u>\$256,700</u>	<u>\$238,200</u>

6. Regional Landfill Post-Closure Costs:

The Statement of Financial Position reflects a balance of \$1,841,000 (2008 - \$1,473,000) for Regional Landfill closure and post-closure care expenditures, representing an estimate of expenditures that would otherwise be incurred had the Regional Landfill ceased receiving waste as of December 31, 2009. This liability for perpetual care is to be recognized over the term of the Regional Landfill operation, the balance of which is currently estimated to be an additional 35 years, based on past and projected waste levels. The site has an approximate capacity of 12.2 million cubic metres, of which 3.3 million has been consumed to December 31, 2009. The nature of closure and post-closure expenditures will relate to final cover and vegetation; monitoring, hauling and treating leachate; monitoring ground and surface water; monitoring gas and maintenance of drainage system and final cover.

It is being estimated that by the time the Regional Landfill ceases operating in 2044, \$104 million will be required for closure and post-closure care for a period of 40 years subsequent to its closure, which is management's current best estimate of the period such care will be necessary.

The Authority has established a reserve to fund these future expenditures, and at December 31, 2009, the balance in this reserve fund approximated \$6.7 million.

7. Net Long-Term Liability:

In July 2005, the County, City and Authority (the "Plaintiff") settled a legal action commenced in the Ontario Superior Court of Justice against MFP Financial Services, Leasing-Infrastructure Financing Trust 1 ("LIFT") and others in which the Plaintiffs had alleged that certain of the defendants had fraudulently and negligently misrepresented the rate of interest payable by the Plaintiffs in respect of a head lease and sublease intended to be a loan to finance certain costs incurred by the Authority to develop the Regional Landfill and pay the costs of future landfill expansions.

Under the terms of the mediated and Court approved settlement, LIFT assigned its rights under the original head lease which the Court ruled was a loan from LIFT to the County and City, to Sun Life Assurance Company Limited ("Sun Life"). Sun Life restructured the loan, in favour of the debenture in the amount of \$62,808,331, bearing interest at 6.427% per annum, issued by the County, on behalf of the County and the Authority. The County and the City are jointly liable for the debenture, which provided for principal and interest payments on January 15 and July 15 of each year, commencing January 15, 2006 (interest only) and maturing on July 31, 2031. Total interest over the term of the debenture will aggregate \$88,454,959. Other significant terms and conditions of the settlement are as follows:

- (a) Cash proceeds of \$5,728,000 held by LIFT on account of a payment previously owing under the head lease were distributed to the County and City and used to retire certain indebtedness incurred in prior years by the Authority with respect to Regional Landfill expenditures.
- (b) Investments held by another defendant with a book value of \$10,195,743 at the date of settlement were distributed to the County and the Authority. At their respective maturity dates, these investments will be considered as further advances by LIFT as provided under the original head lease agreement.
- (c) Payment of \$7,146,880 by LIFT to the County and City, which was used, along with interest earned thereon, towards payments otherwise due with respect to the Sun Life debenture during the period commencing January 15, 2006 and ended on January 15, 2008. Those proceeds were intended to effectively reduce the original cost of borrowing included in the head lease and sub-lease during this period. As part of the agreement, no other payments with respect to the debenture are payable during this timeframe.

The investments noted in paragraph (b) above are currently being held by the City in trust for the Authority.

7. Net Long-Term Liability (continued):

- (d) Payment of \$2,400,000 by MFP Financial Services Limited on account of costs of the legal action incurred by the Plaintiffs.

Net Long term liability consists of:

	2009	2008
	\$	\$
Debenture payable	65,732,988	65,182,292
Accrued Interest	1,956,075	1,939,688
	<u>\$67,689,063</u>	<u>\$67,121,980</u>

Under the terms of the debenture agreement, no principal repayments are required until July 2012 and the excess of interest otherwise payable over the actual amount of the debenture payments due annually is capitalized as part of the debenture payable.

8. Tangible Capital Assets:

2009

	Regional Landfill Construction	Land	Land Improvements	Building and Improvements	Vehicles	Heavy Machinery	Machinery and Equipment	Office Equipment	Total
Cost									
Balance, beginning of year	\$ 28,147,426	\$4,096,984	\$ 2,857,483	\$ 12,527,475	\$ 2,286,275	\$ 3,360,481	\$ 5,005,481	\$ 15,984	\$ 58,297,589
Additions	-	-	-	40,095	-	138,793	400,599	-	579,487
Balance, end of year	28,147,426	4,096,984	2,857,483	12,567,570	2,286,275	3,499,274	5,406,080	15,984	58,877,076
Accumulated Amortization									
Balance, beginning of year	10,839,845	-	1,546,730	3,669,506	1,633,520	997,194	792,844	7,992	19,487,631
Amortization Expense	1,055,288	-	139,908	568,647	262,140	351,829	509,720	1,598	2,889,130
Balance, end of year	\$ 11,895,133	-	\$ 1,686,638	\$ 4,238,153	\$ 1,895,660	\$ 1,349,023	\$ 1,302,564	\$ 9,590	\$ 22,376,761
Net Book Value, end of year	\$ 16,252,293	\$4,096,984	\$ 1,170,845	\$ 8,329,417	\$ 390,615	\$ 2,150,251	\$ 4,103,516	\$ 6,394	\$ 36,500,315

Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2009

8. Tangible Capital Assets (continued):

2008 (note 2)

	Regional Landfill Construction	Land	Land Improvements	Building and Improvements	Vehicles	Heavy Machinery	Machinery and Equipment	Office Equipment	Total
Cost									
Balance, beginning of year	\$ 28,147,426	\$ 4,096,984	\$ 2,808,191	\$ 11,896,725	\$ 4,690,460	\$ 2,161,189	\$ 1,678,678	\$ 15,984	\$ 55,495,637
Additions	-	-	49,292	630,750	18,940	1,199,292	3,326,803	-	5,225,077
Disposals	-	-	-	-	(2,423,125)	-	-	-	(2,423,125)
Balance, end of year	28,147,426	4,096,984	2,857,483	12,527,475	2,286,275	3,360,481	5,005,481	15,984	58,297,589
Accumulated Amortization									
Balance, beginning of year	9,540,392	-	1,404,473	3,117,630	3,142,245	714,610	466,159	6,394	18,391,903
Disposals	-	-	-	-	(1,776,106)	-	-	-	(1,776,106)
Amortization Expense	1,299,453	-	142,257	551,876	267,381	282,584	326,685	1,598	2,871,834
Balance, end of year	\$ 10,839,845	-	\$ 1,546,730	\$ 3,669,506	\$ 1,633,520	\$ 997,194	\$ 792,844	\$ 7,992	\$ 19,487,631
Net Book Value, end of year	\$ 17,307,581	\$ 4,096,984	\$ 1,310,753	\$ 8,857,969	\$ 652,755	\$ 2,363,287	\$ 4,212,637	\$ 7,992	\$ 38,809,958
Net Book Value, beginning of year	\$ 18,607,034	\$ 4,096,984	\$ 1,403,718	\$ 8,779,095	\$ 1,548,215	\$ 1,446,579	\$ 1,212,519	\$ 9,590	\$ 37,103,733

**Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2009**

9. Accumulated Surplus (Deficit):

Accumulated surplus (deficit) consists of individual fund surplus (deficit) and reserves as follows:

	2009	2008
DEFICIT	\$	\$
Invested in tangible capital assets	25,208,883	26,667,862
Unfunded		
Net long-term liability	(67,689,063)	(67,121,980)
Landfill closure costs	(1,841,000)	(1,473,000)
Employee benefits	(274,500)	(265,700)
Total deficit	<u>(44,595,680)</u>	<u>(42,192,818)</u>
RESERVES		
Equipment Replacement	5,692,806	6,467,589
Rate Stabilization	1,304,611	2,282,520
Working Capital	650,000	650,000
Regional Landfill	1,382,225	1,308,303
Regional Landfill Perpetual Care	6,741,161	6,199,606
Regional Landfill Debt Retirement	12,492,534	12,398,372
Regional Landfill Future Cell Construction	11,991,190	11,956,717
Landfill 2 Perpetual Care	65,856	32,549
Landfill 3 Perpetual Care	168,022	192,101
Recycling	750,000	862,500
Total reserves	<u>41,238,405</u>	<u>42,350,257</u>
Total accumulated surplus (deficit)	<u>(3,357,275)</u>	<u>157,439</u>

10. Budget Data:

**Essex-Windsor Solid Waste Authority
Notes to the Financial Statements
For the Year Ended December 31, 2009**

The unaudited budget data presented in these financial statements is based upon the 2009 operating and capital budgets approved by the Authority on December 9, 2008. Amortization was not contemplated on development of the budget and, as such, has been included based on the actual 2009 figure. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating Budget	\$ 21,485,930
Capital Budget	350,100
Less:	
Transfers from other funds	(923,330)
Total Revenue	\$ 20,912,700
Expenses:	
Operating Budget	\$ 22,528,400
Capital Budget	350,100
Less:	
Capital Expenditures	(350,100)
Total Expenses	\$22,528,400
Annual Deficit	\$ (1,615,700)

11. Expenditures by Object:

	2009	2008
	\$	\$
Operating goods and services	11,751,849	12,577,778
Regional Landfill financing costs	3,648,766	3,454,979
Municipal and residential compensation	1,193,784	1,444,546
Salaries, wages and employees benefits	2,003,233	2,030,093
Amortization	2,889,130	2,871,834
	<u>\$21,486,762</u>	<u>\$22,379,230</u>

12. Contingency:

During the normal course of operations, the Authority may be subject to various legal actions. The settlement of these actions, if any, is not expected to have a material effect on the financial statements of the Authority.

ESSEX - WINDSOR SOLID WASTE AUTHORITY

SUMMARY OF LEGAL INVOICES

FOR APPROVAL AT THE AUGUST 11, 2010 MEETING OF THE EWSWA BOARD

1. KAVANAUGH, MILLOY					\$ 1,000.65
Re: General Labour Matters					
Invoice Number			n/a		
Billing Period		May 31 to June 24, 2010			
Invoice Date		Jun.30, 2010			

ESSEX-WINDSOR SOLID WASTE AUTHORITY

BY-LAW NUMBER 08-2010

**BEING A BY-LAW TO CONFIRM THE PROCEEDINGS OF
THE MEETING OF THE BOARD OF THE ESSEX-WINDSOR
SOLID WASTE AUTHORITY.**

WHEREAS by Agreement dated 18 May 1994, made between the Corporation of the County of Essex and the Corporation of the City of Windsor, the Essex-Windsor Solid Waste Authority (The Authority) was created as a joint board of management pursuant to Sections 207.5 and 209.19 of the *Municipal Act, RSO 1990, Chapter M.45* and;

WHEREAS Subsection 5.(3) of the Municipal Act, RSO 2001, Chapter 25, provides that the powers of a municipality shall be exercised by By-Law and;

WHEREAS Section 1 of the Municipal Act RSO 1990, Chapter M 46 defines a municipality as including a board, commission or other local authority exercising any power with respect to municipal affairs or purposes and;

WHEREAS it is deemed expedient that the proceedings of the Authority at this meeting be confirmed and adopted by By-Law

NOW THEREFORE the members of he Authority enact as follows:

1. The action of the members of the Authority in respect to each recommendation contained in the Report/Reports of the Committees and each motion and resolution passed and other action taken by the members of the Authority at this meeting is hereby adopted and confirmed as if all such proceedings were expressly set out in this by-law.
2. The Chair and the proper officials of the Authority are hereby authorized and directed to do all things necessary to give effect to the action of the members of the Authority referred to in the preceding section hereof.
3. The Chair and the General Manager of the Authority are authorized and directed to execute all documents necessary in that behalf.

ESSEX-WINDSOR SOLID WASTE AUTHORITY

**ED FRANCIS
CHAIR**

**ILIJA MAODUS
GENERAL MANAGER**

**READ A FIRST, SECOND AND THIRD TIME, ENACTED AND
PASSED THIS 11TH DAY OF AUGUST, 2010.**

/kg