



Essex-Windsor Solid Waste Authority Regular Board Meeting Agenda

Meeting Date: Wednesday, January 12, 2022

Time: Regular Session – 4:00 PM

Location and Meeting Instructions: Meeting will be conducted via Zoom
Board Members and Staff will receive e-mail notification which will include log-in instructions

Anyone from the public or media wishing to be able to listen to the meeting is required to send an e-mail request to the Authority’s General Manager, Michelle Bishop mbishop@ewswa.org by 11:00 AM of the meeting date. Log-in instructions will be provided. The public and media will be able to listen to the meeting but will not be allowed to participate in the discussions.

LIST OF BUSINESS **PAGE NUMBERS**

- 1. Call to Order**
 - 2. Board Composition for 2022**
 - A. Returning to Board for 2022 – Windsor Councillor, Fabio Costante
 - 3. Roll Call of Board Members Present**

Marc Bondy
Fabio Costante
Aldo DiCarlo
Gary Kaschak
Hilda MacDonald
Kieran McKenzie
Gary McNamara
Jim Morrison
Ed Sleiman
-

4. Election of Chair and Vice Chair for 2022

The Chair will be elected from among the City of Windsor representatives. The Vice Chair will be elected from among the County of Essex representatives.

5. Declaration of Pecuniary Interest**6. Approval of the Minutes**

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7. Business Arising from the Minutes**8. Correspondence**

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Resolution CR485/2019 RE Appointing the City Municipal Auditor General with the powers and responsibilities attributable to this role under the Municipal Act (section 223.19-223.24)

9. Delegations

There are no delegations for January 12, 2022.

10. Waste Diversion

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- B. By-Law 2-2022 62
Being a By-Law to Confirm the Proceedings of the Meeting of the Board of the Essex-Windsor Solid Waste Authority for January 12, 2022.

15. Future Meeting Dates

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Wednesday – September 14, 2022
Tuesday – October 4, 2022
Tuesday – November 1, 2022
Tuesday – December 6, 2022

16. Adjournment



Essex-Windsor Solid Waste Authority Regular Board Meeting MINUTES

Meeting Date: Tuesday, November 2, 2021

Time: Regular Session – 4:00 PM

Location: Zoom Meeting

Attendance

Board Members:

Aldo DiCarlo – Chair	County of Essex
Marc Bondy	County of Essex
Hilda MacDonald	County of Essex
Gary McNamara	County of Essex (Ex-Officio)
Leo Meloche	County of Essex
Gary Kaschak – Vice Chair	City of Windsor
Kieran McKenzie	City of Windsor
Jim Morrison	City of Windsor
Ed Sleiman	City of Windsor

EWSWA Staff:

Michelle Bishop	General Manager
Steffan Brisebois	Manager of Finance & Administration
Cathy Copot-Nepszy	Manager of Waste Diversion
Tom Marentette	Manager of Waste Disposal
Teresa Policella	Executive Assistant

City of Windsor Staff:

Anne Marie Albidone	Manager of Environmental Services
Tony Ardovini	Deputy Treasurer Financial Planning
Tracy Beadow	Project Administrator
Natasha Gabbana	Manager of Performance Measurement & Financial Administration

County of Essex Staff:

Mary Birch	Director of Council & Community Services/Clerk
Mike Galloway	County of Essex CAO
Sandra Zwiers	Director of Financial Services/Treasurer

Absent:

Drew Dilkens	City of Windsor (Ex-Officio)
Cindy Becker	Financial Planning Administrator (City of Windsor)
Chris Nepszy	City Engineer/Commissioner of Infrastructure Services

Attendance**Others:**

Wes Muir	Veolia
Rusty Thomson	Bell Media
Christina Nader	Bell Media
Kim Verbeek	Councillor, Town of Essex
Shawna Boakes	City of Windsor

1. Call to Order

The Chair called the meeting to order at 4:06 pm.

2. Roll Call of Board Members Present

Marc Bondy – Present
Aldo DiCarlo – Present
Gary Kaschak – Present
Hilda MacDonald – Present
Kieran McKenzie – Present (arrived 4:16 pm)
Gary McNamara – Present
Leo Meloche - Present
Jim Morrison – Present
Ed Sleiman – Present

3. Declaration of Pecuniary Interest

The Chair called for any declarations of pecuniary interest and none were noted. He further expressed that should a conflict of a pecuniary nature or other arise at any time during the course of the meeting that it would be noted at that time.

4. Approval of the Minutes**A. October 5, 2021 Regular Meeting Minutes**

Moved by Ed Sleiman

Seconded by Marc Bondy

THAT the minutes from the Essex-Windsor Solid Waste Authority Regular Meeting, dated October 5, 2021, be approved and adopted.

**87-2021
Carried**

5. Business Arising from the Minutes

No items were raised for discussion.

6. Correspondence

A. Town of Essex

Resolution RE Alternative sites for Hosting Future Organic Waste Programs

The General Manager stated that the Town of Essex is seeking receipt of the correspondence.

Moved by Gary Kaschak
Seconded by Leo Meloche

THAT the Board receive the correspondence from the Town of Essex.

**88-2021
Carried**

7. Delegations

There were no delegations present.

8. Waste Diversion

A. EWSWA Administration Appearing before Essex County Council on October 20, 2021

The General Manager stated that per the request of the EWSWA Board, she appeared before County of Essex Council on October 20, 2021. An update on the progress of the project was provided to Council as well as a request for consideration from County of Essex Council for a Regional approach to the Food and Organics Waste Management Project as it relates to the participation from municipalities and report its decision back to the Essex-Windsor Solid Waste Authority no later than December 31, 2021. The members of County Council were also advised that the Authority will be seeking to visit each of the individual municipal councils to provide a presentation and give each of the Councils an opportunity to ask questions relating to the organics project.

The General Manager stated that the report presented to County Council was included in the agenda package. Many of the County Council members had similar concerns as EWSWA Board members as it relates to the cost of the project and the location of the facility. She acknowledged that the EWSWA Board members that are members of County Council provided valuable input. They confirmed why a regional approach should be considered as well as confirmed some of the challenges that the EWSWA has been facing as we

have gone through this process over the last year and a half. Ultimately, County Council approved the recommendation that Essex County Council consider a regional approach for a food and organics waste management project as it relates to participation from municipalities and report its decision back to the Essex-Windsor Solid Waste Authority no later than December 31, 2021.

Moved by Marc Bondy

Seconded by Hilda MacDonald

THAT the Board receive the report as information.

**89-2021
Carried**

B. Status of the Organics Presentation at Municipal Councils

The General Manager provided an update regarding the scheduled presentations to the County municipal Councils. As requested by the Board, presentations have been scheduled with the seven County municipalities. It was requested by Mayor Tom Bain of Lakeshore that the Authority try to first schedule the municipalities that do not have a current requirement and do not have representation on the Authority Board. The General Manager stated that the Authority has been able to accomplish this.

Authority Administration will be a delegation at each of the seven County municipal Council meetings and will be presenting a PowerPoint presentation. Hopefully, the presentation will provide information and facilitate discussion.

Mr. Morrison asked if there has been a date scheduled for the City of Windsor.

The General Manager stated that a date has not been scheduled at this time as Administration prioritized the County municipalities so they could respond by December 31, 2021.

Mr. Morrison noted the last presentation to LaSalle on December 14, 2021. He asked if this gives the municipalities enough time for them to evaluate their consideration on a very important decision.

The General Manager stated that many municipalities are reviewing their budgets at this time. All of the municipalities immediately responded with their availability. The challenge is that most of the Council meetings are on Mondays and Tuesdays, therefore based on availability, two of the municipalities had to be scheduled in December. She noted that this is not an ideal situation but this is when they were available.

Moved by Ed Sleiman
Seconded by Jim Morrison
THAT the Board receive the report as information.

**90-2021
Carried**

9. Waste Disposal

There are no Waste Disposal items for November 2, 2021.

10. Finance & Administration

A. 2022 Budget Overview

The General Manager referred to the budget report on page 37 of the agenda package. The purpose of the report is to recommend approval of the 2022 expenditure budget estimates as well as the budget estimates related to non-municipal revenue.

The report also recommends approval of a 4.1% increase to the 2021 amount budgeted to be assessed to the City of Windsor and the seven (7) County municipalities. This increase equals approximately \$536,000. This increase is comprised of two components. The first component is a \$1.00 increase on tipping fees assessed on waste delivered for disposal. The tipping fee will increase from \$39.00 to \$40.00 per tonne. This increase is approximately \$106,000. The other component is an increase on the fixed amount assessed to municipalities based on population which equates to approximately \$430,000.

The General Manager noted there has been an upward trend in municipal delivered refuse for disposal. Municipal tonnage is projected to increase from 106,400 tonnes in 2021 to 111,350 tonnes for 2022. If these tonnes are received and the trend continues, this would result in an increase of approximately \$200,000.

The General Manager presented in detail the balance of the 2022 Budget Overview report and identified the budget approval process, the 15-year forecast, operating expenditures, revenue sources and the breakdown between the City of Windsor and the seven (7) County municipalities. The 2021 budget included a deficit of approximately \$2.6 million. The 2021 projection is a surplus of \$1.6 million. In 2022, the deficit will be approximately \$1.2 million which is funded by the Rate Stabilization Reserve.

Mr. Meloche commented on the volatility of the recycling material market. He indicated concerns regarding market trends.

The General Manager stated that the 15-year forecast does have a conservative revenue estimate of \$3 million from the sale of recyclable material. There are two (2) numbers included in the 15-year forecast, the blue box funding and the recycling revenue. Between these two items combined, we have a \$5 million allocation of revenue. When the revenue goes down, the blue box funding goes up and when the revenue goes up, the blue box funding goes down. The intent of the blue box funding is to fund 50% of the net cost of the blue box program.

Mr. McKenzie asked how the volumes of material collected impacts recycling revenue.

The General Manager stated that for 2022, the Authority is projecting the same volume with a slight decrease in newsprint because the Authority is seeing roughly a 3% decrease annually due to less material being out in the market. Approximately 1,000 tonnes over the budget figure was collected but that is not driving the recycling revenue. It is strictly based on commodity prices. There are different ways to get higher tonnages or try to attract more material into the system and that is through either moving to a weekly recycling program and also providing a disincentive which would be moving to a bi-weekly garbage collection to try and force residents to put more material into their blue box. Normally you would not look at doing any type of disincentive program when it comes to waste until you have a weekly organics collection for kitchen waste. These would be the opportunities going forward. Unfortunately, the Blue Box Extended Producer Responsibility framework states that only bi-weekly recycling is going to be mandatory when the producers assume responsibility of the program.

Mr. Kaschak stated that are residents in his Ward that moved to the area from Toronto are discouraged by the recycling program. In Toronto, they are used to placing everything into one recycling container without separating. Mr. Kaschak asked if there has been a cost analysis done on placing everything in one container versus the cost of separating. He asked if this is something that we should look at in the future with these high commodity prices.

The General Manager referred the question to the Manager of Waste Diversion to provide information regarding dual versus single stream recycling.

The Manager of Waste Diversion stated that when you look at market prices in the recycling industry, a two-stream is preferred as less contamination is generated because the streams are segregated at the curb by the residents. Less contamination in the final product generates higher revenue prices. With the upcoming EPR, for us to move to a single stream would require a major retool and potentially even another processing facility. In Windsor, the Authority has two separate facilities, one for container material and the

other for fibre. If all the materials came in together and not separated, we would need another facility to further separate it before it could even enter the two facilities we have. At this point, with the EPR coming, it would not make sense to move to a single stream.

The General Manager described the increase in recycling revenue and referred to the Recycling Commodity Price chart on page 46 of the agenda package. She noted the budgeted price for aluminum in 2021 was approximately \$1,300 per tonne and currently we are receiving \$2,000 per tonne. The plastic pricing (HDPE) which includes hard sided containers is significantly higher. The Authority is also receiving record pricing for OCC (cardboard) and have never seen pricing closer to \$300 for OCC material in the history of the recycling program.

Mr. McNamara stated he sees commodity prices staying high. He sees a continued growth in terms of pricing on the plastics.

The General Manager referred to the Manager of Waste Diversion to comment on the market trend analysis and what she is hearing from the buyers.

The Manager of Waste Diversion stated that indications are that there will not be drastic decreases like what we saw in 2018 and 2019. Plastics prices have come down but they are still high.

The General Manager read the recommendations as follows:

1. Approve the Expenditure and Revenue budget figures included in the budget document as well as the municipal fixed costs assessment.
2. Increase the Total Waste Management Fee of \$1.00 per tonne, from \$39.00 to \$40.00 per tonne. This is the fee assessed to municipalities each time refuse is delivered for disposal.
3. An increase in the fixed cost to the City of Windsor and the seven (7) County municipalities based on the 2016 census population figures.

The General Manager noted that the 2021 updated census figures are scheduled to be published in 2022. While the total amount will not change, the allocation between the City of Windsor and the seven (7) County municipalities will change based on that population change. Once the final census numbers are received, a reconciling adjustment billing will be completed.

4. Approve the Fee Schedule.

5. That the 2021 surplus will be funded or be contributed to the Rate Stabilization Reserve.
6. That any deficit in 2022 would be contributed from the Rate Stabilization Reserve.

Mr. Sleiman stated that we always lose some customers with an increase in fees. He asked if we anticipate losing customers going to Detroit with the \$1.00 increase because it is cheaper to dispose of garbage across the border.

The General Manager stated that we have implemented a \$1.00 per tonne increase across the board. It's not our opinion that this is going to materially drive waste across the border. She does not believe a slight increase to our existing customer base will drive current customers away.

Mr. McKenzie asked if any thought was given to the reallocation of any of the surpluses to any of the other expenses or the rate increases that we are contemplating. The Rate Stabilization Reserve is \$8.3 million and projected to be \$7.2 in the following year and we are well ahead of schedule there. Mr. McKenzie asked what went into the decision making to bank those surpluses and what the Board is being recommended to do.

The General Manager stated that the Technical Staff Committee acknowledged that there is a significant surplus for this year. What led them to continue as scheduled with the 4.1% increase was the goal to get to a balanced budget. The Authority is still projecting large deficits going forward with the potential decrease in blue box funding and the significant increase in the hauling tender. The forecast includes a large deficit in the Rate Stabilization Reserve. The goal is always to have in excess of approximately \$4 million in the Rate Stabilization Reserve. So even on the path that we are on now, we are not going to be replenishing the Rate Stabilization Reserve until 2030. The Tech Staff looks at the 15-year forecast and scrutinizes it even closer than the actual budget document. With the potential of rolling out an organics program in 2025-2026, it was the committee's opinion to get to a balanced budget as well as start building up the Rate Stabilization Reserve. This was the rationale for the 4.1% increase.

Mr. McKenzie asked if the \$100,000 set aside in 2022 for the organics RFP is a sufficient amount to proceed.

The General Manager stated that in 2019, \$2 million was re-allocated from the Rate Stabilization Reserve to a new Waste Diversion Reserve. To date, expenses have been approximately \$187,000 for the GHD consultant and the peer review. There are adequate funds in the Waste Diversion Reserve for any 2022 costs. Any surplus that is left in this reserve would potentially

go to fund some of the costs at the onset, such as the purchase of bins for each household.

Mr. Morrison stated the Board has agreed early on to a 4.1% increase to achieve a balanced budget. He noted that the increase of \$39 to \$40 tipping fee added to the 4.1% increase would be a 5.3% increase to Windsor. He asked if this should be added on to the burden of the municipalities at this time.

The General Manager stated that when the Authority began the process four years ago, we discussed how increases in tonnes or growth of the municipalities would be handled. It was decided that individual municipal growth would be the cost borne by the municipalities and the municipality would be responsible for their own growth. This is not something new this year and is an estimate. If a municipality brings less than they don't have that additional cost.

Mr. McNamara stated the General Manager's explanation was good in terms of meeting the balanced budget. His biggest concern is if we are being conservative enough or not aggressive enough due to the increase cost of fuel and energy. There is no real reduction in the near future. Mr. McNamara stated that no one wants an increase but the cost of operating the landfill will go up. On the growth piece, he would be very hesitant in dipping in the reserve and diverting this into the future. We have to be cautious and cognizant that we have a large debt to pay.

The General Manager stated that in regards to the estimates that are being used in the 15-year forecast, there are potential risks especially with the increased CPI. She stated that the former General Manager and the Manager of Waste Diversion had a vision and were forward thinking in negotiating the most recent recycling contracts to ensure sure that the contracts were set prices instead of dependent on CPI. In regards to the million-dollar hauling cost increase, that has had a significant increase impact on the 15-year forecast.

Moved by Leo Meloche
Seconded by Marc Bondy
THAT the Board

1. Approve the 2022 **Expenditure and Revenue budget estimate figures** excluding the municipal Total Waste Management Fee (Tip Fee) and the municipal Fixed Cost Assessment.
2. Increase the **Total Waste Management Fee** by \$1.00 per tonne to \$40.00/tonne from \$39.00/tonne. This is the fee assessed to municipalities for each tonne of refuse delivered for disposal.

3. Increase the **fixed cost assessment** to Windsor and the 7 County municipalities based on the following chart. Fixed costs are assessed based on population.

	2016** Census Population	2022 Amount	2021 Amount	Difference
WINDSOR	217,188	\$5,096,764	\$4,862,678	\$234,086
AMHERSTBURG	21,936	514,773	491,131	23,643
ESSEX	20,427	479,362	457,345	22,016
KINGSVILLE	21,552	505,762	482,533	23,229
LAKESHORE	36,611	859,153	819,693	39,459
LASALLE	30,180	708,236	675,708	32,528
LEAMINGTON	27,595	647,574	617,832	29,742
TECUMSEH	23,229	545,116	520,080	25,036
TOTAL	398,718	\$9,356,740	\$8,927,000	\$429,740

** Note – Updated 2021 census figures are scheduled to be published in Feb. 2022. A reconciling adjustment will be made at that time.

4. Approve the **Fee Schedule**, as attached to this report, exclusive of the municipal Total Waste Management Fee but inclusive of a \$1 per tonne rate increase for 2022.
5. That any resultant (deficit)/surplus from 2021 operations be contributed to or funded by the Rate Stabilization Reserve.
6. That any resultant (deficit)/surplus for 2022 be contributed to or funded by the Rate Stabilization Reserve.

**91-2021
Carried**

B. Legal Invoices

Moved by Marc Bondy

Seconded by Gary McNamara

THAT the Board authorize the payment of the legal account as summarized.

**92-2021
Carried**

C. 2022 EWSWA Board Meeting Schedule

Moved by Hilda MacDonald

Seconded by Kieran McKenzie

THAT the Board approve the 2022 EWSWA Board meeting schedule.

**93-2021
Carried**

11. Other Items

No items were raised for discussion.

12. By-Laws**A. By-Law 20-2021**

Moved by Gary McNamara

Seconded by Ed Sleiman

THAT By-Law 20-2021, 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 2nd day of November, 2021.

**94-2021
Carried**

13. Future Meeting Dates

December 7, 2021

14. Other items

Mr. Morrison referred to the resolution from the Town of Essex. He asked if this is something that the Board needs to address. He asked if Essex is saying that they will not accept an organic waste program and will this cause a cause a roadblock.

Mr. DiCarlo stated that the Town of Essex was seeking receipt of the resolution by the Board.

The General Manager stated that her communication with the Town of Essex was that the resolution be received. There was no request from the Town of Essex to appear as a delegation.

Mr. Morrison stated that the Landfill Liaison Committee (LLC) were not in favour of this. If we deem the Regional Landfill to be the site we would be looking at negotiations to host an organic site in addition to the landfill site. He asked if this is something that we should be looking at this time.

The General Manager stated that she believes this resolution to send the letter was the result of discussion at the LLC. The landfill site was identified in the consultant report as a potential option. If the site is considered, there will be an opportunity for discussions with the Town of Essex.

Mr. Bondy stated that it was brought up at the LLC in regards to odours. It was brought forward by Kim Verbeek, LLC Chair regarding the odour and birds and that they did not want the landfill to be the site for an organics facility. He noted that moving forward it will depend on what system will be used for the organics waste project.

15. Adjournment

Moved by Gary Kaschak

Seconded by Ed Sleiman

THAT the Board stand adjourned at 5:11 pm.

**95-2021
Carried**

All of which is respectfully submitted.

**Aldo DiCarlo
Chair**

**Michelle Bishop
General Manager**

November 16, 2021

Dear Chair,

Windsor City Council, at its meeting held November 1, 2021 adopted the following resolution:

Decision Number: CR496/2021 CSPA 163

That the report of the Senior Manager of Facilities dated May 13, 2021 entitled "CQ 4-2021 - Proposal for Council consideration to provide menstrual hygiene products in select municipal buildings free of charge" **BE RECEIVED** for information; and,

That Council **APPROVE** a 1-year pilot program-Option C as outlined in the administrative report, to provide free menstrual products in public women's, men's, universal and family washrooms at the locations listed below:

- WFCU Centre
- Windsor Water World
- Windsor International Aquatic and Training Centre
- Capri Pizzeria Recreation Complex
- 350 City Hall Square W.
- 400 City Hall Square E; and,

That the estimated cost of \$19,000 plus HST **BE FUNDED** from the City's Budget Stabilization Reserve (BSR) Fund; and further,

That the City's Advisory Committees, Boards and Commissions (ABC's) **BE MADE AWARE** of the pilot program and **BE REQUESTED** to adopt a similar program at their facilities where applicable; and,

That Administration **REPORT BACK** to Council with a six month interim report to provide a status update, and after one year with the results of the pilot program to request annual operating funds through the 2023 budget process.

Carried.

Your consideration to Windsor City Council's resolution would be most appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Steve Vlachodimos". The signature is fluid and written in black ink.

Steve Vlachodimos
City Clerk and Senior Manager of Council Services
SV/wf



November 25, 2021

Michelle Bishop
 General Manager
 Essex Windsor Solid Waste Authority
 360 Fairview Ave West
 Essex ON N8M 1Y6

Dear Michelle Bishop, General Manager:

On September 23, 2019, Windsor City Council passed a Council Resolution (CR 485/2019) appointing the City Municipal Auditor General with the powers and responsibilities attributable to this role under the Municipal Act (section 223.19-223,24).

This letter outlines some key information regarding the Auditor General (“AG”) role and Essex Windsor Solid Waste Authority’s participation in the potential scope of the AG. As per the Municipal Act (“Act”) and the approved City Of Windsor Auditor General Charter (Jan 21, 2020):

The AG may exercise the powers and shall perform the duties with respect to the City of Windsor’s:

1. departments,
2. local boards,
3. controlled corporations, and
4. grant recipients (where the grant received is directly or indirectly from the municipality, a local board or a municipally-controlled corporation for grants received 2006 or later).

Given the authorities and responsibilities of the AG Essex Windsor Solid Waste Authority is aligned with:

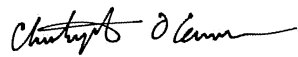
Possible Type	Indicator
Local Board	✓
Controlled corporation	
Grant recipient	
Optional Participant	

As such Essex Windsor Solid Waste Authority will be Included in the scope of the AG by virtue of the Municipal Act.

For your information the Auditor General Charter is located on the City website.

If you have any questions or concerns please contact me at auditorgeneral@citywindsor.ca or 519-570-5709.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher O'Connor". The signature is fluid and cursive, with a long horizontal stroke at the end.

Christopher O'Connor
Auditor General

Cc: Jason Reynar, Chief Administrative Officer



Essex-Windsor Solid Waste Authority Administrative Report

January 5, 2022

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

From: Cathy Copot-Nepszy, Manager of Waste Diversion

Meeting Date: Tuesday, January 11, 2022

Subject: Blue Box Wind-up: REOI Submission to Circular Materials Ontario (CMO)

Purpose

The purpose of this report is to inform the EWSWA board that administration will be submitting data to Circular Materials Ontario (CMO) as a result of their Request for Expressions of Interest (REOI) for the blue box program.

Background

On June 3, 2021, Ontario Regulation 391/21 (the Regulation) confirmed that the Blue Box transition to an Extended Producer Responsibility (EPR) model would begin July 1, 2023. The Regulation supports the creation of producer responsibility organizations (PROs) to assist producers that supply packaging and paper products (e.g., plastic, glass, metal, paper) to Ontario consumers to meet their obligations under the Regulation for the blue box program. This blue box program obligation includes collection services, managing collected materials and delivery of promotion and education by producers. The transition to EPR is scheduled to begin August 28, 2024 for the Essex-Windsor region.

The Resource Productivity and Recovery Authority (RPPRA) is the regulator mandated by the Government of Ontario to enforce the province's circular economy laws which includes the transition of the blue box program. As of November 21, 2021, Circular Materials, Resource Recovery Alliance, Ryse Solutions Ontario Inc., and Canadian Beverage Container Recycling Association have all signed up with the RPPRA as PROs. Of these PROs, the following have qualified as rule creators, those that create rules for operating the blue box

collection system and submit them to the regulator, for this transition: Circular Materials, Resource Recovery Alliance, and Ryse Solutions Ontario Inc.

About CMO

Fifteen of Canada's leading food, beverage and consumer products manufacturers, retailers and restaurants (Clorox, Coca-Cola, Costco, Keurig Dr. Pepper, Kraft-Heinz, Lassonde, Loblaw, Maple Leaf Foods, McDonalds, Metro, Nestle, P&G, Pepsi Co., Restaurant Brands International and Sobeys) have incorporated a not-for-profit organization called Circular Materials which in Ontario operates as CMO and a PRO for the blue box program.

CMO's REOI Objective

A REOI has been undertaken by CMO across Ontario to assess interest and the capability of companies and municipalities to manage the blue box collection system that is to be implemented by producers under of the Regulation.

CMO has noted their commitment to a transparent procurement process, where the first step in that process is this REOI. Through this REOI, CMO is seeking information to inform its discussions with qualified rule creators to develop rules for the blue box collection system and any associated commercial arrangements among rule creators, as well as CMO's approach to management of blue box materials allocated from the collection system.

Discussion

As a result of the announcement of the Blue Box transition to the EPR, municipalities like the EWSWA have been working with provincial collaboratives like the Continuous Improvement Fund (CIF) and the Municipal Resource Recovery and Research Collaborative (M3RC) to stay informed. With this most recent REOI that has been published by CMO, these collaboratives have been working with municipalities like the EWSWA to ensure we have the information and support needed to be successful in our submission. It has been agreed that submission to this REOI is a good exercise for the EWSWA in order to prepare this region for its EPR transition date.

Some of the information that the EWSWA will be submitting through this REOI will share the EWSWA's history and resources (e.g., infrastructure, equipment, capacity, markets, contracts) around the receiving, processing, marketing, and promotion and education of blue box materials.

Financial Implications

As staff resources have been allocated to gather data for the REOI, there are no financial implications to report at this time.

Recommendation

THAT the Board receive this report as information.

Submitted By



Cathy Copot-Nepszy, Manager of Waste Diversion

MEMO

Date: January 6, 2022

To: EWSWA Board Members

From: Regional Food and Organics Oversight Committee

Meeting Date: January 12, 2022

Subject: Regional Food and Organics and Biosolids Waste Management Project – Facility Ownership and Recommended Next Steps

1. Purpose

The purpose of this report is to inform the Essex Windsor Solid Waste Authority (“EWSWA”) Board of numerous issues that have been identified as the Regional Food and Organics Oversight Committee (“Oversight Committee”) works towards the preparation of a Request for Qualification (RFQ). The consultant (GHD Limited (GHD)) has prepared a roadmap of recommended steps to assist EWSWA, the City of Windsor and County municipalities (collectively referred to as the “Regional Partners”) to navigate through the various issues and decision points required to achieve the final goal of establishing a long-term organics collection and processing program that meets compliance obligations. The Oversight Committee has presented recommendations to initiate the first phase of an organics program.

It is intended that the EWSWA Board provide direction based on these recommendations during the January 12, 2022 board meeting.

2. Background

At the October 5, 2021 EWSWA Board meeting, administration was directed to proceed with the development of a procurement plan for an organic waste management and processing project that would be as unrestrictive as possible to allow the private sector to propose innovative and cost-effective solutions.

During the development of the RFQ, it has become apparent that an RFQ, and subsequent Request for Proposal (RFP) that allows for both municipally-owned and privately-owned models carries significant risks. The absence of information on components of the long term organics management program, such as organics quantity and composition, has also been identified as an infrastructure procurement risk. These risks should be brought to the attention of the Board prior to proceeding with a procurement process for this project.

3. Discussion

The development of the RFQ, and subsequent RFP, can in broad terms be broken down into 2 sections: technology and procurement.

In terms of technology, it is relatively common to have an RFQ/RFP remain open to all technologies available. In the case of this project, there is no concern with issuing an RFQ/RFP that is open to any technology that complies with the Ontario Food and Organic Waste Policy Statement.

In terms of procurement, the type of contract (i.e., service contract with a private facility, municipal-owned asset, P3, etc.) is typically specified in the procurement documents. Although there are several different types of contracts, the two main categories of contracts are defined by contracted service delivery by a privately-owned facility and development of a municipally-owned facility. There are a number of issues with undertaking a procurement process for an organic waste management facility without first determining if the facility will be municipally-owned or privately-owned. A procurement process that is neutral on facility ownership will be complex and create an unlevel playing field for potential respondents. The following are issues that will present themselves if the procurement process does not specify facility ownership:

1. Contract and Specifications

A procurement process that considers both municipal and private ownership will require the development of two separate contract and specification documents. The Technical Memorandum prepared by GHD (provided in Attachment A) presents a summary of how various types of contracts are typically structured. Creating two separate contracts and specifications will be both costly and time consuming.

2. Difficult Evaluation Process

It is relatively simple to compare municipally-owned and privately owned facilities on certain important metrics such as Net Present Value (NPV) and GHG emission reduction performance. However, there are other significant aspects of the two ownership models that are not easily compared, such as construction material quality, maintenance plans, etc. A good analogy would be choosing between a custom-built home and a rental apartment. It is difficult to compare quality or value for money because the requirements and expectations are different. A procurement process that considers proposals for both municipal and private ownership will create a situation where projects that do not easily compare must be evaluated and scored using the same metrics, impacting the ability to properly compare and evaluate proposals. Complex evaluation processes or metrics also increase the risk of unsuccessful bidders to challenge the award results.

3. Cost and Effort to Participate

The cost and level of effort required to participate in a procurement process for a municipally-owned facility are significantly greater than that for procuring a processing

service provider where the service provider has an existing facility with sufficient capacity. Costs for proponents to submit a proposal for a municipally-owned facility must include a level of design in order to accurately prepare cost estimates. The cost to go through this process is expected to be up to \$1 million in effort for a facility of this nature. This creates an unlevel playing field among potential participants in the procurement process and will discourage potential participants from participating under a project delivery method for a municipally-owned facility.

4. Risk in Participation

Potential participants in the procurement process will only participate if their perceived chance of winning is great enough. By opening up the procurement process to both municipally- and privately-owned project delivery methods, the perceived chance of winning will be lowered for all parties, but especially for potential participants delivering a municipally-owned facility. The perception in the Ontario market is that the procurement of a municipally-owned organics facility may not be able to compete with merchant capacity processors.

A procurement process that considers both municipal and private ownership will create a situation where interest is very low for potential participants for delivering a municipally-owned facility.

In addition to the procurement risks outlined above, GHD identified several questions, observations and processes that need to be determined prior to the development of a long-term organics solution. A key issue is that the Regional Partners have not yet designed or implemented their organics management programs, including collections and processing, and therefore do not have organics quantity or composition data to help minimize infrastructure procurement risk.

4. Mitigation Strategies

GHD has proposed various strategies that can be used to mitigate some of the procurement concerns listed in Section 3 above. These strategies are summarized below:

1. Determine Facility Ownership

In order to receive a greater number of competitive bids, it is advised that the facility ownership model be selected prior to the issue of an RFQ/RFP. This would alleviate all of the issues identified in Section 3 above. However, as discussed in Section 5 below, other considerations in the Windsor-Essex region make this decision difficult at this time.

2. Select a Collaborative Project Delivery Model

For proponents interested in a municipally-owned facility, there is an increased interest and preference by contractors for project delivery models that are more collaborative to reduce the cost to participate and alleviate risks taken on by contractors. A collaborative

approach includes one or more proponents retained prior to the completion of the design. The proponents work with the owner to create the design. At established design stages, the owner may select proponent(s) to proceed to the next phase. When the design is at or near completion, the proponent(s) is required to submit a fixed cost for the remainder of the project. This approach reduces costs to participate and alleviate risks taken on by the proponents, as they are reimbursed for their design efforts and are involved in the design which allows a greater amount of comfort for the proponents.

3. Provide an Honorarium

If the ownership model is not defined in the procurement process, one way to encourage teams completing proposals for a municipally-owned facility is to provide an honorarium. It is anticipated that an honorarium of a sum greater than \$1 million per compliant bid would be required to be effective. This mitigation strategy would address the issue of the imbalance of the cost to participate, but does not address the other risks outlined above.

4. Enter into a Short Term Service Delivery Contract in the Interim

Municipalities commonly begin processing organic waste through service delivery contracts before procuring a municipally owned facility. This would allow time to gain experience with the collection program and knowledge regarding waste quantities and composition. This mitigation strategy provides compliance with provincial requirements and allows additional time to plan and gain invaluable information, however one of the other mitigation strategies will eventually need to be selected in order to proceed with a long-term organics program. It is noted that since a long-term organics program is not expected to be operational by 2025, a service delivery contract will likely be necessary to establish compliance for the municipalities required to meet organics management obligations by 2025.

5. GHD's Conclusions and Recommendations

Given the issues identified with an open procurement model, and given the magnitude of this project and timelines, GHD has recommended that one or more of the mitigation strategies be selected, and notes that ultimately a decision on facility ownership should be made. GHD further notes that at this stage of the project, there remains more questions than answers about the program components of a long-term organics solution, and is therefore recommending that the Regional Partners move forward with planning and implementing one or more short-term processing contracts. This would allow more time to develop an organics collection program, and provide data needed to form the basis of a long-term design or procurement. GHD recommends that short-term contract(s) be procured as soon as possible in order to secure capacity, and notes that many other municipalities will be working towards securing capacity in advance of the upcoming compliance deadline.

Furthermore, putting some distance between the pandemic and the large capital project of constructing a municipally-owned organic management facility could potentially save a significant amount of money.

GHD has proposed a Roadmap, provided in Table 5.1 of the attached Technical Memorandum and replicated below, to assist the Regional Partners with a path to navigate the various questions and issues that still need to be determined to support data-driven decision making. The proposed roadmap consists of 11 distinctive steps, where data obtained from previous steps may establish the basis for subsequent steps.

Item #	Steps	Description
1	Program governance	<ul style="list-style-type: none"> – For both processing and collections. – This is currently in progress on the processing side. Which lower-tier municipalities will participate and when? A determination is expected within the next few weeks. – Study if collections continue to be a lower-tier responsibility or are there benefits to shifting this to county level (i.e., EWSWA).
2	Short-term processing contract(s)	<p>Procure short-term processing contracts to cover the first few years of processing needs to maintain compliance with the provincial requirements and until decisions are made regarding a long-term solution:</p> <ul style="list-style-type: none"> – Start with market sounding to determine current and future available capacity and types of technology. – Roll-out of collections could be phased over this period starting with one of the municipalities that is required to implement a curb-side collection program (e.g., the City of Windsor) and then other municipalities added over time. – Planning and development for this step in the roadmap should begin early as this is a lengthy process – Some work from subsequent steps must be completed prior to establishing a processing contract, including the development of a collection program
3	Feedstock composition and forecast study	<ul style="list-style-type: none"> – After governance is decided, update composition and tonnage forecasts from previous studies. – This study will define how much processing is needed and when. This study would be attached to the RFP as background information. – Vines: explore options with Ontario Greenhouse Growers Association to divert this material from the landfill. This work should be completed in parallel to understand potential synergies before an opportunity is lost. – Other feedstock: Identify any other feedstocks EWSWA may want to procure and be responsible for collecting and processing. Wastewater sludges should also be considered further as planning for local wastewater infrastructure expansion and upgrades progresses in parallel; including characterizing this feedstock more fully.
4	Project risk matrix and workshop	<ul style="list-style-type: none"> – Complete a risk identification and quantification exercise to help inform program and project development decisions; including the question of owning or not owning a facility.
5	Environmental attributes study	<ul style="list-style-type: none"> – Study to determine what should be done with energy/gas and environmental attributes if attributes can be retained through a

Item #	Steps	Description
		merchant plant arrangement. Consult with Enbridge. Consult with processing plants (maybe as part of market sounding discussed under Short Term Processing Contract(s)).
6	Develop collection program	<p>Complete study and plan for collections program roll-out including:</p> <ul style="list-style-type: none"> – Review how rollouts are achieved in other municipalities (e.g., Guelph, York, Peel). – Consider how EPR will affect collection volumes and programs at the various municipalities. – How will collections be accomplished (e.g., curb-side collection or depot drop-off) – What technologies (e.g., RFID, split collection vehicles, bins, bags, automated collection) should be considered for a new program? – Consider potential collection schedule and routing – Consider timing relative to current collections contracts in the various municipalities – Develop implementation plans based on the above: <ul style="list-style-type: none"> • Public communication plan • Collection routing plan • Fleet management strategy • Implementation timeline <p>This will provide a clear picture of how much processing is needed and when. Planning and development for this step in the roadmap should begin early as this is a lengthy process.</p>
7	Essex landfill gas study	<ul style="list-style-type: none"> – Confirm landfill gas forecast and composition. – Confirm landfill gas ownership and determine strategic partners. – Confirm pipeline location with Enbridge.
8	Building consensus and roadmap with municipalities	<ul style="list-style-type: none"> - To ensure a coordinated and cohesive rollout across the Essex-Windsor region for an organics management program that includes both collection and processing, will require support for local municipal staff from the Technical Working Group and EWSWA - Communication with the municipalities should be done early and throughout the process. Each municipality will have their own financial and other planning considerations to address, which may be a lengthy process.
9	Other studies: <ul style="list-style-type: none"> – Form of contract – Siting 	<ul style="list-style-type: none"> – Following completion of other studies and roll-out of collections program and short-term processing contracts. – Update of siting and form of contract work done as previous studies. An update will be required as it is anticipated that much will change in the years following the pandemic and as other provincial policies change.
10	Final report on long-term processing solution	Compile studies into a final report and recommendation to the EWSWA board for long-term processing solutions.
11	Procure long-term processing solution	Issue appropriate RFP for selected long-term processing solution.

Step 1 of the Roadmap, Program Governance, involves making decisions regarding who will be responsible for the implementation and management of each aspect of an organics program, and who will be participating and to what extent. The Oversight Committee, the Technical Working Group and the Regional Partners have been working towards a decision regarding Regional Program Governance and participation. However, collection of organic waste has not yet been evaluated. Additionally, a short-term service contract outlined in Step 2 of the Roadmap has not been initiated.

6. Conclusion

The Roadmap outlined above clearly illustrates that a significant amount of effort is still required before a long-term organics program is established. The only mitigating strategy that addresses all the procurement risks identified in Section 3 above is to select either a privately-owned facility or a municipally-owned facility. It is difficult for the Oversight Committee to recommend one or the other without first knowing which municipalities are participating and subsequently what tonnages and energy benefits can be achieved. Presentations made to local municipal councils in November and December 2021 are still being evaluated by local administration. The County of Essex has not yet scheduled the organics project on a meeting agenda and it is anticipated that once all local councils have considered this matter there will be interest to deal with the matter at the County level and the County of Essex will then be in a position to schedule the organics issue on a meeting agenda. Once program governance is established, organic waste collection will need to be evaluated in order to determine if regional or individual collection programs are recommended and identify if potential synergies and cost saving opportunities exist as a result of the implementation of an organics collection program.

Other considerations that may affect various decision points regarding an organics program include the need for the City of Windsor to have a functioning solution in place by 2029 to address the existing biosolids processing plant expected capacity overflow; which may include the construction of an anaerobic digestion facility, the expansion of the existing facility or institution of new technologies to address the capacity overflow. The timing and terms of each municipality's current collection contracts for general refuse need to be taken into consideration, including the allowance for lower tonnages in those contracts as it is expected that refuse amounts will decrease with the implementation of an organics program. The need to expand the landfill gas collection network, and options to manage the collected gas also need to be evaluated. Furthermore, equipment and material sourcing are seeing significant delays, to the point that any future needs should be requested 2 years in advance of that need, even for service contracts. Since Blue Box Extended Producer Responsibility (EPR) will be changing collection contracts in 2 years, it would be prudent to establish collection and processing programs by the 2nd quarter of 2022. This would allow proponents sufficient time to obtain collection vehicles, and increase merchant capacity as needed.

The only mitigating strategy that can be completed by the 2nd quarter of 2022 is a short term service delivery contract.

7. Oversight Committee Recommendations

The Oversight Committee is recommending that Step 2 of the Roadmap– Short Term Processing Contract(s) – be initiated as soon as possible in order to secure processing capacity, establish and maintain compliance with provincial requirements, and gather valuable information regarding organic waste within the region. The Oversight Committee, Technical Working Group and the Regional Partners will continue to work through the various steps required to reach the final step of an established long-term organics program. Therefore, based upon the conclusions and recommendations of the GHD Technical Memorandum, prepared in consultation with the Technical Working Group and the Oversight Committee, the following recommendations are proposed for the Board’s consideration:

1. That the Food and Organic Waste Management Oversight Committee **BE DIRECTED** to continue to work through the various steps outlined in the Roadmap, and report back with progress updates, and;

2. That the Food and Organic Waste Management Oversight Committee **BE DIRECTED** to proceed with a short-term organic waste processing contract(s) RFP that meets the following minimum criteria:
 - a. That the RFP **BE REQUIRED** to accept, at a minimum, source separated organics from Windsor and any other of the municipalities choosing to participate at the onset, and allows for changes to quantities of source separated organics, and;

 - b. That industry standards **BE EXCEEDED** regarding odour control measures implemented at the facility and the end product, and;

 - c. That the RFP **BE REQUIRED** to provide service for a 5-year term with options for extensions.



Technical Memorandum

January 05, 2022

To	Tracy Beadow, City of Windsor	Tel	519-884-0510
Copy to	Anne Marie Albidone, City of Windsor Natasha Gabbana, City of Windsor Michelle Bishop, Essex-Windsor Solid Waste Authority Sandra Zwiers, County of Essex Gavin O'Neil, GHD Michael Cant, GHD	Email	mike.muffles@ghd.com
From	Mike Muffles, GHD Bryce Hill, GHD	Ref, no	11221671
Subject	Facility Ownership		

1. Purpose

The purpose of this report is to present the risks associated with entering a procurement for an organic waste management and processing facility without first determining the ownership of the facility (municipal or private).

2. Background

At the October 5, 2021, EWSWA Board Meeting, the administration was directed to begin the development of a request for qualifications document (RFQ) for an organic waste management and processing project (Project) that would be as unrestrictive as possible to allow the private sector to propose innovative and cost-effective solutions which will assist the City of Windsor, EWSWA, and the County (collectively referred to as the "Regional Partners") in meeting local and provincial environmental policy objectives and obligations, including:

- Being open to all technologies that comply with the Ontario Food and Organic Waste Policy Statement
- Being open to a variety of project delivery models, including both privately-owned (i.e., merchant capacity or third-party processing) and publicly-owned models (i.e., traditional design-tender and public-private partnerships [P3]).

During the development of the RFQ, it has become apparent an RFQ that allows for both municipally-owned and privately-owned models carries significant risks that GHD, in consultation with the Technical Working Group and Oversight Committee, recommend be brought to the attention of the Board.

3. Discussion

3.1 Issues with not specifying facility ownership

The development of the RFQ, and subsequent RFP, can in broad terms be broken down into 2 sections: technology and procurement.

In terms of technology, it is relatively common to have an RFQ/RFP remain open to all technologies available. In the case of this project, there is no concern with issuing an RFQ/RFP that is open to any technology that complies with the Ontario Food and Organic Waste Policy Statement.

In terms of procurement, the type of contract (i.e., service contract with a private facility, municipal-owned asset, P3, etc.) is typically specified in the procurement documents. Although there are several different types of contracts, the two main categories of contracts are defined by a privately-owned facility and a municipally-owned facility. There are a number of issues with undertaking a procurement process for an organic waste management facility without first determining if the facility will be municipally-owned or privately-owned. A procurement process that is neutral on facility ownership will be complex and create an unlevel playing field for potential respondents.

The following are issues that will present themselves if the procurement process does not specify ownership:

3.1.1 Contract and specifications

A procurement process that considers both municipal and private ownership will require the development of two separate contract and specification documents. Essentially, two procurements would need to be completed simultaneously.

As summarized in Table 3.1, each project delivery model has its own contract structure. Not all contracts contain a construction component, for example, which must adhere to the requirements of the Construction Act. A service provider contract would have no requirements under the Construction Act.

To allow for multiple ownership models to be procured simultaneously, multiple contracts would need to be developed in full and attached to the RFP when it is released. Contract development is the most labour-intensive component of the procurement process, requiring legal, financial, and technical drafting.

Table 3.1 Procurement process for different project delivery methods

Delivery methods	Procurement process		
Service delivery – Non-owned facility – e.g., Regional Municipality of York	A request for expression of interest (RFEOI) is not required but can be used to develop an interest in the project	Single RFP and contract typically based on a dollar-per-tonne gate fee.	<ul style="list-style-type: none"> – Service provider contract based on a per-tonne gate or processing fee. Service contracts can include performance requirements, which put the processor at risk. – No design, construction, or operations contracts or contracting terms. – The contractor takes lifecycle risk. – Contracts are typically short-term for service providers to avoid long-term pricing risk. Or they will want schedule price adjustments. – Longer-term contracts (10+ years) allow capital

Delivery methods	Procurement process		
			<p>expenditures to be amortized over more years; however, any risk premiums are compounded over more years.</p>
<p>Design-bid-build (DBB)</p> <ul style="list-style-type: none"> – Owned facility – e.g., Transfer stations 	<p>Not typically done for the constructor. However, separate procurements would be needed for the owner’s engineer and the operator (or operations team will need to be hired and built internally). There is minimal to no design work required to submit proposals and bids; the cost to submit a proposal or bid is minimal.</p>	<p>Once the detailed design is completed, the engineer tenders the construction contract and oversees construction on behalf of the owner. Operations are performed in-house, or separately procured by the owner.</p>	<ul style="list-style-type: none"> – The design, construction and operations are separately contracted or self-performed by the owner. – Capital expenditures are paid by the owner as construction progresses. – The owner takes lifecycle risk. – This model is not typical for organics or alternative waste processing projects because the key equipment and process design are still largely proprietary; the owner retains facility design, construction, lifecycle, and performance risks that cannot be transferred to the operator.
<p>Design-build (DB)</p> <ul style="list-style-type: none"> – Owned facility 	<p>Recommended RFQ is used to pre-qualify a long list of potential teams down to a shortlist based on experience and financial capacity; before any significant design effort is required by bidders. Limiting bidding teams will encourage participation as bidders will perceive their chance of winning as being greater.</p>	<p>DB teams must complete significant design work to be able to submit a fixed price proposal or bid. It is expensive to participate in the RFP process and bidders will expect a DB fee or honorarium if unsuccessful. Operation is performed in-house or separately procured by the owner.</p>	<ul style="list-style-type: none"> – The design and construction are contracted under a single DB contract. – The owner retains ownership of the facility. – Capital expenditures are paid by the owner as construction progresses. – Operation is separately contracted. – The owner takes lifecycle risk.
<p>Design-build-operate (DBO)</p> <ul style="list-style-type: none"> – Owned facility – Sometimes includes “maintain” in the acronym – e.g., City of Toronto 	<p>Recommended RFQ is used to pre-qualify a long list of potential teams down to a shortlist based on experience and financial capacity; before any significant design effort is required by bidders. Toronto prequalified the primary technology vendors only – not the design, construction, or operations team members. DBO teams were assembled around the prequalified technology vendors. This variation also results in a limited number</p>	<p>DBO teams must complete significant design work to be able to submit a fixed price proposal or bid for an RFP largely based on performance requirements. It is expensive to participate in the RFP process and bidders will expect a DB fee or honorarium. These are also lengthy processes, taking close to 2 years from the start of RFP drafting to contract award. Operations prices are typically fixed prior to the facility being designed or commissioned. There is not</p>	<ul style="list-style-type: none"> – The design, construction and operations are contracted under a single design, build, and operate contract. – Capital expenditures are paid by the owner as construction progresses. – The owner retains ownership of the facility. – Typically, the owner takes or shares lifecycle risk with the contractor, though this will increase the per-tonne processing fee.

Delivery methods	Procurement process		
	<p>of bidders as vendors typically align with one team. Limiting bidding teams will encourage participation as bidders will perceive their chance of winning as being greater.</p>	<p>always an operating plant with the same process to use as a basis.</p>	<ul style="list-style-type: none"> • The City of Toronto assumes lifecycle risk for their facilities. • The owner shared this risk with the contractor for the cancelled Region of Peel project.
<p>Design-build-finance-operate (DBFO)</p> <ul style="list-style-type: none"> – Owned facility – P3 project delivery method – e.g., City of Surrey 	<p>Recommended</p> <p>RFQ is used to pre-qualify a long list of potential teams, including debt and/or equity financing team member(s), down to a shortlist based on experience and financial capacity; before any significant design effort is required by bidders.</p> <p>Limiting bidding teams will encourage participation as bidders will perceive their chance of winning as being greater.</p>	<p>DBFO is similar to DBO, but capital expenditures are financed privately, and paid by the owner over an operating period through a per-tonne gate fee.</p> <p>DBFO teams must complete significant design work to be able to submit a fixed price proposal or bid. It is expensive to participate in the RFP process.</p> <p>Operations prices are typically estimated prior to the facility being designed or commissioned. There is not always an operating plant with the same process to use as a basis.</p>	<ul style="list-style-type: none"> – The design, construction, and operations are contracted under a single design, build, finance, and operate contract. – Capital expenditures are paid by the owner through per-tonne gate fees. – The owner retains ownership of the facility. – The contractor typically retains lifecycle risk for the duration of the operations period.
<p>Design-build-own-operate-transfer (DBOOT)</p> <ul style="list-style-type: none"> – Owned facility after transfer – P3 project delivery method – e.g., Windsor Biosolids Processing Facility 	<p>Recommended.</p> <p>RFQ is used to pre-qualify a long list of potential teams, including debt and equity financing team member(s), down to a shortlist based on experience and financial capacity; before any significant design effort is required by bidders.</p> <p>Limiting bidding teams will encourage participation as bidders will perceive their chance of winning as being greater.</p>	<p>DBOOT is similar to DBFO, except that the contractor retains ownership of the facility until the transfer date.</p> <p>DBOOT teams must complete significant design work to be able to submit a fixed price proposal or bid. It is expensive to participate in the RFP process.</p> <p>Operations prices are typically estimated prior to the facility being designed or commissioned. There is not always an operating plant with the same process to use as a basis.</p>	<ul style="list-style-type: none"> – The design, construction and operations are contracted under a single design, build, finance, and operate contract. – Capital expenditures are paid by the owner through per-tonne gate fees. – The owner retains ownership of the facility. – The contractor retains lifecycle risk for the duration of the operations period.

3.1.2 Difficult evaluation process

It is relatively simple to compare municipally-owned and privately-owned facilities on certain important metrics such as net present value (NPV) and GHG emissions reductions performance; however, there are certain aspects of the two ownership models that are not easily compared. For example, construction material quality and maintenance plans are important factors in evaluating a municipally-owned facility as it is imperative to have municipal assets in good condition at the end of a contract. For a privately-owned facility, material quality and maintenance plans are only important to the point that performance requirements are maintained.

A good analogy would be choosing between a custom-built home and a rental apartment. It is difficult to compare quality or value for money because the requirements and expectations are different. And it's difficult to compare on price because one option is pure cost over the short term.

A procurement process that considers both municipal and private ownership will create a situation where projects that do not easily compare must be evaluated and scored using the same metrics, impacting the ability of the Regional Partners to properly compare and evaluate proposals.

3.1.3 Cost and effort to participate

The cost and level of effort required to participate in a procurement process for a municipally-owned facility are significantly greater than that for procuring a processing service provider where the service provider has an existing facility with sufficient capacity. This creates an unlevel playing field among potential participants in the procurement process and will discourage potential participants from participating under a project delivery method for a municipally-owned facility.

3.1.4 Risk in participation

Potential participants in the procurement process will only participate if their perceived chance of winning is great enough. By opening up the procurement process to both municipally- and privately-owned project delivery methods, the perceived chance of winning will be lowered for all parties, but especially for potential participants delivering a municipally-owned facility. The perception in the Ontario market is that the procurement of a municipally-owned organics facility may not be able to compete with merchant capacity processors.

A procurement process that considers both municipal and private ownership will create a situation where interest is very low for potential participants for delivering a municipally-owned facility.

3.2 Recent experience in other jurisdictions

Table 3.2 summarizes a selection of recent projects to highlight the variety of project delivery models that have been employed by Canadian municipalities to construct organics processing facilities. There is no one clear preference for procuring organics processing capacity.

Table 3.2 Summary of recent projects

Municipality	Project delivery model
Regional Municipality of York (York)	<p>York has an RFP out, released June 7, 2021, and closing in November 2021, for processing their organic waste using merchant capacity (i.e., service provider model). Some details of the RFP are as follows:</p> <ul style="list-style-type: none"> – The Region will award one contract for 140,000 tonnes per year or two separate contracts for 70,000 tonnes per year. – The contracts will have a 20-year term. – The facilities can be new or existing. – The facilities must be within 200 km of the Region of York’s transfer stations. – The chosen processing technology is anaerobic digestion (wet or dry). <p>The possibility of two contracts lowers the risk of potential service interruptions. The long contract term length creates a more level playing field for respondents that need to expand, develop a new facility, or implement new technology such as biogas upgrading.</p> <p>To keep environmental stewardship as part of the procurement process, a comprehensive greenhouse gas (GHG) model is included in the RFP both for scoring and operating purposes. 25% of the scoring in the RFP is based on the respondents’ GHG emissions score based on the model, and if the GHG emissions guarantee (also based on the GHG model) is not met then the balance of GHG emissions will be offset by the purchase of renewable gas certificates by the contractor.</p>

Municipality	Project delivery model
Halifax Regional Municipality (HRM)	HRM utilized a technology-neutral DBOOT project delivery approach to procure their new composting facility. The project is in the design phase with some early civil works being completed. The technology options that were permitted in the RFP and contract were composting, anaerobic digestion, and on-farm anaerobic digestion. The technical specifications required the majority of the customization to facilitate this; however, some accommodations in the legal and financial aspects were also required. This flexibility added some complexity but, in the end, HRM received multiple compliant proposals.
City of Toronto	<p>The City of Toronto uses a combination of service contracts and their owned facilities to process their organic waste. Their Dufferin and Disco Road facilities were delivered using a DBO approach with a 3+1+1-year operating term. With this shorter operating term, the City of Toronto decided to retain equipment lifecycle costs and risk. The City of Toronto works with the DBO contractor to identify which equipment needs major refurbishment and replacement and when. The City of Toronto initiates separate capital projects to complete the replacements in cooperation with the contractor.</p> <p>The third-party service contractors are used to manage the fluctuations and peaks inflows of materials as the two owned facilities do not have enough capacity to process all of the City of Toronto's organic waste.</p> <p>The City of Toronto is planning a third owned facility and is still deciding how to implement the project.</p>
Regional Municipality of Peel (Peel)	<p>Peel initiated a procurement using a DBO approach for a large anaerobic digestion facility in 2017. Aspects that were unique in the Peel contract included the fact that the lifecycle risk was on the contractor (which is different than Toronto) and the increased amount of security against performance. This latter element resulted in the project morphing into a quasi DBF-O model (similar to the Calgary composting facility) where the construction was debt-financed through third parties, but the capital expenditures were all paid out by the end of construction.</p> <p>Ultimately this project was cancelled by Peel Council in an in-camera session. No reason was provided for the cancellation, but high bid prices were a contributing factor.</p>

3.2.1 Potential proponent perspective

Within the community of developers of organic waste processing infrastructure, there is a concern with the increasing cost to participate in the RFPs for DBO-style projects (more design required to mitigate risks) and the trend of increased risk being transferred to contractors. From the perspective of potential proponents, the risks outweighed the potential revenue. Generally, we are seeing an increased interest and preference by contractors for project delivery models that are more collaborative such as progressive design and integrated project delivery. This trend is resulting in the potential pool of good bidders shrinking for future DBO or DBFO type approaches.

3.3 Mitigation strategies

The following are potential strategies to mitigate the issues presented in section 3.1:

3.3.1 Determine the facility ownership

In order to receive a greater number of bids and the most competitive bids, it would be advisable to select either a municipally-owned or privately-owned facility. Table 3.3 summarizes the pros and cons of municipally-owned and privately-owned organics processing facilities.

Table 3.3 *Pros and cons of municipally-owned and privately-owned organics processing facility*

Ownership type	Pros	Cons
Municipally-owned	<ul style="list-style-type: none"> - More control over the process, including odour and nuisance risk - More access to process information - More control over future pricing - Ability to forecast future pricing and capacity availability 	<ul style="list-style-type: none"> - Typically, higher costs, especially upfront - More facility development risk taken on
Privately-owned	<ul style="list-style-type: none"> - Typically, lower cost, especially upfront - Increases competition in the organics processing market - More facility development risk is transferred to the private industry - Simpler procurement process 	<ul style="list-style-type: none"> - Less control over the process, including odour and nuisance risk - Less access to process information - Development costs can be passed on through tip fees without the benefit of ownership - Potential exposure to service disruptions that are out of the Regional Partners' control - Less control over future pricing and forecasting capacity availability - Tipping fees set by the private industry

3.3.2 Select a collaborative project delivery model

As outlined in this report, there is an increased interest and preference by contractors for project delivery models that are more collaborative. Contractors have a concern with the increasing cost to participate in the RFPs for DBO-style projects (more design required to mitigate risks) and the trend of increased risk being transferred to contractors.

There are various types of collaborative project delivery models. Generally, collaborative project delivery gets the contractor involved at an early stage of project development. After a certain level of project development, but before final design, the contractor will commit to an upset limit cost and schedule for final design and construction. This collaborative approach alleviates contractor risk by getting the contractor involved in the design and other pre-construction activities before they commit to price and schedule.

3.3.3 Provide an honorarium

As outlined in this report, an open procurement will create an unlevel playing field and likely result in only privately-owned bids. If the Regional Partners are interested in seeing both municipally-owned and privately-owned proposals, potential mitigation is an honorarium to teams completing the proposals for a municipally-owned facility option to level the playing field. It will be difficult to determine the appropriate amount for this honorarium for each proposal type, however it is anticipated that a sum greater than \$1 million per compliant bid will be required to be effective.

It should be noted that this mitigation strategy only addresses the issue of cost to participate and does nothing to address the other risks outlined in this report.

3.3.4 Enter into short-term service delivery contracts in the interim

It is common for municipalities to begin processing their organic waste through service delivery contracts before procuring a municipally-owned facility. This allows a municipality to gain experience with their collection program and gain knowledge regarding organic waste amounts and composition before procuring a processing

facility. It is further noted that interim waste service delivery contracts would be necessary to provide capacity during the development of a municipally-owned facility.

This strategy does not mitigate risks associated with facility procurements but provides additional time and experience for the Regional Partners to consider the various options available for delivering a project to process the County's organic waste.

4. Conclusions

It is clear that having an open procurement model, while possible, carries a host of risks that will limit the quantity and possibly quality of responses received. It is very likely that only service delivery models will be presented. Given the magnitude of this project, and the timelines established, it is advisable to select one or more mitigating strategies. If there is a preference for municipally-owned or privately-owned models, that should be made clear prior to finalizing the RFQ. If there is no preference, given the magnitude of this project, and the timelines established, it is advisable to select one or more other mitigating strategies.

5. Recommendations

Information is fundamental to good decision-making because data allows decision makers to accurately assess risks and decide on the best mitigation strategies. At this juncture, there are more questions than answers about a long-term organics solution in the Essex-Windsor region. Municipalities are being asked if they will participate in a project and program that has not been well defined. GHD is recommending that EWSWA and its jurisdictional municipalities pause and reflect on what they need their organics program to do for their residents.

A key question is on environmental attributes. Typically, if EWSWA enters into a service contract the environmental attributes will be lost. EWSWA may be able to negotiate retention of the attributes so that they can be used to help Essex municipalities and the County with their own net-zero targets; but this is not currently common practice and will be complex to administer, requiring additional effort and cost. Residential food waste is one of the most significant opportunities for renewable energy or gas generation a municipality controls; and being deliberate in capitalizing on that opportunity is critical to achieving your own targets and goals. This includes both climate-related goals as well as financial targets.

Another fundamental aspect to understand and quantify are project and program risks. In order to be able to mitigate risks and minimize risk premiums, it is important to identify and quantify those risks in a systematic way. Project risks should be reviewed and revised regularly as the project or program develops over time.

To buy time to more fully study and plan for a long-term organics management program, GHD recommends that EWSWA move forward with planning for and implementing one or more short-term processing contracts. This will allow the collection program to be developed and provide the data needed to form the basis for future design or procurement. The organics program can be rolled out slowly and phases with data collected from previous phases informing subsequent decisions. To minimize the available capacity risk and ensure that the owner can meet the provincial timeline it would probably be best to implement the organics program and secure capacity as soon as possible.

Pausing on the procurement of an owned asset also allows EWSWA to wait for current market conditions (i.e., supply chain and pricing pressures) to settle and for more experience to be gained with collaborative contracting methods for similar infrastructure.

We have outlined an eleven-step roadmap for your consideration. This roadmap was developed based on the following observations and considerations:

- That Essex County municipalities have not yet designed or implemented their organics management programs, including collections and processing, and therefore do not have organics quantity or composition data to help minimize infrastructure procurement risk; that not all municipalities have decided if they are in or out, or to what degree (not all are required to implement a collection program)
- That EWSWA and the municipalities has not decided and agreed which materials are in or out of the collection program
- That EWSWA has not fully assessed cost vs performance requirements vs risk in deciding whether or not to own the processing asset
- That there are still questions of other feedstocks including greenhouse vine waste that should be more fully explored. For the vine waste to be incorporated and diverted from the landfill a number of technical innovations are required first that will require study and testing
- That there are a number of stakeholders and multiple “owners” and building consensus, and a roadmap to partnership will take time for the partnership to be successful; this is not something that should be rushed into
- That, at the moment there is very little data, just projections and objectives, which makes decision making difficult
- That moving forward with a complicated or uncertain procurement is likely to end in a failed procurement and project
- That the underlying premise of the roadmap below is to pause, collect more data to support better decision making by all municipalities; data-driven decision making is the best” risk mitigation strategy
- That putting some distance between the pandemic, and the market and supply chain pressures that have resulted from the pandemic, and a large capital project will save EWSWA and its member municipalities significantly. GHD has seen estimates for a “COVID” construction premium of between 15 and 40 percent

Below is the recommended organics program implementation roadmap (based on data-driven decision-making). It is noted that the roadmap is intended for consideration and planning purposes and is not intended to suggest that work already completed is required to be redone.

Table 5.1 Draft roadmap

Item #	Steps	Description
1	Program governance	<ul style="list-style-type: none"> – For both processing and collections. – This is currently in progress on the processing side. Which lower-tier municipalities will be in and when? – Study if collections continue to be a lower-tier responsibility or are there benefits to shifting this to county level (i.e., EWSWA).
2	Short-term processing contract(s)	<p>Procure short-term processing contracts to cover the first few years of processing needs until decisions are made regarding a long-term solution:</p> <ul style="list-style-type: none"> – Start with market sounding to determine current and future available capacity and types of technology. – Roll-out of collections could be phased over this period starting with one of the municipalities that is required to implement a curb-side collection program (e.g., the City of Windsor) and then other municipalities added over time. – Planning and development for this step in the roadmap should begin early as this is a lengthy process. – Some work from subsequent steps must be completed prior to establishing a processing contract, including the development of a collection program.

Item #	Steps	Description
3	Feedstock composition and forecast study	<ul style="list-style-type: none"> - After governance is decided, update composition and tonnage forecasts from previous studies. - This study will define how much processing is needed and when. This study would be attached to the RFP as background information. - Vines: explore options with Ontario Greenhouse Growers Association to divert this material from the landfill. This work should be completed in parallel to understand potential synergies before an opportunity is lost. - Other feedstock: Identify any other feedstocks EWSWA may want to procure and be responsible for collecting and processing. Wastewater sludges should also be considered further as planning for local wastewater infrastructure expansion and upgrades progresses in parallel; including characterizing this feedstock more fully.
4	Project risk matrix and workshop	<ul style="list-style-type: none"> - Complete a risk identification and quantification exercise to help inform program and project development decisions; including on the question of owning or not owning a facility.
5	Environmental attributes study	<ul style="list-style-type: none"> - Study to determine what should be done with energy/gas and environmental attributes if attributes can be retained through a merchant plant arrangement. Consult with Enbridge. Consult with processing plants (maybe as part of market sounding noted below).
6	Develop collection program	<p>Complete study and plan for collections program roll-out including:</p> <ul style="list-style-type: none"> - review how rollouts are achieved in other municipalities (e.g., Guelph, York, Peel, etc.). - Consider how EPR will affect collection volumes and programs at the various municipalities. - how will collections be accomplished (e.g., curb-side collection or depot drop-off) - what technologies (e.g., RFID, split collection vehicles, bins, bags, automated collection, etc.) should be considered for a new program? - Consider potential collection schedule and routing - Consider timing relative to current collections contracts in the various municipalities - Develop implementation plans based on the above: <ul style="list-style-type: none"> • Public communication plan • Collection routing plan • Fleet management strategy • Implementation timeline <p>This will provide a clear picture of how much processing is needed and when. Planning and development for this step in the roadmap should begin early as this is a lengthy process.</p>
7	Essex landfill gas study	<ul style="list-style-type: none"> - Confirm landfill gas forecast and composition. - Confirm landfill gas ownership and determine strategic partners. - Confirm pipeline location with Enbridge.
8	Building consensus and roadmap with municipalities	<ul style="list-style-type: none"> - To ensure a coordinated and cohesive county-wide rollout of an organics management program that includes both collection and processing, will require support for local municipal staff from the Technical Working Group and EWSWA - Communication with the municipalities should be done early and throughout the process. Each municipality will have their own financial and other planning considerations to address, which may be a lengthy process.

Item #	Steps	Description
9	Other studies: <ul style="list-style-type: none"> - Form of contract - Siting 	<ul style="list-style-type: none"> - Following completion of other studies and roll-out of collections program and short-term processing contracts. - Update of siting and form of contract work done as previous studies. An update will be required as it is anticipated that much will change in the years following the pandemic and as other provincial policies change.
10	Final report on long-term processing solution	Compile studies into a final report and recommendation to the EWSWA board for long-term processing solutions.
11	Procure long-term processing solution	Issue appropriate RFP for selected long-term processing solution.

Please do not hesitate to contact us, should you have any questions about the contents of this technical memorandum

Regards,

Mike Muffels, M.Sc., P. Eng.
Project Manager

Bryce Hill, M.Eng., P. Eng.
Technical Support



Essex-Windsor Solid Waste Authority Administrative Report

January 6, 2022

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

From: Michelle Bishop, General Manager
Cathy Copot-Nepszy, Manager of Waste Diversion

Meeting Date: Wednesday, January 12, 2022

Subject: County Blue Box Collection Potential Service Disruption Due to COVID-19

Purpose

The purpose of this report is to advise the Board of potential service disruptions to curbside collection services within the County of Essex Municipalities due to COVID-19.

Background

Commencing in December 2020, the City of Windsor assisted the Authority to provide a short-term solution to provide blue box collection services to the seven County municipalities to bridge the gap between the expiration of the existing contract and the transition to Extended Producer Responsibility (EPR) in August 2024.

A formal contract was written and executed between the parties that defined the responsibilities of each party including specific service level requirements and payment terms.

Discussion

Throughout the pandemic the City of Windsor has been able to provide collection services with minimal disruption to the residents of the County Municipalities. However, the recent increased case volumes in the region have begun to severely impact staffing levels.

The current Provincial regulations indicate that anyone testing positive for COVID-19 or exhibiting symptoms related to COVID-19 must isolate for 5 days if fully vaccinated, or 10 days if not fully vaccinated. This requirement also extends to each member of their household, regardless if they are showing symptoms or not. It is clear that there is a significant risk that staffing levels could quickly decrease to the point that curbside collection will not be feasible.

Authority and City of Windsor Administration have been working together to identify service gaps and develop mitigating strategies, unfortunately human resources are required in any scenario.

Collection will continue with available staff not only outside regular hours, but likely on weekends as well.

Authority Administration will continue to update Municipal staff of collection delays and will ensure that updates are pushed out to residents through social media and the Recycle Coach app.

As a proactive measure Authority staff will be preparing a media campaign to connect residents to ways that they can stay up-to-date on their recycling collection in case delays occur. The Recycle Coach app and Authority's social media and website will be communication streams that administration will promote residents to use or follow so that they are connected.

As a potential strategy, if COVID or isolation requirements prevent the ability to collect curbside, Administration is considering setting up temporary depots in each municipality on collection days to allow residents to bring their recyclable materials to an agreed upon location (with the impacted municipality). This will allow for some collection, while requiring fewer staff to bring the recyclable material from the municipality to the recycling centre. There is a risk that people would bring their recyclable materials (and possibly garbage) to these locations on days outside of our collection day – in this case we would do what we could to collect those materials in a timely manner, but that would certainly depend on staffing levels.

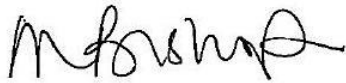
Financial Implications

No financial impacts have been identified at this time. The implementation of mitigating strategies may require additional funding and will be reported to the Board at a future meeting.

Recommendation

THAT the Board receive this report as information.

Submitted By



Michelle Bishop, General Manager



Cathy Copot-Nepszy, Manager of Waste Diversion



Essex-Windsor Solid Waste Authority

Administrative Report

January 5, 2022

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

From: Tom Marentette, Manager of Waste Disposal

Meeting Date: Wednesday, January 12, 2022

Subject: The Removal of Existing Insulation and the Supply and Installation of Re-Lining Material for the Landfill Gas Flare Stack at the Regional Landfill – Tender Result

Purpose

The purpose of this report is to advise the Board of the award of the tender for the relining the methane gas flare stack at the Essex-Windsor Regional Landfill to Venture Refractories Inc.

Background

A few months ago, we were notified by representatives from Comcor Inc., who is the Regional Landfill gas contractor, that the flare stack was beginning to show signs of internal insulation deterioration. Basically, the insulation material inside of the flare was falling down. The red circled areas on the attached picture are the general locations where the insulation is missing.

Administration spent several weeks working with Comcor to source price quotes for a variety of repair options, ranging from spot repairs to total insulation replacement of various types. In discussion with Comcor Inc., it was recommended that a complete reline of the flare stack would be the best option. Since the price difference between a repair and a full reline was significant administration had to create and issue a tender document in November 2021 to properly procure for the replacement.

On Tuesday, November 16, 2021, the tender was emailed directly to 6 different vendors and was posted on Biddingo.com, MERX.com, Bidsandtenders, the

EWSWA website and was advertised in the Windsor Star. The tender for this work closed December 1, 2021 and with no December meeting it was assumed that the Board would approve the work at the January meeting. However, during further inspection in late November 2021 it was reported that the flare lining had continued to deteriorate and was deteriorating quicker than expected, with potential risk of additional damage to the steel flare stack caused by heat if not repaired sooner than later. Since the contractor needed to order a significant amount of material to perform the reline and due to recent supply chain issues, the Manager of Waste Disposal requested that the contract be awarded in advance of the January meeting so the contractor could order the material and begin the work as soon as possible.

Discussion

On December 9, 2021, the General Manager, Michelle Bishop consulted with Board Chair, Aldo DiCarlo and Vice Chair, Gary Kaschak to explain the situation and request for approval to award the tender in advance of approval at the January board meeting. Approval to award was granted by the Chair and Vice Chair.

The tender results ranged from a low of \$82,451 to \$225,271 with options for different material types. The option that was recommended by Administration is \$87,429. The recommended contractor, Venture Refractories Inc., recently performed the same work at the Twin Creeks landfill in Watford for Waste Management with good results and staff there were happy with the work.

The work proposed by Venture Refractories Inc., satisfies all specifications as detailed in the tender document. The relining work on the landfill gas collection flare will replace the existing insulation in the flare which was installed 12 years ago.

The tender results were as follows;

COMPANY	PRICE (EXCL. TAXES)
Venture Refractories Inc., Brantford, Ont. – Option 1/2	\$82,451
Venture Refractories Inc., Brantford, Ont. – Option 3	\$87,429
ThorCan, Burlington, Ont.	\$111,095
Lewis Insulation, Lakeshore, Ont.	\$183,985
Norheat, Burlington, Ont. - Option 1	\$225,271

COMPANY	PRICE (EXCL. TAXES)
Norheat, Burlington, Ont. - Option 2	\$223,271

Financial Implications

The cost of this expenditure has been included in the 2022 budget. The actual cost of relining the flare will be slightly above the 2022 budget estimate of \$85,000.

Recommendation

THAT the Board receive this report as information.

Submitted By



Tom Marentette, Manager of Waste Disposal

Attachment





Essex-Windsor Solid Waste Authority

Administrative Report

December 16, 2021

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

From: Tom Marentette, Manager of Waste Disposal

Meeting Date: Wednesday, January 12, 2022

Subject: Contaminating Lifespan Evaluations, Landfill 2 & 3

Purpose

The purpose of this report is to advise the Board of the findings of the consulting firm WSP Canada Inc. (WSP) regarding Contaminating Lifespan Evaluations for the Essex County Closed Landfill No. 2 and the Essex County Closed Landfill No. 3, located in the Towns of Kingsville and Lakeshore, respectively.

Discussion

WSP has provided engineering design and technical support to the Authority across all of its sites for many years. They also provide environmental support and monitoring as required by the Authority's Environmental Compliance Approval (ECA).

As part of the Authority's 2021 budget, Administration requested WSP prepare Contaminating Lifespan Evaluation reports for the Closed Landfill No. 2, in the Town of Kingsville and Landfill No. 3, in the Town of Lakeshore to evaluate and estimate the potential active lifespan of closed landfills where leachate continues to be generated and require treatment.

Leachate is defined as any liquid that is generated from the water percolating through a solid waste disposal site, accumulating contaminants, and moving into subsurface areas such as leachate collection pipes. These pipes are connected to pump stations where leachate is conveyed to surface storage ponds where leachate is temporarily held until it is pumped into tanker trucks and hauled off-site for treatment.

At the Closed Landfill No. 2, leachate is generated and collected in the same manner as described above with the exception that, leachate is instead conveyed to a pump station and mechanically pumped via forcemain to the Town of Leamington Pollution Control Plant for treatment.

WSP submitted the reports on November 17, 2021 detailing the Contaminating Lifespan Evaluations for each closed Landfill site, however this report to the Board is intended only to provide a high-level overview of this work.

According to WSP, the guidelines that were used for these evaluations are commonly used for other closed landfills in Ontario to complete Contaminating Lifespan Evaluations. Basically, as leachate is removed from the site through a leachate collection system, the concentration of the contaminant of interest (Chloride) is anticipated to decline over time.

Chloride is used as the leachate indicative parameter in Contaminating Lifespan Evaluations calculations because it is a good indicator of the strength of generated leachate without being influenced by other decay factors within the leachate. The decline in chloride concentrations is due to the influence of infiltrating precipitation which is basically the dilution and flushing effects into, through and out of the waste mass.

Contaminating Lifespan Evaluations may be performed at varying time intervals to assess the projected lifespan of closed landfills where the input variables such as leachate chloride concentrations and annual leachate volume production are significantly changing overtime. These evaluations are recommended to be routinely updated every 5 to 10 years to allow for the evaluation of the changes in the primary indicative parameter.

The end of the Contaminating Lifespan Evaluations as identified by WSP are estimated to be 2125 (103 years) for Landfill 2 and 2100 (78 years) for Landfill 3. These estimates are generally comparable to other Southwest Ontario closed landfill sites with similar waste and leachate characteristics and landfill size/waste volumes.

The primary factor contributing to a longer Contaminating Lifespan Evaluation for LF2, as compared to LF3, is the larger volume of precipitation infiltrating through the landfill waste. In general, the larger the volume of precipitation infiltrating through the landfill waste, the faster the contaminants get flushed out, causing the contaminating lifespan evaluation to decrease at a faster rate. Considering the large size of the closed LF3, the leachate volume generated at LF3 is approximately three times larger than LF2 causing the Contaminating Lifespan Evaluations to decrease accordingly.

Finally, as contaminating lifespans are only estimates, these projections should be considered with caution and should be re-evaluated in approximately 10 years or

as deemed necessary by the Authority based on the results of the ongoing compliance monitoring programs at both sites to assess the potential changes in these projections over time.

Recommendation

That the Board receive this report on Contaminating Lifespan Evaluations as information.

Submitted By

Tom Marentette, Manager of Waste Disposal



Essex-Windsor Solid Waste Authority Administrative Report

December 21, 2021

To: The Chair and Board of the Essex-Windsor Solid Waste Authority
From: Steffan Brisebois, Manager of Finance and Administration
Meeting Date: Wednesday, January 12, 2022
Subject: EWSWA 2022 Budget Approval Status

Purpose

The purpose of this report is to update the Board on the status of the 2022 EWSWA Budget approval process.

Background

At the Authority's November 2, 2021 meeting the Authority Board approved the 2022 budget recommendations.

As a part of the final approval process the budget was then referred to the County of Essex and City of Windsor and their Councils for their consideration.

Discussion

On December 15, 2021 Authority Administration attended Essex County Council via Zoom to present the 2022 Budget, address questions from the council members and to seek approval of the 2022 EWSWA Budget. Essex County Council resolved to approve the Authority's Budget at that meeting.

On December 13, 2021 Authority Administration attended Windsor City Council via Zoom to present the 2022 Budget, address questions from the council members and to seek approval of the 2022 EWSWA Budget. Authority Administration were not requested by Council to make a formal presentation but did appear as a

delegation to answer questions. Windsor City Council resolved to approve the Authority's budget at that meeting.

Recommendation

For the Board's information.

Submitted By

A handwritten signature in blue ink that reads "Steffan Brisebois". The signature is written in a cursive style and is placed on a light pink rectangular background.

Steffan Brisebois, Manager of Finance and Administration



Essex-Windsor Solid Waste Authority Administrative Report

January 4, 2022

To: The Chair and Board of the Essex-Windsor Solid Waste Authority
From: Steffan Brisebois, Manager of Finance and Administration
Meeting Date: Wednesday, January 12, 2022
Subject: 2022 Blue Box Steward Funding Obligation Announcement

Purpose

The purpose of this report is to update the Board regarding significant estimates used to prepare the 2022 Budget document that was previously approved by the Authority Board at the November 2, 2021 meeting.

Background

The Steward Funding Obligation is the amount that the Stewards must pay to participating communities for operating the Blue Box Program.

The following was included as part of the 2022 Budget report presented at the November 2, 2021 meeting:

RECYCLING PROGRAM – REVENUE	2021 BUDGET	2021 PROJECTION	2022 BUDGET
Stewardship Ontario – Blue Box Funding	\$2,800,000	\$3,335,250	\$3,335,250

Discussion

On December 23, 2021, Stewardship Ontario announced that the Authority will be receiving a total of \$3,662,804 in 2022 for the Blue Box Funding Program. Payments are made in quarterly instalments starting June 2022 and ending March 2023.

Stewardship Ontario changed the way the Municipal Funding Allocation is calculated for the 2022 payment year. In general, the new simplified calculation method looks to proportionately allocate the Steward total funding obligation to each respective program (i.e. municipality/authority/city) based on each program's Net Cost.

The new simplified methodology sets the Steward Obligation at 50% of reported net costs for each respective program and eliminates other complex formulas. The calculation of the Net Cost to determine the Steward Obligation has three inputs:

- The Gross Cost incurred by participating communities as reported in the 2020 Datacall
- The Prior Year adjustments (PYAs), limited to two prior years, and
- The Three-Year Average Revenue

This methodology will be applied to future funding years until transition is complete at the end of 2025. Given the complexity of the Stewardship's calculation and the uncertainty of potential adjustment made by the Stewardship Ontario throughout the funding year, the Authority's 2022 budget was estimated using the 2021 projected total.

Financial Implications

The additional \$327,554 in Blue Box Funding will offset the 2022 budgeted deficit. Administration will provide further updates to the Board as part of the 3- and 6-Month Financial Reports.

Recommendation

For the Board's information.

Submitted By



Steffan Brisebois, Manager of Finance and Administration



Essex-Windsor Solid Waste Authority

Administrative Report

January 6, 2022

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

From: Steffan Brisebois, Manager of Finance and Administration

Meeting Date: Wednesday, January 12, 2022

Subject: Administration Report on Partnership Agreement Models and Financing Options for the Regional Organic Management System

Purpose

The purpose of this report is to provide information on a potential strategy that could be structured through partnership agreement models to address various municipal organics program commencement dates and speak to the potential financing options.

Background

At the October 5, 2021 meeting of the Authority Board, the following motion was passed:

Moved by Kieran McKenzie
Seconded by Jim Morrison

That Administration be directed to structure partnership agreement models that contemplate a variety of potential entry points into a regional organic management system and;

That Administration report back with potential financial options to address the various partnership models.

Discussion

Authority administration began researching potential solutions and contacted other municipal contacts within Ontario including members of the Ontario Regional Public Works Committee in hopes that they could assist in providing actual examples of other large scale municipal capital projects that included partnership agreements or projects with a similar situation whereby partners may begin using the system at various points. Administration, unfortunately received few responses to the request and no municipalities were able to provide examples where this had been done in the past. In absence of this information, Authority administration contacted County of Essex administration and City of Windsor administration for their input on potential partnership agreement and financing options. Common strategies were identified by both administration and summarized below:

Authority, County of Essex and City of Windsor administration all identified that depending on which project delivery model the Authority Board selects at the onset, could potentially impact the way a structure partnership agreement could be created. An example being whether the Authority looks to design and construct a new organics facility or whether a service contract model is used. A full list of project delivery models were highlighted in GHD's report on May 4, 2021 "Organics and Biosolids Waste Management and Processing Project". The Authority administration with the assistance of County of Essex and City of Windsor staff contemplated the following structured partnership agreement models:

If the Authority built a new organics facility, a potential partnership model could be as follows:

The Authority should consider determining the variables below so to more accurately estimate the total capital cost and operation cost of the new facility.

- Total capacity for all participants regardless of when they join;
- Capital cost to fulfil that capacity requirement, and;
- The per use operating and maintenance costs.

On day one, those municipalities that wish to take part in the organics project would begin paying the capital charge and the per use (tonne) rate. The capital charge could be based on the cost of financing the project over a 20 years period while the per use rate could be based on the total tonnes of material delivered for processing.

Municipalities that wish to delay on boarding would not be required to pay the per use rate but would be charged 50% of the capital charge. The rationale is that the facility would be built to account for the anticipated capacity at the onset.

The Authority might consider that those municipalities who wish to delay participation at the onset be given a deadline to opt in to the organics project at a date no later than the ban on organics in landfills. Once joined, the remaining 50% capital charge would come due with an embedded interest charge for holding the respective municipalities receivable on the Authority's ledger. An additional premium on top of the 50% capital charge could be considered to assist with covering the fixed cost components that are above and beyond the cost of financing. The per use rate would commence to be charged based on the tonnage collected.

With this partnership agreement model, the Authority would be required to borrow the full capital cost of the project regardless as to whether a municipality chose to participate at the onset or not. A caveat with this model would be that the Authority might not collect enough revenue to cover the financing costs due to the delay in municipalities joining the organics project. The benefit however of joining at the onset would be that municipalities would not be required to pay a premium associated to accrued interest fees and other fixed cost premiums.

This partnership agreement model follows a similar partnership structure to that of the City of Windsor and the Town of LaSalle regarding the Lou Romano water reclamation plant agreement. Similarities include the Town of LaSalle paying their proportionate share of the capital and an annual operating cost on a per use rate.

Potential options for financing a new organics facility:

To finance the cost of the capital project, the Authority could enter into a long-term loan with Infrastructure Ontario. Alternatives might include, long-term loan through traditional banking institutions, seek out grant opportunities via Federation of Canadian Municipalities (FCM) or through other Ontario/Federal infrastructure grants.

Potential service contract partnership model:

For the purpose of issuing a tender, the Authority would need to determine the estimated tonnage of organic material needing to be processed. To obtain this estimate, the Authority should know which municipalities are participating at the onset and which municipalities will look to join in the future.

Potential financing option for a service delivery contract:

The Authority would not be required to finance this project as the costs would be charged via tipping fees to the respective municipalities based on their respective organic tonnages.

Budget Impact

Depending on which project delivery model is selected at the onset will determine the overall financial impact to the Authority. With the examples provided above, if the Authority was to build a new organics facility, the impact would be the cost of financing, the operation and maintenance costs. If a service delivery model was selected, the impact would be the costs associated with the processing and hauling contracts.

Recommendation

That this report be received for information purposes.

Submitted By



Steffan Brisebois, Manager of Finance and Administration



Essex-Windsor Solid Waste Authority

Administrative Report

December 21, 2021

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

From: Michelle Bishop, General Manager

Meeting Date: Wednesday, January 12, 2022

Subject: EWSWA Solicitor Update

Purpose

This report is an information report to advise the Board as to a change regarding the Authority's solicitor Mr. David Sundin.

Background

The County of Essex and the Authority have utilized the same solicitor since the Authority was created in 1994. At the conclusion of 2018, the Authority's and County's long-time solicitor Christine Riley of the Bondy Riley Koski LLP law firm retired from practice. Authority administration collaborated with County of Essex administration to select and engage a new solicitor. Mr. David Sundin, a partner with McTague Law Firm LLP, was chosen as the new solicitor.

For the past three years David has handled a range of legal issues for the Authority and his areas of practice include municipal law, civil litigation, insurance litigation, commercial litigation, and privacy law and access to information. In particular, David has assisted the Authority with legal advice pertaining to issues with contractors, contract interpretation and procurement language.

Discussion

In November, David accepted a position with the County of Essex as County Solicitor and will begin his employment January 3, 2022. David will continue to act as the Authority Solicitor.

The Authority currently engages with the County of Essex to perform services such as payroll, human resources and information technology (I.T.). This is more cost effective than the Authority employing dedicated staff to perform these functions. County of Essex administration has confirmed that legal services can also be contracted to the Authority in the same manner.

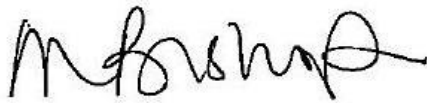
Financial Implications

County of Essex and Authority administration have had preliminary discussions to address the most efficient and cost-effective method to recover costs associated with David’s time spent on Authority items. A follow up discussion will be scheduled in the coming weeks.

Recommendation

THAT the Board receive this report as information.

Submitted By



Michelle Bishop, General Manager



Essex-Windsor Solid Waste Authority

Administrative Report

December 15, 2021

To: The Chair and Board of the Essex-Windsor Solid Waste Authority
From: Michelle Bishop, General Manager
Meeting Date: Wednesday, January 12, 2022
Subject: Summary of Legal Account(s)

1. McTague Law Firm LLP **\$344.65 (exclusive of HST)**

Regarding: Various Legal Advice re: Preparation of correspondence re. Regional Food and Organics Waste Management Project
Invoice # 315520
Billing Period November 1-30, 2021
Invoice Date November 30, 2021

Recommendation

That the Board authorize the payment of the legal account as summarized.

Submitted By

A handwritten signature in black ink, appearing to read 'M Bishop', is written over a light grey circular stamp.

Michelle Bishop, General Manager

Essex-Windsor Solid Waste Authority

By-Law Number 1-2021

Being a By-Law to Authorize the Execution of an Agreement between the Essex-Windsor Solid Waste Authority and Venture Refractories Inc. for the Relining the Methane Flare Stack at the Essex-Windsor Regional Landfill

Whereas the Essex-Windsor Solid Waste Authority has approved entering into an Agreement with Venture Refractories Inc. for the Relining the Methane Flare Stack at the Essex-Windsor Regional Landfill.

Now Therefore the Essex-Windsor Solid Waste Authority enacts as follows:

1. THAT EWSWA hereby approves a contract with Venture Refractories Inc. upon and subject to the terms, covenants and conditions contained in the Agreement.

THIS By-Law shall take effect upon the final passing thereof.

ESSEX-WINDSOR SOLID WASTE AUTHORITY

EWSWA Board Chair

**Michelle Bishop
General Manager**

**Read a First, Second and Third Time, Enacted and Passed
this 12th Day of January, 2022.**

Essex-Windsor Solid Waste Authority

By-Law Number 2-2022

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 the 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

EWSWA Board Chair

**Michelle Bishop
General Manager**

**Read a First, Second and Third Time, Enacted and Passed
This 12th Day of January, 2022.**