ADOPTED by Council at its meeting held December 5, 2011 **[M349-2011]**
/AA
Windsor, Ontario December 5, 2011

REPORT NO. 28 of the
ENVIRONMENT & TRANSPORTATION STANDING COMMITTEE
of its meeting held October 26, 2011

Present:	**Councillor Hatfield, Chair** **Councillor Payne** **Councillor Sleiman** **Councillor Halberstadt**
Regrets:	**Councillor Valentinis**

That the following recommendations of the Environment and Transportation Standing Committee **BE APPROVED:**

Moved by Councillor Halberstadt, seconded by Councillor Sleiman,
That the minutes of the Essex-Windsor Solid Waste Authority (EWSWA) meeting held July 5, 2011 **BE ADOPTED** as presented.
Carried.

Clerk's Note: The minutes of the EWSWA meeting held July 5, 2011 are ***attached*** for information.

CHAIRPERSON

DEPUTY CLERK

NOTIFICATION:				
Name	Address	Email Address	Telephone	FAX

MINUTES
ESSEX-WINDSOR SOLID WASTE AUTHORITY

Essex County Civic and Education Centre
Meeting Room C
Tuesday July 5, 2011
4:30 pm

Attendance:

EWSWA Board Members:	Ken Antaya	County of Essex
	Tom Bain (Ex-officio)	County of Essex
	Cheryl Hardcastle	County of Essex
	Ron McDermott	County of Essex
	Alan Halberstadt	City of Windsor
	Al Maghnieh	City of Windsor
	Ed Sleiman	City of Windsor
Absent:	Drew Dilkens (Alternate)	City of Windsor
	Wayne Hurst (Chair)	County of Essex
	Ed Francis (Ex-officio)	City of Windsor
EWSWA Staff:	Eli Maodus, General Manager	
	Michelle Bishop, Manager of Finance and Administration	
	Cameron Wright, Manager of Waste Diversion	
	Ralph Reiser, Manager of Waste Disposal	
	Kate George, Executive Secretary	
County of Essex Staff:	Mary Brennan, Clerk / Director of Council Services	
City of Windsor Staff:	Mark Spizzirri, Financial Planning Administrator	
	Tim Tidridge, Contracts and Operations Administrator	

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1. CALL TO ORDER

The General Manager called the meeting to order at 4:35 PM. He noted that the Chair and Vice-Chair are both absent for today's meeting. The procedural by-law states that in this scenario the Board must elect a temporary Chair for the meeting.

Moved by Ed Sleiman
Seconded by Ron McDermott
THAT Tom Bain act as the Chair for the July 5, 2011 EWSWA Board Meeting.

--CARRIED UNANIMOUSLY
70-2011

2. DECLARATION OF PECUNIARY INTEREST

There were no declarations of pecuniary interest.

3. DELEGATION

There were no delegations requesting to appear before the Board.

4. APPROVAL OF MINUTES

A) EWSWA Board Meeting – June 8, 2011

Moved by Ken Antaya
Seconded by Ron McDermott
THAT the minutes of the EWSWA Board Meeting of June 8, 2011 be adopted as amended.

--CARRIED UNANIMOUSLY
71-2011

5. BUSINESS ARISING FROM THE MINUTES

There was no business arising from the minutes.

6. CORRESPONDENCE

A) City of Windsor - Notice of Council Decision and Report from Administration RE Refuse from Outside Essex-Windsor

The General Manager noted that there has never been a motion to reconsider in the whole time that the EWSWA has been in existence.

Mr. Sleiman noted that City Council made the decision after debate and discussion to have a motion to reconsider put before the Board.

Ms. Hardcastle expressed concern that the role of the EWSWA Board members is to communicate the decisions of the Authority with their respective councils even if the Board member was not in favour of the decision.

Alan Halberstadt arrived at 4:39 PM.

Mr. Antaya questioned if the motion to reconsider would be on the specific contract or on the issue as a whole.

The General Manager clarified that the reconsideration would be for the specific resolution named in the motion to reconsider.

Mr. Halberstadt questioned what the County Board appointments were in relation to the term of Council.

The General Manager clarified that the Board members are seated for 4 years in concurrence with their term of Council. What rotates is the 5th member of the Board of the 9 total Board Members. For 2011 the County has 5 members and the City has 4. The opposite will be the case for 2012. This rotates every year. A totally new Board will not occur until 2015.

Al Maghnieh arrived at 4:45 PM.

Mr. McDermott noted that the division between the City and County is evident on the Board, and he expressed concern that there is a need for the County Council and the City Council to have a joint meeting in order to iron out some of the differences that are making the decisions difficult at the Board level. He noted that the EWSWA Board collectively made a decision and that we would stand by it.

Mr. Bain noted that there is a joint meeting of Windsor and Essex Councils scheduled for August 10, 2011 and the matter of reconsideration can be raised at that meeting.

Mr. Bain agreed to have this matter placed on the agenda for the next City-County joint council meeting.

Mr. Maghnieh expressed that the decision of the City Council to send the motion to reconsider is based on the needs of the community. There must be a compromise and a way to meet where all parties can be satisfied with the decision.

Considerable discussion took place with regard to City/County relations.

Mr. Antaya requested that a legal opinion be sought with regard to the various aspects of the motion to reconsider before the Board take any action to that regard.

Moved by Ken Antaya
Seconded by Ron McDermott
THAT the Board receive the report for information purposes.
--CARRIED UNANIMOUSLY
72-2011

7. WASTE DIVERSION ISSUES

A) 2011 Master Plan Review and Update & Waste Recycling Strategy RFP

The General Manager noted that the Authority administration is recommending that the Board approve the contract for the Master Plan Review be awarded to Exp. Consulting. Exp. was the low bidder and they have experience required to accomplish the project. He noted that there is partial funding available from the Continuous Improvement Fund for the project for the Waste Recycling Strategy portion.

Mr. Maghnieh questioned whether Exp. had done work for the Authority in the past or if they have references.

The General Manager noted that exp. is a company that acquired another firm (Trow) that has done work across the province to this regard. They have favourable references.

Moved by Al Maghnieh
Seconded by Alan Halberstadt
THAT the Board of the Essex-Windsor Solid Waste Authority authorize administration to enter into an agreement with Exp Consulting to undertake a Master Plan Review and Update and Waste Recylcing Strategy in accordance with the Terms of Reference contained within the Request for Proposals (RFP) document at an upset limit cost of $28,450 plus HST.

CARRIED UNANIMOUSLY
73-2011

8. WASTE DISPOSAL ISSUES

A) Tender Award - Cell 3 North Contract 6 - Regional Landfill

The Manager of Waste Disposal indicated that the recommendation from administration is that SLR Contracting Group Inc. be awarded the tender for Cell 3 North Contract 6.

Mr. Halberstadt questioned why so few, only two bids were received.

The Manager of Waste Disposal noted that there was a time constraint that most of the contractors could not meet.

Mr. Halberstadt questioned the discrepancy between the engineer's estimate and that of the actual bids.

Mr. Bain called the question.

Moved by Al Maghnieh
Seconded by Ron McDermott
THAT That the Board accept the low tender price of SLR Contracting Group Inc. in the total amount of $4,363,072.50 including 1.76% HST and that the Chairman and General Manager be authorized to enter into an agreement with SLR Contracting Group Inc. for the construction of Cell 3 North at the Essex-Windsor Regional Landfill.

–CARRIED UNANIMOUSLY
74-2011

9. FINANCE AND ADMINISTRATION

A) Insurance 2011

The Manager of Finance and Administration spoke to the report and noted that there were no significant increases in the insurance rates for the Essex-Windsor Solid Waste Authority policy for the period May 2011 - April 2012.

Mr. Maghnieh questioned why there have been increases, however slight all across the various coverages.

The Manager of Finance and Administration indicated that with the property coverage the insurer increased the asset values by 1% and then increased premiums by 6%. The other coverage classes had minimal increases.

The General Manager noted that in 2008 when the Insurance coverage went to tender, it was difficult to even get coverage at all. The insurance providers see the biggest risk as the recycling centers, noting that in other municipalities there have been common occurrences of buildings and contents catching fire. The insurance providers paint all of these facilities with the same brush assuming the liability is just as great.

Moved by Al Maghnieh
Seconded by Ed Sleiman
THAT the Board receive the report on Insurance for the EWSWA for information purposes.

–CARRIED UNANIMOUSLY
75-2011

B) 2011 Business Review - Consultant in Attendance to Give Status Report

The General Manager noted that Jim Archibald, the consultant from Stantec was present to speak to the Business Review if the Board wished to hear him.

Moved by Ron McDermott
Seconded by Ken Antaya
THAT Jim Archibald be permitted to make a presentation before the Board with regard to the progress on the 2011 Business Review.
--CARRIED UNANIMOUSLY
76-2011

Mr. Archibald noted that even though they are early in the process of the Business Review he can provide a basic opinion on the assignment of analyzing the EWSWA's Operations and Business practices. He noted that the final report would be ready for presentation in September. He informed the Board that should they have any questions that this would be a good forum for them to ask or present ideas. He commended the Board in its decision to undertake a Business Review noting that the last analysis was completed in 1993 and much has evolved in the area of waste management over the past 18 years. Waste Management itself is a different entity and it is in constant evolution. It is a good time to undertake a review. He noted that with recent staff changes at the Authority over the past couple of years it is an ideal time to look at the organization and its operations. He expressed that EWSWA staff have been very helpful in providing information and not opinion which is a difficult task in itself.

He continued stating that even though the idea of the EWSWA itself is unique and was a progressive undertaking there remain to be other entities across the province that are doing very similar things that can be used as good comparators to gauge the Authority's operations. Most municipalities have similar operations to that of the EWSWA.

Mr. Archibald noted that when looking at the operations and procedures of the EWSWA in a broad manner he can say that the situation here in Essex-Windsor is good when compared to other areas in the province. There is much uncertainty with recycling commodities and prices are rising then falling, there is general instability across the market. This is industry wide and most municipal operations are experiencing the same challenges as the EWSWA. Looking at the larger picture the position of the EWSWA is that we have a young empty landfill, that has plenty of space. This is a very good situation as the industry 20 years from now could be very different. What he will be looking at in the review is our current position and how to best manage the assets that we have in the Landfill and other areas. He further noted that the reserves are in great shape. He noted that perhaps the diversion programs in Essex-Windsor are not as large or diverse as some other municipalities, but the programs

that are in place are well run and serving the community well. He noted that there are some challenges here in Essex-Windsor, but for the most part the overview is positive. Other areas he will examine and analyze are staffing and contracted costs and how they compare with other municipalities.

Mr. Halberstadt questioned point #5 on the terms of reference. There has been discussion to this regard lately, what is the general thought on the EWSWA's ICI tipping fees in relation to other areas in the province?

Mr. Archibald noted that the fees at EWSWA are at the lower end of the range. The administration of the fees is really a function of the Board and how it sees fit to administer the programs in relation to the cost of operations. It is a policy issue. He noted that lowering the tipping fee would certainly bring waste in, but it may become a question of losing money in some other areas in order to get that waste. The real issue is basically out of the control of the Board and that is Michigan. Michigan could make decisions that totally change things for the EWSWA at any given moment. We have to remember that the asset (the Regional Landfill) has already exceeded the projected life span.

Mr. Halberstadt questioned costs like the residents compensation and the hosting fees. He wondered if we were stuck with these.

Mr. Archibald noted that since those items were negotiated as part of the agreement which created the Authority, it would be unlikely that there is any possibility that those items come under reconsideration.

Mr. Sleiman questioned the type of waste being landfilled (industrial vs. residential) and what was preferred for economic, environmental and compaction reasons.

Mr. Archibald noted that several years ago ICI waste was highly considered as contaminated. Measures to reduce these contaminants across the board have changed this drastically. Residential waste is highly compactable and like ICI waste produces methane gas which is then marketable. ICI waste is not as compactable as residential waste however they are both desirable. Over time there have been significant reductions in the production of waste due to diversion programs. We can expect that waste rates will continue to drop as consumers and producers are being more mindful of environmental implications of their products. There will however come a point where the reductions will somewhat plateau. The concept of zero garbage is more of a goal; the reality is that there will be some kind of waste that will require disposal in a landfill or by some other method.

Ms Hardcastle questioned point #13 of the report inquiring about the recommendations for the landfill debenture repayments.

Mr. Archibald noted that there are some big numbers for the next 20 years, but noted that the good news is that the site was projected to close when the balloon payments would end, but is now going to exist for much longer. Leaving the payments as they are would mean the ability for the EWSWA to plan for future disposal options, diversion projects etc. the site will be open and generating money this is a good thing. He will be looking into the options available to the Authority for the repayment of the debenture and the options for the future management of the financial aspect of the site over the life of the site and into the perpetual care as well.

Mr. Bain thanked Jim Archibald for his presentation and for making the trip to the meeting.

Moved by Ron McDermott
Seconded by Alan Halberstadt
THAT the Board receive the verbal report from Jim Archibald of Stantec in relation to the 2011 Business Review for information purposes.

–CARRIED UNANIMOUSLY
77-2011

C) 2010 Auditor's Report & Financial Statements

The Manager of Finance and Administration briefed the Board on the findings of the Auditors Report and went over come areas of interest with the Board. She noted that the balance owing from the City of Windsor, related to the MFP lawsuit.

Page 3 of the cover report makes reference to $10,097,000. This amount has been borrowed from ourselves, from Authority reserves, to finance capital projects. It represents the amount that the Authority will have to pay itself back over the next few years in order to bring the balances back to where they were prior to borrowing. This method is used instead of financing through 3rd parties as the cost savings in interest is significant.

Mr. Halberstadt questioned the difference between the actual 2010 surplus of $723,660 and that projected during 2011 budget deliberations of a break-even for 2010. Is that an error?

The Manager of Finance and Administration indicated that there was a change to the surplus figure due to an increased revenue generated from the sale of recyclables and higher than predicted ICI revenues.

Mr. Antaya questioned the recent activity on the Rate Stabilization Reserve.

The General Manager noted that the draw in 2009 was due to the labour disruption that occurred in the City of Windsor in order to finance the deficit for the year.

Moved by Cheryl Hardcastle
Seconded by Alan Halberstadt
THAT the 2010 Auditors Report, financial statements and cover report be approved.

--CARRIED UNANIMOUSLY
78-2011

D) Summary of Legal Invoices up to July 5, 2011

Moved by Ed Sleiman
Seconded by Ron McDermott
THAT the legal invoice be approved for payment.

--CARRIED UNANIMOUSLY
79-2011

10. ANY OTHER BUSINESS

A) Meeting RE Plasma Gasification on June 22, 2011

The General Manager spoke to the report regarding his meeting regarding alternative waste management methods. He noted that the purpose of the report was to simply keep the Board informed on the activities of Administration as it relates to EWSWA business.

He noted that the Plasma Gasification process is unproven and there are large capital costs associated with the method. This method, along with others considered are evaluated on the same criteria - Can they manage the waste for less than what it costs us under the current regime and method. The answer to date across the board is no.

Moved by Alan Halberstadt
Seconded by Cheryl Hardcastle
THAT the Board receive the report on the administration's meeting regarding plasma gasification of waste for information purposes.

--CARRIED UNANIMOUSLY
80-2011

B) Meeting at the Economic Development Office on June 23, 2011

The General Manager spoke with regard to the meeting that took place at the Economic Development office on June 23, 2011. He noted that although the meeting was not fruitful as to the initial agenda, discussion did take place with regard to leachate management options. He noted that they also discussed methods to enrich the compost.

Mr. Halberstadt questioned whether we are currently harnessing the methane gas produced by the waste at the Regional Landfill.

The Manager of Waste Disposal noted that we have been collecting and flaring off the methane gas at the Regional Landfill for several years. We have the potential to produce 1.5 - 2 megawatts of power once on the grid. Currently we are getting carbon credits, but no reward for producing electricity as there is not enough room on the hydro grid for our operation. The grid has unfortunately reached its capacity at this time and thus we are flaring the gas off about 22,000 cubic meters per year.

Mr. Halberstadt questioned the flare and its affect on the environment.

The Manager of Waste Disposal noted that the flare is reducing the carbon footprint by burning off the pollutants almost in their entirety.

Mr. Sleiman questioned whether we could compress the gas and then sell the methane to oil companies directly?

The General Manager indicated that there is some potential for that when and if the current contract for the management of the landfill gas expires. He noted that we are looking into storage options for the methane.

Mr. McDermott question what the potential earnings could be for the Authority if there was room for our operation on the grid.

The Manager of Waste Disposal noted that we are under contract with a firm who is managing the methane for us, they have invested significant amounts of money into the project so far, so once we are operational and on the grid earning revenue we will have to offset their capital expenses first. It is anticipated that there is potential to make $100,000 yearly after about 8 years or so.

Mr. Bain questioned whether we were collecting methane from any of the closed sites.

The Manager of Waste Disposal noted that we are not collecting methane from the closed sites, and that new landfill sites are mandated to have gas collection systems in place upon construction. It is too costly to retrofit for methane gas collection.

Moved by Alan Halberstadt
Seconded by Ken Antaya
THAT the report pertaining to Economic Development meeting be received for information purposes.

--CARRIED UNANIMOUSLY
81-2011

11. IN-CAMERA AGENDA

Moved by Ron McDermott
Seconded by Al Maghnieh
THAT the Authority move into In-Camera Committee of the Whole to discuss a property matter at 5:55 PM.

--CARRIED UNANIMOUSLY
82-2011

Moved by Al Maghnieh
Seconded by Ken Antaya
THAT the Board move out of In-Camera session at 6:15 PM.

12. BY-LAWS

A) By-Law 08-2011 - Being a By-Law to Confirm the Proceedings of the Board of the Essex-Windsor Solid Waste Authority.

Moved by Al Maghnieh
Seconded by Alan Halberstadt
THAT By-Law 08-2011 - 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 5th day of July, 2011.

--CARRIED UNANIMOUSLY
83-2011

13. NEXT MEETING

The next meeting is scheduled for August 10, 2011. The General Manager confirmed that this date was agreeable with the Board members.

14. ADJOURNMENT

Moved by Cheryl Hardcastle
Seconded by Ed Sleiman
THAT the meeting be adjourned at 6:20 PM.

--CARRIED UNANIMOUSLY
84-2011

All of which is respectfully submitted.

TOM BAIN
ACTING CHAIR

ILIJA MAODUS
GENERAL MANAGER