THE REGIONAL MUNICIPALITY OF YORK

REPORT NO. 6
OF THE REGIONAL
SOLID WASTE STRATEGY COMMITTEE
MEETING HELD ON OCTOBER 4, 2000

For Consideration by
The Council of The Regional Municipality of York
on October 12, 2000

Chair:	Regional Councillor G. Landon
Members:	Regional Councillor M. Di Biase Mayor W. Bell Mayor J. Mortson Mayor T. Taylor Regional Councillor D. Wheeler Regional Chair B. Fisch, ex officio
Staff Present:	A. Campbell, P. Carlyle, S. Cartwright, J. Flewelling, K. Price, K. Schipper, B. Tuckey, A. Wells

The Solid Waste Strategy Committee began its meeting at 11:15 a.m. on October 4, 2000.

1
EXTENSIONS OF AGREEMENTS
SOLID WASTE PROCESSING FACILITIES

The Solid Waste Strategy Committee recommends the adoption of the recommendations contained in the following report, September 28, 2000, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize extensions to the following agreements for solid waste processing services:

   1.1 The agreement with Roger LaRue Enterprises Limited, to continue providing and operating a Material Recovery Facility, as outlined in this report, for a term ending December 31, 2003.

   1.2 The agreement with Miller Waste Systems, to continue providing and operating a Material Recovery Facility, as outlined in this report, for a term ending December 31, 2003.

   1.3 The agreement with Miller Waste Systems, to continue providing and operating an Organic Yard Waste Composting Facility, as outlined in this report, for a term ending December 31, 2003.

2. The Regional Solicitor, in consultation with the Commissioner of Transportation and Works, be authorized to prepare the contract documents.

3. The Regional Chair and Clerk be authorized to execute the contracts on behalf of the Region.

4. The Regional Clerk forward copies of this report to the Clerks of the local municipalities.

2. PURPOSE

The purpose of this report is to obtain authorization to amend the three separate agreements for solid waste processing which are due to terminate on December 31, 2000. The primary amendments relate to extending the terms of all three agreements to December 31, 2003.

On September 14, 2000, Council referred this report back to staff to re-negotiate the sale of compost conditions within the Yard Waste Composting Contract with Miller Waste Systems. Section 4.4.5 of this report presents the results of those negotiations.

3. BACKGROUND

The Region's solid waste management disposal/diversion strategy calls for a 50 percent diversion rate by the year 2000. As one component of the diversion strategy, Regional Council adopted Clause 8 of Report No. 3 of the Transportation and Works Committee on February 12, 1998, directing staff to initiate a Request for Proposals process for a centralized composting facility for household organics. This component is now referred to as the Solid Waste Processing and Transfer Facility. The provision of long-term disposal capacity to replace the Keele Valley Landfill Site is a separate component of the solid waste management strategy.

Dry recyclable materials are currently collected through the "blue box" programs of the local municipalities. The Region processes all of these dry recyclable materials (excluding the Town of Newmarket's) through an agreement with Roger LaRue Enterprises Limited for its Material Recovery Facility in Georgina and through an agreement with Miller Waste Systems for its Material Recovery Facility in Markham. The Region also processes the yard waste collected by the local municipalities through an agreement with Miller Waste Systems for its Organic Yard Waste Composting Facility in Richmond Hill. Further details regarding these facilities and associated agreements are provided in the following sections of this report.

Regional Council adopted Clause 1 of Report No. 2 of the Solid Waste Strategy Committee on March 9, 2000. The report explained that the proposed Solid Waste Processing and Transfer Facility, in addition to composting household organics, will process dry recyclable materials and serve as a transfer station for the residual solid waste which requires disposal. The Region's three existing agreements, as described above, each have termination dates of December 31, 2000, which is before the start-up of the proposed Solid Waste Processing and Transfer Facility. Accordingly, the March 9, 2000 report recommended that the Commissioner of Transportation and Works be:

- Authorized to negotiate term extensions for all three of the facilities.
- Directed to report back to the Solid Waste Strategy Committee regarding the results of the negotiations.

4. ANALYSIS AND OPTIONS

4.1 Proposed Solid Waste Processing and Transfer Facility

The proposal call for the Solid Waste Processing and Transfer Facility closed on August 14, 2000. The evaluation of the received submissions is the subject of a separate report on this same Solid Waste Strategy Committee agenda.

The submissions indicated that a minimum of 32 months will be required to design, build and commission the facility from the date that the Region executes a contract with the successful vendor. Therefore, the Region would require the use of the three existing facilities until near the end of 2003.

4.2 Material Recovery Facility in Georgina

4.2.1 General Information

The Material Recovery Facility in Georgina is located at 23082 McCowan Road, just north of Ravenshoe Road. This facility is owned and operated by Roger LaRue Enterprises Limited (LaRue). It is noted that Capital Environmental Resource Inc. acquired part ownership of LaRue's waste management business in 1999.

The agreement with LaRue commenced on January 1, 1997 when the Region assumed the responsibility for processing the Town of Georgina's recyclable materials. The agreement was then amended effective April 6, 1998 to allow the Town of East Gwillimbury to use the facility. These two municipalities delivered approximately 4,200 tonnes of recyclable materials to the facility in 1999.

It is noted that the Town of Newmarket has its own agreement with LaRue for the use of this facility. The Town delivered approximately 4,300 tonnes of recyclable materials there in 1999.

4.2.2 Existing Agreement
The pertinent compensation features of the existing agreement with LaRue are summarized as follows:

- The Region receives 90% of the revenue from the sale of recyclable materials and LaRue receives 10%.
- LaRue is paid a processing fee $66.00 per tonne of recyclable material received in 1997, 1998, 1999 and 2000.

4.2.3 Proposed Agreement
Regional staff have met with LaRue staff to negotiate an extension to the term. These discussions have resulted in an agreement in principle, which LaRue has documented in correspondence to the Region.

It is proposed that the Region's existing agreement with LaRue be amended to reflect the following changes.

The new term would be from January 1, 2001 until December 31, 2003. However, the Region would be able to terminate the agreement at any time in 2003 by giving LaRue 60 days notice.

The new agreement would also increase the compensation payable to LaRue by 1% each year. Table 1 summarizes the proposed processing fees for each of the next three years.

Table 1
Material Recovery Facility in Georgina
Proposed Processing Fees

Calendar Year	Price Per Tonne Delivered (Excluding GST)
2001	$66.66
2002	$67.33
2003	$68.00

Regional staff feel that this is reasonable and recommend that the agreement be amended to reflect the foregoing conditions.

4.3 Material Recovery Facility in Markham

4.3.1 General Information

The Material Recovery Facility (MRF) in Markham is located at 8050 Woodbine Avenue, just south of Highway 7. This facility is operated by Miller Waste Systems (Miller). The company owns the processing equipment, but leases the building.

The agreement with Miller commenced on August 30, 1993 when the Region assumed the responsibility for processing the recyclable materials which are collected by Aurora, East Gwillimbury, King, Markham, Richmond Hill, Vaughan, and Whitchurch-Stouffville. As stated previously, East Gwillimbury changed from this facility to the LaRue facility on April 6, 1998. The six local municipalities currently using the Miller facility delivered approximately 31,000 tonnes of recyclable materials there in 1999.

The original agreement had a termination date of August 31, 1998. However, a re-negotiated agreement with a term ending on December 31, 2000 was accepted by Regional Council on February 12, 1998 through the adoption of Clause 11 of Report No. 3 of the Transportation and Works Committee.

4.3.2 Existing Agreement

The pertinent compensation features of the existing agreement with Miller are summarized as follows:

- The Region receives 90% of the revenue from the sale of recyclable materials and Miller receives 10%.
- Miller is paid processing fees, which are adjusted each year to reflect changes in the Consumer Price Index (CPI), as shown in Table 2.

Table 2
Material Recovery Facility in Markham
Past and Present Processing Fees

Total Tonnes Delivered (Per Calendar Year)	Price Per Tonne (Excluding GST)		
	1998	**1999**	**2000**
28,000 or Greater	$41.49	$42.73	$43.58

Note: The rates for 2000 are based on a projected 2% CPI increase.

4.3.3 Proposed Agreement

Regional staff have met with Miller staff to negotiate an extension to the term. The discussions have resulted in an agreement in principle, which Miller has documented in correspondence to the Region.

The processing fees payable to Miller would continue to be adjusted each year to reflect the CPI. The only significant amendment to the agreement pertains to the building lease which relates to the term, as described in the following section.

4.3.4 Building Lease

Miller leases the building which it uses for the MRF and the current lease expires on April 30, 2002. There is a clause in the lease which would allow Miller to extend the term for a further five years. However, the lease states that during this five-year period, both Miller and the landlord would be able to terminate the lease at any time by giving the other party 12 months notice. Therefore, Miller would require that the Region also give 12 months notice of the date on which it would stop using the MRF.

The possibility still exists that the landlord could exercise its option to terminate the lease before the end of 2003 by giving Miller 12 months notice. If this occurred, then Miller and the Region would negotiate any additional costs associated with providing a MRF at some other location for a short period of time.

Miller believes that it is very unlikely that its landlord would exercise its option to terminate the lease before the end of 2003. Accordingly, Regional staff feel that the conditions, as outlined above, are acceptable and recommend that the agreement be amended to reflect them.

4.4 Composting Facility in Richmond Hill

4.4.1 General Information

The Organic Yard Waste Composting Facility in Richmond Hill is located at 1351 Bloomington Road, just west of Leslie Street. The facility is owned and operated by Miller.

The original agreement with Miller commenced on November 1, 1990 and had a termination date of October 31, 1995. However, a re-negotiated agreement with a term ending on December 31, 2000 was accepted by Regional Council on February 9, 1995 through the adoption of Report No. 4 of the Transportation and Environmental Services Committee.

All of the nine local municipalities use the facility and delivered approximately 10,200 tonnes of material to it in 1999. In addition, the facility received approximately 300 tonnes of material from the Region’s transfer station in Georgina in 1999.

4.4.2 Existing Agreement

The pertinent compensation features of the existing agreement with Miller are summarized as follows:

- Miller keeps all of the revenue from the sale of the finished compost.
- Miller is paid processing fees, which are adjusted each year to reflect changes in the CPI, as shown in Table 3.

Table 3
Composting Facility in Richmond Hill
Yard Waste from Municipal Collection
Past and Present Processing Fees

Total Tonnes Delivered (Per Calendar Year)	Price Per Tonne (Excluding GST)		
	1998	1999	2000
0 to 15,000	$63.17	$64.43	$65.72
15,000 to 30,000	$42.87	$43.73	$44.60
30,000 to 40,000	$37.64	$38.39	$39.16

Note: The rates for 2000 are based on a projected 2% CPI increase.

4.4.3 Proposed Agreement

Regional staff have met with Miller staff to negotiate an extension to the term. The discussions have resulted in an agreement in principle, which Miller has documented in correspondence to the Region.

The new term would be from January 1, 2001 until December 31, 2003. However, the Region would be able to terminate the agreement at any time in 2003 by giving Miller 60 days notice.

The processing fees payable to Miller would continue to be adjusted each year to reflect the CPI.

The only other significant amendments to the agreement pertain to charges for residents and compost sale prices for residents, as described in the following sections.

4.4.4 Proposed Revisions to Charges for Residents

The current agreement stipulates the following conditions regarding Miller's charges for yard waste delivered to the facility by residents and by industrial, commercial, institutional generators:

- Organic yard waste delivered by residents will be accepted at no charge for loads weighing up to 100 kg, however, for loads weighing more than 100 kg, Miller may charge residents $40.00 per tonne (plus GST) based on the weight of the entire load.
- Organic yard waste from industrial, commercial and institutional (ICI) generators within the Region will be accepted at prices set by Miller.

It is noted that Miller currently charges ICI customers $40.00 per tonne.

As part of the re-negotiated agreement, the charges for residents would be revised as follows:

- $2.00 for all cars.
- $3.00 for all vans, except cube vans.

- All other vehicles, including cube vans, pickup trucks, and vans or cars which are pulling loaded trailers would be weighed and charged $40.00 per tonne, with a minimum charge of $4.40 for any load.

Regional staff feel that this is reasonable and recommend that the agreement be amended to reflect this change.

4.4.5 Proposed Revisions to Compost Sale Prices for Residents

The current agreement requires Miller to keep compost available at the site for sale to residents at the following costs:

- $2.00 per bag, filled by the residents.
- $2.50 per bag, already filled by Miller.
- $15.00 per tonne for bulk loads.

The following rates for compost are proposed for residential customers:

- $2.00 per bag, filled by residents.
- $3.00 per bag, already filled by Miller.
- $15.00 per tonne for bulk compost picked up by residents using cars, pickup trucks with or without small trailers.

It is further proposed that the rate for bulk sales of compost to commercial customers, and for compost delivered to residences, be allowed to fluctuate at market rates. Currently, the market rate is $40.00 per tonne.

It is important to the Region, and Miller, that prices move to a market rate. Once a market rate is determined by the economics of supply and demand, a fair, competitive atmosphere will be established. This market place will be important in the future to handle the significant volumes of compost that will be generated as more Ontario communities, including York Region, establish organic waste processing systems to achieve 50% waste diversion targets.

4.4.6 Discount for the Elimination of Clear Plastic Bags

Shortly after the facility commenced operation, the Region worked with the local municipalities to implement a system whereby residents could only use clear plastic bags or rigid, open-top containers for municipally-collected yard waste. Many yard waste composting operators across the province, including Miller, have found clear plastic bags to be a serious problem. First, it is not practically possible to produce a finished compost which is not contaminated with small fragments of the plastic bags. That means the compost will not yield the highest possible price in the marketplace. Second, a greater amount of residue requiring disposal is produced because the plastic bag fragments stick to compostable material during the final screening process.

Accordingly, Miller has offered to reduce its processing fees by 10% if the Region would ban the use of clear plastic bags for yard waste that is municipally-collected. The alternative to clear plastic bags would be to use kraft paper bags, which are biodegradable. It is noted that the City of Toronto recently banned clear plastic bags in favour of kraft paper bags, effective September 1, 2001.

Regional staff feel that the discount offered by Miller is reasonable and recommend that this option be incorporated into the amended agreement. However, such a change for municipal yard waste collection would depend on the agreement of the local municipalities who would also have to implement public re-education campaigns on the banning of clear plastic bags. If it were decided to implement this option, then Regional staff would first report back to the Solid Waste Strategy Committee to obtain authorization.

4.4.7 Charges for the Georgina Transfer Station

The processing fee that Miller has charged for yard waste from the Region's transfer station in Georgina is the average between the fee charged for municipally-collected yard waste and the fee charged to the ICI sector. The transfer station commenced operation on January 1, 1998 and since that time Miller has been charging the ICI sector $40.00 per tonne. Therefore, the processing fees applicable to the transfer station are as shown in Table 4.

Table 4
Composting Facility in Richmond Hill
Yard Waste from the Georgina Transfer Station
Past and Present Processing Fees

Calendar Year	Price Per Tonne Delivered (Excluding GST)
1998	$51.59
1999	$52.22
2000	$52.86

Note: The rates for 2000 are based on a projected 2% CPI increase.

As part of the re-negotiated agreement, this compensation arrangement would be maintained. In addition, Miller has offered to charge the lower ICI rate if the Region can deliver yard waste from the transfer station, which is free of any plastic bags.

Regional staff feel that the foregoing is reasonable and recommend that the agreement be amended to reflect these conditions.

5. FINANCIAL IMPLICATIONS

The Region charges the local municipalities set processing fees for the use of the three facilities. The 2000 budget has been based on processing fees, which should be adequate to cover the Region's total costs. If the terms of the agreements with the contractors are extended, then it is anticipated that the Region would continue to set processing fees for the local municipalities each year to allow for full cost recovery.

6. LOCAL MUNICIPAL IMPACT

Regional and local municipal staff meet on a regular basis to review waste management issues. The discussions also include operational aspects of the Region’s contracted processing facilities.

Prior to commencing any of the negotiations with the companies, Regional staff reviewed the operations with the local municipal staff at a meeting held on April 6, 2000 to determine if any operational adjustments are required. These adjustments were then discussed with the companies, as part of the negotiations.

Regional staff will meet with local municipal staff again in the near future to review with them the processing fees that will be proposed in the Region’s 2001 budget.

7. CONCLUSION

The proposed Solid Waste Processing and Transfer Facility will not be operational until late 2003 at the earliest. The adoption of the recommendations in this report will enable the Region to maintain the status quo with respect to solid waste processing until the Facility becomes operational.

This report has been reviewed by the Senior Management Group.

(Mayor Jones declared an interest in the foregoing Clause due to the fact that he is under contractual employment with Timberlane Tennis and Country Club, whose Board of Directors includes one of the principals of Miller Waste Systems. He did not take part in the consideration or discussion of, or vote on, this item at the Council meeting held on October 12, 2000.)

2
MATERIAL RECOVERY FACILITY IN MARKHAM SALE PRICES FOR THE FIRST HALF OF 2000

The Solid Waste Strategy Committee recommends the adoption of the recommendation contained in the following report, September 15, 2000, from the Commissioner of Transportation and Works:

1. RECOMMENDATION

It is recommended that:

1. The following report be received for information by Committee and Council.

2. PURPOSE

This report provides an update of the prices received from the sale of recovered materials during the first half of 2000 from the Material Recovery Facility in Markham.

3. BACKGROUND

At the March 4, 1998 meeting of the Transportation and Works Committee, semi-annual reports were requested on prices received from the sale of recovered materials at the Material Recovery Facility in Markham. This facility is operated by Miller Waste Systems under contract to the Region and accepts "blue box" materials collected by Aurora, King, Markham, Richmond Hill, Vaughan, and Whitchurch-Stouffville.

4. ANALYSIS AND OPTIONS

4.1 Fibre Stream "A"

Fibre Stream "A" includes newspapers and paper inserts, magazines, catalogues, telephone directories, white envelopes, soft cover books, and household mixed paper.

Table 1
Statistics for Fibre Stream "A"

Period	Weighted Average Price Per Ton	Quantity Sold (Tons)
January	$75.00	1,397
February	$89.03	1,631
March	$111.84	2,040
April	$126.49	1,875
May	$125.85	2,201
June	$120.99	2,200
First Half of 2000	$110.94	11,344
Complete Year 1999	$66.79	21,542

The primary market for Fibre Stream "A" is Donohue Inc. They use the material to produce rolled newsprint.

The increase during the first part of 2000 is linked to overseas high export prices, which forced domestic paper mills to increase their prices as well. However, the prices are starting to decrease due to overseas paper mills not buying materials, together with many domestic mills taking downtime.

4.2 Fibre Stream "B"

Fibre Stream “B” includes kraft paper, greeting cards, egg cartons, paper cores, boxboard, old corrugated cardboard, pizza boxes, brown envelopes, hard cover books, gable top containers, and aseptic packaging (e.g. tetra pak drinking boxes).

Table 2
Statistics for Fibre Stream “B”

Period	Weighted Average Price Per Ton	Quantity Sold (Tons)
January	$62.46	471
February	$63.82	383
March	$81.11	456
April	$88.15	447
May	$101.23	484
June	$115.46	580
First Half of 2000	$87.28	2,821
Complete Year 1999	$41.96	4,841

The primary market for Fibre Stream “B” is Paperboard Industries Corporation. They use the material to produce linerboard, which is used in the production of cereal boxes, shoe boxes, and similar applications. Alternative markets produce a variety of consumer products including egg cartons, roofing shingles and drywall backing.

The price of Fibre Stream “B” is directly related to the price of corrugated cardboard. Prices for corrugated cardboard have increased in the first half of 2000 as a result of increased demand.

4.3 Ferrous Metal Cans

Ferrous metal cans typically include food and beverage containers.

Table 3
Statistics for Ferrous Metal Cans

Period	Weighted Average Price Per Ton	Quantity Sold (Tons)
January	$84.00	110
February	$69.00	79
March	$69.00	107
April	$69.00	69
May	$61.00	98
June	$61.00	101

First Half of 2000	$69.10	564
Complete Year 1999	$63.95	1,074

Ferrous metal cans are brokered by Miller Waste Systems to markets such as steel mills. These mills use this material to produce new steel cans.

Prices have started to decrease after being stable earlier in the year. Lower prices are due to a combination of factors, including decreased consumer demand and domestic steel mills lowering their prices.

4.4 Aluminum Cans

Aluminum cans typically include carbonated beverage containers.

Table 4
Statistics for Aluminum Cans

Period	Weighted Average Price Per Ton	Quantity Sold (Tons)
January	$1,828.06	35
February	$1,851.02	18
March	$1,762.04	33
April	$1,621.10	17
May	$1,644.60	31
June	$1,762.46	32
First Half of 2000	$1,748.88	166
Complete Year 1999	$1,483.14	345

The Region sells aluminum cans to Alcan Rolled Products. They produce rolled aluminum, which is used in the production of new aluminum cans.

Prices for aluminum cans have decreased due to a drop in the overall demand for aluminum.

4.5 Clear Glass and Coloured Glass

Clear glass and coloured glass typically includes jars and bottles used as containers for food and beverages.

Table 5
Statistics for Clear Glass and Coloured Glass

Period	Clear Glass		Coloured Glass	
	Weighted Average Price Per Ton	Quantity Sold (Tons)	Weighted Average Price Per Ton	Quantity Sold (Tons)
January	$45.00	129	$22.00	251
February	$45.00	108	$22.00	174

March	$45.00	148	$22.00	195
April	$45.00	142	$22.00	215
May	$45.00	166	$22.00	225
June	$45.00	164	$22.00	187
First Half of 2000	$45.00	857	$22.00	1,247
Complete Year 1999	$45.00	1,866	$22.00	2,226

Clear glass and coloured glass are both sold to the same market, which is Nexcycle Industries Ltd. The recovered glass is used in the production of new glass bottles. The market for these materials is relatively stable and constant.

4.6 Mixed Coloured and Natural HDPE Plastic Containers

HDPE is the abbreviated term for high density polyethylene plastic. It typically consists of containers for liquid detergents and for several types of food products, such as milk and juice.

Table 6
Statistics for Mixed Coloured and Natural HDPE Plastic Containers

Period	Mixed Coloured HDPE		Natural HDPE	
	Weighted Average Price Per Ton	Quantity Sold (Tons)	Weighted Average Price Per Ton	Quantity Sold (Tons)
January	$244.94	16	$408.23	17
February	$335.66	18	-----	0
March	$344.73	19	$408.23	16
April	$344.73	18	-----	0
May	$399.16	18	$544.31	12
June	$426.37	16	-----	0
First Half of 2000	$349.64	105	$445.27	45
Complete Year 1999	$238.10	130	$256.54	95

Mixed and natural coloured HDPE are brokered by Miller Waste Systems to plastics extrusion companies.

Since the beginning of the year, both mixed and natural coloured HDPE scrap prices have improved steadily. A shortage of material and an increase in plastic mills' capacity have kept the trend moving up.

4.7 PET Plastic Bottles

PET is the abbreviated term for polyethylene terephthalate plastic. It typically consists of containers for carbonated soft drinks and water, and also for some food products such as cooking oil.

Table 7
Statistics for PET Plastic Bottles

Month	Weighted Average Price Per Ton	Quantity Sold (Tons)
January	$195.27	69
February	$280.00	18
March	$280.00	55
April	$300.00	33
May	$346.87	52
June	$370.00	38
First Half of 2000	$286.32	265
Complete Year 1999	$138.54	445

PET is brokered by Miller Waste Systems to plastics extrusion companies.

The prices for PET have been increasing due to increased demand.

5. FINANCIAL IMPLICATIONS

The Region's share of revenue associated with the sale of materials is passed on to the local municipalities. As a result, changes in sale prices do not impact the net expenditures of the Region. However, changes in sale prices do impact gross expenditures and revenues. Table 8 provides a summary of the sale prices and quantities sold for the first half of 2000. The sale prices have been averaged for each month based on the prices received for sold materials. Total revenue for the first half of 2000 is 2% higher than budgeted and 103% higher than at the same time in 1999.

Table 8
Summary Statistics for First Half of 2000

Material	Weighted Average Price Per Ton	Quantity Sold (Tons)
Fibre Stream "A"	$110.94	11,344
Fibre Stream "B"	$87.28	2,821
Ferrous Metal Cans	$69.10	564
Aluminum Cans	$1,748.88	166
Clear Glass	$45.00	857
Coloured Glass	$22.00	1,247
Mixed Coloured HDPE Containers	$349.64	105
Natural HDPE Containers	$445.27	45
PET Plastic Bottles	$286.32	265
Total	-----	17,414

6. LOCAL MUNICIPAL IMPACT

The revenue from the sale of recovered blue box material is distributed to the local area municipalities. On average each municipality will receive 2% more than budgeted for the first six months of 2000.

7. CONCLUSION

The sale prices have increased for most types of recovered materials throughout the first half of 2000. Revenues are double that for the first half of 1999 and 2% above budget for 2000. As consumers purchase more new products, the need for recovered materials in manufacturing processes also increases.

This report has been reviewed by the Senior Management Group.

(Mayor Jones declared an interest in the foregoing Clause due to the fact that he is under contractual employment with Timberlane Tennis and Country Club, whose Board of Directors includes one of the principals of Miller Waste Systems. He did not take part in the consideration or discussion of, or vote on, this item at the Council meeting held on October 12, 2000.)

3
SOLID WASTE PROCESSING AND TRANSFER FACILITY PROJECT PROGRESS REPORT

The Solid Waste Strategy Committee recommends the adoption of the recommendation contained in the following report, October 3, 2000, from the Commissioner of Transportation and Works, subject to also inviting the members of the Solid Waste Management Public Liaison Committee:

1. RECOMMENDATION

It is recommended that Regional staff be authorized to convene a workshop to be held in early 2001 and invite all Regional and local municipal councillors, and appropriate Regional and local municipal staff, to build a consensus on either a two-stream or three-stream waste collection system.

2. PURPOSE

The purpose of this report is to provide an update on the following:

- Feedback received from the local municipalities with respective to their preference for either a two-stream or three-stream waste collection system.
- Regional staff's discussions with Miller Waste Systems with respect to the company's proposal to design, construct and operate a Solid Waste Processing and Transfer Facility.

3. BACKGROUND

Regional Council provided authorization to Regional staff on September 14, 2000 through the adoption of Clause No. 1 of Report No. 5 of the Solid Waste Strategy Committee to:

- Meet with the local municipal Councils to present the two-stream and three-stream waste management system analysis.
- Enter into discussions with Miller Waste Systems (Miller) with respect to the company's proposal for the design, construction and operation of the Solid Waste Processing and Transfer Facility.

4. ANALYSIS

4.1 Presentations to the Local Municipalities

Table 1 summarizes the schedule of presentations that were made by Regional staff to the local municipalities.

Table 1
Presentations to Local Municipalities

Date	Venue
September 18	Georgina Committee of the Whole
September 18	East Gwillimbury Planning Committee
September 18	Whitchurch-Stouffville Council
September 18	King Council
September 18	Richmond Hill Council
September 25	Vaughan Council
September 25	Newmarket Committee of the Whole
September 26	Markham Committee of the Whole
September 26	Aurora Council

The Region received a proposal from Miller to design, construct and operate a Solid Waste Processing and Transfer Facility that would handle either a two-stream or a three-stream sort. Attachment 1 provides a pictorial representation of these alternative systems. The previously referenced report to the Solid Waste Strategy Committee provided details on the system evaluation and costs.

Waste collection is a local municipal responsibility, while processing and disposal of waste is a Regional responsibility. Each local municipality was requested to state a preference on either a two or three-stream system to assist the Region in determining how it will reach its objective of diverting 50 % of its waste from disposal. Table 2 presents the information provided by each municipality as of the writing of this report.

Table 2
Local Municipal System Preference

Municipality	Comments
Aurora	Supports three-stream system.
East Gwillimbury	Supports three-stream system.
Georgina	Prefers to maintain user pay system to achieve 57% diversion and not implement an organic collection program.
King	Supports three-stream system.
Markham	Supports three-stream system.
Newmarket	Decision deferred until the Region provides further information.
Richmond Hill	Supports two-stream system.
Vaughan	Supports two-stream system.
Whitchurch-Stouffville	Deferred until its Council meeting on October 3, but Town staff have recommended two-stream.

It is not surprising that there is not a consensus of opinion, as each system has its own merits. Tables 3 and 4 summarize some of the comments heard by Regional staff regarding the two-stream and three-stream systems respectively.

Table 3
Two-Stream System Comments

Pros	Cons
• Easier for residents as they only have to sort waste into two streams. • Achieves 56% diversion. • Annual collection costs are $3.1 million lower than for three-stream. • Easier to divert future materials as no additional education of public required.	• Eliminates the blue box. • Eliminates the social marketing and waste reduction consciousness of users. • Annual processing costs are $10.5 million higher than for three-stream. • Total annual net system costs are $5.2 million higher than for three-stream.

Table 4
Three-Stream System Comments

Pros	Cons
• Achieves a 50% diversion rate. • Maintains the blue box / bag concept, but also allows bags. • Maintains and builds on previous social marketing and waste reduction education programs. • Annual processing costs are $10.5 million lower than for two-stream. • Annual total net system costs are $5.2 million lower than for two-stream. • Allows for the opportunity to further separate contains from fibres at the curb to further reduce processing costs.	• Allows residents to choose waste that will go directly to final disposal. • Cannot easily add new materials for diversion without added public education. • Annual collection costs are $3.1 million higher than for two-stream.

It is not feasible to construct a waste processing facility that can handle both a two-stream system and a three-stream system. Therefore, the Region will have to decide which system is best for its residents. A three-stream system meets the Region's 50% diversion objective and is the lowest cost. A two-stream system achieves a higher diversion rate. Therefore, there is a challenge to strike a balance between the costs for added diversion, versus acceptable additional tax increases to the public.

Support from the residents and elected officials of York Region is required to reach the minimum 50% waste diversion objective. Given the split in system preferences from the local municipalities, there is a need for further education, discussion and debate between Regional staff, local municipal staff, and elected officials. It is recommended that a workshop be held in early 2001 to build a consensus on a preferred waste collection system. The workshop would include presentations from facility and collection operators of waste systems similar to the ones being considered by the Region.

A decision on a system is required by the end of March 2001 if a new facility is to be in operation by the end of 2003.

4.2 Discussions With Miller Waste Systems

Regional staff have had three meetings with Miller representatives concerning the company's proposal for the Solid Waste Processing and Transfer Facility.

Regional staff have also retained RPA Consultants Limited (RPA) to carry out an independent peer review of Miller's cost proposal. Miller has been requested to provide additional information which is required by RPA to complete its analysis.

It will be necessary to determine whether a two-stream of a three-stream system will be implemented before any contract can be finalized.

5. LOCAL MUNICIPAL IMPACT

The implementation of either a two-stream or a three-stream system will require the re-negotiation or re-contracting of all local municipal waste collection contracts. The cost estimates related to this change have been provided by each local municipality as part of the Region's system cost evaluation.

6. CONCLUSION

Regional staff have made presentations to each of the local municipalities for the purpose of obtaining comments on their preference for either a two-stream or three-stream solid waste program. The local municipalities appear to be almost evenly split between the two systems. Therefore, it is recommended that Regional staff be authorized to convene a workshop to be held in early 2001 to build a consensus on a preferred waste collection system.

Staff will be reporting to Committee and Council throughout the process of finalizing the review of the proposal from Miller Waste Systems.

This report has been reviewed by the Senior Management Group.

(A copy of the attachment referred to in the foregoing report was provided to each Member of the Solid Waste Management Committee at the October 4, 2000 meeting and a copy thereof is also on file in the office of the Regional Clerk.)

(Mayor Jones declared an interest in the foregoing Clause due to the fact that he is under contractual employment with Timberlane Tennis and Country Club, whose Board of Directors includes one of the principals of Miller Waste Systems. He did not take part in the consideration or discussion of, or vote on, this item at the Council meeting held on October 12, 2000.)

4
UPDATE – COMMITTEE PROCEEDINGS

The Solid Waste Strategy Committee advises Council of the following matters having been considered by the Solid Waste Strategy Committee with the corresponding action as noted:

COMMUNICATIONS

1. Michael J. Williams, Director, Environmental Assessment & Approvals Branch, Ministry of the Environment, August 15, 2000, forwarding response to letter from York Region regarding the extension of the use of the Keele Valley Landfill Site. Received.

2. Rhonda Hustler, on behalf of The Warwick Watford Landfill Committee and The Richmond Landfill Public Liaison Committee, September 18, 2000, enclosing a written deputation regarding options and alternatives to Adam's Mine Site. Received.

3. Ruby McPhee, resident of Kirkland Lake, September 7, 2000, with enclosures, regarding the Adams Mine Site. Received.

4. R. Shaw, Regional Director, Ministry of the Environment, September 19, 2000, forwarding response to letter from York Region regarding the extension of the use of the Keele Valley Landfill Site. Received.

5. M. McSherry, resident of Kirkland Lake, September 21, 2000, regarding the Adams Mine Site. Received.

6. Form letters from 42 residents of northern Ontario opposing Toronto's proposal to send garbage to the Adams Mine. Received.

7. Mayor Tom Taylor, Town of Newmarket, October 2, 2000, regarding the Regional Municipality of York Proposed Integrated Solid Waste Process and Transfer Facility. The letter (copy attached) was considered in Private Session as it related to a legal matter and in Open Session it was received and referred to staff for appropriate response and report back to a future Committee meeting.

OTHER BUSINESS

8. The Committee resolved into Private Session to consider a solicitor/client and legal matter. The Committee rose from Private Session and reported on item 7 referred to above.

The Solid Waste Strategy Committee adjourned at 12:55 p.m.

(Mayor Jones declared an interest in the foregoing Clause due to the fact that he is under contractual employment with Timberlane Tennis and Country Club, whose Board of Directors includes one of the principals of Miller Waste Systems. He did not take part in the consideration or discussion of, or vote on, this item at the Council meeting held on October 12, 2000.)

Respectfully submitted,

October 4, 2000
Newmarket, Ontario

G. Landon
Chair

(Report No. 6 of the Solid Waste Strategy Committee was adopted, without amendment, by Regional Council at its meeting on October 12, 2000.)