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COMMUNITY ENVIRONMENTAL CENTRE NETWORK STRATEGY

The Environmental Services Committee recommends:

- 1. Adoption of recommendations 1, 2, 3, and 4 contained in the following report dated December 20, 2010, from the Commissioner of Environmental Services; and**
- 2. Deferral of recommendation 5 to a future Environmental Services Committee meeting, for discussion in the context of the overall Community Environmental Centre implementation strategy.**

1. RECOMMENDATIONS

It is recommended that Regional Council authorize:

1. Including weigh scales, where feasible, for residual waste in all current and future Community Environmental Centres and move to a weight based fee structure for cost recovery once scales have been installed.
2. An increase in volume based, price per vehicle at Community Environmental Centres of \$3 for both residential and commercial users.
3. An increase in price of weight based fees for residual waste at Georgina Transfer Station by \$5 per tonne.
4. Household hazardous waste material collection at Community Environmental Centres.
5. Yard waste material collection at Community Environmental Centres after the Asian Longhorn Beetle infestation ceases.

2. PURPOSE

This report provides an update on the first year of operations at the McCleary Court Community Environmental Centre, identifies opportunities for improvement and makes recommendations designed to maximize efficiency of York Region's Community Environmental Centre network over the long term.

3. BACKGROUND

Prior to opening the McCleary Court Community Environmental Centre, service levels among municipal and Regional depots varied across York Region. With only one full service depot in Georgina, the most densely populated areas in the south were under-served. Today, the McCleary Court Community Environmental Centre provides residents in the southwest area of York Region with convenient access to the Region's waste management programs.

York Region's first Community Environmental Centre, McCleary Court, opened on July 4, 2009 to augment existing collection programs by providing a method to deal with materials not easily accommodated by curbside programs. The McCleary Court Community Environmental Centre, through its design, facilitates reuse, recycling and disposal of residential materials as well as small quantities of industrial, commercial and institutional materials. The goal of the fee structure is to strongly encourage source separation and participation in diversion services, while discouraging disposal activity. This is accomplished by accepting materials designated for reuse and recycling free of charge and charging a fee for disposal services. Further establishment of the Community Environmental Centre network will occur in 2011 with the opening of Elgin Mills Road Community Environmental Centre and converting Georgina Transfer Station to a Community Environmental Centre like facility.

'One-Stop' drop-off provides convenience for residents and drives diversion

The vision of the Community Environmental Centre network, as adopted by Regional Council is to provide a series of 'one-stop' locations for waste management services, based on the following principles:

- Maintain an attractive aesthetic appearance that is easily accessible, efficient and reliable
- Consistent program service delivery
- Safe for users, staff and contractors
- Convenient and supportive of a positive user experience
- Reflective of the priorities of the 4R's waste management hierarchy
- Drive incremental diversion by recycling materials not easily managed curbside

Early visions of the network included a minimum of three locations to as many as seven spread across the Region.

York Region's charity reuse partners, Goodwill Industries and Habitat for Humanity York Region, are an integral component of the McCleary Court Community Environmental Centre. Both charities have taken on responsibility for reuse operations at

the facility and staffing the on-site reuse building. Materials collected by the charities are direct to offsite retail operations for distribution across York Region.

McCleary Court Community Environmental Centre also provides a community education space where topics such as waste management, sustainable development and environmental conservation are promoted.

McCleary Court Community Environmental Centre recognized for environmental excellence

Consistent with the environmentally beneficial function of the Community Environmental Centres, the McCleary Court facility has been awarded LEED™ Gold certification.

The Recycling Council of Ontario (RCO) annual awards program recognizes achievements in environmental sustainability and waste reduction innovations. The McCleary Court Community Environmental Centre won the Gold Award for the Unique Program in 2009.

The Federation of Canadian Municipalities (FCM) Sustainable Community Award highlights best practices in sustainable community development. The McCleary Court Community Environmental Centre won the Sustainable Community Award for best sustainable practices in the waste category in 2010.

McCleary Court Community Environmental Centre managed 2,566 tonnes during first year of operation

To ensure that McCleary Court Community Environmental Centre would be sized to accommodate long-term growth, the facility was designed to manage a maximum of 9,080 tonnes per year (including yard waste), at an average cost of \$100 to \$150 per tonne. During the first 12 months of operation McCleary Court collected 2,566 tonnes of material, at a program cost of \$238 per tonne. Studies examining facility usage in other GTA municipalities estimated that McCleary Court would collect 4,900 tonnes in the first operating year, increasing to 6,600 tonnes per year after 20 years of service. Current operating costs can be improved by increasing site traffic, increasing user fees, and including new services to develop a true “one stop” location for a variety of waste management services.

4. ANALYSIS AND OPTIONS

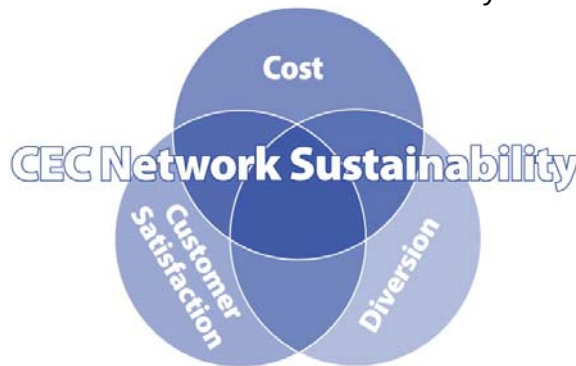
McCleary Court Community Environmental Centre has high level of customer satisfaction

In September 2010, staff surveyed users of the McCleary Court Community Environmental Centre regarding customer satisfaction. Feedback obtained from facility users was very positive. Key findings include:

- Overall satisfaction rate of 98%
- 93% of users satisfied with materials accepted. Some respondents would like the facility to accept household hazardous waste
- 100% of users satisfied with cleanliness of the site
- 99% of users satisfied with staff assistance
- 89% of users satisfied with price, especially with free diversion items.

From design through operation Community Environmental Centres are intended to foster sustainability. Sustainable operation of York Region's Community Environmental Centre network must be adapted to balance cost, customer satisfaction, and diversion elements shown in Figure 1. Impacts of user fees, site traffic, full service sites, and siting considerations are examined to achieve network sustainability.

Figure 1
Sustainability and Balance as Related to Community Environmental Centres

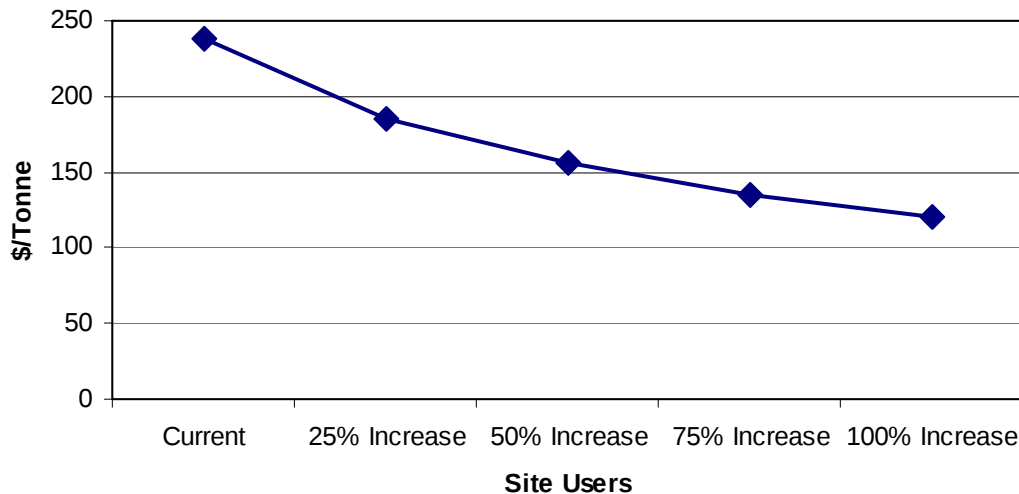


Operating costs can be reduced by increasing facility users

Community Environmental Centres have a high fixed cost due to operating contract and staff requirements. A fixed amount of full time staff is required regardless of how many vehicles visit the site to meet health and safety requirements and manage peak usage periods. Additional site users are required to decrease operating costs per tonne at McCleary Court Community Environmental Centre. The benefit of increased site users as a percentage of the current traffic level is demonstrated in Figure 2. As site users increase, the cost per tonne decreases. To achieve the originally projected \$100 to \$150

cost per tonne, approximately 21,000 additional site visits per year or 75% more users are required under the current fee structure.

Figure 2
Effect of Increasing Site Visits on McCleary Court Community Environmental Centre Cost Per Tonne



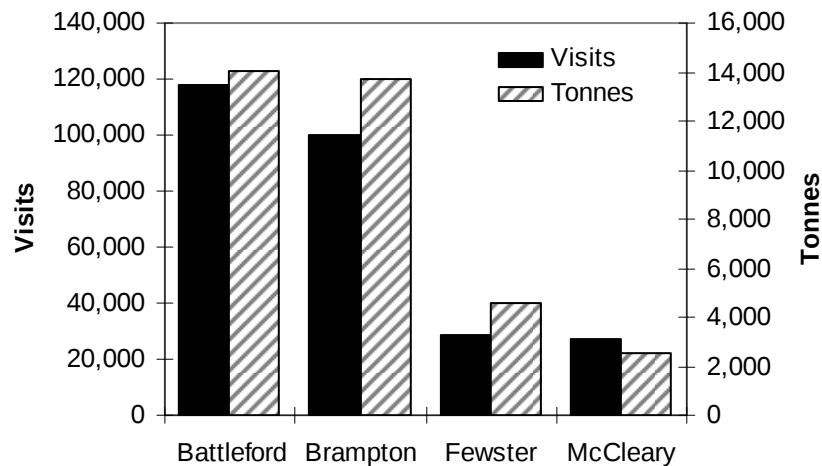
Additional site users can be attracted by applying industry best practices, as implemented by Peel Region and the City of Hamilton. Both municipalities provide a full suite of services at their Community Environmental Centre-like facilities including receiving household hazardous waste and yard waste. These full service sites achieve the one-stop-shop objective desired by residents.

Community Environmental Centres built on established sites have the advantage of an existing customer base

The McCleary Court Community Environmental Centre was constructed at a location not previously known to the public as a waste management site. Industry best practices note established sites as a key factor for facility success. Two Ontario municipalities with Community Environmental Centre-like facilities are Peel Region and the City of Hamilton and their experience supports this best practice. Peel Region sited their Fewster facility on a site which was not a former public depot and it has experienced considerably lower usership than Peel's other locations. Figure 3 compares the facility usage at McCleary Court Community Environmental Centre with Peel Region's established sites, Battleford and Brampton Community Recycling Centres, and their Fewster facility sited at a new location. Peel Region's experience with their Fewster facility, opened in 2008, is comparable to McCleary Court. In order to achieve a high level of users and tonnes, Community Environmental Centres require an established site or highly visible location and the time to become an established fixture in the community. It is anticipated that

vehicles and tonnages will increase at McCleary Court as the site becomes more established.

Figure 3
Tonnes and Users in One Year at Established Sites versus New Sites



Full service sites increase users and tonnage and provide intended level of service

Facilities modelled around the one-stop-shop philosophy and providing convenient disposal options for common residential waste materials including household hazardous waste and yard waste materials are an industry best practice. York Region's Community Environmental Centres were designed to be one-stop-shops for managing materials; however, Community Environmental Centre locations do not currently accept household hazardous waste or yard waste materials.

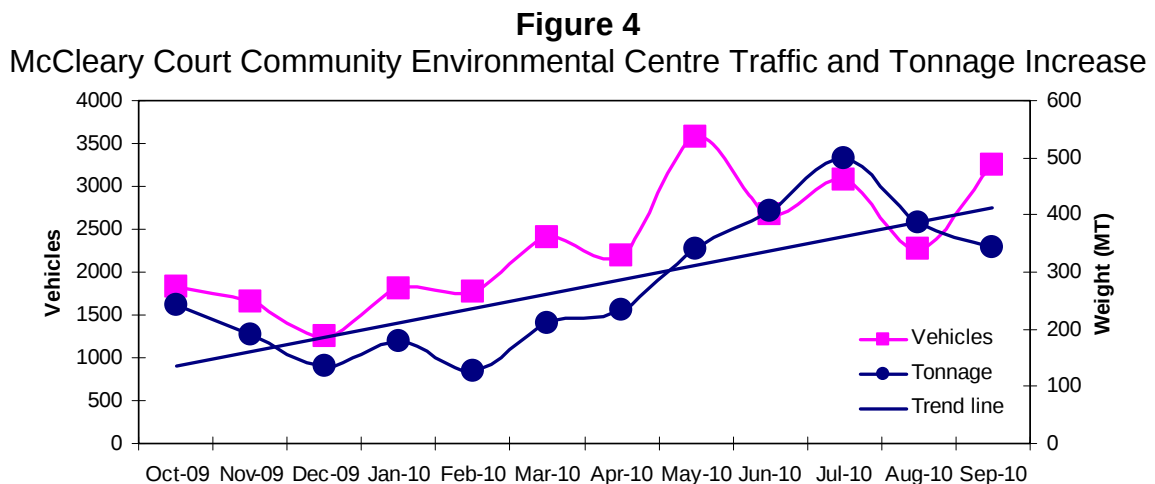
Accepting household hazardous waste at the Community Environmental Centres will increase traffic and reduce facility operating costs. In 2009, the Rutherford Road household hazardous waste depot managed 600 tonnes of material from 14,500 users. It is expected that receiving household hazardous waste at Community Environmental Centres will have a cross-pollination effect to drive additional users to these facilities. An amendment to the Certificates of Approval for Community Environmental Centres will be required to accept household hazardous waste. Hours of operation of the household hazardous waste area at Community Environmental Centres should be consistent with the facility hours of operation. It is recommended that the household hazardous waste services offered at the Georgina Transfer Station be expanded to align with the 6 day per week operation upon conversion of the existing facility.

Accepting yard waste at all facilities in the Community Environmental Centre network should also be investigated further as the addition of this service offering is expected to

attract additional site users. Curbside collection of yard waste is offered across the Region by the local municipalities on an alternating week basis through the majority of the growing season. Based on the original Community Environmental Centre principle of augmenting but not substituting curbside services, acceptance of yard waste poses a unique opportunity to charge a convenience fee for use and bring in additional revenue while decreasing the operating cost per tonne of the network. The addition of yard waste as an acceptable material in the Community Environmental Centre network should only be considered once the Asian Longhorn Beetle infestation in south-western York Region has ceased.

McCleary Court Community Environmental Centre site traffic and tonnage are increasing

Site users and tonnage are projected to increase at McCleary Court as the site becomes more established and residents and small businesses become aware of the services offered. This trend is already being experienced at McCleary Court and is displayed in Figure 4. Variations in site usage can be attributed to seasonal fluctuations commonly observed in waste management operations. This is considered to be in part a direct result of Regional promotion and education campaigns. These campaigns will be discussed in greater detail later in this report.



Weight based fees for residual waste applied as industry best practice

At the present time, York Region does not have a consistent network fee structure for residual waste. Georgina Transfer Station charges based on actual weight and Community Environmental Centres are designed to charge based on estimated volume due to the absence of weigh scales for facility users.

To ensure consistency in fee application, weight based fees are recommended. As an example, Peel Region charges \$80 per tonne for all materials with the exception of dedicated loads of recyclable materials. To promote diversion, the City of Hamilton charges \$115 per tonne for residual waste and accepts recyclable material such as Blue box recyclables, yard waste, scrap metal, and household hazardous waste free of charge. Household hazardous waste accepted from residents free of charge is also considered a best practice and is currently implemented across York Region. Staff at Peel Region indicated that their fee structure is currently under review to address resident's concerns of charging fees for divertable materials.

Existing residual waste user fees inconsistent across Regional facilities

Georgina Transfer Station is an established site which collects 16,500 tonnes of residential waste per year and was designed with a focus on waste disposal. Conversely, the Community Environmental Centre network was designed to promote and incent waste diversion. At the present time, approximately 21% of material managed at the Georgina Transfer is diverted, while users divert 50% of all materials managed at the Community Environmental Centre. The current weight based fee structure charges residents \$95 per tonne of residual waste. The original intent of the Community Environmental Centre volume based fee structure was to closely align with York Region's weight based fee structure. In examining actual residual waste tonnages accepted at the Community Environmental Centre in conjunction with the volume based fee structure, residual waste customers have been charged at an equivalent rate of approximately \$67 per tonne. Residents using the Community Environmental Centre are charged lower than market value rates for residual waste disposal. This has contributed in part to a higher than anticipated cost per tonne. A fee increase is required to cover program costs at Community Environmental Centres and align with the weight based fee structure.

Weight based fee structures promote increased control over revenue and data capture

In the conversion of the Georgina Transfer Station to a Community Environmental Centre, weigh scales will be maintained in the design for residual waste users. Inclusion of the scales for residual waste strikes an ideal balance as an incentive to source separate and drive additional diversion. In order to promote consistency across the Community Environmental Centre network, installation of weigh in and weigh out scales for residual waste are recommended at Community Environmental Centres. It is recommended that all future sites include scales and institute weight based fees for residual waste. Existing facility retrofits to include residual waste scales should be implemented in conjunction with the addition of household hazardous waste to minimize site disruption.

Short term solution: Increase residual waste fees at Community Environmental Centres

A fee increase is a key tool in the effort to reduce the net operating costs at McCleary Court. Until weigh scales can be installed for residual waste at all Community Environmental Centres it is proposed that an increase in user fees be applied to Community Environmental Centres of \$3 per vehicle, resulting in a minimum fee of \$10 per vehicle (*see Attachment 1*). A \$3 fee increase will bring Community Environmental Centres more in line with the \$100 per tonne proposed fee for Georgina Transfer Station. It is anticipated that a fee increase higher than \$3 may drive residents to private transfer stations to the point where a decrease in usership would be likely. A fee increase combined with an increase in site users at McCleary Court decreases the net program cost per tonne, as shown in Table 1. Staff anticipate that site users at McCleary Court will increase by 25% in 2012 with the addition of household hazardous waste and increased promotion and education. This traffic increase, in conjunction with the proposed \$3 fee revision, is anticipated to reduce the net program cost per tonne at McCleary Court by approximately \$40 to \$50 per tonne.

Table 1
Fee and Traffic Effects on Net Community Environmental Centre Program Costs

Scenario	Current Traffic	25% Traffic Increase	50% Traffic Increase
	Net Program Cost Per Tonne		
Current	\$238	\$184	\$172
\$3 Fee Increase (Volume)	\$228	\$174	\$162
\$100 per Tonne (Weight)	\$221	\$167	\$149

Disposal rate of \$100 per tonne consistent with private transfer stations and other municipalities

Under the current weight based fee structure, Georgina Transfer Station charges \$95 per tonne for waste disposal. In comparison to other GTA municipalities, \$95 cost per tonne for disposal is less than the average as shown in Table 2. It is recommended that the residential weight based fee for residual waste increase to \$100 per tonne, and the commercial rate increase to \$105 per tonne. This fee increase will help offset increased operating costs as a result of the conversion of Georgina Transfer Station to a Community Environmental Centre. Private residual waste disposal facilities in the area are charging from \$75 to \$110 per tonne for disposal. Therefore an increase to \$100 per tonne for residential customers is cost competitive.

Table 2
GTA Municipalities Disposal Fees for Residential Residual Waste

Municipality	Cost per Tonne
City of Toronto	\$100
Region of Peel	80
Region of Durham	120
City of Hamilton	115
Halton Region	143
Average	\$112
York Region	\$ 95

To harmonize minimum fees charged across York Region facilities, it is recommended that the residential minimum charge at the Georgina Transfer Station be increased to \$10 to align with the proposed changes in the volume based fee structure. A \$3 increase to the commercial minimum fee is also recommended to harmonize the network fee structure. (*Attachment 1*)

Expansion of the Community Environmental Centre network requires a consistent approach

Community Environmental Centre network is expanding with the opening of Elgin Mills Road Community Environmental Centre in June 2011, Georgina Transfer Station will be converted into a Community Environmental Centre to be completed in December 2011. Both of these facilities will follow the 3Rs hierarchy model strongly encouraging both source separation and participation in diversion services, while discouraging disposal activity, with the expansion of the network consistent service is critical.

Site location critical to network efficiency and high usage by residents

York Region is establishing criteria for evaluating new potential Community Environmental Centre locations through the Integrated Waste Management Master Plan. Developing a set of criteria for evaluating potential sites will ensure additional sites meet future needs and build upon lessons learned. Peel Region and the City of Hamilton have established best practices for siting facilities.

Although an existing waste management site is the most effective choice for a new Community Environmental Centre, if one is not available then new locations should be selected where they are visible from main thoroughfares. Providing a one-stop-shop for all material types attract additional users due to the cross-pollination effect of users bringing one material to the facility and learning about the full suite of services offered. McCleary Court and Elgin Mills Road are both new locations and Georgina is an established site as it is being converted from a public transfer station to a Community Environmental Centre.

Continued promotion and education will promote Community Environmental Centre services

Since the McCleary Court Community Environmental Centre opened in 2009 there has been continual promotion of the site. Methods of promotion have included pamphlets, radio ads, temporary roadside signs, Region website, and promotion by the City of Vaughan in their waste calendar.

Making residents aware of the services offered at the McCleary Court is critical to increasing traffic to the site. In an effort to address this issue Region staff are placing permanent directional signs on Highway 7 along with additional temporary signs in Vaughan to increase visual recognition of the site. In addition, staff have increased the amount of advertisements printed in the local newspapers. To date \$82,000 has been spent on advertising for McCleary Court.

Future Community Environmental Centres sized for maximum capabilities

The waste management industry is shifting to an extended producer responsibility model. Future Community Environmental Centres will need to be flexible in design and size to accommodate potential future extended producer responsibility related program changes and any necessary operational adjustments. As a result, it is recommended that future Community Environmental Centres be constructed on sites with a minimum of 8 acres of buildable land to allow for design and operational flexibility.

Based on customer surveys, Community Environmental Centres were intended to be accessible to the majority of residents in York Region within a 20 minute drive. Originally, it was assumed that a 20 kilometer radius would equal a 20 minute drive time. This has been updated to more accurately reflect drive times in the Region based on Emergency Medical Service standards in the south and speed limits in the north. Applying these updated drive times, 72% of York Region residents are within a 20 minute drive of either McCleary Court, Elgin Mills Road, or Georgina Community Environmental Centres (*Attachment 2*). Due to the current coverage level any additional Community Environmental Centres should be sited based on maximizing population coverage.

Additional assessment to be completed over next two years to refine levels of service and costs for Community Environmental Centre network

It is anticipated that work completed over the next two years will be critical to understanding the Community Environmental Centre network in York Region. In this time it is expected that a reliable estimate of long term operating costs for Community Environmental Centres will be developed and the effects of converting Georgina Transfer Station to a Community Environmental Centre will become evident. Taking this time to study Community Environmental Centres will enable staff to determine the long term financial impact of Community Environmental Centres on both operating and capital

budgets. In addition, the Community Environmental Centre network will be further examined through the ongoing Integrated Waste Management Master Plan. It is expected network expansion, sustainable financing and service delivery criteria will be explored through this process.

5. FINANCIAL IMPLICATIONS

Weighscales and household hazardous waste add to facility costs

Weighscales offer the opportunity to provide more consistent pricing across the Community Environmental Centre network, however, there is a capital cost impact. It is anticipated that a set of inbound and outbound scales will cost \$180,000 to purchase and install. The number of scales required at McCleary and Elgin Mills Road Community Environmental Centres will be dependent on site design modifications.

Accepting household hazardous waste at all Community Environmental Centre creates additional operating costs. Extension of operating hours at Georgina Transfer Station hazardous waste depot to six days per week is expected to increase operating costs by \$110,000 per year in labour costs. Allowances have been made in the capital budget for adding household hazardous waste services to Community Environmental Centres. No additional operating costs are anticipated at McCleary Court as this would replace the Rutherford Road household hazardous waste depot. At Elgin Mills Road it is anticipated that adding household hazardous waste will increase operating costs by \$86,000 per year in labour costs. Operating costs may differ dependent on the Municipal Household Special Waste program which is currently being redesigned by the Province.

Future Community Environmental Centers will Impact Tax Levy

The estimated cost to build one Community Environmental Centre is approximately \$10 million including land acquisition. Future Community Environmental Centres will require debenture financing to build, which would impact solid waste management operating costs by approximately \$4 million per year (principal and interest). Each Community Environmental Centre will cost approximately \$4.8 million per year to finance and operate including staff allocation and contracted labour costs assuming a 10 year amortization. This is 12% of the current solid waste management operating budget of \$40 million. One public depot coordinator has been included in the 2011 budget request. The tax levy impact of one additional Community Environmental Centre is 0.6%. These costs must be funded from the tax base because solid waste management infrastructure is not eligible for development charges.

6. LOCAL MUNICIPAL IMPACT

York Region staff continue to work with the local municipalities to develop a network of Community Environmental Centres to serve York Region residents and promote the

waste management hierarchy. Joint efforts on promotional activities are also ongoing. In addition, the local municipalities will be actively engaged in the Integrated Waste Management Master Plan process.

It is anticipated that there will be no impact to local collection programs resulting from the disposal fee increase because Community Environmental Centres are designed to manage materials not easily managed at curbside.

7. CONCLUSION

The Community Environmental Centre network provides York Region residents with local access to Regional waste management services. These services augment existing curbside local collection programs while promoting sustainability and the waste management hierarchy. Customer satisfaction at the Region's first Community Environmental Centre location remains high. It is anticipated with the proposed fee structure changes and increase facility usership. The Region's Community Environmental Centre network will continue to promote a culture of waste diversion leadership in York Region.

For more information on this report, please contact Laura McDowell, Director, Environmental Promotion and Protection at (905) 830-4444 Ext. 5077.

The Senior Management Group has reviewed this report.

(The two attachments referred to in this clause are attached to this report.)

Community Environmental Centre Network Strategy Report
Proposed Community Environmental Centre Volume Based Fee Structure

Residential Waste	Community Environmental Centre Volume Based Fee Structure			
	Residential		Commercial	
	Current	Proposed	Current	Proposed
Car or minivan	\$7	\$10	\$25	\$28
Car or minivan + small utility trailer	\$10	\$13	\$25	\$28
Car or minivan + large utility trailer	\$20	\$23	\$25	\$28
Pick up truck	\$30	\$30	\$35	\$35
12 or 14 foot cube van	\$89	\$89	\$90	\$90

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