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SOURCE SEPARATED ORGANICS FACILITY DEVELOPMENT STRATEGY

The Solid Waste Management Committee recommends the adoption of the recommendations contained in the following report, May 28, 2007, from the Director, Solid Waste Management:

1. RECOMMENDATIONS

It is recommended that:

1. The Region enter into a Memorandum of Understanding with the Corporation of The County of Dufferin, governing the process by which the Region and County will partner on the joint development of a source separated organics and yard waste processing facility to be located in the County.
2. The Commissioner of Transportation and Works or delegate be authorized to negotiate the Memorandum of Understanding based on the business points outlined in this report.
3. The Regional Chair and Clerk be authorized to execute the Memorandum of Understanding, subject to review by Legal Services.

2. PURPOSE

This report summarizes staff's proposed strategy for identifying suitable parcels of land within York Region for the construction of one or more composting facilities and for exploring partnerships with other municipalities for the development of joint-use composting facilities.

3. BACKGROUND

On March 29, 2007 (Clause 2 of Report No. 3), the Region's Solid Waste Management Committee directed staff "to identify suitable parcels of land within York Region to purchase for the construction of one or more composting facilities". In addition, Committee directed staff "to explore partnerships to site and build composting facilities for joint use" and to provide additional details on the strategy to be used in fulfilling these directives.

4. ANALYSIS AND OPTIONS

Since Council's decision to adopt a three stream waste management system in April of 2001, the Region has been struggling to secure long-term, stable processing capacity for its Source Separated Organics (SSO). Repeated efforts to secure this needed capacity from the private sector through public tender have failed to meet the Region's needs. Recently, a number of municipalities in Ontario have initiated efforts to develop additional, municipally-owned capacity. These efforts have created opportunities for York to secure the remaining capacity it needs either locally or in neighbouring jurisdictions. This report presents three options: partnering with Dufferin County, a York Region site search or continue to work with potential vendors who are looking for a site to construct a facility.

4.1 Option 1: Dufferin County Composting Facility

Dufferin County is a community of over 50,000 residents consisting of the towns of Mono, Orangeville and Shelburne and five adjoining townships. Over half of the County's population resides in Orangeville. The County owns a parcel of land located along Highway 89 in the Township of East Luther Grand Valley. This 200 acre property is currently approved for the construction of a landfill.

In the summer of 2006, the County engaged the local public, through consultation, to explore alternative uses for the property including, in part, the establishment of an organics processing facility. Accordingly, in August of 2006, the County initiated a Request for Qualifications to identify a vendor capable of designing, building and operating an organics processing facility. Several qualified vendors have been identified through this process. The County is currently preparing to initiate a Request for Proposals for the construction of the facility.

However, the County does not generate sufficient organic waste to warrant construction of such a facility for its own use and is seeking a partner to make the project financially viable. Preliminary discussions between Regional and County staff suggest a partnership could be beneficial to both parties. Regional staff is, therefore, recommending that the Region and County formalize a working partnership, through a Memorandum of Understanding, to explore the joint development of this facility.

4.1.1 Terms of a Memorandum of Understanding Between Dufferin and York

Key elements of the proposed Memorandum of Understanding include:

- Ownership of a portion of the 200 acre parcel of land owned by the County.
- Joint contribution to the capital costs of the facility and on-site infrastructure development based on both municipalities individual projected capacity requirements.
- Infrastructure improvements up to the "gate" to be paid by the County.
- Operational costs shared based on the quantity of SSO delivered to the facility on an annual basis.

- Payment of a fee by the Region to the County towards a site occupancy fund on a per tonne basis.
- Joint contribution towards the cost of completing a Request for Proposals for the design, build and operation of the facility.
- Consulting services and related costs required to support the project to be shared equally.
- The County is responsible for ensuring the lands under discussion are zoned appropriately and available for development as contemplated in this agreement.

Regional procurement staff has reviewed the Request for Qualifications recently completed by the County and is satisfied with the process used. Region staff is, however, proposing that consideration be given to an open Request for Proposals process to ensure that any new proposals from private sector suppliers be considered. The proposed Request for Proposals would be completed in the fall of 2007 to ensure operational readiness in 2009.

The proposed Memorandum of Understanding is subject to review and approval by the County at their next meeting of Council scheduled for June 14th, 2007.

4.2 Option 2: Strategy for Identifying Local Sites

The existing contract with Orgaworld B.V. and Conestoga Rovers & Associates is expected to provide ten years of stable, processing capacity for half of the Region's Source Separated Organics at their new facility in London, Ontario. The proposed partnership with Dufferin County could provide the Region with a long-term solution for the remaining organics at a less remote and municipally-controlled site. Staff still believe, however, that part of the Region's long-term waste management strategy should be the development of one or more local, municipally-owned organic waste processing sites. Staff, therefore, propose to proceed with plans to identify possible local sites with the intention that their development be available for consideration by Council prior to the end of the current contract with Orgaworld.

To identify suitable sites, staff proposes to follow a process similar to that used for a class environmental assessment. Public consultation sessions will be organized to introduce the project and its objectives, provide background information on composting technologies and establish the criteria to be used in evaluating potential sites (e.g., excluding residential areas). A site search will be conducted using Regional and local GIS zoning databases cross-referenced against the siting criteria supported by the public. A short list of sites will then be created for consideration by Committee and Council. Further consultation would then take place with the public on the preferred site(s). Local community groups, stakeholders and councils will be consulted during the process to ensure they are informed of the site search process.

Staff would release a Request for Proposals this fall to secure a qualified consulting firm to provide the resources necessary to complete this process in a timely manner. Staff anticipates conducting the proposed consultation process in 2008.

The proposed site search for a local composting facility(ies) is expected to cost approximately \$185,000 as shown in Table 1. Funds for this work would be included in the 2008 Branch operating budget for consideration by Council during the budget review process.

Table 1
Draft Budget for Composting Site Search

Item	Budget	Timing
Phase 1 – Siting Criteria	\$49,000	July/August 2007
Preparation of Consultation Documents		
Public Consultation on Siting Criteria		
Phase 2 – Site Search	\$85,000	September 2007
Identification of Sites Meeting Criteria		
Establishment of Short List of Sites		
Phase 3 – Consultation on Preferred Sites	\$51,000	October 2007
Preparation of Consultation Documents		
Recommendation of Preferred Site(s)		

4.3 Option 3: Contracted Services Update

As discussed in a previous report, the Region still requires an additional, estimated 30,000 tonnes of source separated organics processing capacity to meet its long-term needs. While staff believe construction of a Regionally-owned facility(ies) represents the best approach to fulfilling this need, they continue to explore opportunities to contract out to private sector service providers.

Conporec Inc., Quebec and Regional staff have recently been in discussions about securing additional processing capacity which Conporec Inc. anticipates bringing on line as early as July of this year. Staff would report back to Committee and Council in the fall of this year on the outcome of these discussions as an alternative to siting a Regionally-owned facility.

Waste Management Canada has also expressed interest to develop processing capacity in the province but does not yet have a property.

These firms and others did respond to the Request for Qualifications in the Dufferin Council process (see Section 4.1).

It is staffs' intention to have a design, build and operate contract with a private sector firm for all of the options presented in this report.

5. FINANCIAL IMPLICATIONS

The Solid Waste Management Branch 10 Year capital budget currently has \$22 million allocated towards the development of a municipally-owned Source Separated Organics facility. The Region's share of consulting fees associated with the release of a joint Request for Proposals with Dufferin County are not expected to exceed \$50,000. Sufficient funds are available within the Branch's 2007 operating budget for this purpose.

6. LOCAL MUNICIPAL IMPACT

The remaining six local municipalities will initiate their Source Separated Organics collection programs this September. Ensuring adequate, long-term processing capacity is available to meet the demands of current and future population growth is important to avoid service disruptions.

7. CONCLUSION

York Region requires additional, long-term Source Separated Organics and yard waste processing capacity to meet the needs of its growing population. Council has previously authorized staff to conduct a site search for suitable parcels of land within York Region upon which to develop one or more composting facilities. It is recommended that a partnership be formalized between the Region and Dufferin County, through a Memorandum of Understanding to explore development of a jointly-owned Source Separated Organics facility within the County by 2009. Regional staff will continue to explore siting of a local facility(ies) in 2008 as part of a long-term infrastructure development strategy and possible service provision by private sector contractors in the short term.

For more information on this report contact Michael J. Birett, Manager, Waste Diversion of the Solid Waste Management Branch at extension 5738 in the Transportation and Works Department.

The Senior Management Group has reviewed this report.