
2007 BUDGET BRIEFING NOTE

Biosolids Pelletization at Ashbridges Bay Treatment Plant

Issue/Background:

- The ABTP generates approximately 160,000 metric tonnes of biosolids each year with an average solids content of approximately 28%.
- On September 24, 1997, the former Metropolitan Toronto Council adopted Clause No. 8 of Report No. 12 of the Environment and Public Space Committee, entitled “Main Treatment Plant Environmental Assessment Implementation Plan”, which endorsed the conclusions of the Main Treatment Plant (Ashbridges Bay Treatment Plant) Environmental Assessment undertaking, including the phased implementation of a Biosolids Beneficial Use Program.
- On April 30, 1999 the City contracted with USF Canada Inc. (now known as Veolia Water Canada Inc.) for the design, construction and commissioning of a biosolids pelletizer facility at Ashbridges Bay Treatment Plant (ABTP).
- The City intended that:
 - 50% of the material generated would be directed to agricultural land application in cake form and the remaining 50% would be further processed through the new pelletizer in order to produce biosolids pellets.
- On August 21, 2003 the pelletizer facility caught fire and suffered extensive damage.
 - The Ontario Fire Marshall’s office found the cause of the fire to be a mechanical failure associated with a hot oil circulation pump. The hot oil sprayed onto electrical motors, igniting wires, pipes, and insulation and roofing materials.
- At its meeting of February 1, 2 & 3, 2005, City Council authorized staff to negotiate the signing of a Settlement Agreement with the insurance company (FM Global) and a Rebuild Agreement with Veolia Water (formerly USF Canada) to avoid litigation and begin an earlier reconstruction of the pelletizer facility.

Key Points:

- The pelletizer facility at the ABTP is in the process of being rebuilt and should be commissioned in the spring of 2007. Once rebuilt, the facility will be able to process up to 89,000 tonnes of biosolids a year.

- The Settlement Agreements with Veolia and the insurer(s) require Veolia to rebuild the pelletizer facility to its pre-fire condition using money received under their insurance policy with the following conditions:
 - The City will pay outstanding invoices and change orders associated with the original Design Build contract; and
 - A set of enhancements will be made to the facility totaling approximately \$3 million; the value of which will be reimbursed by the City to Veolia should the parties not be able to reach agreement on an Operations, Maintenance and Marketing agreement.
- The Operation, Maintenance and Marketing agreement is still in negotiation.
 - Funding for the estimated cost to operate and maintain the pelletizer facility and market the pellets has been included in the 2007 Capital and Operating Budgets.
- Veolia has indicated that potential management options for pellets include agricultural applications, rehabilitation of degraded sites and thermal energy production as well as horticultural uses such as landscaping, nurseries and silviculture. The City's draft Biosolids Master Plan also outlines similar potential uses for pellets.
- R.V. Anderson Associates Limited has been retained at a cost of \$500,000.00 for the provision of general office administration and site supervision services during the completion of the remediation and enhancement works on the pelletizer facility.

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