

## **Waste Disposal Agreements with the City of St. Thomas and County of Elgin - Green Lane Landfill**

<b>Date:</b>	March 20, 2009
<b>To:</b>	Executive Committee
<b>From:</b>	General Manager, Solid Waste Management Services
<b>Wards:</b>	All
<b>Reference Number:</b>	p:/2009/swms/April/004EC

### **SUMMARY**

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This report seeks authority to enter into two Waste Disposal Agreements with 1) the Corporation of the City of St. Thomas and; 2) the Corporation of the County of Elgin for the disposal of waste at the Green Lane landfill

### **RECOMMENDATIONS**

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**The General Manager, Solid Waste Management Services recommends that:**

1. Council authorize the execution of an agreement with the Corporation of the City of St. Thomas, on terms described in Attachment "A", during the time period and at the price set out in Attachment "A" and otherwise on terms and conditions satisfactory to the General Manager of Solid Waste Management Services and in a form satisfactory to the City Solicitor; and,
2. Council authorize the execution of an agreement with the Corporation of the County of Elgin, on terms described in Attachment "B", during the time period and at the price set out in Attachment "B" and otherwise on terms and conditions satisfactory to the General Manager of Solid Waste Management Services and in a form satisfactory to the City Solicitor

## **Financial Impact**

The execution of the two contracts with the separated City of St. Thomas and the County of Elgin will not have any immediate financial impact on the Solid Waste Management Services Operating Budget. These contracts come into effect only when the County of Elgin and City of St. Thomas existing haulage and disposal agreements with the current service providers are terminated.

The only potential change in tonnages and revenue will be as a result of the municipalities of Bayham and Central Elgin opting to bring waste to the site. Staff anticipate that this would be approximately 1,800 tonnes and 3,400 tonnes of residential waste respectively on an annual basis with a corresponding potential annual revenue impact of approximately \$112,114 and \$211,770 respectively at the estimated 2009 rate. Future Recommended Operating Budgets for Green Lane will reflect any anticipated incremental cost and revenue as a result of initiation of either one of these contracts.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its City Council Special Meeting on September 19, 2006, City Council issued instructions to staff, and in doing so, adopted, as amended, the confidential report (September 18, 2006) from the General Manager, Solid Waste Management Services, and the Deputy City Manager and Chief Financial Officer, entitled “Long Term Waste Disposal Capacity.” These instructions authorized the General Manager of Solid Waste Management Services to, in addition to other recommendations, negotiate and execute an agreement of purchase and sale for the purchase of the Green Lane Landfill Site based on the terms and conditions set out in the Term Sheet attached to the staff report. The following is the link to the September 19, 2006 City Council Decision document: <http://www.toronto.ca/legdocs/2006/agendas/council/cc060919sp/cofa.pdf>

## **ISSUE BACKGROUND**

In order to satisfy the City’s obligations with respect to existing contracts, the City entered into a Disposal Agreement with the Vendor that required the City to honour the disposal contracts with the City of St. Thomas, the Town of Aylmer, and the municipalities of Dutton-Dunwich and West Elgin. In addition, the disposal portion of the Township of Malahide contract was taken on directly by the City for invoicing purposes.

In addition, the Green Lane Landfill Certificate of Approval (C of A) requires the City to ensure, for the operational life of the Site, that municipal waste from the Counties of Elgin and Middlesex, including the City of St. Thomas, receive first priority for the disposal of approximately 30,000 tonnes of waste in 1999 adjusted annually in proportion

to population growth. In 2008, the Green Lane Landfill received 17,384 tonnes of waste from these municipalities with corresponding revenue of \$435,838.

## **COMMENTS**

Currently, the City of St. Thomas, the Town of Aylmer, the Township of Malahide, the Municipality of Dutton/Dunwich and the Municipality of West Elgin are under contract with their current haulers to dispose of their waste at the Green Lane Landfill. The Municipalities of Bayham and West Elgin take their waste to other disposal sites through their current haulers.

Separate discussions have taken place between the City of Toronto and both the City of St. Thomas and the County of Elgin to enter into new agreements for the disposal of waste at the Green Lane Landfill. The County of Elgin is negotiating on behalf of their lower tier municipalities including the Town of Aylmer, Township of Malahide and Municipalities of Bayham, Central Elgin, Dutton/Dunwich and West Elgin with the intent that they act as the facilitator and administrator of the clerical, accounting and payment functions associated with the agreement. The City currently receives waste from all the municipalities involved in the discussions with the exception of Bayham and Central Elgin. The receipt of waste from these two municipalities, if they choose to use the Green Lane Landfill, will have a minor impact on waste tonnages at the site.

The intent of both agreements is to provide for waste disposal in the future even if the municipalities currently have active haulage and disposal contracts in place. The municipalities would then have the option to extend their existing contracts or decide, upon termination of the existing contracts, to exercise the disposal rights under these agreements. Therefore, these new agreements will come into effect only once the existing agreement with each current service provider expires and the municipality opts to utilize the Green Lane Landfill under the terms and conditions outlined in Attachment “A” and Attachment “B”. Existing agreements between these municipalities and their current service providers have varied extension and/or termination dates, therefore, there is no certainty as to when these contracts will take effect, however, the end date for both is the last day of February, 2019.

The disposal rate for all municipal waste brought into the Green Lane Landfill under these new agreements will be calculated on the basis that it is \$57.00 per tonne on April 1, 2006, and a CPI Adjustment will be calculated annually from April 1, 2007. When each municipality opts to enter into the agreement with the City the rate will be calculated from the base rate in 2006. In addition, the disposal rate for Industrial Commercial and Institutional (IC&I) waste brought to the site and accepted by the City will be up to \$ 77.16 per tonne as of April 1, 2006 with an annual CPI adjustment. For example, the current rates for 2009 for municipal waste are estimated at \$62.29 based on a 3% annual CPI adjustment and IC&I waste at up to \$84.31 per tonne. There is a possibility that a rate less than this CPI adjusted rate for IC&I will be negotiated.

The execution of the agreements on substantially the same terms and conditions outlined in Attachment “A” and Attachment “B” will ensure that contractual arrangements are in place when direct disposal services are required by these municipalities and will ensure compliance with our Certificate of Approval.

## **CONTACT**

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## **SIGNATURE**

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Geoff Rathbone  
General Manager  
Solid Waste Management Services

## **ATTACHMENTS**

Attachment “A” – Summary of Terms and Conditions of the Waste Disposal Agreement between the Corporation of the City of St. Thomas and the City of Toronto

Attachment “B” – Summary of Terms and Conditions of the Waste Disposal Agreement between the Corporation of the County of Elgin and the City of Toronto and the Town of Aylmer, Township of Malahide, Municipality of Bayham, Municipality of Central Elgin, Municipality of Dutton/Dunwich, and Municipality of West Elgin

## **Attachment “A”**

### **Summary of Terms and Conditions of the Waste Disposal Agreement between the Corporation of the City of St. Thomas and the City of Toronto**

- 1) The City agrees to honour the waste disposal obligation under the existing St. Thomas waste services contract for as long as it remains in effect.
- 2) The Agreement shall not commence until St. Thomas’ existing waste services contract has concluded or is terminated.
- 3) St. Thomas will make its best efforts to provide Toronto with at least 90 days’ notice of the termination of its existing agreement and provide a proposed commencement date for waste disposal.
- 4) Toronto agrees to accept St. Thomas waste, sewage sludge, screenings and street sweepings at the landfill under this agreement until the last day of February, 2019.
- 5) Toronto agrees that in the event of the closure or lack of capacity at the Site prior to the end of this Agreement it will transport City of St. Thomas waste from the Green Lane Landfill to another waste disposal site with any additional costs to be borne by Toronto.
- 6) The rate for the disposal of municipal waste, sewage sludge, screenings and street sweepings will be calculated on the basis of \$57.00 per tonne on April 1, 2006 with annual CPI adjustments on each anniversary date thereafter starting April 1, 2007.
- 7) Toronto may accept, but is not obligated to accept, IC&I waste and the rate for the disposal of IC&I waste will be calculated on the basis that it will be up to \$77.16 per tonne as of April 1, 2006, with annual CPI adjustments on each anniversary date thereafter starting April 1, 2007.
- 8) When the agreement is activated, St. Thomas will provide to Toronto annual estimates of its waste volumes, including the impact of its waste diversion programs.

## **Attachment “B”**

### **Summary of Terms and Conditions of the Waste Disposal Agreement between the Corporation of the County of Elgin and the City of Toronto and the Town of Aylmer, Township of Malahide, Municipality of Bayham, Municipality of Central Elgin, Municipality of Dutton/Dunwich, and Municipality of West Elgin**

1. The Agreement shall not commence until any existing waste services contract for any municipality within the County has concluded or is terminated.
2. Each municipality within the County may choose to execute this Agreement in order to use the Green Lane Landfill or may choose not to enter into the Agreement.
3. Elgin County will make its best efforts to provide Toronto with at least 90 days’ notice of the termination of each municipality’s existing agreement and provide a proposed commencement date for that municipality.
4. Toronto agrees to accept County of Elgin waste, street sweepings and inert types of waste at the landfill under this agreement until the last day of February, 2019.
5. Toronto agrees that in the event of the closure or lack of capacity at the Site prior to the end of this Agreement it will transport County of Elgin waste from the Green Lane Landfill to another waste disposal site with any additional costs to be borne by Toronto.
6. The rate for the disposal of municipal waste, street sweepings and inert types of waste will be calculated on the basis of \$57.00 per tonne on April 1, 2006 with annual CPI adjustments on each anniversary date thereafter starting April 1, 2007.
7. Toronto may accept, but is not obligated to accept, IC&I waste and the rate for the disposal of IC&I waste will be calculated on the basis that it will be up to \$77.16 per tonne as of April 1, 2006, with annual CPI adjustments on each anniversary date thereafter starting April 1, 2007.
8. The County of Elgin agrees to administer the Agreement on behalf of the area municipalities and remit payment to the City for disposal services.
9. If the County of Elgin does not meet its payment obligations within 120 days of delivery of waste, Toronto may refuse to accept waste for disposal.
10. When the agreement is activated, the County of Elgin will provide to Toronto annual estimates of the participating municipalities’ waste volumes, including the impact of waste diversion programs.