

AGENDA
Community Development Committee

Thursday, January 26, 2012, 7:00 p.m.
229 Broadway, Orangeville



Declarations of Pecuniary Interest by Members

DELEGATION

1. COMMUNITY DEVELOPMENT COMMITTEE – January 26, 2012 – Item #1
Share IT Technology Access Service Program

Ms. Ranjana Mitra, Community Environment Alliance (CEA) to address the Committee with respect to the Share IT Technology Access Service Program.

2. COMMUNITY DEVELOPMENT COMMITTEE – January 26, 2012 – Item #2
Town of Mono Sustainability Advisory Committee

Mr. Ed Kroeker, Town of Mono Sustainability Advisory Committee, to address the Committee with respect to their report on the DEEP Project.

CORRESPONDENCE

3. COMMUNITY DEVELOPMENT COMMITTEE – January 26, 2012 – Item #3
AMO – Ontario Environmental Commissioners Annual Report

News release from AMO - Waste Diversion should be among the Province's Top Environmental Priorities States Ontario's Environmental Commissioners Annual Report.

Recommendation:

THAT the News release from AMO - Waste Diversion should be among the Province's Top Environmental Priorities States Ontario's Environmental Commissioners Annual Report, be received.

REPORTS

4. COMMUNITY DEVELOPMENT COMMITTEE – January 26, 2012 – Item #4 Collections RFP Discussion

A report from the Director of Public Works dated January 26, 2012 to provide a forum to make the necessary decisions regarding the Collections RFP.

Recommendation:

For consideration of the Committee.

Next Meeting: February 23, 2012
 229 Broadway, Orangeville

Hi Pam: My name is Ranjana Mitra and I am contacting you with reference from Sharon Smith from the Public Works Department, County of Dufferin (Please refer to the email below).

Can you please book me in Pam to present Share IT Technology Access Service Program to the Community Development Committee at the next meeting scheduled for January 26th I suppose? Let me know if there is any formality that I need to go through. May I request a projector and a laptop Pam - I will be bringing my presentation on a USB key.

I am thinking for a 20 mins slot - let me know if that is possible.

Thanks so much and wish you the best of the holiday season!

Ranjana Mitra B.Arch MES MCP
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CEA is committed to building a safe, healthy and sustainable future by improving the quality of community life and protecting the environment.

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TOWN OF MONO SUSTAINABILITY ADVISORY COMMITTEE

WHITE PAPER

DEEP PROJECT—SOLID WASTE GASIFICATION PLANT

Prepared by DEEP Subcommittee Members:

Ed Kroeker, Chairperson

Gordon Burbidge

Sharon Martin

Councillor Bob Mitchell

JANUARY, 2012

1.0 INTRODUCTION TO GASIFICATION TECHNOLOGY

Gasification is a thermal process that uses high temperatures to break down organic wastes. In that aspect it is similar to incineration technologies--the most well-known thermal conversion processes used today in waste-to-energy plants around the world, including here in the Province of Ontario. The main difference is that gasification uses less oxygen than traditional waste-to-energy incineration technologies.

Gasification is a process in which materials are exposed to some oxygen, but not enough for complete combustion to occur. All thermal processes typically rely on carbon-based waste such as paper, petroleum-based wastes like plastics, and organic materials such as yard waste and food scraps to make them economical. In gasification, the waste is broken down to create gas, solid and liquid residues.

The main product of the gasification process is the gas itself and it is referred to as syngas. This syngas is composed mainly of carbon monoxide and hydrogen (85 per cent), with smaller quantities of carbon dioxide, nitrogen, methane and various other hydrocarbon gases. Syngas has a calorific value, primarily because of its hydrogen and hydrocarbon gas content, so it can be used as a fuel to generate electricity or steam or as a basic chemical feedstock in the petrochemical and refining industries. The calorific value of this syngas will depend upon the input composition to the gasifier. The gases are utilized through combustion in a secondary process.

Most gasification processes have four stages:

1. Preparation of the waste feedstock,
2. Heating the waste in a low-oxygen atmosphere to produce a gas, oils and char (ash),
3. 'Scrubbing' (cleaning) the gas to remove the particulates, hydrocarbons and soluble matter, and
4. Using the scrubbed gas to generate electricity and, in some cases, heat, through combined heat and power systems. There are different ways of generating the

electricity from the scrubbed gas – steam turbine, gas or diesel engines and, maybe sometime in the future, hydrogen fuel cells.

In plasma technologies the waste is heated with a plasma arc (6,000 to 10,000°C) to create gases and vitrified slag.

2.0 TECHNOLOGY EVALUATION

Gasification as a basic process has been around for over 200 years; however, gasification of municipal solid waste is still in its early stages of development. Although gasification technology is usually considered to be more energy efficient than conventional incineration, implementation of municipal solid waste gasification technologies has only recently started to gain momentum.

Juniper Consultancy Services, a UK company that specializes in waste-to-energy technologies, stated in a 2008 report that there is not yet a solid track record for gasification technologies in the municipal solid waste sector and so the technology risks can be significant. They go on to state that this lack of relevant track record means that “the robustness of guarantees given on factors that may include process availability, maintenance costs and energy output, all of which are necessary to underpin financial models and contract terms, are often called into question in technical due diligence.” They also reported that “the cleaning of syngas from this type of feedstock to within narrow tolerances is seen as difficult to achieve and considered a major technical risk factor in integrating municipal solid waste gasification with high efficiency energy recovery.” Generally there are very few data in the literature on gasification plants in the municipal solid waste sector, except those provided by the companies themselves and for the purposes of supporting their claims.

Regarding Alter NRG, this same Juniper report states--**“But one needs to bear in mind that the Design Basis Memorandum, when implemented, would be one of the most complex and challenging waste process configurations operating anywhere in the world and this company (*meaning Alter NRG*) has much less experience and track record than other more qualified companies that have hesitated at this challenge.”** The Alter NRG plasma arc technology is

described in more detail in several reports that have been prepared for the DEEP proposal, including the feasibility study report which was prepared by Alter NRG and submitted to The County of Dufferin in March, 2010. It is unfortunate, however, that this final report contains so many blacked out portions (apparently to protect proprietary corporate information) that it is virtually of no use in making a detailed evaluation of the technology or the economics of the proposal. Fortunately, Genivar Consultants LP was retained by the County of Dufferin to conduct a peer review of the report and so their final assessment report contains some of the relevant information. This blackout of written materials in a final report that has been paid for by taxpayers is considered totally unacceptable and it needs to be addressed, especially since the taxpayers of the county are being asked to consider adopting this proposal as a very costly solid waste management solution.

The Genivar Peer Report describes several operational and economic risks associated with reactor design, syngas cleaning systems and the energy production system with which there is very limited experience. It is also realistic to expect that the makeup of the municipal solid waste feed stream to the gasifiers will be significantly different here in Canada from what is happening in Japan and this will have an impact on both the operation and the economics of the process. Finally, air emissions standards for such facilities in Japan have historically been much less stringent than the air emissions standards here in North America and, in particular, the GTA. This also will impact both the operation and economics of the technology when applied here in Dufferin County.

3.0 PLANT CAPACITY

The Alter NRG report looked at two plant sizes—an Option 1 plant having a 25,000 tonne/year capacity and an Option 2 plant having a 70,000 tonne/year capacity. Their economic analysis concluded that the Option 1 capacity was not economical from a cash flow analysis and so the report recommended a plant having a capacity of 70,000 tonnes/year or 204 tonnes/day.

In June, 2011 the company filed a Notice of Environmental Screening for the proposed DEEP project; this filing is a requirement under Ontario Regulation 101/07 of the Ontario

Environmental Assessment Act. That document makes reference to a plant having a capacity of 260 tonnes/day (89,000 tonnes/year).

The recently completed draft report, titled Part 1: Waste Recycling Strategy, which was prepared and submitted to the County of Dufferin in September 2011, provides the following data on solid waste generated within the county:

1. Total waste generated in the county currently is 20,938 tonnes/year, of which 6,347 is blue box available, and
2. The 2019 volume projection is 25,691 tonnes/year; of this amount, 7,788 tonnes is expected to be blue box available.

This yields a present net waste volume of 14,591 tonnes/year as potential feedstock for a waste-to-energy plant and a forecast of 17,903 tonnes/year by 2019.

A comparison of actual and projected County of Dufferin waste feedstock for the proposed gasification project illustrates that there will need to be a very significant importation of waste from outside the county. In fact, if the plant is sized to meet the latest figures as presented in the Notice of Environmental Screening, the county will only be supplying 20% of the total requirement, even in 2019. At present volumes, this figure is reduced to 16 percent of the total requirement. It is highly unlikely, in fact, that the County of Dufferin will ever generate enough waste to have significant impact on plant capacity, especially in an environmentally conscious world that is already moving towards “zero-waste” standards in some jurisdictions.

4.0 OTHER TECHNICAL CONSIDERATIONS

The Alter NRG report has very little discussion on the ancillary facilities that will be needed outside of the central plasma arc gasification and energy conversion plant. From a public nuisance standpoint, the most important facility that will need to be designed and built properly is the waste receiving, storage and preparation area. This is given very cursory treatment in the report as though it is just a minor item. In fact, this is the area of most concern and with the most frequency of public nuisance complaints in waste-to-energy plants in North America, regardless of the main conversion processes used. It is also an area of high

maintenance, especially where shredders and sorting equipment are used, as will be the case with this facility.

The fact that very little attention has been given to a discussion of this item anywhere in the documents raises a serious concern, both from public nuisance and cost standpoints. While it is possible to build a waste receiving and processing area that can minimize or even eliminate public nuisance complaints, the capital cost for such a facility will not be insignificant (probably in the \$5-\$10 million range at least) and the operating costs will also need to be factored into the plant economics models. This information is currently missing from all the documents.

The Alter NRG report makes mention of the need for a wastewater treatment facility but this item is also treated as a minor issue, both from an operational and cost standpoint. While it is true that the technologies for treating the wastewater are available, it is very unlikely that the wastewater treatment plant will be just a simple one or two-step process and the disposal of the treated wastewater represents another challenge that is only lightly addressed in the report except to say that the treated wastewater can be recycled. Yes, this is an option, but not without considerable direct and indirect cost. In many cases like this, it is these apparently minor ancillary facilities that end up being the source of troublesome plant interruptions and unscheduled shutdowns that all contribute to long term performance and public nuisance challenges.

For those who might think that the Alter NRG proposal will eliminate the need for landfill disposal, the opposite is true. Approximately 15 to 20% of the incoming solid waste will end up as solids residual. While it may be argued that some of this will be vitrified slag which can be reused as aggregate for cement, this is neither obvious nor guaranteed, nor is it true, in any case, that 100% of the solids residual would be reusable. This raises the distinct possibility that an 89,000 tonne/year gasification plant will produce more residual for landfill disposal than is now produced within the county.

5.0 ECONOMIC CONSIDERATIONS

As stated earlier, a reading of the Alter NRG report yields very little if any financial information for one to make an intelligent assessment. The Genivar Peer Review Report does provide further detail, presumably because their engineers had access to the blacked-out information. This latter report provides the following information:

- Projected capital cost for the 70,000 tonne/day plant was \$64.36 million in 2010; this includes only the core plant itself;
- This is considered a Class V estimate having an accuracy of +50%/-30%; this means that the final capital cost is much more likely to go up than go down once the final engineering is done; and
- Alter NRG has projected a 13.06% internal rate of return (IRR) if the capital cost remains at \$64.36 million, if the electricity is sold at \$120 per MWhr, if the tipping fee is set at \$75/tonne, and if the project is 50% financed through municipal debt financing. All of these conditions must be met for this marginal IRR to occur.

As stated earlier, Genivar was retained by the County of Dufferin to evaluate the Alter NRG report. That company's peer review report makes the following important statement—“***At this point, Alter NRG's feasibility study is able to provide an indication on which option appears viable (larger facility, high efficiency power island) but it does not offer enough technical and economic details of the project to perform a firm go/no-go evaluation and firmly establish the business model.***” This is a clear statement of caution against moving forward without having much more information regarding project costs.

The Alter NRG projected rate of return should be considered marginal from an investment standpoint, especially given the risks that are still involved with this project, from a technology and capital cost perspective. The 12 cent per kWhr rate appears to be entirely unrealistic and indications are that an 8 cent rate has been proposed by the province's Ministry of Energy officials. As previously stated the capital cost is expected to escalate as well. All of this means that the tipping fees and/or taxes paid by county residents will have to be increased above

current and projected rates in order to make the economic model work, even for a marginal investment scenario of 13% IRR.

We conducted a cursory review of the plant operating cost projections and assumptions that were available for viewing in the Alter NRG report and have made the following observations:

- The annual labour rates for employees that have been used to develop the model are considered to be low,
- The projected plant operating efficiency of 85% in the startup year and 90% every year thereafter is very optimistic,
- The projected plant life of 32 years is very high; 20 years is more realistic for a plant of this nature,
- A projected maintenance cost of 1% of capital cost per year is considered low; the value should be at least doubled to be more realistic,
- The report states that 43 shift workers will be employed, yet the economic analysis only includes 26 and those labour rates are considered low.

The Alter NRG report has provided enough information to suggest that a plasma arc gasification plant can only become economical for large plants in large urban environments. Firstly, their evaluation demonstrated that a plant sized just to handle County of Dufferin waste cannot be economical. Even when it has been scaled up to the 70,000 tonne/year size, the IRR becomes marginal, especially when all factors are taken into consideration. One has to conclude that the economics of the technology are size-driven and that this is due primarily to the large capital investment needed, even for the smaller plants.

As further evidence to support the statement that the economics of the plasma arc option are size driven, it is now being reported that the proposed plant size is 89,000 tonnes/year and not the 70,000 tonnes/year that was described in the original report. A “loose” capital cost estimate of \$70 million is being proposed for this new capacity. If a 70,000 tonne/year plant will have an expected capital cost of \$64.36 million, then by the simple process of extrapolation, an 89,000 tonne/year plant will cost at least \$83 million and not \$70 million.

Lastly, it is important to note that the capital cost estimate does not include all the infrastructure and development costs for the proposed plant. Items such as waste receiving and processing facilities, water supply and treatment, wastewater treatment and disposal, site civil works, permitting costs, utilities connections, etc. have not been included. These will add significantly to the final “real” cost of the project.

To provide a more realistic projection of what the real costs will likely be for a County of Dufferin waste-to-energy project as proposed by Alter NRG, we used the County of Durham as an example. This is a waste-to-energy incineration project that is currently starting construction; therefore those project cost estimates are considered to be current and quite realistic. Furthermore, the capital costs for gasification plants, especially plasma arc plants, have historically been at least as high as the capital costs for conventional incineration plants.

The County of Durham facility will have a capacity of 130,000 tonnes/year and the “all in” capital cost estimate is currently \$272 million. That equates to \$2100/tonne of annual plant capacity ($\$272\text{million}/130,000\text{ t/yr}$). That means a 90,000 tonne/year Alter NRG project for the County of Dufferin is very likely to have a real final cost in the range of \$189 million ($89,000\text{ t/yr} \times \2100 /t /yr cap) and not the \$70 million being suggested.

6.0 OPTIONS FOR FURTHER CONSIDERATION

The principal author of this report has had recent experience with the procurement of conventional gasification technologies rather than plasma arc technology for waste-to-energy conversion applications. The capital cost for a waste-to-energy plant that uses conventional gasification versus plasma arc technology and that has a capacity of 70,000 tonnes/year will be in the \$4 million range. This estimate is based on actual firm price proposals for such a facility.

We have also received information that the City of Ft. McMurray in northern Alberta is in the process of procuring and installing a series of smaller waste-to-energy plant modules that use conventional gasification reactors coupled with engine-powered generators. Each of these modular plants fits into two-40 foot shipping containers, has a municipal waste capacity of 8-9

tonnes/day (3000 tonnes/year), generates 1.5-2 MW of electricity, and has a capital cost in the range of \$500,000.

The purpose of presenting this information is simply to demonstrate that there are other options for processing County of Dufferin waste in a waste-to-energy plant that utilizes gasification technology. From an operational and environmental standpoint, conventional and plasma arc gasification are very similar in results. Plasma arc technology has been claimed by some to have greater net energy conversion efficiency, although, as previously stated, there is little operational experience on which to base these claims. Other sources claim that gasification is much more energy efficient than conventional incineration plants but that there is little or no difference between conventional gasification and plasma arc gasification in terms of net energy output.

The authors of this document are not proposing that gasification is the only solution to the disposal of solid wastes from the County of Dufferin. However, since a decision has been made at this point to build a waste-to-energy gasification plant, we simply want to report that there are credible alternatives to the Alter NRG system currently being proposed. Conventional rather than plasma arc gasification technology has a major advantage for the County of Dufferin in that it provides the opportunity for a stand-alone facility that does not require the county to become a major waste receiving center for south central Ontario in order for the plant to be made economical. Furthermore, since there is much more experience with the use of conventional gasification in waste-to-energy applications, the technology risks are also significantly reduced.

7.0 SUMMARY AND CONCLUSIONS

The key issues presented in this document may be summarized as follows:

1. Commercial gasification of municipal solid wastes, especially plasma arc gasification, is still in the early stages of development; if the County of Dufferin embarks on this new technology, it should anticipate more than the usual number of problems and a resulting escalation of costs.

2. Juniper Consultancy Services and Genivar Consultants have both identified some serious concerns regarding adoption of the Alter NRG technology; in fact, the Genivar Peer Report, which was commissioned and paid for by the County of Dufferin, clearly states that there is not enough information at the present time to make a decision to proceed.
3. It is quite obvious from all the reports, including the Alter NRG feasibility study report, that the plasma arc technology only becomes financially feasible for large plant sizes. It appears that an 89,000 tonne/year plant is the minimal size and even then the profit margin for the developers will likely be very low unless taxpayers are forced to make up the difference through higher taxes and/or unreasonably high tipping fees.
4. Since an 89,000 tonne/year plant will be five to six times larger than what will ever be needed by the County of Dufferin, the county will be forced to negotiate solid waste supply agreements with other communities in the region; this will further increase the financial risks while also increasing environmental and nuisance risks for county residents. It is very realistic to assume that wastewater disposal and air quality problems and complaints will be much more frequent and more impacting with an 89,000 tonne/year plant than they will be with a much smaller “made for Dufferin County” plant.
5. It is quite apparent that the current capital cost estimate of \$70 million for an 89,000 tonne/year plant is very low and even the annual operating cost estimates are considered to be low for a number of reasons.

On the basis of the foregoing analysis, we recommend that the County of Dufferin and its constituent municipalities should not proceed with the Alter NRG proposal at the present time. The risks outweigh the benefits. Furthermore, advancements in the development of gasification technologies over the past several years provide other credible and lower risk technologies that will allow for a “made for Dufferin County” solution to our solid waste disposal problem

8.0 FINAL OBSERVATIONS

Solid waste management and disposal issues seldom make positive headlines in the media. Public acceptance of any facilities, whether they are landfills or waste-to-energy plants, is a serious challenge everywhere. Garbage is not deemed to be a valuable resource that should be imported even for the purposes of energy recovery. In the eyes of the public, the risks far outweigh the benefits of such ventures and unfortunately, the history of such projects usually supports those perceptions.

A recent story from the City of Harrisburg, Pennsylvania highlights the financial risks involved with these large ventures that can go beyond the scope of a municipality's ability to pay for the costs involved. The city has apparently filed for bankruptcy because of an inability to pay an outstanding debt on a waste-to-energy plant. The full story has been attached as Appendix A.

The goal of this document is not to raise criticism of past decisions that have been made by County of Dufferin employees and elected officials. The technology of waste disposal, especially gasification technologies, has changed considerably over the past several years. New technology refinements have been made, new companies have entered the market and so the landscape of options has changed since the selection process for the County of Dufferin began a number of years ago. For example, even in the area of high temperature gasification, a recent Biorefining Magazine article (February 10, 2011 edition) described a new microwave-induced plasma gasification option whose US developers claim higher efficiency than previous options. The good news is that new developments in the field now provide the opportunity to select a "made for Dufferin County" solution to the disposal of county solid wastes thereby reducing the footprint of a future facility and optimizing the risk:benefit ratio for such a selection.

Solid waste implementation programs seldom create positive retirement legacies for county employees and elected officials. They have been known, however, to accelerate the retirement process. Caution and prudence are advised at each step of the selection process and this

document is an attempt to provide another tool for our decision makers to proceed wisely with the final selection of waste management technologies for the County of Dufferin.

LIST OF REFERENCES

1. Juniper Consulting Services Ltd. 2008. *Juniper's Review of the Alter NRG Westinghouse Plasma Gasification Process*. Bathurst House, Bisley, Gloucestershire.
2. Alter NRG. 2010. *County of Dufferin Feasibility Study, March 18, 2010*. Westinghouse Plasma Corporation, A Division of Alter NRG Corp.
3. Genivar Consultants LP. 2010. *Peer Review of Alter NRG Report On EFW Plant Feasibility Final Report*. Submitted to County of Dufferin on October 25, 2010.
4. Sims, Bryan. 2011. *Microwave-induced plasma gasification technology makes headway*. Published in the February 17, 2011 issue of Biorefining Magazine.
5. Authour's Bio

Ed Kroeker

Ed completed agricultural engineering at the University of Manitoba followed by a Masters in Environmental Engineering at Cornell and then embarked on an environmentally-focused career. This included 18 years at the head office of Stantec in Edmonton designing municipal water and sewage treatment plants along with similar systems in the pulp and paper, oil and gas and heavy oil industries including the Ft. McMurray oil sands.

He has authored design and operating manuals for food processing waste treatment and septic tank and tile field treatment systems. He left the consulting business in 1994, moving east to take on the management of two successive environmental businesses in the waste recycling and renewable energy sectors and is currently the CTO for one of the world's largest Jatropha oil biodiesel projects located in Ghana, West Africa.

Ed, his wife Flo and their two daughters have lived in Mono since 1995.

ATTACHMENT 1

**Bloomberg Report
Harrisburg Files for Bankruptcy on Overdue Incinerator Debt**

Bloomberg

Harrisburg Files for Bankruptcy on Overdue Incinerator Debt

October 12, 2011, 6:42 PM EDT

By Romy Varghese, Michael Bathon and Linda Sandler

Oct. 12 (Bloomberg) -- Harrisburg, Pennsylvania, which faces a state takeover of its finances, filed for bankruptcy protection after failing to pay the debt on a trash-to-energy incinerator.

The City Council made its 4-3 decision yesterday against the advice of a city attorney who said members did not follow proper procedure. It's this year's ninth bankruptcy filing by a municipal-bond issuer and the first by a U.S. state capital in at least three decades, said James Spiotto, a partner at Chapman & Cutler in Chicago who tracks such cases.

"This was a last resort," said Mark D. Schwartz, the council's Bryn Mawr, Pennsylvania-based lawyer. "They're at their wits' end."

Harrisburg is the biggest city to file for bankruptcy since Vallejo, California, in 2008, according to a ranking by Municipal Market Advisors, a Concord, Massachusetts, research firm. U.S. municipalities have been battered by the financial crisis. Harrisburg's filing came less than a month after Alabama's Jefferson County Commission voted to try to avert what would have been the nation's biggest municipal bankruptcy, and nine months after Vallejo emerged.

The petition lists among the creditors insurer Ambac Financial Group Inc., due more than \$70 million, and Covanta Holding Corp., with about \$120 million of bonds and advances of funds to Harrisburg. The petition listed both assets and debt of between \$100 million and \$500 million.

'Generally Not Paying'

The city of 49,500, which is the seat of Dauphin County, faces a debt five times its general-fund budget because of an overhaul and expansion of the incinerator, which doesn't generate enough revenue. Its guaranteed debt is about \$242 million, with \$65 million of it overdue, according to the petition.

Harrisburg "has repeatedly failed to pay," the filing said. "The city would need to cover a combined \$83 million of past due payments and the 2011 debt service."

While Chapter 9 bankruptcy, named for the section of federal law that governs insolvent municipalities, would mean the loss of state aid under a law passed in June, it would be better than the pain of a state-imposed recovery plan, said Councilwoman Susan Brown-Wilson.

"We're just not going to let you run us over with the train anymore," Brown-Wilson said.

No More Money

Harrisburg, as guarantor of the incinerator bonds, said it filed to escape lawsuits seeking to force it to make payments.

Six suits by Dauphin County, Covanta and Toronto-Dominion Bank, a trustee for bondholders, demand judgments that "would substantially interrupt the city's ability to provide health or safety services to its citizens," according to the petition.

The bankruptcy attempt itself will mire the city in unaffordable litigation, said Councilwoman Patty Kim, who voted against it.

"We still don't have money, and we still haven't moved one foot forward," Kim said.

Mayor Linda Thompson called the vote a “sneak attack” during a news conference in City Hall today.

Jason Hess, acting city attorney, told council members yesterday that their action wouldn’t be binding because it was not reviewed by his office before they voted.

State law bars Harrisburg from filing for bankruptcy until July. The council committed “an illegal act,” said Kelli Roberts, a spokeswoman for Republican Governor Thomas Corbett.

Staying Power

Although the city was officially in bankruptcy when it filed the petition, whether it stays there is a question. Federal law lets states restrict filings by municipalities, and judges entertain objections.

Of the 629 Chapter 9 filings since 1937, 161 have been dismissed or their plans haven’t been confirmed, Spiotto said.

Harrisburg needs \$310 million to make bond payments, restructure debt and repay the county and Hamilton, Bermuda- based insurer Assured Guaranty Municipal Corp., which made payments the city skipped on the waste-to-energy facility. Schwartz, the council’s lawyer, said he expects Assured Guaranty will reduce the value of its debt.

“Why should they be first in line?” he said.

In an opinion article published yesterday in a local newspaper, the Patriot-News, the council members who voted for bankruptcy said Assured Guaranty and bondholders should forgive at least \$100 million.

State Stepping In

The council in July and August rejected fiscal rescue blueprints from consultants hired by the state and the mayor. The Pennsylvania Senate next week will take up legislation to place Harrisburg in receivership, said a spokesman, Erik Arneson, in an e-mail today.

The bill would let Corbett name a receiver who would develop a recovery plan. That official would be able to sell assets, hire advisers and suspend the authority of elected officials who interfere.

Assured Guaranty has insured \$286.3 million in bonds backed by the city, Ashweeta Durani, a spokeswoman, said in an e-mail. The company “strongly supports the efforts of the governor and the Legislature to reach a prompt and fair resolution of Harrisburg’s debt obligations,” Durani wrote.

Harrisburg's filing hasn't affected bond prices of other Pennsylvania issuers. Investors realize that the situation is unusual, said Alan Schankel, director of fixed-income research at Janney Montgomery Scott LLC in Philadelphia.

"We haven't seen any negative impact," Schankel said.

Taken Into Account

Some Harrisburg general-obligation bonds traded at higher prices compared with yesterday and weeks earlier, according to data compiled by Bloomberg. A zero-coupon bond maturing in 2014 traded today at an average price of 80.856 cents on the dollar, up from 78.525 yesterday.

The market has already accounted for the possibility of bankruptcy, said Stephen Winterstein, chief municipal strategist of Wilmington Trust Co., a unit of M&T Bank of Buffalo, New York.

"It's a relatively small blip on the radar screen of the muni market," he said.

In Harrisburg, however, it is the city's very independence at stake. Thompson said the council action makes ceding control more likely, which would disenfranchise residents.

"They don't want to take our city," she said of state officials. "But if they have to take it they will."

The case is In Re: City of Harrisburg, 11-06938, U.S. Bankruptcy Court, Middle District of Pennsylvania (Harrisburg.)

*--With assistance from Bill Rochelle, Cullen Wheatley, Martin Braun and Stephen Merelman in New York, Steven Church and Dawn McCarty in Wilmington, Delaware, and Darrell Preston in Dallas.
Editors: Stephen Merelman, John Pickering*

To contact the reporter on this story: Romy Varghese in Harrisburg at rvarghese8@bloomberg.net; Linda Sandler in New York at lsandler@bloomberg.net; Michael Bathon in Wilmington, Delaware, at mbathon@bloomberg.net.

To contact the editors responsible for this story: William Glasgall at wglasgall@bloomberg.net; John Pickering at jpickering@bloomberg.net

From: communicate@amo.on.ca [mailto:communicate@amo.on.ca]

Sent: November-29-11 5:09 PM

To: Sonya Pritchard

Subject: AMO breaking news re Waste Diversion should be among the Province's top environmental priorities

TO THE IMMEDIATE ATTENTION OF THE CLERK AND COUNCIL

November 29, 2011

Waste Diversion should be among the Province's Top Environmental Priorities States Ontario's Environmental Commissioner's Annual Report

The Environmental Commissioner of Ontario (ECO) Gord Miller released his 2010/2011 Annual Report today, *Engaging Solutions*. In the report, he called upon the recently elected provincial government to make waste diversion one of its top environmental priorities. This is consistent with [AMO's Top 12 Asks](#). During the election campaign, Premier McGuinty committed to deliver on promoting personal and producer responsibility for waste, [AMO's long-standing AMO policy position on Extended Producer Responsibility \(EPR\)](#).

"What a Waste" Highlights of the ECO Annual Report include:

- Although residential waste diversion has increased over the past decade, diversion in the industrial, commercial and institutional sectors has decreased, leaving Ontario's overall diversion rate (as calculated in 2008) is still at about 23 per cent – practically the same as it was a decade earlier. This is well below the province's 60 per cent target for 2008. Meanwhile, the amount of waste generated each year has increased over the past decade.
- New and dramatic changes to Ontario's waste diversion framework are needed to move waste reduction and diversion forward.
- According to the ECO, the reasons behind the failures of the current waste diversion system are well known and outlined in four discussion papers and reports by the Ministry of Environment (MOE)
- The report identified several problems that will be of interest to municipal leaders:
 - **The Waste Diversion Act Fails to Prioritize Waste Reduction and Reuse over Recycling:** MOE observed that "while the 3Rs are mentioned in the Act, the Act could be revised to better promote waste reduction, reuse and recycling, in that order. A key policy outcome is greater reduction of waste at the source. Not producing waste in the first place is the best way to move toward zero waste, and provides the greatest environmental benefits and potentially the greatest economic advantages to society."

- **Skewed Cost Structure Makes Landfill Cheaper than Recycling.** According to MOE, “on average, waste disposal in landfills is one-third to one-half the cost of diversion. However, the long-term environmental costs of landfills are seldom considered when establishing and operating a landfill. The absence of proper accounting for the true costs of waste results in most waste being disposed of in landfills rather than sent for reuse or recycling – the cost structure is not conducive to diverting waste.”
- **Diversion Programs Fail to Cover all Costs.** According to MOE, “the only costs attributable to producers in programs are the costs associated with recycling the material collected within the program. The management costs associated with whatever products and packaging are not collected in an approved waste diversion program are borne elsewhere – either by **municipalities and their taxpayers**, or by other businesses or consumers.”
- **No Financial Incentives to Reduce Waste.** MOE acknowledges that “current programs under the Act do not encourage producers to focus on waste reduction first, reuse second, and recycling third. Instead, they generally focus on finding the least costly means of collecting and recycling materials.” Since steward fees are generally uniform across producers, MOE points out that “there is no direct financial incentive provided to individual producers to reduce their costs through product design, such as designing a product that is easier and cheaper to recycle. The lack of direct financial incentives to improve product design can be an impediment to reducing waste, increasing reuse, and ultimately striving for zero waste.”
- **Lack of Fairness in the Way Costs are Allocated.** Because the Blue Box Program costs are not borne wholly by stewards, but also by **municipalities (and therefore taxpayers)**, MOE observes that “a **municipal taxpayer** who generates little waste may in fact end up paying into the system more than his or her fair share of the cost of managing the waste he or she generates.”

MOE policy proposals have identified a number of waste diversion solutions identified such as:

- Shift the basis of Ontario’s waste diversion programs from extended producer responsibility (EPR) to individual producer responsibility (IPR), i.e., make individual producers fully responsible for meeting waste diversion requirements for both residential and IC&I waste
- Ban designated materials from disposal
- Reduce steward fees proportional to the expansion of the reuse of their products

- Prohibit producers and retailers from making their environmental management costs (i.e., steward fees) visible as separate charges at point of sale. MOE notes that requiring producers to internalize these costs as another factor of production (which can be mitigated through product design, manufacturing and packaging decisions) acts as an incentive to reduce both the costs and the waste associated with their products
- Require retailers to take back products at end-of-life
- Set mandatory waste diversion targets for municipalities
- Streamline the governance and administration of waste diversion programs by: clarifying the roles and responsibilities; introducing a clearer set of checks and balances; introducing more effective compliance tools and penalties; and expanding the composition of industry funding organization Boards of Directors to include non-industry representatives.

Please note that many of these proposals have significant municipal implications which have not been analyzed to date, however they are listed so that readers can get an understanding of the range of potential policy proposals.

As the Environmental Commissioner pointed out, Ontario's current waste diversion strategy has followed over a decade of consultation and reports. Ontario needs a waste management strategy that holds industry responsible for the waste they create, ensures that property taxpayers are not left holding the bag on waste management costs, and prevents dangerous toxins being released into our environment. AMO looks forward to working with the ECO, the provincial government, and stewards on a more active and fairer waste management approach for Ontario. Waste management continues to be one of AMO's key priorities.

Also included in the 2010/11 ECO's Annual Report, were other topics of interest to municipal leaders:

- Land Use Planning – Natural Heritage System Planning, Conservation Authorities
 - Recommendation - that MNR, in association with Conservation Ontario, review and update floodplain maps in Ontario in order to adapt them to impacts from climate change.
 - Recommendation - that MNR develop a coarse-scale, overarching natural heritage system for Southern Ontario.
- Species-at-Risk (ECO is critical of the inadequacy of government response statements)
 - Recommendation - that MNR ensure that government response statements clearly articulate the actions that the Ontario government will and will not take to protect and recover species at risk.

- Source Water Protection Planning
 - Recommendation - that MOE develop Great Lake targets and ensure that Great Lakes policies are included in the source protection planning process.
 - Recommendation - that MOE update the Provincial Water Quality Objective for Total Phosphorus to reflect individual lake sensitivity and watershed-level cumulative effects
- Municipal Water Sustainability Plans – Management of municipal water, wastewater and stormwater services
 - Recommendation- that MOE require stormwater management facility owners or operators to monitor and maintain all stormwater management infrastructure in Ontario.

Links:

["http://www.ecoissues.ca/index.php/What a Waste: Failing to Engage Waste Reduction Solutions"](http://www.ecoissues.ca/index.php/What_a_Waste:_Failing_to_Engage_Waste_Reduction_Solutions)

[AMO news release](#) of November 29, 2011

AMO Contact: Monika Turner, Director of Policy, e-mail MTurner@amo.on.ca (416) 971-9856 ext 318.

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THE CORPORATION OF THE COUNTY OF DUFFERIN



REPORT TO COMMUNITY DEVELOPMENT COMMITTEE



To: Chair Taylor and Members of Community Development Committee

From: Trevor Lewis, Director of Public Works

Date: January 26, 2012

Subject: Collections RFP Discussions

PURPOSE

The purpose of this report is to provide a forum to make the necessary decisions regarding the Collections RFP that will be released shortly.

BACKGROUND and DISCUSSION

The attached tables have been created using the tables from the Waste Recycling Strategy and Waste Management Collection Plan.

- A: Waste Management Decisions for Policy
- B: Recommended RFP Elements

Please check the areas where the Action is "Agreed" to make sure the members are in agreement. The highlighted areas require a decision of the Committee as to how the program will be determined/delivered.

The attached tables will be reviewed at the meeting and will be tracked. The RFP will be created based on the decisions in the tables.

FINANCIAL IMPACT

The comments and the decisions from the comments will have an effect on the cost of the contract that will be awarded in 2012. The exact amount cannot be determined until the proposals have been returned and evaluated.

RECOMMENDATION

For consideration of committee.

Respectfully submitted by:

Trevor Lewis, P.Eng., Director of Public Works and County Engineer

A: Waste Management Decisions for Policy

Table 1 – General	Study Recommendation	Decisions Required or Timing
Promotion and Education (P&E)	2012 P&E budget should be between \$1.50 and \$2 per household	Budget item.
	2013 P&E budget should be between \$3 and \$4 per household	Budget item.
Existing By-laws	Prior to the assumption of waste collection responsibilities, enact a single, County-wide waste management By-law and rescind all local municipal waste management By-laws	To be presented to CDC at September 2012 meeting. The County cannot rescind local bylaws but correspondence will be sent out in June reminding the local municipalities.
Mandatory By-law	The County should consider a Mandatory waste diversion By-law	To be presented at the September 2012 CDC meeting.
Inaccessible and Private Roads	The County, municipalities and residents residing on inaccessible and private roads (and who wish to receive curbside collection), work co-operatively to identify possible solutions to their specific needs regarding curbside collection service.	Roads with issues will be identified with the help of local municipalities in first quarter of 2012.

Table 2 – Green Bin

Co-collection	That bidders be encouraged to employ co-collection to obtain collection efficiencies.	Agreed. To be included in Collection RFP.
Acceptable Materials	In anticipation that acceptable Green Bin materials will change as a result of the opening of the composting facility at the DEEP site, structure the contract resulting from the RFP in a manner that allows the County to implement and communicate the change effectively to all residents and to the collection contractor	This will not be an issue initially as the Green Bin materials will be going to the same site. When the DEEP composting facility opens, any changes in the program will be identified and be included in P&E materials, possibly in 2014.
Promotion and Education	Initiate a P&E campaign to identify and address the barriers to current participation in the Green Bin program	This has been done as part of the Set-Out Study. As well other policy changes might assist with diversion.
Waste Audits	That targeted waste audits be considered in order to confirm the status of green bin participation in rural areas	This has been done as part of the Set-Out Study. As well other policy changes might assist with diversion.

Table 3 – Blue Box

Set-out Requirements	Prior to the County's assumption of waste collection responsibilities, update the P&E material and information to reflect the acceptable set-out requirements	To be done Sept. 2012 and November 2012.
Acceptable Materials	Prior to the County's assumption of waste collection responsibilities, update the P&E material and information to reflect the full extent of recyclables accepted by the program	The MRF will be identified in Q1 and included with Collections RFP. P&E will identify the changes.
Program Type	Prior to the County's assumption of waste collection responsibilities, update P&E material and information to reflect the change to and convenience of setting out material as a single stream	Agreed.
Co-collection	That bidders be encouraged to employ co-collection to obtain collection efficiencies	Agreed.

A: Waste Management Decisions for Policy

	Construct a Blue Box recyclables transfer station at the DEEP site	To be considered in future capital budget and/or identified as a possibility in the Collection RFP
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Table 4 – Garbage

Set-out Requirements	Establish a two (2) garbage bag limit per collection day (Should be re-stated to one bag per week.)	**Decision of CDC required.
	Establish a garbage bag size limit not to exceed 42 inches by 48 inches	**Decision of CDC required.
	Establish a garbage can size limit not to exceed 125 Litres (33 gallons)	**Decision of CDC required.
	Establish a garbage item set out weight limit not to exceed 23kg (50lbs)	**Decision of CDC required.
Pay-As-You-Throw	Beginning in 2012, establish a County-wide bag-tag price of \$2 each	**Decision of CDC required.
	Continue to permit diapers and pet waste in the garbage stream until such time as they are permitted as acceptable materials in the Green Bin program	**Decision of CDC required.
Clear Bags	Consider implementing a County-wide clear bag for garbage policy	**Decision of CDC required.
Co-collection	Garbage could be co-collected with another material stream	To be included in Collection RFP.

Table 5 – Yard Waste and Bulk Items

Urban and Rural	Accurate reporting of the quantity of residential on-property Yard Waste management should be implemented	This will be done once the contract is in place.
Collection Frequency	Adopt a uniform collection schedule for all residents	**Decision of CDC required.
Grass	Consider a grass ban from Yard Waste and garbage	**Decision of CDC required.
	Consider promoting GrassCycling	Can be included in the P&E material

B: Recommended RFP Elements

Table 1 – Specific RFP Elements

	Recommendations	Action
Collection Areas	The RFP shouldn't restrict collection schemes that cross local municipal borders	Agreed.
	The RFP should outline the locations of currently inaccessible and private roads and require pricing to service these areas	This list of locations is being collected by staff.
	Similarly, the County should include a section in the RFP that identifies the need for specialized equipment (i.e. smaller collection vehicle) to enable collection on these road ways.	Agreed.
	The RFP should request pricing for recycling collection at multi-residential locations	A decision is required regarding the number of units or size of building to be serviced.
	The County's RFP state that curbside collection in urban areas be on both sides of the street and that curbside collection in rural areas be on one side of the street only except on major thoroughfares and high traffic roads, as determined by the County.	A list of rural roads for both-side collection is being developed.
	The RFP require urban collection of Yard Waste and optional rural collection	Agreed.
Collection Frequency: Garbage, Blue Box and Green Bin	<p>The RFP should request pricing based on the following two (2) scenarios:</p> <ol style="list-style-type: none"> 1. Four (4) day per week collection schedule encompassing: <ol style="list-style-type: none"> A. Weekly collection of Blue Box & Green Bin and Bi-weekly collection of Garbage; and B. Weekly collection of Blue Box, Green Bin and Garbage. 2. Five (5) day per week collection schedule encompassing: <ol style="list-style-type: none"> A. Weekly collection of Blue Box & Green Bin and Bi-weekly collection of Garbage; and B. Weekly collection of Blue Box, Green Bin and Garbage. 	Agreed.
Collection Frequency: Yard Waste, Bulk Items and White Goods	<ol style="list-style-type: none"> 1. The RFP should prescribe curbside collection of Yard Waste for all urban residents 2. The RFP should prescribe curbside collection of Bulk Items for all residents 	<p>Agreed.</p> <p>Agreed.</p>
	The RFP should state that paper bags, reusable containers and bundles are the only acceptable form for Yard Waste set out for collection	<p>Agreed.</p> <p>A decision is required for the collection of leaves in heavily wooded urban areas of the County.</p>
	The RFP should require bidders to propose the acceptable length, diameter and weight of Yard Waste set out for collection	Agreed.

B: Recommended RFP Elements

	<p>The RFP should request pricing based on the following two (2) scenarios:</p> <ol style="list-style-type: none"> 1. Yard Waste: <ol style="list-style-type: none"> A. Urban (mandatory) collection weekly during the Spring and Autumn, monthly during the Summer and for at least one (1) week in January (for Christmas trees); and B. Rural (optional) collection weekly during the Spring and Autumn, monthly during the Summer and for at least one (1) week in January (for Christmas trees). 2. Bulk Items: <ol style="list-style-type: none"> A. Monthly; and B. Quarterly. 	<p>Agreed.</p> <p>Will this be optional or not required.</p>
Collection - General	Structure the RFP so that bidders can propose co-collection options for Green Bin, Blue Box and garbage	Agreed.
	The RFP should prescribe the maximum compaction acceptable for the collection of Green Bin materials and Blue Box Recyclables	Agreed.
	The RFP should prescribe collection of all material types in Melancthon	Melancthon decision on collection required.
Disposal and Processing Facilities	The RFP should prescribe that Green Bin material will be delivered to the Region of Peel's composting facility in Caledon until such time as the DEEP site opens	Agreed.
	The RFP should prescribe that the bidders are to identify the location(s) that Blue Box material will be delivered to until such time as the DEEP site opens	Agreed. The County will determine where the Blue Box material will be delivered. This will be done by a separate RFP process and be included in the waste collection RFP.
	The RFP should prescribe that the bidders are to identify the location(s) that garbage will be delivered to until such time as the DEEP site opens	Agreed.
	The RFP should prescribe bidders are to identify the location(s) that Yard Waste material will be delivered for the term of the contract.	Agreed. The yard waste material might be needed at the DEEP composting site so this will have to be identified as to the timing.
	The RFP should prescribe bidders are to identify the location(s) that Bulk Items will be delivered to.	Agreed.

B: Recommended RFP Elements

Table 2 – Other RFP Requirements

Payment terms	1. The RFP should prescribe payment structure as being on a per household basis	Agreed.
	2. That the County receive 100% of the recycling revenues from the Blue Box program	Agreed. This is included in the material processing RFP.
	3. That the County consider a separate Blue Box processing RFP prior to issuing a collection RFP	Agreed. This is being done.
Prospective Contractors	The RFP should require bidders to provide information regarding their work history	Agreed.
Health and Safety	The RFP should require bidders to provide information regarding health and safety plans	Agreed.
Emergency and Contingency Plans	The RFP should require bidders to provide information regarding their emergency and contingency plans	Agreed.
Records Management	The RFP should prescribe the records of the successful contractor will be required to provide at regular intervals during the contract term	Agreed.
Compliments and Complaints	The RFP should require bidders to provide information regarding their customer service program	Agreed.
Performance Measurement	The RFP could include the complete contract that the successful bidder will be required to enter into	Agreed.
	The RFP and/or contract should define how performance will be measured and monitored	Agreed.
	The RFP and/or contract should clearly define how bonuses and penalties will be administered	Agreed.