



## COMMUNITY DEVELOPMENT COMMITTEE AGENDA

Tuesday May 27, 2014, 7:30 p.m.  
55 Zina Street, Orangeville – Sutton Room (2<sup>nd</sup> Floor)

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Declarations of Pecuniary Interest by Members

### QUESTION PERIOD

Members of the public will be provided an opportunity to ask questions of the Committee during this time. (Limited to 10 minutes)

### REPORTS

1. COMMUNITY DEVELOPMENT COMMITTEE – May 27, 2014 – ITEM #1  
DEEP Update – Proposed Dufferin/York SSO Facility – May 2014

A report from the Director of Public Works dated May 27, 2014 to provide Committee and Council with an update on the proposed Dufferin/York Source Separated Organics Facility.

***Recommendation:***

***THAT Report, DEEP Update – Proposed Dufferin/York SSO Facility – May 2014, from the Director of Public Works and County Engineer, dated May 27, 2014, be received;***

***AND THAT Staff be directed to notify York Region that the County will not be pursuing the agreement for a demonstration-scale organics facility at this time;***

***AND THAT the County postpone development of the DEEP until such time that technology and provincial political support are conducive to the project and continue to monitor opportunities for the site;***

***AND THAT Staff be directed to pursue opportunities with existing southern Ontario waste processing facilities as a long term solution for Dufferin County waste, beyond the current Contracts.***

## **DISCUSSION ITEM**

2. COMMUNITY DEVELOPMENT COMMITTEE – May 27, 2014 – ITEM #2  
Recycling Styrofoam-Discussion Item

A discussion on recycling Styrofoam-requested by Councillor Kolodziechuk.

**Next Meeting:** To be Determined:  
55 Zina Street, Orangeville – Sutton Room



## **REPORT TO COMMUNITY DEVELOPMENT COMMITTEE**

**To:** Chair Oosterhof and Members of Committee

**From:** Scott C. Burns, Director of Public Works and County Engineer

**Meeting Date:** Tuesday, May 27, 2014

**Subject:** **DEEP Update – Proposed Dufferin/York SSO Facility – May 2014**

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### **Purpose**

The purpose of this report is to provide Committee and Council with an update on the proposed Dufferin/York Source Separated Organics Facility and to provide recommendations for waste processing moving forward.

### **Background**

Over the past decade, the County of Dufferin has investigated developing facilities to process waste locally. The intended site is known as the Dufferin Eco-Energy Park (DEEP) and is located in northeast Grand Valley. Several technologies have been pursued for the project, including; gasification to produce energy from waste, anaerobic digestion for a bio-gas to energy facility and a Source Separated Organics (SSO) Facility in partnership with York Region.

Of the proponents originally pursuing the project, only York Region remains. From the time that all other parties officially withdrew from the project, the Community Development Committee has offered an open door for those interested in presenting ideas for waste processing at the DEEP. To date, only one presentation has been made, leaving York Region as the final remaining proponent for the development.

An initial Memorandum of Understanding (MOU) with York Region was executed in July 2007 for a full-scale SSO facility. This MOU has since expired. The MOU spoke to a full-scale organics processing facility with capacity of 70,000 to 100,000 tonnes/year. Per this agreement, the County of Dufferin was responsible for capital costs associated with external site servicing and the full re-alignment of the Amaranth-Grand Valley Townline road. This road realignment was a requirement of developing the DEEP project in its entirety. These capital costs were estimated in the range of \$2,400,000. With respect to material processing, the intent of the agreement was that Dufferin's organic material would be processed at no cost to the County. This was due to a 2.5% royalty paid by York to Dufferin for being a willing host for the facility. Savings realized

by no-cost organics processing resulted in an approximate payback period of six years on the initial \$ 2,400,000 capital investment incurred by the County.

In early May 2014, County staff were provided with a revised MOU from York Region. Principles of the revised MOU are similar to the 2007 version, with some exceptions.

Primary changes are as follows and further detail is provided where felt necessary:

1. The facility is proposed as a demonstration-scale capacity of 20,000 tonnes/year with potential for future phased increases to a maximum of 100,000 tonnes/year. The timeline for expansion is unknown and no commitments have been made.
2. Capital costs for all internal/external work is shared 85% York and 15% Dufferin.
3. The full realignment of the Amaranth-Grand Valley Townline is not triggered by the proposed demonstration-scale facility. The full realignment is associated with further development of the DEEP site. For the proposed demonstration-scale facility, only improvements to the affected portion of the existing Townline would be required at this time.
4. Dufferin's organic waste is no longer processed at no cost to the County.
5. York Region will cover costs associated with any Request for Proposal.

In line with the revised MOU, staff discussed capital, operational and processing costs associated with the revised proposal for a demonstration-scale facility. A costing model was then provided, at a staff level, and explores scenarios for capital and operational expenses. As noted above, all costs are shared 85% York and 15% Dufferin. This represents a capital cost to the County of approximately \$2,300,000 for works associated with servicing, road improvements along the existing Amaranth-Grand Valley Townline and the proposed demonstration-scale facility itself. Road improvements for the proposed demonstration-scale facility are separate and unique of costs associated with the full realignment of the Amaranth-Grand Valley Townline, which would be required should the DEEP site ever be fully developed. These additional potential future costs would be triggered by further development at the site, beyond the proposed demonstration-scale SSO facility and have been estimated to be approximately \$1,400,000. This \$1,400,000 is above what is being considered in current agreements and discussions and is a potential future cost for the DEEP project.

Another significant change related to County expenditure is the cost for material processing at the proposed 20,000 tonne/year demonstration-scale facility. Through the 2007 MOU, the County held approximately 2.5% to 3.5% of the total full-scale facility capacity, with an approximate contribution of 2,500 tonnes of organic material annually. The cost for processing this material was offset by the 2.5% royalty paid to Dufferin, by York Region. This resulted in a no-cost material processing scenario for Dufferin County. Dufferin's current and projected 3,000 to 3,500 annual tonnes of organic material represents a much larger proportion (15% to 17.5%) of the proposed demonstration-scale facility and can no longer be processed at no cost to the County. The cost of processing, including the offset from the 2.5% royalty paid by York, is now

estimated to be in the range of \$140+ per tonne. This is a higher cost than what is currently being paid for processing of Dufferin's organic material (\$130/tonne) and no longer provides a payback period on the initial capital investment as originally intended.

Based on the above, lack of vendor interest in the project and current Provincial positions, such as waste not being considered a renewable resource, staff recommend pursuing opportunities with existing southern Ontario waste material processing facilities as a long term solution for Dufferin's waste. Capacity exists with several facilities and Dufferin represents a very small proportion of overall material produced by adjacent municipalities with approximately 6,400 tonnes of garbage, 6,200 tonnes of recyclables and 3,000 tonnes of organics per year. Staff advise that this is very likely the most cost effective solution to maintain the environmentally responsible outlook that Dufferin County holds for dealing with waste.

### **Local Municipal Impact**

Moving forward with an existing Ontario waste processing solution will not create additional truck traffic associated with importation of waste into Dufferin County.

### **Financial Impact**

Costs for processing Dufferin County's waste will be considered in future budgets.

### **Recommendation**

**THAT** Report, DEEP Update – Proposed Dufferin/York SSO Facility – May 2014, from the Director of Public Works and County Engineer, dated May 27, 2014, be received;

**AND THAT** Staff be directed to notify York Region that the County will not be pursuing the agreement for a demonstration-scale organics facility at this time;

**AND THAT** the County postpone development of the DEEP until such time that technology and provincial political support are conducive to the project and continue to monitor opportunities for the site;

**AND THAT** Staff be directed to pursue opportunities with existing southern Ontario waste processing facilities as a long term solution for Dufferin County waste, beyond the current Contracts.

Respectfully Submitted By:

*Original signed by,*

Scott C. Burns, P.Eng., C.E.T.  
Director of Public Works and County Engineer