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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 8, 2013
FROM:	JAY STANFORD DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE
SUBJECT:	COMMENTS ON ENVIRONMENTAL BILL OF RIGHTS REGISTRY HALTON RECYCLING- ENVIRONMENTAL COMPLIANCE APPROVAL

RECOMMENDATION

That on the recommendation of the Director, Environment, Fleet & Solid Waste, the following comments **BE APPROVED** and submitted by London Municipal Council in its entirety to the Ministry of Environment by April 20th, 2013 in response to the Environmental Bill of Rights Registry posting (EBR 011-8496) titled *Halton Recycling Ltd.*

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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There are no previous reports on this matter.

BACKGROUND

PURPOSE:

The purpose of this report is to:

- provide Committee and Council information with respect to Halton Recycling Ltd.’s application to amend its Environmental Compliance Approval (the new name for Certificate of Approval) to accept source separated recyclables from the State of Michigan, and
- seek approval for comments to be submitted to the Environmental Bill of Rights Registry on this matter.

CONTEXT:

At the March 26, 2013 Council meeting it was recommended that:

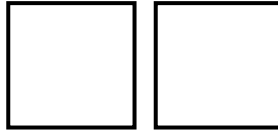
*That the Civic Administration **BE REQUESTED** to investigate and report back at the April 8 meeting of the Civic Works Committee, to meet the EBR submission deadline of April 20, 2013, on the proposed amendments to the Certificate of Approval for Halton Recycling Ltd. as part of the Environmental Bill of Rights (EBR) comment process; it being noted that the report should address the impact of the amendments and any other related considerations.*

DISCUSSION:

Background

Halton Recycling Limited (“Halton”) operates a Material Recovery Facility (often referred to as a recycling centre) in London at 15 Buchanan Court. The recycling centre is located on a 2.4 hectare property and is currently licensed to operate 24 hours per day, seven days per week and receive up to 500 tonnes of recyclables per day from south-western Ontario and the Greater Toronto Area. The facility operates under Environmental Compliance Approval (“ECA”) # A040147 dated April 11, 2012.

The recycling centre processed material from the City of London from 1999 to 2011. It has also processed material from Oxford County, Sarnia, Thames Centre, Southwest Middlesex, Central



Eglin and other local municipalities in the past. The facility currently processes containers from the City of Brantford and some business recyclables. Process residuals from Brantford's containers are disposed of at Brantford's landfill. Process residuals from business recyclables are disposed of at the W12A landfill.

There have been no issues regarding Halton's operation brought to the City's attention in the last 7 years. Prior to that there were issues raised with respect to blowing litter and unsightly conditions in the outdoor area. These issues were addressed by the company. The Ministry of the Environment is the enforcement agent for this facility.

Halton has applied to have its ECA amended to allow it to receive source separated recyclables from the State of Michigan. This is the only amendment being requested. All other conditions in the ECA remain unchanged.

Part A – Key Questions and Answers with Respect to the City of London

Below are some key questions and answers/comments with respect to the Halton application to amend its ECA.

Can the W12A Landfill Site receive garbage from Michigan or other Ontario municipalities?

No. The Certificate of Approval for the W12A Landfill prohibits waste (garbage) from outside the City of London boundary (with the exception of the very minor exemptions for adjacent municipalities meeting certain conditions – Thames Centre falls into this category). This would include waste from the State of Michigan.

Do we receive Recycling Process Residuals from other municipalities right now?

Yes. Any recycling process "waste" generated from a business in London is permitted to come into the W12A Landfill. By way of an example, recyclables that come to the City of London Material Recovery Facility from Alymer or Port Stanley contain some non-recyclable material that becomes Recycling Process Residual waste that goes to the W12A Landfill.

If the recyclables started in Michigan but are processed in London, the Recycling Process Residual is now considered to be from London (Note: a significant number of items already come into London from all over North America that could become a waste and/or process residuals within our boundaries from either our residents or businesses).

What does London Municipal Council have control over?

Municipal Council controls the tipping fee rate. For example, Municipal Council established lower tipping fee rates (2003) for Recycling Process Residuals to encourage more recycling in London. Four private companies, including Halton, currently ship Recycling Process Residuals to the W12A landfill. The rates increased in 2013 to between \$37 and \$40 per tonne. The lower rate is paid for monthly tonnage payments greater than \$9,750.

Another example of Municipal Council establishing a tipping fee was in the mid-2000s, when there was talk about the border shutting down and Toronto garbage needing a short term disposal location. London Municipal Council established the following fee rate: *Waste from Outside Service Area Accepted Under Ministerial Order = \$150 per tonne*. This rate has never been used.

What are other important considerations?

In a case like this (i.e., recycling process residuals derived from recyclables from Michigan), it would be a Municipal Council decision to determine if a different tipping fee would be appropriate or even needed. A variety of factors would be weighed including economic benefit (e.g., jobs created in London), consumption of landfill space at W12A Landfill, etc.

Any increase to the Recycling Process Residual rate would have an impact on other recycling industries in London. Increasing the tipping fee rate for Recycling Process Residuals from recycling centres processing material from Michigan might be considered discriminatory and would need to be reviewed as to its legality. Should Committee and Municipal Council wish further details on the legal requirements of imposing specific tipping fee rates, Legal Services would need to be engaged.

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Prior to any general increase in tipping fee rates, an assessment of what the market place could bear would be required as tipping fee revenue is one of the key funding sources of the City's waste management system and other options exist for disposal of business waste (e.g., private landfill in Southwestern Ontario and Michigan).

How does London's Tipping Fees compare to Landfill Costs.

This cost to dispose of waste varies based on the density of the material and the amount of volume the material consumes. The average cost of waste disposal at the W12A landfill is approximately \$35 per tonne. This includes operating, capital, mitigative measures, administration and post closure costs.

As stated previously Recycling Process Residuals are charged between \$37 and \$40 per tonne. General business waste is charged between \$43 and \$75 per tonne. Most business waste is charged between \$43 and \$47 per tonne. Tipping fees from W12A landfill generated \$3.6 million in revenue in 2012.

Are there other options for Halton to dispose of any Recycling Process Residuals besides the W12A Landfill?

Yes. Halton would have a number of choices for disposal in southwestern Ontario (Green Lane in Southwold Township, BFI in Blenheim, Waste Management in Warwick or shipping the Recycling Process Residual back to the United States, the last choice requiring interpretation of Provincial legislation/policy on this matter).

Part B - Comments to be Submitted to the EBR Registry (#011-8496)

City of London staff recommend that the following comments be submitted to the EBR posting:

1. The Ministry of the Environment (MOE) should review the current ECA (#A040147) to ensure that all appropriate conditions are in place that are typically included in an ECA for a facility of this nature. It is imperative that the MOE ensure that older recycling centres and their operations are modernized to a reasonable level to ensure that the local business community is without impacts (e.g., blowing litter from outside storage).
2. The MOE should ensure that there is an appropriate level of local resources to monitor the operational requirements, both inside and outside the recycling facility, as specified in the ECA for Halton.
3. The property located at 15 Buchanan Court is Zoned Light Industrial LI2/LI3/LI7 in the City's Zoning By-law and is designated as Light Industrial in the City's Official Plan.

Among the list of permitted uses included in the Zoning By-law is a Manufacturing and Assembly industries, which is defined in the by-law as follow:

"MANUFACTURING AND ASSEMBLY INDUSTRY" means a building or part thereof used for a broad range of manufacturing, fabricating and assembly industries, including processing ancillary to the permitted manufacturing and assembly uses and includes household waste recycling depots, but excludes paper and allied products industries, food, tobacco and beverage processing, processed goods industries, raw materials processing industries, primary metals industries, waste treatment industries, armaments, munitions and explosive manufacturing industries, and any obnoxious use.

The current Zone does permit a household waste recycling depot. Material Recovery Facilities or Recycling Centres are considered to be household waste recycling depots.

The current Zone nor land use designation, within the Official Plan, permits a waste transfer station for garbage at this location. The establishment of a waste transfer station for garbage at this location would require Planning Act approval, by way of a Zoning By-law Amendment, Official Plan Amendment or granting of a Minor Variance, under specific circumstances, to implement the current Official Plan and Zoning By-law criteria for this type of use in the City of London.

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ACKNOWLEDGEMENTS:

This report was prepared with assistance from Mike Losee, Manager - Solid Waste Engineering and Lou Pompilii, Manager - Zoning & Public Property Compliance.

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REVIEWED AND CONCURRED BY:	
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