



Essex-Windsor Solid Waste Authority Regular Board Meeting Agenda

Meeting Date: Wednesday, September 11, 2024

Time: 4:00PM

Location and: Essex County Civic Centre
Council Chambers, 2nd Floor
360 Fairview Avenue West
Essex, Ontario N8M 1Y6

Meeting will be held in person for Board Members and staff. Media representatives and interested members of the general public are invited to attend in person.

LIST OF BUSINESS

PAGE NUMBERS

1. Call to Order

2. Motion to Move In-Camera

Moved by:

Seconded by:

THAT the Board move into a closed meeting pursuant to Section 239 (2) (e), (f) and (k), of the Municipal Act, 2001, as amended for the following reason:

- (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.
- (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose.
- (k) position, plan, procedure, criteria, or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

3. Declaration of Pecuniary Interest

4. Approval of the Minutes

A. July 10, 2024 Regular Meeting Minutes

1-10

5. Business Arising from the Minutes

6. Delegation

- A. Melissa Ryan, County of Essex Director, Financial Services/Treasurer
Re: Funding Model for Regional Food and Organics Waste
Management Program (Green Bin Program) 11-22

7. Waste Diversion

- A. County of Essex Green Bin Program Funding Model Request 23-25
B. Supply and Distribution of Green Carts and Kitchen Containers
RFP Results 26-34

8. Waste Disposal

- A. Large Volume Customer Contract – Waste Connections of
Canada Inc. 35-36

9. Finance & Administration

- A. January to June 2024 - 6 Month Operations Financial Review 37-41

10. New Business

11. Other Items

12. By-Laws

- A. **By-Law 13-2024** 42
Being a By-Law to Authorize the Execution of an Agreement with IPL
North America Inc. for the Supply and Initial Distribution of Green
Carts and Kitchen Catchers to residents in Essex-Windsor for the new
Green Bin Program
- B. **By-Law 14-2024** 43
Being a By-Law to Confirm the Proceedings of the Meeting of the
Board of the Essex-Windsor Solid Waste Authority for September
11, 2024.

13. Next Meeting Dates

Wednesday, October 9, 2024
Tuesday, November 5, 2024
Tuesday, December 3, 2024

14. Adjournment



Essex-Windsor Solid Waste Authority Regular Board Meeting MINUTES

Meeting Date: Wednesday, July 10, 2024

Time: 4:00 PM

Location: Essex County Civic Centre
Council Chambers, 2nd Floor
360 Fairview Avenue West
Essex, Ontario N8M 1Y6

Attendance

Board Members:

Gary Kaschak –Chair	City of Windsor
Kieran McKenzie	City of Windsor
Jim Morrison	City of Windsor
Mark McKenzie	City of Windsor
Gary McNamara – Vice Chair	County of Essex
Hilda MacDonald	County of Essex
Michael Akpata	County of Essex

EWSWA Staff:

Michelle Bishop	General Manager
Steffan Brisebois	Manager of Finance & Administration
Cathy Copot-Nepszy	Manager of Waste Diversion
Tom Marentette	Manager of Waste Disposal
Madison Mantha	Project Lead
Teresa Policella	Executive Assistant

City of Windsor Staff:

Anne-Marie Albidone	Manager of Environmental Services
Shawna Boakes	Executive Director of Operations
Jim Leether	Manager of Environmental Services
Mark Spizzirri	Manager of Performance Management and Business Case Development

County of Essex Staff:

Melissa Ryan	Director of Financial Services/Treasurer
David Sundin	Solicitor/Interim Director, Legislative and Community Services

Absent:

Drew Dilkens	City of Windsor (Ex-Officio)
Fred Francis	City of Windsor

Rob Shepley

County of Essex (left at 4:36PM – in attendance for In-Camera meeting)

Tony Ardovini

Deputy Treasurer Financial Planning

1. Call to Order

The Chair called the meeting to order at 4:00PM.

2. Motion to Move In-Camera

Moved by Mark McKenzie

Seconded by Rob Shepley

THAT the Board moved into a closed meeting pursuant to Section 239 (2) (e) (f), and (k) of the Municipal Act, 2001, as amended for the following reason:

- (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board
- (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose.
- (k) A position, plan, procedure, criteria, or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipally or local board.

**42-2024
Carried**

Moved by Gary McNamara

Seconded by Hilda MacDonald

THAT the EWSWA Board rise from the Closed Meeting at 4:36PM.

**50-2024
Carried**

3. Declaration of Pecuniary Interest

The Chair called for any declarations of pecuniary interest and none were noted. He further expressed that should a conflict of a pecuniary nature or other arise at any time during the course of the meeting that it would be noted at that time.

4. Approval of the Minutes

Moved by Mark McKenzie

Seconded by Hilda MacDonald

THAT the minutes from the Essex-Windsor Solid Waste Authority Regular Meeting, dated May 7, 2024, be approved and adopted.

**51-2024
Carried**

5. Business Arising from the Minutes

No items were raised for discussion.

6. Correspondence

- A. Town of Kingsville Resolution 101-05062024 Regarding Regional Organic Waste Collection and Processing Program

Moved by Gary McNamara
Seconded by Mark McKenzie

THAT the Board receive the correspondence as information.

**52-2024
Carried**

- B. Letter from eTracks – Collection Site Award of Excellence

The Manager of Waste Diversion was pleased to share that the Authority was recognized by eTracks with a Collection Site Award of Excellence. eTracks is one of six organizations that manage the recycling of tires on behalf of Producers.

Moved by Kieran McKenzie
Seconded by Mark McKenzie

THAT the Board receive the report as information.

**53-2024
Carried**

7. Waste Diversion

- A. EWSWA Material Recovery Facilities (MRFs) Lease Update

The Manager of Waste Diversion presented the status update report and recommendations regarding the Material Recovery Facility lease following the Transition of the Blue Box Program on August 28, 2024.

Kieran McKenzie asked if the agreement on cardboard still had to be negotiated.

The Manager of Waste Diversion stated this has been negotiated with HGC and Administration is satisfied as the agreement will generate revenue.

Moved by Jim Morrison
Seconded by Mark McKenzie

THAT the Board delegate authority to the General Manager of the Essex-Windsor Solid Waste Authority, in consultation with the Technical Staff Committee and Legal Services, to negotiate and execute, in the best interest of the region, the legal agreement(s) needed for the lease of the Container MRF

and the provision of recyclable materials processing services with HGC Management Inc. as described within this report.

**54-2024
Carried**

B. Tender Award for the Demolition and Removal of Material Recovery Facility Processing Equipment

The Manager of Waste Diversion stated that the purpose of the report is to recommend award for the Request for Tender (RFT) for the demolition and removal of processing equipment in the Fibre Material Recovery Facility (MRF) to HGC Management Inc. at the cost of \$100,000 exclusive of HST.

She explained that while bids were accepted for the demolition of processing equipment within the Container MRF, the Authority is not pursuing this at this time as it is evaluating a further use of this MRF.

As provided at the April 10th Board meeting, the cost to decommission the Fibre MRF will form part of the total project cost to construct the Windsor Source Separated Organics Transfer Station. The estimate for this project was included in the 2024 Operational Plan and Budget.

The Chair asked if there were any questions. No questions were asked.

Moved by Michael Akpata
Seconded by Gary McNamara

THAT the award the Request for Tender for the demolition and removal of the processing equipment in the Fibre Material Recovery Facility to HGC Management Inc. at a cost of \$100,000 exclusive of HST.

**55-2024
Carried**

C. Blue Box Transition Update

The Manager of Waste Diversion presented the report and provided an update on Essex-Windsor's Blue Box Transition process and identified items that Administration is currently finalizing in advance of the August 28th Transition date.

Moved by Mark McKenzie
Seconded by Kieran McKenzie

THAT the Board receive the report as information.

**56-2024
Carried**

D. County of Essex Council Decision Regarding the Addition of Rural Curbside Collection of Source Separated Organics for the Green Bin Program in the County of Essex

The General Manager presented the report and stated that on June 5, 2024, County of Essex Council resolved to approve the collection and processing of organic waste for households in rural settlement areas in all County municipalities.

The General Manager referred to the Town of Kingsville's resolution provided in Agenda Item 6A regarding the funding of the Green Bin program. At this same meeting, County Council also approved the proposed hybrid funding model outlined in the report. The County's Director of Finance will attend a future Board meeting as delegation to explain the financial impact on the Authority.

Kieran McKenzie asked if the Authority will be able to track the green bin material by municipality.

The General Manager confirmed that the waste generated in the green bin will be tracked by municipality.

Mr. Morrison asked will the municipality be billed for the exact number of houses in the municipality.

The General Manager stated that all single-family residences would be included in the program cost except those that are clearly unoccupied or under construction, those will not be included. However, similar to the blue program, if a resident chooses not to participate they will still be billed.

The Manager of Waste Diversion noted that Miller Waste will be tracking which residence sets out material and which doesn't. The Authority will then target those areas to promote participation. She noted that a lot of thought was put into the RFP to ensure a successful program.

Moved by Kieran McKenzie

Seconded by Gary McNamara

1. **THAT** the Authority Board receive the report as information.
2. **THAT** the Authority Board authorize the Chair and General Manager to execute the Contract with Miller Waste Systems Inc. for the curbside collection of source separated organics in both urban and rural settlement areas in all seven municipalities in the County of Essex.

57-2024
Carried

E. Four-Season 2022/2023 Residential Waste Audit Results

The Manager of Waste Diversion provided a summary of the residential waste audit results conducted by the auditor, AET Group Inc.

She highlighted the following results of the report:

- Participation in the garbage waste stream was approximately 81% and red and blue box approximately 65% each.
- Fall had the highest participation rate, whereas, summer had the lowest participation rate.
- Households that were audited set out almost one full 95-gallon garbage container per week, one full red box and $\frac{3}{4}$ full blue box container.
- 48% of the garbage waste stream was food waste and 18% was material that could have been diverted.
- The Authority's education programs are working. Residents were good at putting material in the correct bin.

The Authority has developed the following next steps based off AET's recommendations as a result of the audit:

- It is important to promote the Authority's depots and that dropping off items can be dropped for free.
- The Envirotips newsletter will include information about transition.
- Try to reduce garbage by 50% through the green bin program.
- The Authority is working with a marketing consultant on rebranding and refresh the Authority's brand as the current branding is focused on the blue box.
- Conduct another audit in five years to allow the Authority to compare the results of this audit and the impact of the green bin program and EPR.

Moved by Gary McNamara

Seconded by Kieran McKenzie

THAT the Board receive the report as information.

**58-2024
Carried**

F. RFP Result and Next Steps for a Source Separated Organics Transfer Station at the Essex-Windsor Regional Landfill

The General Manager presented the report and recommendations regarding the results of the Request for Proposals (RFP) for a source separated organics (SSO) transfer station at the Regional Landfill and advised the Board of the next steps for the project.

Mr. Morrison asked how long the material will be sitting before it is transferred to Seacliff Energy.

The Manager of Waste Diversion stated the material would ship within 24 hours or the same day due to odour and pests.

There were no further questions.

Moved by Mark McKenzie

Seconded by Michael Akpata

1. **THAT** the Board approve the recommendation to cancel the Request for Proposals RFP 2024-04-11 for engineering services for design and approvals for an SSO transfer station and MHSW depot upgrades at the Essex-Windsor Regional Landfill.
2. **THAT** the Board DIRECT Administration to report back on next steps for the SSO Transfer Station at the Essex-Windsor Regional Landfill.

**59-2024
Carried**

8. Waste Disposal

- A. Tender for the Construction of the Regional Landfill Cell 5 North – Award of Contract

The Manager of Waste Disposal presented the report regarding the tender for the construction of Cell 5 North at the Regional Landfill and recommended that the tender be awarded to Sterling Ridge Infrastructure Inc.

The Chair asked if there were any questions. No questions were asked.

Moved by Mark McKenzie

Seconded by Kieran McKenzie

THAT the Authority Board award the Request for Tender Contract 9-2024 for the Regional Landfill Cell 5 North Construction to Sterling Ridge Infrastructure Inc. with an upset limit in the amount of \$12,035,300 (plus HST) and that the Chair and General Manager be authorized to enter into an agreement in accordance with the tender documents.

**60-2024
Carried**

9. Finance and Administration

- A. 2024/2025 EWSWA Insurance

The Manager of Finance provided an update on the comprehensive insurance renewal for 2024/2025. There were no changes to any specific policies for the renewal period. He referred to the table on page 69 of the agenda package

which summarizes the various coverages and related premiums. There was an overall savings of approximately \$41,000 from the previous year.

Moved by Kieran McKenzie

Seconded by Jim Morrison

THAT the Board receive the report as information.

**61-2024
Carried**

10. New Business

The General Manager advised that the August meeting will be cancelled. Administration will provide updates on the promotion and education of Blue Box Transition via email. An update regarding Blue Box Transition will be provided at the September meeting.

11. Other Items

No items were raised for discussion.

12. By-Laws

A. By-Law 8-2024

Moved by Kieran McKenzie

Seconded by Mark McKenzie

THAT By-Law 8-2024, being a By-Law to Authorize the General Manager of the Essex-Windsor Solid Waste Authority, in consultation with the Technical Staff Committee and Legal Services, to negotiate and execute, in the best interest of the region, the legal agreement(s) needed for the lease of the Container MRF and the provision of recyclable materials processing services with HGC Management Inc.

**62-2024
Carried**

B. By-Law 9-2024

Moved by Michael Akpata

Seconded by Mark McKenzie

THAT By-Law 9-2024, being a By-Law to Authorize the Execution of an Agreement between the Essex-Windsor Solid Waste Authority and HGC Management Inc. for the Demolition and Removal of Processing Equipment in the Fibre Material Recovery Facility.

**63-2024
Carried**

C. By-Law 10-2024

Moved by Gary McNamara
Seconded by Jim Morrison

THAT By-Law 10-2024, being a By-Law to Authorize the Execution of an Agreement with Miller Waste Systems Inc. for the Curbside Collection of Source Separated Organics in both Urban and Rural Settlement Areas in all seven municipalities in the County of Essex

**64-2024
Carried**

D. By-Law 11-2024

Moved by Mark McKenzie
Seconded by Gary McNamara

THAT By-Law 11-2024, being a By-Law to Authorize the Execution of an Agreement between the Essex-Windsor Solid Waste Authority and Sterling Ridge Infrastructure Inc. for the Regional Landfill Cell 5 North Construction.

**65-2024
Carried**

E. By-Law 12-2024

Moved by Kieran McKenzie
Seconded by Mark McKenzie

THAT By-Law 12-2024, being a By-law to Confirm the Proceedings of the Board of the Essex-Windsor Solid Waste Authority be given three readings and be adopted this 10th day of July, 2024.

**66-2024
Carried**

13. Next Meeting Dates

Wednesday August 14, 2024 – Cancelled
Wednesday, September 11, 2024
Wednesday, October 9, 2024
Tuesday, November 5, 2024
Tuesday, December 3, 2024

14. Adjournment

Moved by Kieran McKenzie
Seconded by Jim Morrison
THAT the Board stand adjourned at 5:45PM.

**67-2024
Carried**

All of which is respectfully submitted.

Gary Kaschak
Chair

Michelle Bishop
General Manager



Administrative Report

Office of the Director, Financial Services/Treasurer

To: The Chair and Board of the Essex-Windsor Solid Waste Authority

From: Melissa Ryan, CPA
Director, Financial Services/Treasurer

Date: Wednesday, September 11, 2024

Subject: Funding Model for Regional Food and Organics Waste Management Program (Green Bin Program)

Report #: 2024-0911-FIN-R#1-MR

Purpose

The purpose of this report is to present to the EWSWA Board County Council's preferred funding model for the Regional Food and Organics Waste Management Program (Green Bin Program). County Council has chosen a hybrid funding model, and this report aims to seek the Board's consideration and approval for this approach.

Background

On May 15, 2024, County Council considered a notice of motion to fund the Green Bin program through the County of Essex property tax levy. This led to the preparation of an administrative report to analyze and assess the implications of different funding models for the program. This report focused on the regional organics collection and processing service provided by the Essex Windsor Solid Waste Authority (EWSWA) and explored funding options based on municipal revenue-raising powers.

On June 5, 2024, a resolution of Council was passed indicating:

"That Essex County Council approve the proposed hybrid model that combines the county levy-based funding model with a user fee methodology for the expenses associated with the Regional Food and Organics Waste (Green Bin) Program;" and

“That Essex County Council direct Administration to prepare a report that identifies their preferred funding model with the rationale and forward it to the EWSWA Board for their consideration.”

In accordance with this resolution, this report is being presented to the EWSWA Board for their consideration.

The original County Council report, offering a more comprehensive background and discussion, is attached as Appendix A for your reference.

Discussion

Municipalities can raise revenue through property taxes, user fees, license fees, and regulatory charges. The choice of funding model for a service depends on several factors, including accessibility, the identifiable link between the cost of the service and the fee, and the reasonableness of the connection between cost and the amount charged.

Three funding models were considered for the Green Bin Program:

1. **User Fee Funding Model:**

- **Benefits:** Encourages waste reduction, equitable cost distribution based on use, predictable funding, and consistency with existing EWSWA services.
- **Challenges:** Administrative complexity and potential for improper disposal to avoid fees.

2. **County Levy Funding Model:**

- **Benefits:** Simplicity, broad cost distribution, and stable funding.
- **Challenges:** Lack of direct incentives for waste reduction, perceived inequity, complexity for initial implementation, and the broad cost distribution to all property types.

3. **Hybrid Funding Model:**

- **Benefits:** Targeted cost allocation, waste reduction incentives, and increased transparency with a special area rate.
- **Challenges:** Administrative complexity, potential confusion, and the need to define the scope of the special area rate.

After evaluating these options, County Council recommended the adoption of the hybrid funding model for the Green Bin Program. This model includes creating a special area County rate to be charged only to properties receiving the service. This approach maintains the benefits of user fees while ensuring fair cost distribution and transparency.

Financial Implications

The overall cost of the Green Bin Program will remain the same, regardless of the funding model. The hybrid model allows for targeted cost allocation and incentivizes waste reduction, without burdening properties that do not participate in the program.

Consultations

Michelle Bishop, General Manager, EWSWA

Recommendation

THAT the Board *receive this report as information.*

THAT the Board consider and approve the hybrid funding model for the Green Bin Program as recommended by the County Council.

THAT the Board direct its administration to work with County Administration and local municipalities to implement the hybrid funding model effectively.

Approvals

Respectfully Submitted,

Melissa Ryan

Melissa Ryan, CPA, Director, Financial Services/Treasurer

Appendix	Title
A	Funding Model for Regional Food and Organics Waste Management Program (Green Bin Program)



Administrative Report

Office of the Director, Financial Services/Treasurer

To: Warden MacDonald and Members of Essex County Council

From: Melissa Ryan, CPA
Director, Financial Services/Treasurer

Date: Wednesday, June 05, 2024

Subject: Regional Food and Organics Waste Program Funding Model Discussion

Report #: 2024-0605-FIN-R11-MR

Purpose

The purpose of this report is to provide County Council with an analysis of the various funding models for the Regional Food and Organics Waste Management Program (Green Bin Program), including the option of funding the program through the County of Essex property tax levy.

Background

At the County Council meeting on May 15, 2024, a notice of motion was filed requesting County Council support to fund the Green Bin program via the County of Essex property tax levy. Additionally, the motion called for County Administration to prepare an administrative report detailing and assessing the ramifications of this decision.

For clarity, the discussion and analysis contained within this report relates solely to regional organics collection and processing. While elements of this analysis may be familiar to Council given previous presentations to local municipal councils on funding methodologies available to address the proposed transfer of waste collection services from the local to upper tier level, this report does not include analysis of funding options for waste collection or any service, other than the Green Bin Program, provided by the Essex Windsor Solid Waste Authority (the EWSWA) on behalf of County municipalities.

Revenue-Raising Powers of Municipalities

As creatures of the Province, municipalities are limited in their revenue-raising powers to a handful of different collection models: property taxes, user fees, licence fees and regulatory charges. Choosing a model is often based on answering the following questions:

- 1) Is the service accessible/available to all property owners?
- 2) Is there an identifiable link between the cost of the service and the fee?
- 3) Is there a reasonable connection between the cost of the service and the amount to be charged?

In general, the more widely accessible a service is to **all** property owners and the less connection there is between the cost of the service and the fee, the higher the support for a **general levy** funding model.

A general levy funding model collects revenue based on the property wealth of an owner with no regard to the level of use of the service.

Conversely, the more restrictive a service is to **fewer** property owners and the higher the connection there is between the cost of the service and the fee, the higher the support for a **user fee** funding model.

A user fee funding model collects revenue based on the participation level of a user in the service (either actual use and/or access to use).

Discussion

Currently, Essex County local municipalities charge residents differently for waste services. The Town of Essex, Municipality of Lakeshore and Municipality of Leamington have a separate special area rate, charged only to properties receiving waste services, that includes EWSWA specific costs as well as other waste costs. The Town of Amherstburg, Town of Kingsville, Town of LaSalle and Town of Tecumseh charge all classes of property for EWSWA waste services through their general levy.

EWSWA Administration's intention is to collect for the Green Bin Program using the same user fee model that is currently used for all other non-hazardous solid waste management programs administered by the Authority.

The current EWSWA funding model is comprised of both a fixed cost fee and a tipping fee. The per tonne tipping fees assessed for the disposal of traditional refuse and leaf and yard waste are a function of the amount of material received for disposal. Each municipality is invoiced only for the

material generated in their municipality. The Total Waste Management Fee, which includes a portion of the costs related to the Regional Landfill debenture and cell development costs, Town of Essex host compensation and administrative costs, is assessed to the City of Windsor and local municipalities based on population.

This funding model charges fees directly to the municipality based on its municipal wide usage, incentivizing waste reduction and ensuring that costs are borne by those who generate the waste. The shift to a County levy model for the Green Bin Program, as proposed, represents a significant change in the established funding strategy.

It should be noted that Section 5(g) of the agreement between the County of Essex and the City of Windsor pertaining to the creation of the Essex-Windsor Solid Waste Authority "the Authority") states the following:

The operations of the Authority will be funded by a means to be recommended from time to time by the Authority, based upon an operational plan and accompanying budget which has received approval from both City and County Councils.

Although the County is considering changing the funding model for the Authority, the Authority retains the primary role in recommending the most effective funding methods to ensure operational success. These recommendations, based on a detailed operational plan and budget, must then be reviewed and approved by both City and County Councils before implementation, either through the Budget process or a Council Resolution.

Should County Council vote to change the funding model for the Green Bin Program, the EWSWA Administration has directed that County Council will need to pass a resolution identifying their preferred funding model and rationale and forward it to the EWSWA Board for their consideration.

In response to the Town of Kingsville's Notice of Motion, Administration has prepared three options for Council's consideration for funding the Green Bin Program:

1. A user fee-based funding model.
2. A County levy-based funding model using weighted assessment.
3. A hybrid model that combines the County levy-based funding model with a user fee methodology.

Attached as **Appendix A** is a summary of the proportionate financial impact to each local municipality under these various options. Please note, for simplicity, the weighted assessment models assume all residential households (both urban and rural) will participate in the Green Bin Program.

If only urban settlement areas will participate, the assessment base would be reduced to eliminate properties in the rural area.

Following is a list of the general benefits and challenges of each funding model.

User Fee Funding Model

Benefits

- **Incentive:** By charging fees based on the volume of organic waste generated, municipalities and residents are encouraged to minimize their waste, promoting more environmentally responsible behaviour.
- **Equity:** Costs are charged based on the use of the service rather than the assessed value of property. Assessment values have little to no correlation to waste volumes.
- **Scalability:** This model can provide a steady and predictable source of funding that will increase as use and associated costs of the program increase.
- **Consistency:** Adopting a user fee model would align with the established billing method employed for all other ESWA provided services.
- **Transparency:** Under regulation, local municipalities with organic diversion targets are responsible for the results of the organic program in their municipality. A user fee model provides regular billing data to the municipality that can be used to inform decision making about other waste practices in the control of the municipality.

Challenges

- **Complexity:** Collecting and managing user fees can be administratively burdensome, requiring strong billing systems and enforcement mechanisms, however, ESWA is already required to track extensive data to meet Ministry reporting requirements and will now have to report organic diversion targets on behalf of 4 of the 7 local municipalities.
- **Compliance:** Some users may attempt to avoid fees by improper disposal methods which can create additional environmental and enforcement challenges.

County Levy Funding Model

Benefits

- **Simplicity:** Adding the cost of regional organics to the County Budget is relatively simple. The costs would be incorporated into the total levy requirement and a single tax rate established for all locals.

- **Broad Cost Distribution:** Costs would be spread across all property owners, resulting in a lower per capita cost for residential users of the system.
- **Stability:** The levy provides a stable and predictable source of funding, ensuring that the program can be reliably maintained.

Challenges

- **Lack of Direct Incentives:** Without direct user fees, residents may have less incentive to properly separate their waste using curbside programming, potentially undermining waste reduction goals and impacting waste diversion targets. Similarly, local municipalities will have less incentive to structure their waste collection programs to optimize organics diversion.
- **Perceived Inequity:** There is little to no correlation between the property value of a home and the amount of organic waste its occupants may or may not generate. Additionally, when provincial reassessment occurs to update assessment values from their current Jan 1, 2016 values, significant tax shifts may occur within the residential class resulting in shifts in the burden of who is paying for the Green Bin Program.
- **Complexity of Funding Model for Initial Term:** Municipalities will be onboarded into the Green Bin Program after January 1, 2025 or upon the expiration of waste collection contracts in place at the time of the original motion, whichever is later. This onboarding model results in municipalities receiving organics service at different times. A general levy funding model would apply costs to all local municipalities beginning with the onboarding of the first municipality. A municipality onboarded later in the initial term would be paying for services it is not yet receiving. To mitigate this issue, Authority Administration could proactively negotiate with the collection contractor and local municipalities to rollout the Green Bin Program to all municipalities at the same time in 2025. A resolution would be required from County Council to amend previous direction.
- **Broad Cost Distribution:** The general levy would charge all County properties for the collection of organics. Properties who will not receive organics services (i.e. multi-residential and non-residential) will be subsidizing residential properties.

Hybrid Funding Model

Benefits

- **Targeted Cost Allocation:** Incorporating user fees allows for more precise allocation of costs based on actual usage per municipality.

- **Incentivizes Waste Reduction:** Similar to a pure user fee model, this approach encourages municipalities and residents to minimize waste, promoting environmentally responsible behaviour.
- **Transparency:** Creating a special area rate on the tax bill will raise the awareness of the cost of the program for taxpayers. For municipalities that already separate the cost of waste programs on their tax bill, this will be a seamless transition. For municipalities that currently do not show waste costs separately, a special area rate for organics will improve transparency of the cost of managing waste.

Challenges

- **Administrative Complexity:** Managing a hybrid model will require special area rating tax calculations and adjustments to the Corporation's tax levy bylaw. The initial set up may require temporary additional administrative resources and/or the engagement of an external tax consultant.
- **Potential Confusion:** Identifying the cost of organics separately on the tax bill may be confusing for residents who are not used to seeing waste charges separately on their tax bill. Education and communication campaigns will be needed at rollout.
- **Scope of Special Area Rate:** A decision will need to be made to identify which properties the special area rate will apply to: only properties receiving the service or all properties.

Link to Strategic Goals

The EWSWA was formed to be the region's champion for economical and environmentally conscious integrated waste management. The County of Essex's Strategic Plan also commits to being leaders in public service excellence. A key component of public service excellence and accountability is environmental stewardship.

Funding models often have the ability to influence participant behaviour. Any funding model chosen for the Green Bin Program should be selected with the environmental goals of the region in mind and with a preference for models that help to integrate improved diversion behavior across all diversion programs.

COE Administrative Recommendation

Administration recommends the Green Bin Program be incorporated into the EWSWA Budget and revenue collected using the user fee model already established by the Authority. However, should County Council not prefer that method, Administration recommends adopting the Hybrid Model and creating a special area rate to be charged only to properties receiving the service.

The Hybrid Model retains the benefits of the user fee method and, applying the special area rate to only the properties receiving the service, will avoid charging County properties who cannot participate.

Financial Implications

While the change in funding model will affect each local municipality differently, the total overall cost will remain unchanged. Whether the costs are billed directly to local municipalities by the ESWWA or through a general or hybrid levy model by the County of Essex, Essex County property owners will be charged for the cost of the Green Bin Program.

The comparative shift from a user fee-based funding model to a levy-funded approach for the regional organic waste collection and processing program will have varying impacts on the local municipalities within Essex County as shown in the attached **Appendix A**.

The MPAC weighted assessment values used in the analysis are as of May 2024. As municipalities grow and assessment values change, the proportionate share of the Green Bin Program under a weighted assessment model will also change. If total weighted assessment is used to distribute Green Bin Program costs, either under a weighted assessment or hybrid model, a municipality experiencing large non-residential development will experience a tax shift onto its municipality and pay a higher proportion of Green Bin Program costs. A weighted assessment and/or hybrid model that collects from only residential properties will eliminate tax shifts onto the non-residential class.

Consultations

Michelle Bishop, General Manager, ESWWA

Recommendation

That Essex County Council receive the Regional Food and Organics Waste Program Funding Model Discussion report for information;

That Essex County Council advise County Administration of their preferred funding model and rationale for the expenses associated with the Regional Food and Organics Waste (Green Bin) Program; and

That Essex County Council direct Administration to prepare a report that identifies their preferred funding model with the rationale and forward it to the ESWWA Board for their consideration.

Approvals

Respectfully Submitted,

Melissa Ryan

Melissa Ryan, CPA, Director, Financial Services/Treasurer

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
A	Funding Model Financial Implications

Appendix A

Local Municipality	User Fee Model/Hybrid		Weighted Assessment Model	
	Urban Households Only	Urban & Rural Households	Weighted Assessment - All Property Classes	Weighted Assessment - Residential Households Only
<i>Amherstburg</i>	13.16%	12.66%	11.31%	11.93%
<i>Essex</i>	10.18%	12.08%	8.85%	8.86%
<i>Kingsville</i>	11.05%	12.23%	11.83%	11.54%
<i>Lakeshore</i>	21.58%	21.83%	24.51%	24.51%
<i>LaSalle</i>	18.07%	16.30%	17.10%	19.53%
<i>Leamington</i>	12.46%	12.95%	12.28%	10.79%
<i>Tecumseh</i>	13.51%	11.94%	14.13%	12.85%
<i>Totals</i>	100.00%	100.00%	100.00%	100.00%

Note: All properties assessed into the R1 class have been used in this analysis.



Essex-Windsor Solid Waste Authority Administrative Report

August 26, 2024

To: The Chair and Board of the Essex-Windsor Solid Waste Authority

From: Michelle Bishop, General Manager

Meeting Date: Wednesday, September 11, 2024

Subject: County of Essex Green Bin Program Funding Model Request

Purpose

The purpose of this report is to provide additional information to the Board regarding the request from the County of Essex (the County) pertaining to the funding model for the Regional Food and Organics Waste Management Program (Green Bin Program).

Background

Refer to the report provided by the County's Director, Financial Services/Treasurer included in the agenda package (Agenda Item 6A).

Discussion

As noted in the County's report, the Authority retains the primary role in recommending the most effective funding methods to ensure operational success. These recommendations, based on a detailed operational plan and budget, must then be reviewed and approved by both City of Windsor (City) and County Councils before implementation, either through the Budget process or a Council Resolution.

This is confirmed in the 1994 Agreement between the City of Windsor (the City) and the County that created the Essex-Windsor Solid Waste Authority.

Section 5(d) states the following:

“The Authority shall report to a regularly scheduled meeting of each of the City and County Councils by the end of each year...and shall submit an operational plan and budget as referred to herein and shall ask for approval from each of the City and County Councils.”

Further, Section 5(g) states the following:

“The operations of the Authority will be funded by a means to be recommended from time to time by the Authority, based upon an operational plan and accompanying budget which has received approval from both City and County Councils.”

The most recent municipal adjustment in the Authority’s funding model was in 2012 with the change from the single waste Tipping Fee to the current funding model comprised of both a per tonne Tipping Fee assessed for the disposal of traditional refuse and leaf and yard waste and a fixed cost Total Waste Management Fee assessed to the City and local municipalities based on population.

The Total Waste Management Fee ensures that the Authority recovers a portion of its fixed costs, while the Tipping Fee ensures that each municipality is invoiced only for the material generated in their municipality.

Each individual municipality is then able to recover those costs from their residents as they choose, either through the general levy or special area rate.

The County explored 3 funding options for the program, Authority Administration was not in support of the General Levy option, this was considered for the 2012 Budget and not adopted at that time because it was determined that the municipalities should pay for the refuse their residents generate and encourage waste reduction and diversion.

The selection of the Hybrid Funding Model will continue to encourage municipalities and residents to minimize waste, promoting environmentally responsible behaviour.

As identified in the County report, the Hybrid Funding Model will present some Administrative challenges for the County but will have little impact on the Authority, the cost to collect and process material from the Green Bin Program will

continue to be tracked by each municipality, however, instead of issuing an invoice to the individual County municipalities the invoice for each municipality's share will be issued to the County for payment.

Financial Implications

There are no other financial implications at this time. Pending approval of the recommendations below, Authority Administration, as part of the budget process will engage with the Technical Staff Committee to identify the costs associated with the Green Bin Program and include the County as the revenue source for those costs.

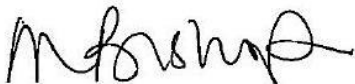
Recommendation

THAT the Board receive this report as information.

THAT the Board receive the report from the County of Essex titled Funding Model for Regional Food and Organics Waste Management Program (Green Bin Program).

THAT the Board direct Administration to include the preferred Hybrid Funding Model for the Regional Food and Organics Waste Management Program (Green Bin Program) as part of the 2025 Operational Plan and Budget to be presented to the EWSWA Board for their consideration.

Submitted By



Michelle Bishop, General Manager



Essex-Windsor Solid Waste Authority

Administrative Report

August 29, 2024

To: The Chair and Board of the Essex-Windsor Solid Waste Authority

From: Cathy Copot-Nepszy, Manager of Waste Diversion

Meeting Date: Wednesday, September 11, 2024

Subject: Supply and Distribution of Green Carts and Kitchen Containers RFP Results

Purpose

The purpose of this report is to provide the Board the results of the Request for Proposal (RFP) for the supply and initial distribution of Green Carts and Kitchen Containers to residents in Essex-Windsor for the new Green Bin Program.

Further, that the Authority Board award RFP 2024-06-25 for the supply and initial distribution of Green Carts and Kitchen Containers to the Preferred Proponent, IPL North America Inc. (IPL).

Moreover, that the Authority Board authorize the Chair and the General Manager to execute the Contract with IPL North America Inc. commencing upon award with distribution to households to occur in time for the Green Bin Program implementation in two phases; Phase 1: October 2025 and Phase 2: late 2026 for a period of five (5) years, with an option for renewal. Where, the Authority reserves the right to extend the Contract for four (4) additional, one-year (1) extensions or portions of a year thereof at the absolute unfettered discretion of the Authority, and such extensions shall be under the same terms and conditions as contained within the executed Contract.

Background

As previously reported to the Board, a critical component of the Regional Food and Organic Waste Program design and implementation is procuring, purchasing, and distributing collection containers to each residential property eligible to participate in the program. Similar to the Blue Box program, the Authority will be responsible for providing collection containers to the residents of Essex-Windsor, as well as providing an ongoing maintenance program for these collection containers.

In April 2024, the Authority Board awarded RFP 2024-02-07 for automated curbside collection of source-separated organics (SSO) for the Green Bin Program in the County of Essex to the Preferred Proponent, Miller Waste Systems Inc. In addition, the City of Windsor is currently finalizing a contract for automated curbside collection of SSO in the City.

Further, as presented to the Board in February 2024, the Green Bin Program will be implemented in two phases based on the expiration of a municipality's existing waste collection contract. As such, the Green Bin Program will be implemented as follows, with exact dates to be determined:

1. Phase 1: October 2025 and includes City of Windsor, Town of Tecumseh, Municipality of Lakeshore, Town of Essex and Town of LaSalle.
2. Phase 2: late 2026 and includes Town of Amherstburg, Town of Kingsville, and Municipality of Leamington.

As a result, Authority administration developed RFP 2024-06-25 for the supply and initial distribution of Green Carts and Kitchen Containers.

Discussion

Procurement Process

On June 25, 2024, in accordance with the Authority's Procurement Policy, RFP 2024-06-25 Supply and Distribution of Green Carts and Kitchen Containers for EWSWA's new Green Bin Program was issued.

The scope of work of the RFP consisted of three parts, as follows:

1. Task 1: Supply and Delivery of Carts and Kitchen Containers
2. Task 2: Assembly and Initial Distribution of Cart Kits
3. *Provisional Services* – Task 3: Maintenance and Distribution Program

The RFP closed on August 6, 2024, following a one-week extension. Proposals were received from three Proponents, one of which proposed two different Cart

sizes, resulting in the receipt of four (4) proposals. Submissions were reviewed for compliance. Two Proponents, IPL Plastics Inc. (IPL) and Rehrig Pacific Company, were deemed compliant with the requirements of the RFP. Therefore three (3) proposals proceeded to the Technical Evaluation Stage. The proposals were individually reviewed and evaluated by the evaluation committee, which comprised five (5) Administration personnel representing the: Authority, City of Windsor, and County of Essex. The evaluation process was facilitated by the Procurement Officer from the County of Essex.

Proponents were provided the evaluation criteria and specific details as part of the RFP under the following categories:

- Work Plan and Deliverables
- Company Profile, Experience and Project Team
- Reference Projects
- Product Design, Quality, and Functionality
- Value-Added Features and Services

Proponents were required to submit samples of each Cart and Kitchen Container proposed, which were assessed by the evaluation team.

The three (3) Technical Proposals from two (2) Proponents all exceeded compliance requirements and therefore moved to the review of their Financial Proposals to complete the evaluation.

Results

The proposal from IPL received the highest Technical and Overall score based on: their understanding of the work, experience in supplying and distributing Carts and Kitchen Containers in Ontario, technical, project and company expertise, product quality and compliance with the RFP's product specifications, and price. IPL is able to accommodate the required distribution timelines for each Phase of the launch of the Green Bin Program.

The 7 litre Kitchen Containers are used in the cities of London, Peterborough, Hamilton, Kingston and several other municipalities in Canada. Further, IPL has supplied 100 litre organic Carts to the City of Peterborough and the Region of Peel, and has supplied 45 litre organic Carts to the City of London.

Below are pictures of the 120 litre Green Bin and the 7 litre Kitchen Container. Following the pictures are brief descriptions of both products.



IPL 120L MasterCart with Gravity Lock



IPL 7L Kitchen Container

Overview of Green Cart

- 120 litre capacity.
- Designed for fully-automated collection of SSO.
- Carts and lids are made in Canada using high density polyethylene (HDPE) by an injection moulding process.
- Minimum 25% recycled content while maintaining quality.
- UV stabilized against long-term effects of the sun.
- Unibody design requires no bolts or holes that could potentially leak.
- Lid is designed to continuously contact the Cart body for a tight seal, which keeps pests and water out.
- Equipped with a gravity-release locking mechanism providing convenient resident access, secure automatic locking to keep pests out even if the bin is tipped over, and is completely compatible with automated SSO collection.
- The 8-inch wheels make the Cart easy to roll over a variety of surfaces.
- Inside design has a smooth finish and rounded corners for easy cleaning.
- Outside the Cart will have the Authority's logo and simple instructions with arrows showing how to properly set out the Cart and use the lock.
- Life expectancy is 20 years and is warranted for ten (10) years, which fully guarantees the performance of the Carts and all its parts.

Overview of Kitchen Container

- 7 litre capacity.
- Made using high density polypropylene (PP) by an injection moulding process. Plastic is durable and resistant to absorbing odours.
- Minimum 25% recycled content while maintaining quality.

- Tapered such that the opening at the top is slightly larger than the bottom to help with the tipping of material from the container during collection.
- Can be easily moved or transported using the pail-style handle, contour lip, rear handle, or bottom grip.
- Can stand on its own and remain in the upright position with the lid open when the container is full or empty.
- Non-vented lid designed for a proper seal that prevents entry of insects.
- Smooth finish inside and removable lid for easier washing, by hand or in a dishwasher.
- Can easily accommodate, without tearing, paper bags and all brands of certified compostable bags for use as a bin liner.
- Warranted for five (5) years against cracking, deterioration, rotting, warping, discolouration and/or defects in material or workmanship under normal household use.

Overview of Distribution Plan

IPL will be responsible for fully assembling Carts and then “kitting” the Carts. IPL will place Promotion and Education (P&E) Materials, and samples, such as compostable bags, etc. (all supplied by the Authority) into the Kitchen Container. The Kitchen Container will then be placed into the Cart and the Cart will be affixed with an adhesive seal (supplied by the Authority) to keep the lid closed and provide vital start-up information (e.g. program start date and acceptable materials) to households before they open the Cart. This fully assembled package forms the “Cart Kit” that will be delivered to each household.

IPL will distribute the Cart Kits to approximately 116,000 households in Phase 1 in 2025 and to approximately 26,000 households in Phase 2 in 2026.

The distribution plan will be finalized within 30 days of contract award including the finalized 2025 launch date. As proposed by IPL, Phase 1 will require approximately 10 weeks to deliver the Cart Kits across Essex-Windsor. Phase 2 will require approximately 5 weeks to deliver Cart Kits to the remaining County municipality households.

The fundamental activities of the distribution system include:

- Shipping and receiving products in Essex-Windsor. IPL has selected a staging site in Windsor.
- Assembly of products and Cart Kits.
- Coordination of resources and equipment (e.g., distribution vehicles, loading and unloading equipment, labour, short-term storage).
- Program training and awareness for their staff.

- Distribution network and tracking system including software to manage the entirety of distribution and maintenance.

IPL will use Radio-Frequency Identification (RFID) tags in each Cart to track deliveries to households and for ongoing asset management. The container type, size, serial number and RFID number are associated to a specific address and each delivery has the Cart size, stream, date, time and GPS coordinates captured to ensure Carts were received at a specified address. If a delivery is not completed, the reason for non-delivery will be recorded. This information will be available to the Authority in real time.

Once a Cart is assigned an address, the Cart then belongs to that address. This will form a critical part of the P&E campaign to residents on how to use the new Cart and how it is tied to an address. This is a typical approach taken in Ontario municipalities for Green Bin and Cart-based waste collection programs.

Maintenance and Distribution Program – Contracted vs. In-house Servicing

The RFP sought proposals and pricing under Task 3 for the potential provision of ongoing distribution of Cart Kits, Carts, Kitchen Containers, or other materials to newly built homes, as well as maintenance or replacement service requests. This was an aspect of the work that staff felt may potentially be provided using in-house resources, depending on quotes received from Proponents, and as such was listed as a provisional service.

The Financial Implications section outlines the quote received to perform this provisional service.

Financial Implications

There are no direct or immediate financial implications associated with this report as it relates to the 2025 Operational Plan and Budget.

Administration is recommending that internal funds will be used to purchase the Cart in 2025 and 2026 at the onset. The funds will be loaned from various Authority reserve accounts including the Equipment Replacement Reserve, Waste Reduction Reserve and the Regional Landfill Reserve with annual reimbursement(s) being made directly from the County of Essex and the City of Windsor. The reimbursement(s) strategy will form part of the 2025 Operational Plan and Budget presented at the November 5, 2024 EWSWA Board Meeting.

Base Services

Funding needs for this procurement are outlined below.

Cost of Base Services – Supply and Initial Distribution of Green Carts and Kitchen Containers

Description	Unit Cost	Est. Number of Units	Total Cost
Phase 1: 2025			
Supply of Green Carts	\$61.15	116,000	\$7,093,400
Supply of Kitchen Containers	\$3.68	116,000	\$426,880
Kitting and Delivery of Cart Kits	\$8.26	116,000	\$958,160
Supply of Green Carts to a specific location (Contingency)	\$61.15	18,000	\$1,100,700
Supply of Kitchen Containers to a specific location (Contingency)	\$3.68	18,000	\$66,240
Estimated Total Phase 1: 2025			\$9,645,380
Phase 2: 2026			
Supply of Green Carts	\$61.15	26,000	\$1,589,900
Supply of Kitchen Containers	\$3.68	26,000	\$95,680
Kitting and Delivery of Cart Kits	\$8.26	26,000	\$214,760
Supply of Green Carts to a specific location (Contingency)	\$61.15	5,000	\$305,750
Supply of Kitchen Containers to a specific location (Contingency)	\$3.68	5,000	\$18,400
Estimated Total Phase 2: 2026/2027			\$2,224,490
Estimated Total Cost of Base Services			\$11,869,870

Pricing is also subject to a “Plastic Resin Price Adjustment”. Authority staff learned that this is common practice from other municipalities who have solicited similar procurements. In order to reduce risks associated with resin price fluctuation, for both the Successful Proponent and the Authority, an adjustment will be made that increases or decreases the price per Cart relative to the weight of the plastic resin in the Cart, as submitted by the Proponents in their proposals. The unit price not subjected to the resin adjustment will be adjusted for inflation using the Consumer Price Index (CPI) on an annual basis. Finally, it is important to note that the estimated household counts will be confirmed using MPAC data closer to each Phase date as agreed upon with IPL during negotiations.

Based on information gleaned from other municipal contract values of similar size and scope, this is a comparable cost for these goods and services and presents good value for residents of Essex-Windsor.

Provisional Services

As previously noted, the RFP sought proposals and pricing under Task 3 for the potential provision of ongoing distribution of Cart Kits, Carts, Kitchen Containers, or other materials to newly built homes as well as maintenance or replacement service requests. The financial implications of this provisional service are outlined below.

Cost of Provisional Services – Ongoing Maintenance and Distribution Program

Description	Price per Service Request	Est. Annual Quantity	Total Annual Cost
Supply of Green Carts and Kitchen Containers	\$29.50	10,000	\$295,000

The RFP outlines that at the Authority’s discretion, the Authority may or may not award these provisional services, in whole or in part, and include them in the contract with ninety (90) days notice to the Successful Proponent. The contract term for these provisional services would be for a minimum of 2 years, subject to negotiations with the Successful Proponent, to align and support the launch of Phases 1 and 2 of the Green Bin Program.

It is difficult at this time to estimate the true need for an ongoing maintenance and distribution program. Based on other similar municipal programs, a 5-15% allowance of the total number of Carts for damage, breakage, and new homes is suitable.

Authority staff will conduct a cost estimate to perform these services in-house and report back to the Board with a recommendation for an ongoing maintenance and distribution program.

Next Steps

Subject to the Board’s direction, the contract will be awarded. The Authority will work with IPL to finalize the design of the Carts including artwork and imprints on the Carts.

Work will commence with a kick-off meeting 30 days after the contract award, with Cart manufacturing scheduled to commence in Q1 2025.

Staff understand that this is a major upcoming change and recognize that a comprehensive communications campaign is vital to the success of the

implementation of this new program. As such, Authority staff will be focusing efforts on the P&E program that supports the roll-out of these carts to households, along with other vital Green Bin Program information.

Recommendation

1. THAT the Authority Board award the Base Services of RFP 2024-06-25 for the supply and initial distribution of Green Carts and Kitchen Containers to the Preferred Proponent IPL North America Inc.
2. THAT the Authority Board authorize the Chair and the General Manager to execute the Contract with IPL North America Inc. commencing upon award with distribution to households to occur in time for the Green Bin Program implementation in two phases; Phase 1: October 2025 and Phase 2: late 2026 for a period of five (5) years, with an option for renewal. Where, the Authority reserves the right to extend the Contract for four (4) additional, one-year (1) extensions or portions of a year thereof at the absolute unfettered discretion of the Authority, and such extensions shall be under the same terms and conditions as contained within the executed Contract.

Submitted By



Cathy Copot-Nepszy, Manager of Waste Diversion



Essex-Windsor Solid Waste Authority

Administrative Report

September 4, 2024

To: The Chair and Board of the Essex-Windsor Solid Waste Authority

From: Michelle Bishop, General Manager

Meeting Date: Wednesday, September 11, 2024

Subject: Large Volume Customer Contract -Waste Connections of Canada Inc.

Purpose

The purpose of this report is to advise the Board of the execution of a contract between the Authority and Waste Connections of Canada Inc. (Waste Connections) to deliver a minimum of 30,001 tonnes of refuse per year to the Authority for disposal. The term of the contract will be September 1, 2024 – August 31, 2025. The rate for Industrial, Commercial and Institutional (IC&I) refuse delivered to the Regional Landfill will be \$45/tonne for the term of the contract while all other applicable rates will be those in effect at the time of the delivery of the refuse to any of the other Authority facilities.

Background

The Authority offers what is called “large volume tipping fee rates” to those Regional Landfill customers that enter into a contract for one or more years. These rates are at a discount to the regular, or gate rate. An example would be as follows: the 2024 gate rate is \$66/tonne but if a customer agrees to deliver 1,001 tonnes annually the rate is reduced to \$61/tonne. The 2,001 tonne rate is \$60/tonne and so on. The lowest 2024 rate is \$45/tonne and a customer would need to deliver at least 30,001 tonnes during a one-year period of time.

In order to qualify for a discounted rate, the customer is required to sign a “put-or-pay” contract. This means that they would have to deliver the tonnage as per

the contract and if they didn't they would still owe the Authority for the dollar value of the undelivered tonnage.

These large volume contracts serve to provide the Authority with a guaranteed source of revenue.

Discussion

Waste Connections has long been a customer of the Authority and delivers both IC&I waste material and greenhouse waste, fruit, vines and growing medium. Waste Connections' current two-year 30,001 tonne per year contract with the Authority expired on August 31, 2024. In late July, Waste Connections indicated that they may be interested in signing a new agreement. On August 26, 2024, they provided the Authority with the signed 30,001 tonne contract, for one year, September 1, 2024 – August 31, 2025.

The significant change with the expiration of the existing contract is the removal of all subsidies for greenhouse waste such as fruit, vines and growing medium. This rate change was included in the Board approved 2024 Operational Plan and Budget. Meaning that the delivery of these types of waste will count towards the annual tonnage requirement but the \$45 per tonne rate would not apply. Waste Connections will be charged the approved gate rate for this material, being \$66 per tonne for 2024.

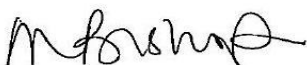
Financial Implications

The financial implications would be that the Authority could anticipate a minimum of \$1,350,000 per contract year in IC&I tipping fee revenue. No significant financial implication is expected since this revenue was included in the 2024 Budget and further, Waste Connections tonnages in the past two years have exceeded this put-or-pay contract. In 2023, Waste Connections disposed of approximately 115,000 tonnes of landfillable material and tonnages for 2024 are expected to exceed this 30,001 tonne contract amount. The revenue will form part of the 2024 Projection, and 2025 Budget.

Recommendation

THAT the Authority RECEIVE this report as information.

Submitted By



Michelle Bishop, General Manager



Essex-Windsor Solid Waste Authority

Administrative Report

September 5, 2024

To: The Chair and Board of the Essex-Windsor Solid Waste Authority

From: Steffan Brisebois, Manager of Finance and Administration

Meeting Date: Wednesday, September 11, 2024

Subject: January to June 2024 – Six Month Operations Financial Review

Purpose

The purpose of this report is to present a six-month financial review of the operating costs and revenue comparing estimated results to the 2024 Operational Plan and Budget figures.

Discussion

The following tables present estimated operating revenue and expenses for the period January 1 to June 30, 2024 compared to the 2024 Budget figures.

Revenue	January to June 2024 Budget	January to June 2024 Estimate	Variance Favourable (Unfavourable)
Municipal Refuse - Tipping Fees	\$2,309,300	\$2,309,300	\$0
Municipal Organics - Tipping Fees	\$283,000	\$283,000	\$0
I/C/I Refuse Landfilled - Tipping Fees	\$4,404,000	\$4,053,200	(\$350,800)
I/C/I – Non-landfilled - Tipping Fees	\$443,300	\$503,000	\$59,700
Residential Refuse - Tipping Fees	\$341,500	\$286,100	(\$55,400)

Revenue	January to June 2024 Budget	January to June 2024 Estimate	Variance Favourable (Unfavourable)
Residential \$5 Min. Fee - Tipping Fees	\$104,800	\$111,400	\$6,600
Municipal Allocation of Fixed Costs	\$5,145,200	\$5,145,200	\$0
Sale of Recyclable Goods	\$1,290,800	\$1,904,800	\$614,000
Product Stewardship Funding	\$1,276,000	\$1,275,500	(\$500)
Other Revenue	\$1,432,700	\$1,441,600	\$8,900
Total Revenue	\$17,030,600	\$17,313,100	\$282,500

Expenses	January to June 2024 Budget	January to June 2024 Estimate	Variance Favourable (Unfavourable)
Committee Expenses	\$6,500	\$2,500	\$4,000
Administration	\$1,174,100	\$1,262,500	(\$88,400)
Realty	\$8,300	\$8,000	\$300
Recycling	\$5,562,500	\$5,601,400	(\$38,900)
Municipal Hazardous or Special Waste	\$362,000	\$285,700	\$76,300
Waste Reduction	\$575,900	\$589,700	(\$13,800)
Advertising & Public Education	\$225,300	\$250,300	(\$25,000)
Regional Landfill	\$3,250,400	\$3,272,100	(\$21,700)
Transfer Station #1 - Windsor	\$1,242,000	\$1,253,300	(\$11,300)
Transfer Station #2 - Kingsville	\$433,000	\$452,200	(\$19,200)
Public Drop-Off Depot - Windsor	\$799,200	\$759,800	\$39,400
Regional Landfill Other	\$662,300	\$662,300	\$0
Regional Landfill Compensation	\$1,770,100	\$1,665,400	\$104,700
Regional Landfill Debenture	\$3,035,000	\$3,035,000	\$0
Total Expenditures	\$19,106,600	\$19,100,200	\$6,400

Landfilled Tonnes	Budgeted Tonnes	Actual Tonnes	Variance Favourable (Unfavourable)
January to June 2024	155,730	146,530	(9,200)

Operating Revenue

Overall, the estimated January to June 2024 revenue is approximately \$282,500 more than budgeted.

Municipal Tip Fee Revenue – Refuse

A total of 54,962 tonnes of municipal refuse was received in the first six months of 2024 compared to 54,975 budgeted tonnes.

Industrial/Commercial/Institutional Tip Fee Revenue – Landfilled Material

ICI tip fee revenue from landfilled types of material is (\$350,800) less than budgeted due to lesser-than-expected tonnages.

A six-month tonne variance is detailed further in the table below:

Description	January to June 2024 Budget (Tonnes)	January to June 2024 Estimate (Tonnes)	Variance Favourable (Unfavourable) (Tonnes)	Dollar Value (\$)
Industrial, Commercial or Institutional Waste	95,360	86,600	(9,100)	(\$350,800)

Industrial/Commercial/Institutional Tip Fee Revenue – Non-Landfilled Material

ICI tip fee revenue from non-landfilled types of material is \$59,700 more than budgeted due to higher-than-expected tonnages. Examples of non-landfilled material are auto shredder fluff which is used as a daily cover material and organics delivered by businesses such as landscaping companies.

Sale of Recyclable Goods

As previously reported at the May 7, 2024 Board meeting, recyclable material commodity prices remained higher than budget during the period. The average price per tonne of recyclable material is \$65 more than budgeted in the six-month (\$198 actual vs. \$133 budget). The recyclable material tonnages were approximately 107 tonnes under budget (9,610 actual tonnes vs. 9,717 budgeted tonnes). Actual revenue for the period was \$1,904,750 compared to the budgeted revenue of \$1,290,825. This equates to a favourable variance of \$613,925 which is due to the aforementioned higher price per tonne on average.

This favourable variance is a result of positive global market conditions where demand is high and material supply is low, thereby escalating many commodity prices in the period.

The following table contains the 2024 budget figures and the year to date prices per tonne for each recyclable material.

Material	2024 Budget Price Per Tonne	January to June Average Price
Newspaper	\$88	\$163
OCC (Cardboard)	\$90	\$187
Boxboard/Hardpack	\$35	\$120
Clear Glass	\$29	\$30
Tin/Steel	\$350	\$371
Fine Paper	\$124	\$123
Aluminum	\$2,100	\$2,290
PET – Plastic	\$250	\$434
HDPE – Plastic	\$349	\$653
Polycoat	\$0	\$0
Mixed Plastics	\$35	\$66
Mixed Metals	\$238	\$340
Mixed Fibre	\$10	\$33
Residual Containers	\$0	\$0

Operating Expenditures

Overall, the estimated January to June 2024 expenditures are approximately \$6,400 less than budgeted. Most expenditures were within their budget for the first six months, and the combination of programs resulted in a minor positive variance. Some of the more significant variances were attributable to the following:

The Regional Landfill landfillable tonnage in the first six months was less than anticipated. The decrease resulted in a reduction of host municipal compensation and residential compensation by an estimated \$104,700.

The Municipal Hazardous and Special Waste (MHSW) program – Less hazardous waste and labour hours contributed toward the \$76,300 favourable variance in the first half of the year.

The majority of the program were unfavourably affected by increases in both the salary and benefits in the year which can be attributable to a new County of Essex CUPE collective agreement and an independent wage market review.

Operating Summary

The approved 2024 budget included a total budgeted deficit of (\$3,231,420) of which (\$2,076,000) was expected to be incurred in the first six months of operations with a July to December budgeted deficit of (\$1,155,420). The six-month financial review indicates an estimated deficit of (\$1,787,100) for the January to June period. Therefore, there is an estimated six-month favourable variance of \$288,900 to the budget.

Financial Implications

The projection for the full 2024 fiscal year will form part of the 2025 Operating Plan and Budget document which will be presented to the Authority Board at the November 2024 meeting.

Recommendation

THAT the Board receive this report as information.

Submitted By



Steffan Brisebois, Manager of Finance and Administration

Essex-Windsor Solid Waste Authority

By-Law Number 13-2024

Being a By-Law to Authorize the Execution of an Agreement with IPL North America Inc. for the Supply and Initial Distribution of Green Carts and Kitchen Catchers to residents in Essex-Windsor for the new Green Bin Program, commencing upon award with distribution in two phases; Phase 1: October 2025 and Phase 2: late 2026 for a period of five (5) years, with the option to extend the Contract for four (4) additional, one-year (1) extensions or portions of a year thereof at the absolute unfettered discretion of the Authority and such extensions shall be under the same terms and conditions as contained within the executed Contract

Whereas the Essex-Windsor Solid Waste Authority has approved entering into an Agreement with IPL North America Inc.

Now Therefore the Essex-Windsor Solid Waste Authority enacts as follows:

1. THAT EWSWA hereby approves a contract with IPL North America Inc. upon and subject to the terms, covenants and conditions contained in the Agreement.

THIS By-Law shall take effect upon the final passing thereof.

ESSEX-WINDSOR SOLID WASTE AUTHORITY

Gary Kaschak
EWSWA Board Chair

Michelle Bishop
General Manager

**Read a First, Second and Third Time, Enacted and Passed
this 11th Day of September, 2024.**

Essex-Windsor Solid Waste Authority

By-Law Number 14-2024

Being a By-law to Confirm the Proceedings of the Meeting of the Board of the Essex-Windsor Solid Waste Authority

WHEREAS by Agreement dated 18 May 1994, made between the Corporation of the County of Essex and the Corporation of the City of Windsor, the Essex-Windsor Solid Waste Authority (The Authority) was created as a joint board of management pursuant to Sections 207.5 and 209.19 of the *Municipal Act, RSO 1990, Chapter M.45* and;

WHEREAS Subsection 5.(3) of the Municipal Act, RSO 2001, Chapter 25, provides that the powers of a municipality shall be exercised by By-Law and;

WHEREAS Section 1 of the Municipal Act RSO 1990, Chapter M 46 defines a municipality as including a board, commission or other local authority exercising any power with respect to municipal affairs or purposes and;

WHEREAS it is deemed expedient that the proceedings of the Authority at this meeting be confirmed and adopted by By-Law

NOW THEREFORE the members of the Authority enact as follows:

- 1) The action of the members of the Authority in respect to each recommendation contained in the Report/Reports of the Committees and each motion and resolution passed and other action taken by the members of the Authority at this meeting is hereby adopted and confirmed as if all such proceedings were expressly set out in this by-law.
- 2) The Chair and the proper officials of the Authority are hereby authorized and directed to do all things necessary to give effect to the action of the members of the Authority referred to in the preceding section hereof.
- 3) The Chair and the General Manager of the Authority are authorized and directed to execute all documents necessary in that behalf.

ESSEX-WINDSOR SOLID WASTE AUTHORITY

Gary Kaschak
EWSWA Board Chair

Michelle Bishop
General Manager

**Read a First, Second and Third Time, Enacted and Passed This
11th Day of September, 2024**