

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Drainage, Asset and Waste Management

To: Mayor and Members of Council

From: Tim Dick, C.E.T.,
Director,
Drainage, Asset and Waste Management

Date: June 1, 2020

Subject: Host Community Agreement- Ridge (Chatham) Holdings L.P.

Recommendations

It is recommended that:

1. Council authorize the Mayor and Clerk to execute Host Community Agreements with Ridge (Chatham) Holdings L.P. regarding the expansion of the Ridge Landfill, subject to the final terms of the agreement being approved by the General Manager, IES, the General Manager, PUC and the Chief Legal Officer.
2. The General Manager, IES be authorized to submit correspondence to the Province of Ontario confirming Chatham-Kent's support for the Ridge Landfill expansion once the agreements have been executed.

Background

A separate report in the Planning portion of Council's agenda recommends various *Planning Act* approvals related to the proposed expansion of the Ridge Landfill.

As noted in the Planning report, the Ridge Landfill has operated from the subject lands since 1966 and was previously expanded in 1999. During the process of expanding the landfill in 1999, Chatham-Kent and some of the impacted pre-amalgamation municipalities entered into a Host Community Agreement with the owner of the Ridge Landfill at that time, Browning-Ferris Industries Ltd. The Host Community Agreement provides various benefits to Chatham-Kent to compensate the community for hosting the landfill. Through two subsequent ownership transfers, Ridge (Chatham) Holdings L.P. (hereinafter referred to as "Waste Connections") has now become the owner of the landfill and has continued to honour the obligations under the existing Host Community Agreement.

In an effort to provide long-term disposal capacity, an expansion to the landfill is being proposed that would allow the site to maintain the current annual intake rate from the year 2021 to 2041. The proposed expansion will be contained entirely within the subject area.

The proposed expansion required the completion of an Individual Environmental Assessment (EA) under the Ontario *Environmental Assessment Act*. As part of its EA submission, Waste Connections has committed to entering into a new Host Community Agreement with Chatham-Kent to continue to provide benefits to the community.

Administration and representatives of Waste Connections have negotiated the terms of this new Host Community Agreement over the past four months and have now settled the major terms of the new agreement.

Comments

The existing Host Community Agreement, which has been in place since the 1999 landfill expansion, covers two main areas: waste disposal, and the treatment of leachate (wastewater produced at the landfill). These areas are managed respectively by the Drainage, Asset and Waste Management Division of the Municipality (DAWM), and the Public Utilities Commission. For operational ease, the new commitments being made by Waste Connections are divided between two agreements: one respecting waste, and one respecting leachate. The leachate agreement is slated to be presented to the Public Utilities Commission for consideration and approval at its next meeting on June 18, 2020.

The key terms of the Host Community Agreements are outlined below. Due to the confidential commercial nature of some of the aspects of this agreement, more specific details will be provided to Council in Closed Session.

The new Host Community Agreement provides:

- Guaranteed capacity for waste disposal for Chatham-Kent. The amount of guaranteed capacity has been increased from the previous Host Community Agreement;
- Financial compensation paid to Chatham-Kent for any of the guaranteed capacity that Chatham-Kent does not use.
- The right for the PUC to deposit sewage sludges originating from its wastewater and water treatment facilities. The amount of sewage sludges which may be deposited has been increased from the previous Host Community Agreement.
- Contribution by Waste Connections towards the costs of an expansion of the PUC wastewater treatment plant in Blenheim, if such an expansion is required in the future.
- The area that Waste Connections is permitted to accept Industrial, Commercial and Institutional (IC&I) waste service from will be reduced from “all of Ontario” to a service area of “southern and central Ontario”.

- The service area that Waste Connections is permitted to accept residential waste service from will be reduced from “Chatham-Kent and the surrounding counties of Essex, Lambton, Middlesex and Elgin” to just “Chatham-Kent”.
- Waste Connections will pay Chatham-Kent a per tonne host community fee for all non-Chatham-Kent waste accepted at the site.
- Waste Connections will cost share the repair/replacement of the roads they use while hauling waste to the Ridge Landfill.
- PUC must dispose of all sewage sludges at the Ridge Landfill.
- Chatham-Kent must dispose of all its waste at the Ridge Landfill. This is an increase from a requirement to deliver at least 90% of Chatham-Kent’s waste to the Ridge Landfill. There is an exemption from this obligation for recycling or organics diversion programs.
- Chatham-Kent will support Waste Connections’ application for a landfill expansion.
- PUC must guarantee certain treatment capacity of leachate for Waste Connections, and the rate of the treatment is set in the agreement.
- Waste Connections will pay for testing of the leachate performed by the PUC to confirm the leachate meets certain quality standards.
- Annual adjustment of all financial matters in the agreements by CPI or other formula laid out in the agreement.

The current Ridge Landfill site will reach fill capacity in 2021. The proposed expansion will extend the life of the facility for an additional 20 years which will serve the community’s needs for waste disposal. The Ridge Landfill’s continued operation ensures that another landfill will not be needed in Chatham-Kent. If an alternative landfill site for Chatham-Kent was needed, there would be significant financial costs for Chatham-Kent, which are outlined in the Planning Report regarding this matter on tonight’s agenda.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:**
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:**
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors**
- Neutral issues (does not support negatively or positively)**

Consultation

The Manager, Waste and Recycling Services, General Manager, PUC, Director, Planning Services, Manager, Legal Services, Chief Legal Officer, Chief Administrative Officer and Mayor were all involved in the negotiations of this agreement.

Financial Implications

Payments to Chatham-Kent under the existing Host Community Agreement has escalated to be in the order of \$3.5 million per year and over the last 20 years is estimated to be approximately \$35 million.

Waste Connections also directly supports the local community through the Ridge Landfill Community Trust (the Trust). The Trust provides funding for community projects and funding for the Trust now totals over \$1 million annually. Waste Connections has committed to maintaining these contributions.

The commercial details of the new proposed Host Community Agreement, including the financial implications for the Municipality, will be discussed with Council in Closed Session.

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Attachments: None

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