



**The Corporation of the City of Stratford
Infrastructure, Transportation and Safety Committee
MINUTES**

Date: Tuesday, December 17, 2019

Time: 6:06 P.M.

Location: Army, Navy and Airforce Facility
151 Lorne Ave E, Stratford

Committee Present: Councillor Vassilakos - Chair Presiding, Councillor Burbach - Vice Chair, Mayor Mathieson, Councillor Bunting, Councillor Clifford, Councillor Gaffney, Councillor Henderson, Councillor Ingram, Councillor Ritsma, Councillor Sebben

Regrets: Councillor Beatty

Staff Present: Joan Thomson - Acting Chief Administrative Officer, Ed Dujlovic - Director of Infrastructure and Development Services, Tatiana Dafoe - Acting Clerk, Jacqueline Mockler - Director of Human Resources, Michael Humble - Director of Corporate Services, David St. Louis - Director of Community Services, John Paradis - Fire Chief, Kim McElroy - Director of Social Services, Jodi Akins - Council Clerk Secretary, Mike Beitz – Corporate Communications Lead, Danielle Clayton – Customer Services Clerk, Lisa Francis – Customer Services Clerk

Also Present: Media and Members of the Public

1. Call to Order

The Chair called the Meeting to Order.

Councillor Beatty provided regrets for this meeting.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

No disclosures of pecuniary interest were made at the December 17, 2019 Infrastructure, Transportation and Safety Committee meeting.

3. Report of the Director of Infrastructure and Development Services

3.1 Proposed Renewable Natural Gas Project Update (ITS19-078)

Committee Discussion: The Chair provided an overview of the meeting procedures.

Overview of Proposal:

The Director of Infrastructure and Development Services reviewed the staff report and advised it was prepared in response to public comments received on the proposal. An overview of the proposal and background information was provided. The Director advised the proposed upgrades to the existing Water Pollution Control Plant would treat solid and liquid organic waste from residential and commercial sources. The proposed project would result in a greenhouse gas emission reduction of 49,000 tonnes, which is the equivalent of removing 10,800 cars from the road or the ability to heat 9,100 homes per year. As part of this proposal, an open house and public meetings were held to receive input from the community on this proposal.

The Director advised the Province, in 2018, released a report with the purpose of preventing and reducing food and organic waste. The report indicated that in 2015 the waste generated in Ontario totaled 11.6 million tonnes of which 32% or 3.7 million was organics. Of the total 3.7 million tonnes generated, only 38.5% or 1.4 million tonnes was being diverted. Following the release of this report, the Province confirmed the implementation of the Food and Organic Waste Policy Statement. The goal of the Province is to recover up to 70 percent of their food and organic waste by 2025 and to ban organics from landfills.

Due to the provincial framework, municipalities, including the City of London, are preparing requests for proposals for organic processing capacity which is scheduled to be released in 2020. The County of Oxford has also released a tender as of Friday December 13, 2019 for organic processing.

Use of Existing Facility:

The Director stated the existing Water Pollution Control Plant is being considered for the proposed project as it takes advantage of the available capacity in the existing anaerobic digesters and the 29,200 tonnes of wastewater sludge that is currently being generated at the site. The site is already producing methane gas as part of the sewage treatment process and the excess methane that is not used is burned off through the existing flare system.

The Director advised the cost to build a facility to handle organics has been estimated at approximately \$1,500/tonne. To construct a purpose built facility to just handle the proposed 25,900 tonnes of solid and liquid organics would cost approximately \$38,850,000. The operating costs, not including capital, would be approximately \$120/tonnes which is double the estimated cost for the proposed City project. The time necessary to receive all permits and approvals is estimated at two years.

Concerns about Location:

Concerns about the location relate to its proximity to residents, schools, senior care facilities and the hospital. He noted the City has relied on D-2 Compatibility between Sewage Treatment and Sensitive Land Use guide from the Ministry of the Environment, Conservation and Parks (MECP). The current layout of the Water Pollution Control Plant does provide the required 150m buffer. In regards to moving the facility, the City has been provided with a cost estimate of \$100 to \$150 million which does not include the property cost, new pumping stations, approvals and design.

Concerns about Air and Noise:

The Director advised the City requires an amendment to the existing Environmental Compliance Approval (ECA) for air and noise issued by the MECP. The amendment is to account for the additional equipment, buildings and the truck traffic on site. Mitigation measures were outlined,

including minimizing idling on the site, choosing equipment that produces less noise and locating the processing equipment within a building.

The Director noted the completed Noise Study focused on the sound emissions from significant noise sources identified at both the existing and proposed site. The worst case sensitive receptors were Woodland Towers and the most northerly residence in Hamlet Estates. The Director reviewed the chart which outlined the findings and examples of sound levels for comparison.

Concerns about Odour:

The Director advised that in order to support an amendment to the existing ECA for air and noise, an Emission Summary and Dispersion Modelling Report was required. The purpose of this report was to determine the odour impacts on sensitive receptors for both existing and proposed sources of odour. To address concerns, it is recommended that the receiving building for the food organics be designed so that it would be under negative pressure. This would allow air to be drawn in from the outside in order to minimize odours from escaping the building. The draft ECA approval required the continuous monitoring of the emissions. The Director advised the plan would include replacement of the carbon filters, UV lights to be kept on-site and space to be provided to install additional PI units.

Concerns about Traffic:

The Director reviewed concerns relating to increased truck traffic. He outlined the existing operations and the schedule for the current removal of sludge and the general truck traffic. With the proposed new operation, the maximum peak day will be approximately 16 trucks with an average of 12 trucks per day. It was noted that as the volume of sewage going to the plant increases, the need for organics and liquid waste will decrease resulting in a decrease in truck traffic.

The chart outlining the current traffic volume on the surrounding roads was reviewed. It was noted that Queensland Road and West Gore Street are classified as collector roads which are designed to carry volumes of traffic between 2,500-10,000 vehicles per day. It was stated that larger trucks would continue to use Queensland Road as access off of Lorne Avenue West is better suited for large trucks.

Alternate Access:

The Director reviewed the suggested routes for alternate access (driveway) to the Water Pollution Control Plant including routes to Queensland Road, Lorne Avenue West and O'Loane Avenue. In 2001, the City amended its Official Plan (OP) to remove the extension of West Gore Street to O'Loane Avenue following public opposition to the project. Staff reviewed routes proposed by members of the public and determined the most feasible route would be a connection to Queensland Road and a preliminary cost for the construction of the driveway would be approximately \$550,000 plus 30% for contingency, design, associated studies and public process.

Emergency Response:

The Director advised the proposed changes to the plant will allow increased volumes of methane to be produced and no methane or renewable natural gas that is produced will be stored on site. He stated that safety procedures must be followed when entering the gas pump room or dismantling gas train equipment.

The Director advised that Spruce Lodge has an emergency manual that addresses different scenarios and that the Stratford Fire Department conducts training for many possibilities and outcomes. The Fire Department has concluded there is no increased level of risk with this proposal than what already exists at the location.

Financial Model:

The Director reviewed the updated financial model and advised the capital costs for the project are approximately \$22.7 million.

The Director indicated the preferred partnership model for the proposed project is a Municipal Services Corporation (MSC). The partners would be the City of Stratford and the Ontario Clean Water Agency (OCWA). There would be no private companies included in the partnership. There have been discussions and a draft agreement has been prepared. Before an agreement can be finalized a decision on whether to proceed with the proposed project is required from Council.

The Director reviewed the construction costs, noting that GHD was retained to provide a more detailed design and engineering studies. The increased costs for the proposed project were reviewed.

The Director stated the revenue to be generated from the proposed project would be from renewable natural gas sales and tipping fees for organics and liquid waste. Another source of revenue for the project is the processing of the organic material.

Processing:

With respect to processing, the City issued a Request for Proposal early in 2019 to secure an organic processor for the collection program. Two proposals were received from StormFisher at \$88.50/tonnes, and Walker Environmental at \$110/tonnes. The cost for collecting and transporting the organics is in addition to the processing cost.

The operating cost for the proposed project was outlined. It was stated that debt repayment has been factored in and that the financial model that was developed was based on the debt being repaid over a 10 year period. The Director reviewed the different payback scenarios using market rates for organics.

The impact of Ontario joining the cap and trade program was questioned. The Director of Infrastructure and Development Services advised Enbridge was in the market but chose to exit following a change in direction by the provincial government. Following preliminary discussions with FortisBC, they are prepared to enter into a 20-year agreement.

It was noted OCWA agreed to fund \$1.5 million prior to the increase in cost for this project. It was questioned whether this contribution could be amended. The Director advised there have not been any discussions on splitting the extra costs with the partners and that any revenue sharing model would need to be finalized.

It was questioned whether a risk assessment had been conducted on the London and Drumbo facilities. The Director advised it had not but that the City of London and County of Oxford is looking to process their organic waste and that many other communities do not have programs in place to process this material. He noted the site in Oxford County near Drumbo is a transfer station to the London site. The Director stated that staff from the City of London were not prepared to disclose the details of their request for proposal at this time.

It was questioned who is responsible for additional costs as a result of this project. The Director advised it would depend on how the municipal service corporation is developed. It would be necessary to finalize an

agreement with a costing guarantee. All agreements would need to be approved by Council.

Concern was expressed with the odour emanating from trucks in other municipalities. The Director advised all tankers that bring in liquid waste are self-contained and are already operating within the City of Stratford. Staff would investigate odour controls; however there is always the possibility of odour escaping from the containers.

It was questioned whether StormFisher is in the same market. The Director stated that StormFisher is in the same market and is currently serving part of the market. He indicated that they are currently shipping to Ottawa and are looking to serve within their area. It was questioned whether there are any other purpose-built facilities in the area or water pollution control plants with similar functions. The Director advised the closest facility is in St. Marys but it cannot process food organic material and that the City of London is not looking to construct a purpose built facility but is looking for a processor for their materials.

It was questioned what opportunities are available if the City does not secure processing contracts. The Director advised a preliminary non-binding agreement with Walker Environment has been signed and if the proposed project is approved then an agreement will be entered into. This agreement would provide all of the required liquid organic material and the majority of food organics.

The risk was questioned if FortisBC chooses to no longer buy renewable natural gas. The Director advised the sale of RNG is a significant portion of the revenue expected to be generated. It would be necessary to sell this product in order to produce revenue. It was noted British Columbia has made a commitment to replace natural gas with renewable natural gas. A long-term contract is being prepared to meet supply demand.

It was questioned what time commitment is being obtained by municipalities. The Director advised the standard contract is 7 years but the City would be aiming for a 10-15 year contract.

A request was made for additional information to be provided on odour and the removal of sludge from the facility. The Director advised most of the odour from the material is dealt with by the digesters by the time that it reaches the sludge storage tanks or pond. A question to be answered is whether the pond is required or whether the tank can be relied upon.

With respect to a question about private access, the Director advised an alternate access would be classified as a driveway with a secure gated entrance and would be monitored.

It was questioned what would happen to the facility if there was no longer a market for the product. The Director advised that if FortisBC chose to not renew the contract, the digesters would continue to be used and that the equipment which is not being used or required could be decommissioned, removed and sold. In response to whether the project would be feasible on a smaller scale, the Director stated that it would not be feasible as there would not be enough methane produced.

The capacity of the StormFisher facility was questioned. Tej Gidda, GHD consultant, stated that StormFisher is currently processing approximately 110,000 tonnes a year and to increase the amount to be processed, their permit limit would need to be revised. He noted that most processing facilities are operating at full capacity.

It was questioned whether there would be an idling time limit. The Director advised the City's idling by-law would apply for all vehicles and the site would be developed in such a way as to prevent vehicles from idling.

It was questioned whether the facility would be redundant if in 30 years the RNG could not be sold. The Director advised it would not as the facility would still operate as a water treatment plant.

The short term and long term financial implications were questioned. The Director of Corporate Services advised there is risk involved with any for profit enterprise. As outlined there will be a 10 year debenture, the capital costs have increased and there is a potential for them to increase more. The costs to be charged for organic material and the sale of RNG are unknown and subject to market rates.

In response to Committee questioning, Tej Gidda, GHD consultant, explained the process of composting versus anaerobic digesting. Mr. Gidda noted composting uses a lot of energy but does not produce any. There is also increased odour as air has to be added.

It was questioned whether the trucks could be scheduled. The Director advised the City would work with the brokers to schedule trucks within the 9:00 am - 3:00 pm time-frame and that they would be staggered to

reduce the number of trucks waiting to off load. In response to questioning, the Director stated that the plant currently runs 24 hours a day with staff there at all times and would continue to operate in this manner whether the project is approved or not.

Information on where the collected organic material will go if this project does not proceed was requested. The Director advised the City issued an RFP for the processing of organic material. Two bids were received with StormFisher being the lowest bidder. It was noted the contract has not been officially awarded.

It was questioned whether composting results in greenhouse gas emission reduction. Mr. Gidda advised it does not.

Concerns were raised regarding the transporting and receiving of liquid organics. The Director stated that currently Walker Environmental is operating within the City and is collecting liquid organics from restaurants (ex: fats, grease, oil).

A member of the public called a point of order in regards to the staff recommendation. The Committee Chair clarified the staff recommendation outlined two options for their consideration. It was also noted that a previous suggestion by the member of the public to investigate garburators was not discussed in the report. The Chair advised that as Council has not provided direction to look into the matter, staff did not address it in this report.

Motion by Councillor Henderson

Seconded By Councillor Gaffney

THAT the presentations by the following people be heard:

- **Anne Carbert**
- **Bob Verdun**
- **Louise McColl**
- **Donna Sobura**
- **Blaize Monostory**
- **Lloyd Lichti**
- **Dorothy Van Esbroeck**
- **Kirk Roberts**

Carried

Anne Carbert, referring to a PowerPoint presentation, outlined the important climate benefits of the proposed project. She stated that globally, and locally, we are feeling the effects of climate change. The

Intergovernmental Panel on Climate Change states that to decrease global warming to 1.5 degrees, we must reduce emissions to 45% and achieve carbon neutrality by 2050. Ms. Carbert reviewed how climate change impacts our area locally and the benefits of the proposed renewable natural gas project. Cities such as Hamilton, Toronto and Kingston are ahead of their proposed schedule for reducing their carbon footprint. Ms. Carbert stated that there is no increased risk to safety and that she supports the project.

Bob Verdun stated that he does not agree with the business proposal of the proposed project and that there are many pollution issues to deal with. Mr. Verdun indicated that there are promises being made that cannot be kept and that he does not agree with bringing in waste from other cities. He stated that the City of Stratford should only process our own material and questioned what the rush is with deciding on the project. Mr. Verdun questioned why the City has not seriously considered garburators as it would not block the sewer system and can filter what is disposed of within one's home.

Louise McColl stated that she is in support of the proposed project and that time is running out to reduce greenhouse gas emissions. Ms. McColl indicated that using digesters is not a new practice and that there are currently more than 8,000 digesters being used within Europe. The cost of the project is concerning but that the cost will be recouped in a timely manner. Ms. McColl stated that renewable natural gas will not solve all the issues but is a place to start and that Canada is currently warming at twice the rate of the rest of the world.

Donna Sobura questioned what is included in the carbon reduction footprint. She stated the amount of trucks is expected to increase as the processing escalates. She questioned if all elements such as fuel, oil, expelled gases, and deteriorated concrete have been taken into consideration when it comes to the reduction of the carbon footprint. Ms. Sobura questioned what the points of failure are for the project and what are the measures used to recognize that the project is no longer working. She questioned if Council and staff researched other projects such as the implementation of geo-thermal energy.

Blaize Monostory questioned why there was a three minute time limit imposed on delegations. He stated that the sewage plant emits toxic substances into the Avon River and has caused medical problems. Mr.

Monostory stated that he has been an environmental advisor for over 30 years and does not support the proposed project.

Lloyd Lichti stated that he appreciated the fact that councillors are concerned about the environment but nothing that has been said shows concern for the residents. Mr. Lichti stated that the increase of traffic and the proposed project will devalue many homes and properties. He stated that Council is not listening to the concerns of the citizens. He advised that if such a facility is required it should be located outside of the City or the Ministry should make the decision on the location of the project.

Dorothy Van Esbroeck stated she does not live near the proposed project site but often walks the trails around the site. She stated that Stratford is trying to solve the problems of waste disposal from larger municipalities. She questioned the economics of the project, if there are enough farmers/land that are willing to take the increased sludge, debt reduction, road maintenance, amount of trees that will be required to be removed for the project and if the decision aligns with the Round Table for the Environment Report. Ms. Van Esbroeck raised concerns regarding the required financial resources and questioned what neighbouring municipalities are doing, specifically the City of Woodstock and the Municipality of Perth South. Ms. Van Esbroeck encouraged Council to no longer pursue the proposed project.

Kirk Roberts stated that the business plan is a main concern and noted that he was denied access under the Municipal Freedom of Information and Protection of Privacy Act as a third party is involved. Mr. Roberts questioned who the third party is, why he has been denied access to this record and if the third party has an investment in the project.

*A request was made for a five minute recess at 7:47 p.m.

*The Committee meeting resumed at 8:00 p.m.

A Committee member stated that the potential benefits of the project were recognized but concern was expressed with the financial risk. It was suggested composting be explored and that the project not proceed.

Motion by Councillor Sebben

Seconded By Mayor Mathieson

Committee Recommendation: THAT Council, taking into consideration the financial impact of the proposed RNG project, the data with respect to

the availability of organic waste now and in the future, and public concerns associated with the RNG project, no longer proceed with the proposed renewable natural gas ("RNG") project to install equipment and technology in partnership with Ontario Clean Water Agency ("OCWA") at the City's Water Pollution Control Plant for the production of RNG;

AND THAT Council direct staff to no longer pursue the RNG Project and appropriately immediately notify OCWA and all other agencies/entities of its decision not to proceed with the RNG Project.

A request was made for a recorded vote.

Concerns with the economics of the proposal were noted, including the increased capital cost of the proposed project since the last report and the debt level of the City. It was stated that Council understands the concerns regarding the noise level, increase in truck traffic and the odour. The City has avested interest in the surrounding area of the site including the hospital and Spruce Lodge.

It was re-iterated that Council has not made a decision on the proposed project. Concern was expressed with the increased cost of the project, the close proximity to Spruce Lodge, Hamlet Estates and Woodland Towers and that a similar plant in the City of London has odour issues.

It was noted that many of the questions that have been asked from the public are answered on the City's website. A member advised they have received calls from residents that are upset that Council would put people in danger. It was noted Council has asked staff to review options. Concern was expressed with the financial risk but that the use of existing equipment is a great idea. It was noted Council understands the need for safety and the concerns that residents have with the project.

It was commented that there are 10 very diverse members of Council who have a tough decision to make. Stratford Police Services was contacted about vehicle collisions in the area of West Gore Street and John Street. Since 2006 there have been 31 accidents, with 13 occurring at the intersection and the rest in the parking lots. These facilities exist all over Europe and have been used for years with great success. Support for the project was expressed and it was noted that there is no effect on taxes and that the project aligns with the City's Strategic Priorities.

The pros and cons to the proposed project were highlighted. The biggest pro to the project is the environmental benefits. It is an excellent step for not only the City but the planet in helping to reduce greenhouse gases. It was noted the project aligns with the City's Strategic Priorities as it is a commitment to reducing waste as well as providing for future generations. Being able to upgrade existing equipment is beneficial and will extend the life of the plant. It was noted there is financial risk but it is a revenue generating project.

It was acknowledged that the location and the amount of truck traffic is not ideal and are valid concerns. It was noted that it is not possible to move the location and that trucks are already using this route. Existing safety issues, for example the sidewalks, were highlighted and it was noted that if the project is not approved these upgrades should still be undertaken. The development of a multi-use trail was encouraged. It was questioned whether a parking lane could be installed at Woodland Towers for loading and unloading to the building. It was suggested that more trees and vegetation be planted surrounding the site to not only create a more natural landscape but to act as a natural sound and odour buffer.

The public was thanked for attending the meetings and providing feedback on the proposed project. It was noted that all Councillors care about the City, the residents and doing what is best for future residents. It was stated that a member wants their children to be proud of the decisions that have been made while on Council and support was expressed for the project.

Disappointment was expressed in the comments that have been made throughout the public process. It was noted that people leave children with three things: memories, debt and the environment. The financial risks involved with the project were acknowledged and it was re-iterated that no decision has been made by Council.

Support for the motion to not proceed with the project was expressed.

Support was expressed for the project by another member of Committee. It was noted that many similar projects have been completed without an increase to noise, odour or impact on the residents and that the business model is sound. It was stated that climate change is the greatest threat not only globally but locally as well. The quality of air, food and water is extremely important.

It was noted that Council is not debating the environmental issues but the proposed project. Members of Committee were encouraged to reconsider their position. It was noted government should be in the business of representing people and not profit making.

Concerns relating to the financial model were re-iterated and it was noted that additional information needs to be provided prior to a decision being made by Council. A request was made for this matter to be referred to the January 13, 2020 Council meeting and for staff to review and provide information on the following:

- whether a 20-year agreement with FortisBC can be guaranteed;
- whether OCWA is willing to invest more than \$1.5 million due to the increase in capital cost for this project;
- confirmation that additional capital costs do not impact the City or any future Municipal Service Corporation;
- a cost estimate for the construction of a private access road to the back of the plant for trucks to exit;
- confirmation that there will be available organics for the project for at least 10 years.

Motion by Mayor Mathieson

Seconded By Councillor Ritsma

Committee Recommendation: THAT the Proposed Renewable Natural Gas Project Update (ITS19-078) be referred to the January 13, 2020 Regular Council meeting;

AND THAT staff review and provide information on the following:

- **whether a 20-year agreement with FortisBC can be guaranteed;**
- **whether OCWA is willing to invest more than \$1.5 million due to the increase in capital cost for this project;**
- **confirmation that additional capital costs do not impact the City or any future Municipal Service Corporation;**
- **a cost estimate for the construction of a private access road to the back of the plant for trucks to exit;**
- **confirmation that there will be available organics for the project for at least 10 years.**

Carried

4. Adjournment

Motion by Councillor Ingram

Seconded By Councillor Burbach

Committee Decision: THAT the Infrastructure, Transportation and Safety Committee meeting adjourn.

Carried

Meeting Start Time: 6:06 P.M.

Meeting End Time: 8:47 P.M.