



## **Essex-Windsor Solid Waste Authority Regular Board Meeting MINUTES**

**Meeting Date:** Tuesday, July 5, 2022

**Time:** 3:30 p.m.

**Location:** Council Chambers (2<sup>nd</sup> Floor)  
Essex County Civic & Education Centre  
360 Fairview Ave. West  
Essex, Ontario N8M 1Y6

### **Attendance**

#### **Board Members:**

Gary Kaschak – Chair	City of Windsor
Kieran McKenzie	City of Windsor
Jim Morrison	City of Windsor
Ed Sleiman	City of Windsor
Marc Bondy	County of Essex
Aldo DiCarlo – Vice Chair	County of Essex
Gary McNamara	County of Essex (Ex-Officio)

#### **EWSWA Staff:**

Michelle Bishop	General Manager
Steffan Brisebois	Manager of Finance & Administration
Tom Marentette	Manager of Waste Disposal
Teresa Policella	Executive Assistant

#### **City of Windsor Staff:**

Anne Marie Albidone	Manager of Environmental Services
Tony Ardovini	Deputy Treasurer Financial Planning

### **Absent:**

#### **Board Members:**

Fabio Costante	City of Windsor
Hilda MacDonald	County of Essex
Drew Dilkens	City of Windsor (Ex-Officio)

#### **EWSWA Staff:**

Cathy Copot-Nepszy	Manager of Waste Diversion
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#### **City of Windsor Staff:**

Shawna Boakes	Executive Director of Operations
Tracy Beadow	Project Administrator

Natasha Gabbana

Manager of Performance Measurement & Financial  
Administration  
City Engineer/Commissioner of Infrastructure Services

Chris Nepszy

**County of Essex Staff:**

Mary Birch

Director of Council & Community Services/Clerk  
County of Essex CAO

Mike Galloway

Sandra Zwiers

Director of Financial Services/Treasurer

**1. Call to Order**

The Chair called the meeting to order at 3:33 p.m.

**2. Roll Call of Board Members Present**

Marc Bondy – Present

Fabio Costante – Not present

Aldo DiCarlo – Present

Gary Kaschak - Present

Hilda MacDonald – Not present

Kieran McKenzie - Present

Gary McNamara –Present (arrived at 3:54)

Jim Morrison - Present

Ed Sleiman - Present

**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**

A. June 7, 2022 Regular Meeting Minutes

Moved by Marc Bondy

Seconded by Ed Sleiman

**THAT** the minutes from the Essex-Windsor Solid Waste Authority Regular Meeting, dated June 7, 2022, be approved and adopted.

**61-2022  
Carried**

**5. Business Arising from the Minutes**

No items were raised for discussion.

## **6. Delegations**

There were no delegations for July 5, 2022.

## **7. Waste Diversion**

### **A. Blue Box Transition Update Re: Circular Materials**

The General Manager provided an update on the Blue Box Transition to Extended Producer Responsibility. The Authority is scheduled for transition August 28, 2024. The transition period ends December 2025. The Producers will be fully responsible for the Blue Box program commencing January 1, 2026.

At the June Board meeting, the General Manager reported that Circular Materials Ontario (CMO) released a set of procurement documents to engage with the municipalities of Ontario during the transition period to continue to provide collection services.

A number of areas of concern were identified within the documents by the municipal working groups and Authority staff. Through the Association of Municipalities of Ontario (AMO), Municipal 3Rs Collaborative (M3RC), Regional Public Works Commissioners of Ontario (RPWCO) and the Municipal Waste Association, a letter was composed to CMO outlining the concerns. On June 22, 2022, CMO issued revised documents on its website. The revised documents included changes or removal of items that Ontario municipalities had identified as concerns and/or unacceptable conditions. However, some financial and operational concerns still remain unresolved.

Further, in early June, CMO announced that they had contracted with Reverse Logistics Group (RLG) to issue Requests for Proposals (RFPs) for interested parties, including Essex-Windsor, to establish Receiving Facilities for Blue Box material. They have taken all the municipalities in the Province and have grouped them into catchment areas. The catchment area for Essex-Windsor is the area that the Authority is currently.

A Receiving Facility operates differently than how the Authority is currently operating. Currently, the recyclables delivered to the Authority are processed or sorted by commodity, baled and marketed. The RFPs for Receiving Facilities require fibre and container products delivered to the facility be either loose loaded (loaded to an open trailer) or baled and then shipped to a full processing facility. Currently there are approximately 20-25 Material Recovery Facilities (MRFs) similar to the Authority in Ontario. CMO is looking to create large MRFs. Instead of having 20-25, they may have 10 in the entire Province. They are looking for receiving facilities to basically bulk the material and ship it to another location.

The procurement documents contain much of the same language in the original collection documents. The terms create significant risk to municipalities. The

Authority is currently in the process of meeting internally, as well as with our municipal partners, to identify those concerns and either respond to CMO directly or as a group to provide municipal input. The General Manager noted that from an administrative standpoint, there terms that Administration is not prepared to recommend to the Board.

Mr. McKenzie asked if there is anything that the Board could do to strengthen the Authority's position.

The General Manager stated that there is not a lot that she can ask of the Board right now except to stay abreast of the situation. If we can not come to an agreement, there is nothing forcing municipalities in Ontario to accept their terms and the Authority can step away if we can't come to terms that are mutually agreeable that have a balance of risk. Our intention is to not cause a disruption at the curb and impact the residents of the region. She noted that there is a united front from administrative positions among the municipalities and they are sticking together and are making headway. The intention is to try to make sure that the risk does not fall to the municipalities.

Mr. McKenzie asked if there is any value in reaching out to our own elected representatives at the provincial level to see if there is any type of intervention that can be made on our behalf to support our position.

The General Manager stated that any advocacy is welcome.

Mr. McKenzie asked if the government still has a role to play.

The General Manager stated that the ball is in CMO's court. From a provincial standpoint, they are expected to follow the Regulations. The reality is that if municipalities do not come to agreement with CMO, they may not achieve their timelines.

Mr. McKenzie asked if the Board should direct Administration to reach out to local elected officials to provide them with the information and the analysis and ask them to respond and then perhaps that opens up dialogue where that response could turn into advocacy.

The General Manager stated that she would leave it up to Mr. McKenzie to make that motion, if he wishes. She stated that the situation is fluid and she will continue to provide updates to the Board.

Mr. McKenzie stated that he has a motion at the appropriate time.

Mr. Morrison agrees with where Mr. McKenzie is going but perhaps it would be too early to move down that path. He noted that the AMO conference is in August and he would hope that some councillors would be there advocating for some of these issues. His concern is there doesn't seem to be a push back in any way from our elected representatives or AMO. He thinks that we need to

give them time to work through this issue but not for an extended period of time.

Mr. Kaschak agreed with Mr. Morrison. He stated that a motion could come forward but that we probably should wait to see the outcome of this topic from the AMO conference.

Mr. McKenzie asked that Administration share the information or the positions that have been articulated by AMO regarding the Blue Box transition process with our locally and provincially elected officials. He noted that he would speak to it if there is a seceder.

Mr. Bondy seconded.

Mr. McKenzie believes that the information needs to be brought forward to our elected officials, there is a significant transition with a core service that we deliver in our region to residents and all of us will be affected by this in one way or another. We need to get people thinking about whether or not the new proponents who are going to be responsible for delivering the services are moving forward in a way that's going to be seamless as it's supposed to be and also in a way that's going to be responsible and that our residents are going to find to be an acceptable service level. He stated that we are the ones that are going to be on the front lines of being accountable to residents in terms of why this has happened. He is looking to bring more voices and more awareness to the issue with the people who have an opportunity to influence the final outcomes.

Mr. Bondy agrees with Mr. McKenzie but believes we should wait until after the AMO conference in August. Mr. Bondy believes the motion is too early and should be brought forward later in August or September once we hear what AMO is going to do. Mr. Bondy cannot see how every municipality or region affected is going to create their own deal. He assumes it will be Province wide. Mr. Bondy does not see anybody accepting terms that does not provide at least the same service that is currently being done.

Mr. McKenzie stated that he would accept a friendly amendment to bring forward the motion after the AMO conference.

Moved by Kieran McKenzie

Seconded by Marc Bondy

**THAT** the Board receive the report as information.

**62-2022**  
**Carried**

B. Blue Box Transition to Extended Producer Responsibility – Request for Delegated Authority

The General Manager stated that the purpose of the report is to request the Board to authorize the General Manager to execute any agreements responsible for the collection and processing of Blue Box recyclables within Essex-Windsor that are approved by the Technical Staff Committee with the Producers or Producer Responsibility Organizations (PROs).

The General Manager explained that upon the creation of the Authority, a Technical Staff Committee was also established. The Technical Staff Committee is comprised of Authority, County of Essex and City of Windsor staff. Legal services are provided by the Authority's solicitor who is also the solicitor for the County of Essex. The City of Windsor liaises with their legal department as required. The committee meets regarding the Authority budget and any large financial variances.

Mr. McNamara arrived at 3:54 p.m.

The General Manager stated the Authority could potentially be in lame duck status in August. The lame duck status not only affects the Authority Board from August until after the election but the Authority Board would also be on hiatus until the new members are announced through the striking committees by the City of Windsor and County of Essex councils. For example, for the 2014 election, the first meeting of the Authority Board was not until March 2015. For the 2018 election, the first meeting of the Authority Board was not until April 2019. There is a potential for this Board to not be standing as it is currently for a period of almost six months.

There have been many discussions with regards to the Blue Box transition through AMO and working groups. It has been suggested by AMO that Administration look at requesting delegated authority because of the Blue Box transition process. The Producers are saying that regardless of a municipalities transition date they intend to engage with all municipalities at the same time. They are looking to having the same contracts go out to all the municipalities, which means that if the Authority potentially does not have a Board, Administration cannot enter into agreement with the Producers.

The General Manager stated that Administration is being proactive and requesting that the Board delegate authority to the General Manager with consensus from the Technical Staff Committee to authorize the engagement or the execution of agreements.

Mr. Morrison stated that he sees the need for a delegation of authority for this situation and we have to be ready to be able to respond. Mr. Morrison asked if there is something more specific in terms of in consultation with the Technical Staff Committee.

The General Manager stated that this will be similar to the way that the Technical Staff Committee meets to discuss the Authority budget. The Technical Staff Committee achieves consensus before the budget is presented to the Board. In addition, legal counsel will also be engaged at this time. Normally, when consulting with the Technical Staff Committee, the Authority does not involve the legal component. In this situation any documents will need to be vetted by the legal department.

Mr. Morrison asked if the General Manager will ensure that she has the majority of the Technical Staff Committee on side.

The General Manager stated that she would welcome any amendments to the wording but currently the Technical Staff Committee works on consensus. The General Manager asked the Manager of Environmental Services to provide further comments.

The Manager of Environmental Services stated that the Technical Staff Committee reaches 100% consensus on all issues. She noted that she has been on the committee for a very long time and that the committee always works to consensus. She noted that if the Board were to decide to not approve the delegation of authority, this would mean that the Authority would not be able to respond to the Producers and a non-response on their behalf would be considered the same as saying we are not interested and we would lose that opportunity.

Mr. Morrison stated that he has a motion at the appropriate time.

Mr. McKenzie stated that he supports the recommendation. The purpose of this recommendation is to empower Administration to be able to act up until a new Board would be constituted. He would suggest that once the striking committee process is complete, that the delegation of authority that is being contemplated would cease and would revert back to normal process be incorporated into the recommendation. Mr. McKenzie would invite Mr. Morrison to consider that in his motion.

Mr. Morrison stated that it would be just for this process. He would accept if we want to handle it as a friendly amendment. He would agree that would be the end of the delegation of authority.

Mr. Kaschak stated that appears to be a friendly amendment and asked if there was any further discussion on the amended motion. There was no other discussion.

Moved by Jim Morrison

Seconded by Ed Sleiman

**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 transition of the Blue Box Program to Extended Producer Responsibility as described within this report. And further THAT the delegation of authority would cease immediately upon the appointment of the new Board of the Essex-Windsor Solid Waste Authority.

**63-2022  
Carried**

**C. Request for Reallocation of Budgeted Funds Re: Regional Organic Waste Management Program**

The General Manager stated the purpose of the report is to request the reallocation of funds that were previously approved in the 2022 budget to support the Regional Organic Waste Management program.

The General Manager discussed program spending to date and the balance of funds in the Waste Diversion Reserve. In November 2021 the Board approved the sole sourcing of the next phasing of consulting work related to the preparation of the request for proposals to GHD with an upset limit of \$50,000. The scope of the RFP changed once it was determined a short-term processing contract would be procured and the funds were not required for the preparation of the RFP.

The General Manager stated that a lot of the work preparing the RFP was completed in-house by Authority and City of Windsor Staff and the technical work to build a facility of some nature was not required so the funds have not been used. The funds are currently earmarked for GHD but the Authority is asking the Board to reallocate the funds. As the Authority moves through the RFP process for the balance of the year, and potentially not have a Board, this would allow Administration to engage a consultant to do additional work as required. One of the items that has been noted is the potential need for a consultant once we know where the material is going to be processed. Depending on the location of the processing facility, analysis is required to determine the most efficient and economical way to get the material there.

Mr. Morrison asked if any comments could be made in public session regarding the RFP that closed last week.

The General Manager stated that two submissions were received. The evaluation committee is in the process of reviewing the submissions and a report would be brought forward at the August meeting.

Mr. McNamara stated this is a good start for the short term and he is prepared to move the report at the proper time. He also wanted to share that the County of Essex is looking at uploading all waste, including organics to the County level, instead of having seven distinct contracts. The municipalities are seeing large increases for waste collection contracts. The County is looking at better ways of doing this.



Moved by Gary McNamara

Seconded by Marc Bondy

**THAT** the Board approve the reallocation of funds included in the approved 2022 Operational Plan and Budget to support additional consulting required for the Regional Organic Waste Management Program.

**64-2022  
Carried**

D. Extension of Agreement with Green for Life Environmental Services Inc. – Hazardous and Special Waste Program

The General Manager stated that the purpose of the report is to recommend the Authority approve a one-year extension from January 1, 2023 to December 31, 2023, under the same terms and conditions as contained in the original tender documents plus a 3% inflationary adjustment with Green for Life Environmental Services Inc. (GFL) for the Hazardous and Special Waste Program (MHSW).

The General Manager explained that the MHSW program operates depots at all Authority facilities to allow residents to dispose of materials such as propane tanks, paint, fertilizer, batteries and light bulbs and divert this waste from the Regional Landfill. The labour component as well as disposal and transportation of this material is contracted. GFL disposes of this material in an environmentally sound manner.

The General Manager noted that the MHSW program is also going through a transition process and currently the Authority receives partial funding through stewards for this program. Due to this transition, a short-term contract was established which began in August 2019 through December 31, 2020, which was when the transition was supposed to happen. There have been delays with the transition and the Authority is at the end of the extension agreements. The Authority is requesting a one-year extension as the transition is still on-going. The company that the Authority originally engaged with has been bought by GFL. GFL continues to operate the program and there have been no issues to date.

Due to the contract being short-term, there was no price escalation built into the original contract. The contract has been extended twice without a price increase. Administration feels that a 3% inflationary adjustment is fair based on the inflationary pressures that we are seeing across the board particularly because there is a transportation component.

Mr. Morrison stated that he would be supporting this and would move the motion at the appropriate time. He asked the Manager of Environmental Services if there is any way that we could accommodate residents so they do not have to cross the scale and provide a more direct route to the building.

The Manager of Environmental Services explained the current process at the Public Drop Off Depot. She further noted that when the Public Drop Off was built, it was not designed for the population that we currently have. She noted they are in the process of looking at a redesign of the area.

Mr. McNamara asked if signs can be put up to direct residents to the MHSW building.

The Manager of Environmental Services stated that there are signs that indicate where to go but residents have to go through the scale as chemicals need to be weighed even though they are free to drop off.

Mr. McNamara stated that this program is very important and we do not want these items going into the landfill. He asked if there is a way to evaluate the efficiency of this program.

The General Manager stated that there are two ways to track the household chemical waste. The first way is scale traffic, as well as the volume being shipped out. The other way is through waste audits which will be performed at the end of the year. The cost of the program has gone up over the years, not only because the cost of labour and disposal has risen, but because the Authority is seeing more material being brought to the sites. It is a cost that should be borne by the Authority because we own our own landfill. It is very important to keep this material out of the landfill, not only for the waste environment within the landfill but for the health and safety of Authority staff. We do not want residents hiding material in their garbage.

Moved by Jim Morrison

Seconded by Aldo DiCarlo

**THAT** the Board approve a one-year extension from January 1, 2023 to December 31, 2023 under the same terms and conditions as contained in the current agreement and tender document, "Provision of Equipment and Labour for the Receiving, Loading, Transportation and Disposal of Municipal Hazardous and Special Waste (MHSW) and for the Operation of MHSW Depots at EWSWA Facilities", plus a 3% inflationary adjustment between the Essex-Windsor Solid Waste Authority and Green for Life Environmental Services Inc.

**65-2022  
Carried**

## **8. Waste Disposal**

There were no Waste Disposal items for July 5, 2022

## **9. Finance & Administration**

### **A. 2022/2023 EWSWA Insurance**

The Manager of Finance provided an update regarding the Authority's comprehensive insurance program renewal for the period of July 1, 2022 to

June 30, 2023 and explained that AON, the Authority's insurance broker, was again challenged on securing and negotiating coverage on behalf of the Authority due to insurers deeming the recycling industry, as a whole, a greater risk due to recent claims across the Province in 2022. The Manager of Finance referred to the table outlining the premiums. There is an overall increase in premiums of \$39,511 from the previous year which equates to increase of approximately 8%.

The largest increase in premium rates relates to the property and equipment coverage. A new premium for the Authority in 2022 relates to cyber coverage. The Authority was able to secure coverage for the 2022-2023 period. This includes business interruptions, losses relating to security breach, reputation loss, cyber extortion loss or data recovery costs.

The Manager of Finance also noted that there have been some decreases in premiums with the largest being the environmental coverage policy. This year the Authority has been offered a two-year term.

Since 2014, the Authority has participated in risk assessments. To date, there are no critical recommendations and the Authority has accepted all advisory recommendations. Unfortunately, insurers still feel risks are high for the Authority and consequently some of the premiums and deductibles have changed for the 2023 period.

The financial implications for the 2022 budget included an expenditure of \$562,000 for insurance related costs with approximately \$250,000 incurred as of the term expiry date of June 30, 2022. A portion of the renewal for 2022 will be \$270,500 for a total projection of \$537,200, resulting in a favourable variance of \$24,800 for 2022.

In 2020, the Authority Board approved establishing an Insurance Reserve \$250,000 would be used to mitigate the potential financial risks to the Authority in the event of a claim. The reserve is reviewed annually as part of the budget process to ensure adequate funds are available. The reserve would need to be replenished in the event of a claim.

Mr. McNamara commented that an increase under 10% is very good, especially when looking at the inflation rate of 7.7%. He commended the Authority on obtaining 100% coverage on assets. Mr. McNamara asked which aspects of the organization do insurers feel is the highest risk.

The Manager of Finance stated that it is predominantly the property and equipment and the fibre recycling facility.

Mr. McNamara commented on significant increases in the municipal sector.

The General Manager stated that there are two elements driving the increase. One being the fibre building which has the potential for a fire and the other factor is the Authority markets material from the recycling facility to the United

States. Every year as part of the renewal, the insurers ask how much revenue is from the sale of material to the United States. The Authority has had a significant increase in 2021 in commodity prices and it also becomes reflected in our liability. They see this as a potential liability claim if we ship material from Authority sites across the border and if there was a claim in the U.S.

Mr. Morrison commented that it is good to see that cyber concerns are addressed and the rates seem reasonable when looking at the potential losses that the Authority could have. He asked how the Authority went about getting cyber coverage.

The Manager of Finance stated that the plan that was offered is fairly robust and the premiums are very reasonable due to the County of Essex also obtaining cyber coverage. The insurance providers are looking to have that type of coverage now because of the significant amount of risks associated to data breaches and information loss. He noted that on July 15, 2022, the Authority is implementing a two-factor authentication log-in method which will provide another level of security.

Mr. Sleiman asked if the rates increased because of the Authority's previous claim or if it is an average of all the solid waste authorities in the province.

The General Manager explained that similar to personal insurance you many never have a claim but your insurance rate increases. The claim that the Authority had in 2005 was a significant claim and the Authority has tried to do everything to mitigate the risk but others like the Authority have had claims and insurers look at everyone and the reality of the business.

Mr. Bondy asked if the Authority has discussed a fee rather than a commission. He commented that insurers make a commission which could typically be 15-20%. He noted that savings could be realized if the Authority could negotiate a fee.

The General Manager stated that the Authority has not but will make note for the next negotiation.

Mr. Bondy also suggested that in regards to the sales to the United States, that they could do it based on the number of trips. For example, if the prices went up for the recyclables, the exposure does not change and there would be a better return on the sale.

Moved by Gary McNamara

Seconded by Marc Bondy

**THAT** the Board receive the report as information.

**66-2022  
Carried**

## B. County of Essex Council Motion Re: Regional Waste Collection

The General Manager referred to page 36 of the agenda. She provided an update on motions that were passed at the County of Essex Council meeting on June 15, 2022 regarding regional waste collection.

The General Manager provided background regarding the agreement that created the Authority between the City of Windsor and the County of Essex and how waste collection is handled.

On March 16, 2022, County Council agreed to a regional approach to the organics program.

On June 15, 2022, there was discussion at County Council regarding the seven county municipalities and how they currently procure and manage seven different waste contracts and the potential cost savings that exists if waste collection services were regionalized.

The General Manager referred to page 37 of the agenda package that outlined the motions passed by County Council. She noted that the motions coincide with the regional organics program.

The General Manager, Steffan Brisebois-Manager of Finance, Sandra Zwiers-County of Essex Director of Financial Services/Treasure and David Sundin - Authority and County of Essex Solicitor are in the process of planning a kick-off meeting with the seven county municipalities. The Authority has requested information to identify the nuances of all seven contracts to prepare for the kick-off meeting.

Moved by Aldo DiCarlo

Seconded by Gary McNamara

**THAT** the Board receive the report as information.

**67-2022  
Carried**

## 10. Other Items

Mr. Bondy asked if the sales of recyclables are still maintaining a higher level than normal.

The General Manager stated that in the first quarter of 2022 there was a favourable variance. A six-month financial report will be prepared for the August agenda. The markets should remain strong for at least the remainder of the year. Due to current inflation prices, commodity prices and supply demand issues, we will continue to see those strong prices.

Mr. Morrison asked if Mr. Costante's request at the last meeting will be deferred to the next meeting.

The General Manager stated that Mr. Costante was unable to attend today's meeting and that he requested the item be deferred until the August 10<sup>th</sup> meeting.

## **11. By-Laws**

### **A. By-Law 8-2022**

Moved by Marc Bondy

Seconded by Ed Sleiman

**THAT** By-Law 8-2022, being a By-law to Authorize the Extension of an Agreement between the Essex-Windsor Solid Waste Authority and Green for Life Environmental Services Inc. for the Provision of Equipment and Labour for the Receiving, Loading, Transportation and Disposal of Municipal Hazardous and Special Waste (MHSW) and for the Operation of MHSW Depots at Essex-Windsor Solid Waste Authority Facilities.

**68-2022  
Carried**

### **B. By-Law 9-2022**

Moved by Marc Bondy

Seconded by Ed Sleiman

**THAT** By-Law 9-2022, 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 5<sup>th</sup> day of July, 2022.

**69-2022  
Carried**

## **12. Future Meeting Dates**

Wednesday – August 10, 2022

Wednesday – September 14, 2022

Tuesday – October 4, 2022

Tuesday – November 1, 2022

Tuesday – December 6, 2022

## **13. Adjournment**

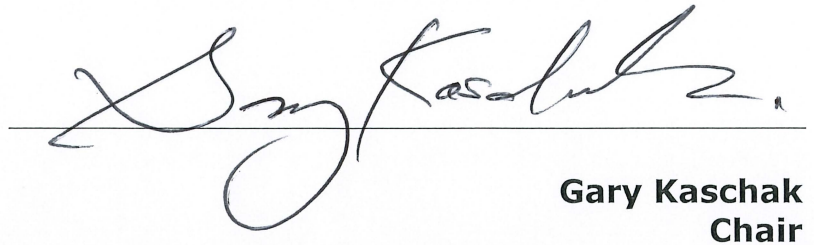
Moved by Kieran McKenzie

Seconded by Marc Bondy

**THAT** the Board stand adjourned at 4:49 p.m.

**70-2022  
Carried**

All of which is respectfully submitted.



**Gary Kaschak**  
**Chair**



**Michelle Bishop**  
**General Manager**