

ARBITRATION TO DETERMINE  
THE 2014 STEWARD OBLIGATION FOR THE BLUE BOX PROGRAM

B E T W E E N:

ASSOCIATION OF MUNICIPALITIES OF ONTARIO and THE CITY OF TORONTO  
Applicants  
- and -  
STEWARDSHIP ONTARIO  
Respondent

**Affidavit of David Pressey**

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**Introduction**

1. My name is David Pressey. I am currently employed by Haldimand County as the Supervisor Solid Waste Operations. In this position, I directly oversee all the solid waste and recycling operations for the County, including the Blue Box (BB) Program. My CV is attached.
2. As the supervisor of the BB program, I am not neutral in this arbitration.

**Background and experience**

3. My background and expertise are in the field of waste management. I have a diploma from the Geotechnical Technologist program at Sir Sandford Fleming College and I have worked in the waste management field since I left school. I worked in the private sector from 2001-2006, primarily developing and reviewing landfill construction and design.
4. I was hired by Haldimand County in 2007 to be the Supervisor, Solid Waste Capital Development. I have been in my current position since October 2013. I have not been involved with the Municipal-Industry Program Committee (MIPC).

**Haldimand county's Blue Box Program**

5. The County is primarily rural, with a few small urban centres, and includes about 45,000 residents in 19,465 Households.
6. We contract out curbside collection to HGC Ltd. They collect the BB materials in two streams – fibers and containers. They received this contract following a competitive bid process that began in 2007. The contract was awarded in 2008. We only received 1 other bid.

7. HGC takes the BB materials to a recycling transfer site in Canborough, built in 2009 and owned by the County.
8. BB materials are transferred to the Niagara Recycling facility in Thorold for processing and marketing. Niagara received this contract through a competitive process in 2008. The County pays for the processing of fibres and containers (the two streams) separately, and receives a percentage of the revenue from the sale of the BB materials.
9. There are three staff people in the Solid Waste Operations department at the County, including myself. For each of us, our time is split approximately 50/50 on BB and waste management. At the moment, our main BB related tasks are, administering the contracts for processing and the curbside pickup, liaising with the public, redeveloping our transfer capabilities at the Canborough Waste Management Facility, continually focussing on P&E strategies to ensure our residents are aware of the proper set out practices, and preparing a new waste and recycling collection contracts to take effect January 1, 2015.

### **Datacall accuracy**

10. We report our BB costs and tonnage to WDO through the annual Datacall. The accuracy of the Datacall submission is very important to us from an operational and financial perspective. Ensuring that the information in the Datacall is accurate allows the use of the data by other municipalities for comparison purpose. It is a good check to see where we are in the provincial picture with regards to the performance of our BB Program.
11. As with any municipality, we are held to strict policies and principles for monitoring and tracking the financials of all of our programs and services. With regards to the Datacall submission, Haldimand County staff follows a balanced process of data entry and verification to ensure the accuracy of the information inputted each year. Operational staff reviews the BB Program performance and the expenses that are incurred. Our Finance department will also review the detailed trial balances, the invoices and accounts they are coded to ensure proper allocation of expense to the correct cost centers. All of this information is audited on an annual basis. We will review the previous year's submission and any notes from any previous audits to ensure those comments are accounted for in the current year submission. A final check is performed via a balancing sheet that looks at the Datacall information and our General Ledger to ensure the expenses balance out. Once the information is ready for input into the Datacall, the Supervisor of Budgets and the Treasurer both review the data for accuracy and completeness.
12. The Datacall is prepared in the County's financial department (along with SW staff), which includes about 15 people. One analyst is responsible for the Datacall process as part of her duties in waste management. A technologist in the waste management department works with the financial analyst to pull together the information required.
13. The technical staff who work on the Datacall have gone through the BB certification training from WDO.
14. In the 2012 Datacall report we had to correct the tonnage processed due to an incorrect residual calculation by the processor, Niagara Recycling. We are correcting this through the 2013 submission. The result will be lower tonnage reported for the 2012 reporting year.

## **Efficiency and effectiveness**

15. I can comment on the efficiency and effectiveness measures the County has taken since I was hired in 2007. I learn about ways to improve our efficiency and effectiveness of the BB program through conferences and workshops hosted by the CIF, the Municipal Waste Association, the Solid Waste Association of North America, and others. We also tour other municipal sites and collaborate with other municipalities on ideas and processes with the intent on bettering our operations.
16. We run our BB program as efficiently and effectively as we can. I don't think there was anything that, realistically, we could have done better in 2012, given the resources available to us. With that said, we have identified areas of improvement since the 2012 operating year which we are implementing in 2014/2015 (i.e. improved transfer capabilities).
17. In 2011, our BB program cost the municipality \$1,525,512 in net costs. Of that, we received only \$585,364 (38 %) from the payout model. The shortfall has to come from the tax base.
18. The County's Solid Waste Management Master Plan, released in 2006, included a variety of short, mid and long-term objectives. We have now accomplished everything we could under the Plan.
19. In 2001, the Region separated into Haldimand County and Norfolk County. As a result of the separation, the Material Recovery Facility (MRF), the Tom Howe Landfill Site and the Canborough Landfill Site were jointly vested between both municipalities. To allow for efficient operation of each facility Norfolk operated the MRF on behalf of both Counties and Haldimand operated the Landfill Sites on behalf of both Counties. This separation was drawn due to the fact that the MRF was physically located in Norfolk and the landfills were physically located in Haldimand. From 2001 to 2010 Haldimand continued to direct haul the BB materials to the Norfolk MRF. Because of the Norfolk MRF was designed to accept pre-sorted waste, we had to run a six stream pickup program.
20. In 2007, we reviewed our expenditures and began to consider whether it would benefit our efficiency and effectiveness to revisit this arrangement. We commissioned a report from 2CG Environmental Consulting Services, with the assistance of funding from the Continuous Improvement Fund (CIF). In August of 2009 they recommended that we begin shipping our BB materials to a larger, more modern MRF. They found that there were efficiencies to be gained both in processing and collection by switching from a multi-stream sort to a two stream or single stream sort.
21. In October 2010, we began using the Niagara Recycling Centre, as described above.
22. This switch required that we buy a new blue box for every resident of the County. The purchase of these new blue boxes was part of a larger purchase coordinated by the CIF – they put out a tender for blue boxes for a number of municipalities and were able to get a volume discount. We also used the new boxes as part of the promotion to launch the new program. For example, we included an information packet about the changes with every box. The CIF also helped us with the promotion and education part of the launch.
23. As a result of moving to the Niagara MRF, we obtained a number of cost savings, including:
  - 1) collection costs are lower due to the reduced curbside sorting requirements
  - 2) processing costs were reduced due to the use of a larger MRF, taking advantage of it's economy of

scale. However these savings were offset by the additional cost of transferring the blue box materials.

24. Now we are getting ready to tender contracts for: a new transfer site that will handle both BB materials and garbage in order to gain further efficiencies; the MRF processing contract (October 2015); and curbside collection (Jan 1, 2015). We are considering to use the CIF contract templates.
25. The initiatives described above were very big changes for the County and took up a lot of time, energy and money to complete over several years.
26. The County has major incentives to operate efficiently. We have done everything we could to gain efficiencies and keep costs down.
27. If we got a full 50% of our BB costs from the stewards, we would be able to reduce the impact on our tax base. Receiving less than 50% forces the County to draw on the tax base for additional funds to support the waste programs, which means less funds are available for other municipal services.

### **Why have costs gone up?**

28. The cost of the BB program has gone up primarily due to the change in materials we receive – we are getting more in terms of the volume, but the tonnage is not increasing at the same rate. The increase in volume is directly related to the packaging efforts of producers and their continuous efforts to light weight their packaging as a cost savings measure. This increases the cost of picking up the materials because we have to run more trips to pick up the same tonnage of material.

The increasing Complexity of the packaging is also increasing system costs – in collection, processing, and marketing.

29. We accept a wide range of BB materials in our curbside collection program. Some of these materials are difficult and expensive to pickup and process due to the nature of the material. We strive to divert as many materials as possible, even the difficult and expensive materials. If we removed materials out of the BB program, due to their difficulty and expense, some residents would see this as a reduction in service. This level of service is something we, as municipalities, have to take into account along with the expectations of our Councils. We have considered whether to remove materials from the BB due to their net benefit to the program, but have not yet done so because our processor can accept all the materials we currently collect.
30. We have limited landfill space available. We estimate that our landfill will reach its final contours in late 2015, early 2016. As environmental stewards, we must preserve our existing landfill space and keep recyclable materials out of our landfills. Recyclable materials must be diverted to proper processing facilities for these materials to be recycled for further use.

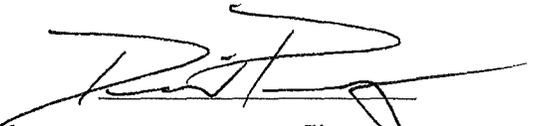
### **WDO Best practices score**

31. We keep an eye on our WDO “best practices” score because it affects the amount of funding we receive from WDO will be reduced. For the 2013 funding year, our Best Practice score was 81%.

32. The County is in cost band 7 – Rural Collection – South.
33. We have the second highest tonnage in band 7, probably because we have the most residents. We also have one of the highest costs per tonne. We will be tendering a new curbside collection contract commencing January 1, 2015. The collection contract was negotiated in 2007 when we still had the old six-stream collection. We are anticipating a reduction in collection costs due to our reduced sorting requirements.
34. Collection in a rural area will always be more expensive on a per unit basis when compared to an urban area.

### Conclusion

35. I understand that this affidavit is sworn evidence to be offered to a legal tribunal deciding a question of great public importance. I have done my best to make this evidence as accurate and as truthful as I can. I intend to be bound by it.
36. To the best of my knowledge, I do not have any current records of any critical emails that document an agreement that is material to the issues set out in the pleadings.



Signature

Sworn or Affirmed before me

On <sup>April</sup> ~~March~~ 7, 2014

at the City of Haldimand County

in the Province of Ontario

A Commissioner for taking affidavit



**Evelyn Eichenbaum**  
a Commissioner, etc.,  
Clerk for Haldimand County

