

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

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TO/DEST. Co-ordinator
 Planning and Environment Committee

FROM/EXP. Director Water Environment Protection Division
 Environment and Transportation Department

SUBJECT/OBJET **RESPONSE TO OUTSTANDING INQUIRY NO. P & E-31**
 SEWER USE BY-LAW
 INDUSTRIAL WASTE PROGRAMME

DEPARTMENTAL RECOMMENDATION

That the Planning and Environment Committee receive this report for information.

BACKGROUND

This report is in response to an inquiry from Councillor Stewart at the 25 March 1997 Planning and Environment Committee meeting regarding the Enhanced Sewer Charge Programme for Ontario Municipalities and in consideration of the motion from Councillor Cullen at the 08 April 1997 Planning and Environment Committee meeting regarding an annual report on the Sewer Use By-law enforcement.

INTRODUCTION

At the January 1997 meeting of the Environment Policy Committee of the Association of Municipalities of Ontario (AMO), the Ministry of Environment and Energy (MOEE) presented a proposal on the Enhanced Sewer Charge Programme which is intended to further induce sewer users to reduce loadings to sewers as well as assist municipalities in raising additional revenues. The proposed Enhanced Sewer Charge System (ESCS) would be implemented voluntarily by municipalities based on the specifics of the local industries and would be one of the elements of an overall sewer use control programme.

This proposed charge would differ from the existing extra-strength sewer surcharge agreements in that a charge could be applied to any quantity of pollutants discharged and rates can be applied to any pollutant or chemical which causes problems to the wastewater system.

DISCUSSION

RMOC Sewer Use By-law and Enforcement Programme

The Ottawa-Carleton Sewer Use By-law was revised in 1994 based on the Ontario Model Sewer Use By-law.

The overall objective of the Sewer Use By-law which is under the responsibility of the Industrial Waste section of the Water Environment Protection Division is to protect the wastewater infrastructure, safety and health of the sewer workers, integrity of the wastewater treatment process as well as the health of the receiving water environment. Our strategy has built on the concept of pollution prevention, which promotes improvement through operational and behavioural changes. This strategy is consistent with the direction provided by the Canadian Council of Ministers of the Environment and includes incentives to sewer users to reduce the loadings discharged.

Since the enactment of the Sewer Use By-law, over 2,500 restaurants have been indexed and 5,000 industries have been surveyed. Based on their potential to be a significant industrial discharger, 2,000 of these industries have completed a detailed report and have since been classified by sector based on their activities. These industrial sectors include:

- Electric and electronic equipment manufacturing
- Fabricated metal products
- Food
- Hospitals and medical facilities
- Industrial laundries
- Machinery manufacturing and rebuilding
- Organic chemicals
- Printing and publications
- Service industries (retail, photofinishing, etc.)
- Service stations
- Stone, clay, glass and cement
- Transportation services
- Waste treatment and recycling
- Non-sector industries

To date, “test industries” from the majority of these sectors have been inspected and their waste streams characterized. Seventy facilities are monitored on an ongoing basis and first time inspection is conducted at 125 industries on an annual basis. The inspection and monitoring results serve to assess whether the industry is in compliance with the Sewer Use By-law or whether corrective measures need to be initiated. In cases of non-compliance, the Industrial Waste staff work with the company to develop programmes to obtain future compliance. These programmes range from minor operational changes with immediate compliance results to longer term formal compliance programmes requiring the installation of pre-treatment and prevention technologies/practices. In 1996 alone, there were in excess of 150 short-term compliance

activities requiring no formal agreement and seven compliance programmes. In comparison, in 1996 Metro-Toronto had two compliance programmes, the Regional Municipality of Hamilton-Wentworth and the Regional Municipality of Niagara each had six.

Where an industry is in non-compliance because its discharge exceeds the limit for pollutants that are treatable at the wastewater treatment plant, a special discharge agreement is entered into and the industry is required to pay for the treatment of the excess pollutant loadings. In 1996, 12 agreements were in effect in Ottawa-Carleton, generating revenues of \$210,000.

In comparison, Metro-Toronto had 181, generating revenues of close to \$8 million, Hamilton-Wentworth had 51, with revenues of \$1.8 million and Niagara had 26 with revenues of \$510,000. The Industrial Waste staff have concentrated significant efforts on compliance programmes since they are usually intended to reduce and eliminate pollutants/chemicals that cannot be treated at the wastewater treatment plant and therefore could cause a health and safety hazard to sewer workers, impact the treatment process and end up in our water environment. Since compliance programmes have the potential to cover treatable parameters at the same time as untreatable, they could also be subject to a special discharge fee. Future changes to the Sewer Use By-law will address this potential as well as the establishment of an administrative fee for the negotiations of any agreements and compliance programmes.

In addition to conducting inspection of industrial facilities and monitoring their discharges, the Industrial Waste staff are also responsible for ensuring that hauled waste is disposed of in accordance with the requirement of the Sewer Use By-law.

All of the above activities have in the past been done in a spirit of co-operation with our industrial partners to maximize the sharing of information, encourage innovative approaches, mitigate financial burden for both the Region and the Industry and most importantly to ensure companies gain a comprehensive understanding of the need to go through operational and behavioural changes.

The Proposed Enhanced Sewer Charge System

The Enhanced Sewer Charge System (ESCS) is being introduced as an incentive for industries to reduce their loadings to sewers as well as an opportunity for municipalities to raise revenues to finance wastewater infrastructure in light of the termination of a number of provincial subsidies and transfers.

The ESCS is derived from the two types of existing sewer charge systems currently used by Ontario municipalities:

- the sewer surcharge on water bills
- the extra-strength sewer surcharge.

In 1996, Ottawa-Carleton harmonized its industrial sewer surcharge with the residential sewer surcharge and reduced it from 121 percent to 100 percent of the water rate. The existing extra-

strength sewer surcharge is a rate applied to the quantity of pollutants discharged in excess of the By-law limits, for parameters that are treatable at the wastewater treatment plant.

The ESCS report suggests that the new charge could replace both the sewer surcharge and the extra-strength sewer surcharge since it would be applicable to any quantity of pollutants discharged above zero (as opposed to the quantity exceeding the By-law limits) and could also be applied to any pollutant or chemical which causes problems (as opposed to being limited to the existing six treatable parameters).

In its report, the MOEE recognizes the need for the ESCS to be implemented on a voluntary basis by municipalities and that a number of issues must be resolved with all stakeholders before implementation can begin.

These issues include:

- Criteria regarding implementation decision for each municipality
- Industrial/commercial establishments targeted
- Contaminant monitoring and measurement protocols
- Procedures and data for setting charge rates for each contaminant
- Formula for determining charge payment by individual sewer users
- Standardized charge agreements

Preliminary review of the ESCS proposal suggests that opportunities for increased revenues are substantial and as such, merits further study and serious consideration. It should however be noted that its implementation would impose added costs not only to the Ottawa-Carleton Industrial Sector but also on the Region itself as a result of the additional monitoring and administrative requirements. In its illustration of the annual ESCS payments from individual industrial sewer users, the MOEE has estimated that payments would range from \$30 to \$745,000 per establishment.

While the ESCS proposal has potential merits on the revenue side, the progress towards pollution prevention is less obvious. With the significant added cost to the sewer users, the ESCS could result in an uncooperative relationship with industries who would now associate any Sewer Use By-law discussion with potentially negative financial implications and legal confrontations.

Annual Report on Sewer Use By-law Enforcement

As mentioned previously, the Sewer Use By-law has built on the concept of pollution prevention which is seen as a shared responsibility among governments, individuals and industrial and commercial sectors. The success that has been achieved so far is largely due to the co-operative approach between these various partners who are confident in sharing information since they understand that it will remain confidential. This voluntary compliance approach is vital if the Region is to have an efficient sewer use programme and if companies are to gain a comprehensive understanding of the need to go through operational and behavioural changes.

An annual report that would include warning notices, Part III Summons given and listing of convictions with name of offender, date and place of incident would certainly jeopardize the co-

operative relationship that has been developed with our industrial partners. Such an initiative could also dissuade companies from establishing business in Ottawa-Carleton to avoid having their name published and associated with Sewer By-law non-compliance.

With the substantial added efforts that will be required in obtaining information, the expected reduction in voluntary reporting of industrial discharge issues, the potential for libel claims and lawsuit for damages for loss of reputation, it is strongly recommended that the enforcement activities regarding the Sewer Use By-law remain confidential. Publishing name of offender, address, date or place of incident would be contrary to the goal of fostering co-operative relationship and would create a significant stumbling block in our progress towards pollution prevention in Ottawa-Carleton.

CONSULTATION

The approach taken to enforce the Sewer Use By-law has been to co-operate with the Industrial sector to help achieve an environmentally responsible society that anticipates and prevents pollution. Communication and consultation will continue to be at the core of the Industrial Waste programme and are expected to be initiated by the Ministry of Environment and Energy prior to finalizing the Enhanced Sewer Charge System.

The Department intends to participate as a stakeholder in the resolution of issues associated with the ESCS proposal prior to determining whether it is in the best interests of the Ottawa-Carleton sewer users.

The Department also believes that enforcement activities associated with the Sewer Use By-law should remain confidential to support the co-operative approach with our industrial partners.

FINANCIAL IMPLICATIONS

While the Enhanced Sewer Charge System has the potential to increase opportunities for revenue generation, the added costs to the industrial sector as well as to the Region will be fully considered prior to implementing such a system in Ottawa-Carleton.

*Approved by
Nancy B. Schepers, P. Eng.*

FJ/jes