MINUTES

PLANNING AND ENVIRONMENT COMMITTEE

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

25 FEBRUARY 1997

3:00 P.M.

PRESENT:

Chair: G. Hunter

Members: D. Beamish, A. Cullen, B. Hill, P. Hume, J. Legendre, A. Munter, W. Stewart

Regrets: R. van den Ham

CONFIRMATION OF MINUTES

Councillor Legendre pointed out that on page 18 of the Minutes, Councillor Cullen's motion regarding the Solid Waste Levy, should show Vanier as having a decrease of $17.00 in 1998 (rather than an increase).

That the Planning and Environment Committee confirm the Minutes of the meeting of 28 January 1997, as amended.

CARRIED as amended

ENVIRONMENTAL SERVICES ITEMS

1. VERBAL PRESENTATION RE: BEVERAGE CONTAINER RECYCLING AND BLUE BOX ISSUES BY BEVERAGE RECOVERY IN CANADA

- Planning and Environment Committee Coordinator's report dated 12 Feb 97

Mr. McKenney, President, Beverage Recovery in Canada (BRinC), advised his agency is a not-for-profit company sponsored by soft drink producers and container and material suppliers, whose members voluntarily pay into the organization to assist recycling programs across Canada. Mr. McKinney went on to speak about the organization's

Notes: 1. Underlining indicates a new or amended recommendation approved by Committee.
2. Reports requiring Council consideration will be presented to Council on 12 Mar 97 in Planning and Environment Committee Report Number 53.

commitment to recycling in Ontario and about the importance of soft drink containers in the Blue Box program in Ottawa-Carleton. He noted since 1986, BRinC members have contributed more than $30 million to curbside recycling programs across Ontario, as they believe recycling is the most cost effective system for both taxpayers and consumers. As well, the industry contributes through the value of their container materials.

Mr. McKenney advised BRinC was the first industry organization to pay operating grants to municipalities with their “top-up program”, whereby if scrap revenues did not cover the cost of collection and processing the soft drink containers, BRinC paid the difference. He noted, however, in 1994, all of the soft drink manufacturers in Ontario switched to aluminum, so the net value of the collected aluminum cans and polyethylene terepthalate (PET) bottles exceeds the cost of collection and processing and he estimated the surplus revenue to be about $100 to $200 per metric tonne. Mr. McKenney went on to point out how valuable aluminum cans (90 % of which are soft drink cans) are to recycling programs as they represent about $15 million of the $37.5 million in total scrap revenue for all recycling programs in Ontario. He said in the Ottawa-Carleton area this represents about 30% of the total recyclable scrap revenue, approximately $730,000 to $870,000 per year. BRinC believes the objective should be to increase the number of cans collected to help municipalities off-set the cost of their programs.

The speaker then related three announcements that were made by the soft drink industry in late 1996. First, the industry announced it would remain in aluminum for at least three more years (extending the commitment from 3 years to 6 years). Second, as a result of concerns expressed by municipalities about PET containers and markets for PET, BRinC has secured markets for bails of PET from Ontario programs at market price. And lastly, the PET Blue Banner Committee was created which brings together brand owners, resin makers, the bottle industry and the users (e.g. Coca-Cola, Pepsi Cola and Cott Beverages) to find new solutions and new demands for using PET recycled plastic. He stated these announcements were significant because these materials are commodities (i.e. the prices go up and down) and it is necessary to find ways of spurring the demand for these products and trying to reduce volatility.

In conclusion, the speaker advised that the Recycling Council of Ontario will soon be hosting a forum to look at product stewardship and setting up a process for discussing sustainable solutions for Blue Box and recycling programs. Mr. McKenney stated the BRinC believes product stewardship means the taxpayers should not have to pay to manage these containers. The BRinC and its sister organization, Corporations Supporting Recycling, are strongly in support of this process and see the Recycling Council as an honest broker that can best represent municipalities and businesses in attaining sustainable solutions. He urged the Region to follow this process and to support it as well.

Responding to questions posed by the Committee concerning a deposit/return system, Mr. McKenney acknowledged that Metro Toronto recently took a position in favour of calling upon the Province to initiate a deposit/return strategy, however, it is BRinC's view this would be a costly decision for consumers and taxpayers. He went on to explain that initially, the deposit adds to the price of the products and those consumers that do not return their containers for refund, end up funding the process. He noted the system breaks down at approximately 70% recovery rate and these costs are then transferred back to consumers as well. By way of example, he referred to the Saskatchewan and New Brunswick deposit/return systems which cost between $2,000 to $2,500 per metric tonne, as opposed to curbside recycling programs which, because of the multi-material nature, cost $100's of dollars per tonne. Mr. McKenney also advised the Metro Toronto Public Works Department will be tabling a report in March that examines the effect of taking soft drink containers out of their Blue Box program. He opined this report will show there would be a net cost to the municipality if soft drink containers were taken out and put on deposit in Metro Toronto and this cost would be shifted to consumers and taxpayers.

Councillor Hume questioned why the soft drink industry could not adopt a deposit/return system similar to that of Brewer's Retail. Mr. McKenney stated although this system works well for the beer industry, the soft drink industry is a very different sector; the beer industry sells their product in cases (going out and coming back) in 400 locations while the soft drink industry sells a majority of its containers individually, in 30,000 locations.

In response to questions from Councillor Legendre concerning the use of refillable glass bottles (which can be refilled or crushed and reused), Mr. McKenney advised glass bottles are not consumers' container of choice; consumers have concerns about the breakablity and the weight of glass. He noted the industry has tried to promote refillables by having lower unit prices than other containers but consumers have chosen not to purchase them.

Councillor Beamish asked the speaker to expand on why the recycling of soft drink containers is such a good system for municipalities. Mr. McKenney noted the arrangement in Ontario has always been that the soft drink industry would support multi-material recycling and help get it up and running. If there was a deposit/return system, the revenue from aluminum would be taken out of the Blue Box program and would not be available to the municipality. BRinC believes a better alternative would be to recover the hundreds of thousands of dollars of aluminum revenue available in the waste stream and put that revenue into municipal hands to assist in multi-material recycling programs.

In response to questions from Councillor Cullen concerning the volume factor of recycling soft drink containers, Mr. McKenney explained, in the case of aluminum cans, the value of the material is about $1,600 per metric tonne while the cost to collect it is about $500 per metric tonne, which nets the municipality approximately $1,100. He noted this balances out the higher costs involved in handling the high volume PET bottles, leaving a net revenue surplus of $200.

Committee Chair Hunter asked for staff comment on the effect of switching from the collection of aluminum and PET in the Blue Box to a deposit/return system. Pat McNally, Director, Solid Waste Division advised staff had not looked at how such a switch would impact the financial side of the existing contract, however, he explained the Region's recycling cost is approximately $7 million; revenue is $3 to $4 million; and, therefore the cost to the taxpayers to run the recycling program is in the range of $3 to $4 million. He pointed out aluminum is the most valuable commodity in the Blue Box and represents approximately $800,000 of the revenue. When the Blue Box program was put in place, it was with the knowledge that some materials were worth more money than others, and the intention was to balance the "winners with the losers" and get as much material out of the waste stream as possible. Chair Hunter asked, with the multi-material recycling system currently in place, how costs would be affected if aluminum and PET were taken out of the Blue Box. Mr. McNally advised collection costs would likely decrease however, the decrease in revenue would be greater than the decrease in costs.

Chair Hunter noted the delegate had indicated that BRinC wanted to work with municipalities to assist them in recovering more of its products; he asked what type of ideas the industry was proposing. Mr. McKenney explained BRinC intends to use communication, education and intervention programs to expand the involvement of multi-residential housing units in recycling and also to increase the knowledge of the public as to the value of aluminum soft drink cans in the recycling programs. He noted these programs will be started in 1997 on a test basis in Metro Toronto, as well as in other municipalities that have indicated an interest in working with BRinC.

Environment and Transportation Commissioner Mike Sheflin pointed out, if the Region were to go a deposit/return system, the cost to the soft drink industry would be approximately $2,500 dollars per metric tonne; while the current system costs about $200 per metric tonne. Mr. Sheflin asked the delegate if the Region opted not to move to a deposit/return system, would the soft drink industry consider contributing up to $1,000 per tonne (thereby saving approximately $1,500 per tonne). Mr. McKenney stated he could not answer this question, however, he stated it has always been, and will continue to be the soft drink industry's position, to support recycling so that municipalities do not have to pay for the cost of recycling soft drink containers in the system.

Committee Chair Hunter thanked Mr. McKenney for his presentation.

That the Planning and Environment Committee receive this verbal presentation for information.

RECEIVED

2. WATER - EXTENSION OF SERVICES
GOULBOURN - CYPRESS GARDENS
- Environment and Transportation Commissioner's and Planning and Development Approvals Commissioner's joint report dated 11 Feb 97

That Planning and Environment Committee and Corporate Services and Economic Development Committee recommend that Regional Council approve:

1. **That water supply be extended by the Region to Cypress Gardens North in conjunction with the local improvements being installed by the Township of Goulbourn;**

2. **That the construction of the watermains and the services to the lot line be financed through a water works rate, pursuant to the *Municipal Act*, section 221, based on the percentage of the rateable frontage of the properties;**

3. **That the water works rate be amortized over 10 years with the option to the property owner to pay the entire rate initially upon completion of the construction of the water main;**

4. **That debentures be issued, at the market rate of interest, up to the amount of $314,500 and that the Finance Commissioner be authorized to pay all expenses and carry out such procedures as may be required to successfully finalize the debenture sale, and;**

5. **That the Corporation of the Township of Goulbourn be appointed as the agent of the Region and enter into an agreement for the installation of watermains and water services.**

CARRIED

3. THE WATER AND SEWAGE SERVICES IMPROVEMENT ACT, 1997,
SEPTIC SYSTEM REGULATION
- Regional Solicitor's, Environment and Transportation Commissioner's, and Planning and Development Approvals Commissioner's joint report dated 20 Feb 97

That the Planning and Environment Committee recommend that Council:

1. **Approve the following comments addressed to the Ministry of the Environment and Energy concerning the *Water and Sewage Services Improvement Act, 1997* (Bill 107);**

2. **Recommend to the Ontario Legislature amendments to the first reading version of Bill 107 assigning responsibility for the Part VIII Program to the upper tier municipalities;**

3. **Recommend that all local municipalities in Ottawa-Carleton enter into an agreement with the Region providing for the performance of the local municipality's responsibilities pursuant to section 75.1(6) of Bill 107, should the proposed legislation not be amended by the legislature, and;**

4. **Recommend that Council approve the further delegation of these responsibilities to the Conservation Authorities who presently perform these functions.**

CARRIED
(G. Hunter dissented)

4. DEPOSIT/RETURN SYSTEM
FOR SOFT DRINK CONTAINERS
- Environment and Transportation Commissioner's report dated 23 Jan 97

Gord Perks, Toronto Environmental Alliance, noted his presentation was part of a Province-wide campaign to promote the use of refillable containers, with a deposit/return system, for all beverages. He explained the reasons for this were environmental, to benefit taxpayers and to do with local employment.

Referring to comments made during Mr. McKenney's presentation (Item 1), concerning whether the soft drink industry is costing the Region money, Mr. Perks advised he calculates the soft drink industry costs the Region $1.3 million a year. He noted he used an accounting method called "activity based costing", which looks at the incremental costs of collecting each material (e.g. putting it in the truck, getting it off to the recycling facility, etc.) rather than just the weight of the material and how much it can be sold for. The volume of soft drink containers (25 to 30 percent), which are filled with air, necessitate the use of more trucks (i.e. as the truck fills up, another truck has to be put into service) than other recyclable materials and, if one apportions the cost of collecting material on a volume basis, based on 25% volume it costs the Region $1.6 million to collect soft drink containers. The revenue from aluminum is less than $800,0000 and 50%

of aluminum cans are not recovered and municipalities must pay to landfill; therefore, the soft drink industry is costing the taxpayer $1.3 million.

Mr. Perks opined the problem will only get worse for municipalities. He noted despite the soft drink industry's commitment to aluminum, the market share of aluminum containers is dropping and being replaced by PET. Last year in Ontario, the share shifted 9% out of aluminum to PET and other container materials. He cautioned the Committee against believing in the soft drink industry's commitments, noting in 1991, they promised the Province of Ontario they would stay in refillable containers and would give a 10 cent per container rebate to consumers to encourage them to use refillable containers; this 10 cent rebate never returned. As well, the soft drink industry promised to meet certain refillable container quotas (the law requires 30%); at present Coca Cola, for example, is doing 8%.

The delegate offered that recent studies undertaken by the Congressional Research Service of the United States have concluded that local governments would achieve a greater diversion of solid waste from disposal at a lower cost per tonne if both a refillable and a curbside collection program were in place.

Mr. Perks went on to speak of the detrimental effects aluminum has on the environment, noting it is one of the dirtiest materials used, it is manufactured at an enormously high energy cost, has to be smelted with electricity rather than simply in a boiler and requires huge dedicated power plants. He noted all over the world, large dams have been built to provide cheap, consumer subsidized electricity to the aluminum industry. According to many government scientists, the aluminum industry is also responsible for the decline of the Beluga population downstream from the aluminum smelters in the St. Lawrence. Aluminum smelters also emit many ozone depleting gases and are a major contributor to global warming. With respect to PET plastic, Mr. Perks offered this material is perhaps environmentally worse than aluminum because of the various chemical additives used. These chemicals have been shown to be associated with such problems as hormonal imbalances, developmental problems, reproductive problems, cancers and various toxic outcomes. Mr. Perks concluded the most environmentally sound material is glass, which also has the benefit of being refillable.

Mr. Perks stated the system of standard refillable glass bottles that Toronto Environmental Alliance is advocating is the same one that previously operated in Ontario. He noted when the system was in place, approximately 20,000 people were employed in that sector and stressed the environmental cost of washing bottles is much less than the cost of smelting new aluminum and manufacturing PET. He urged the Committee to send a message to the Province of Ontario (as many other municipalities across Ontario have done), calling for a deposit/return system in refillable bottles for all beverage containers and in particular, the soft drink industry.

Councillor Beamish asked the delegate why he was focusing specifically on beverage containers and not other containers (e.g. condiment bottles, laundry detergent bottles, etc.). Mr. Perks agreed all products on consumers' shelves should be looked at, however, he pointed out that 30% of the volume in the recycling truck is soft drink material and as well, the industry possesses experience in running a refillable system for soft drink containers. He offered that getting to the other materials will be much harder.

Councillor Beamish asked why recycling trucks, in general, are not equipped with mini-packers (crushers) for plastics. Pat McNally, Director, Solid Waste Division, recalled a pilot project in one of the municipalities in Ottawa-Carleton a number of years ago where plastic was ground and chipped, and he suggested if it had been cost effective, it would likely still be done. Mr. Perks offered the problem with the on-board crushing and shredding systems is the operator of the system must spend much of his time crushing and shredding, which causes the labour costs to increase dramatically.

Mr. Arthur Potts, Municipal Affairs Consulting, working on behalf of the Brewers of Ontario advised the Brewers are actively encouraging re-use in Ontario because it suits their local economic needs, in that an active brewing industry can be maintained with local employment, local production, serving local Ontario markets. Mr. Potts noted the Brewers of Ontario have, since 1991, been committed to recycling 100% of the packaging material sold with their product, and that Ottawa-Carleton is a test site of a new program encouraging the recycling of bottle caps and other packaging material at local bars and restaurants. In 1995, the Brewers recycled, recovered, and/or handled over 97.6 % of the packaging waste sold in the Province of Ontario (including 16,000 licensed establishments serviced by the Brewers, as well as 438 Beer Stores). Mr. Potts emphasized the entire cost associated with the Brewers' packaging program is funded by their consumers. He added the province of Ontario and the Federal Government also benefit because the Brewers are taxed on the basis of their packaging management system, with no funding by taxpayers.

Noting "all beer drinkers pay tax, but not all taxpayers drink beer", Mr. Potts emphasized the Brewers believe it should be the consumer who covers these costs. He said the province is reviewing its regulatory regime, and he stressed the importance of ensuring the re-use regulations remain on the books to support the kinds of things the Brewers are doing.

Mr. Potts suggested the Brewers are supporting Blue Box programs in Ontario municipalities by not being in them. With over four billion beverage containers sold in the province annually, 1.9 billion of which are beer containers, almost half the beverage container stream does not see its way to municipal recycling programs because of the Brewers' deposit/return system. He estimated if the beer system were not in refillable bottles, and were to flow through the municipal blue box programs, there would be a net additional cost to Ontario municipalities in the order of $47 million dollars. Mr. Potts asked Committee to be proactive in joining with other Ontario municipalities to call for a re-use component as part of the provincial environmental regulations.

Committee Chair Hunter acknowledged the Brewers of Ontario have a system that works, and attributed its success to the deposit/return system. However, he questioned Mr. Potts' interest in speaking to the practices of the soft drink industry. Mr. Potts replied the Brewers' concern was with Ministry regulations supporting re-use as an environmentally superior choice to recycling, and what was happening with the soft drink industry was an erosion of the hierarchical value of re-use being better than recycling. He said the fear was that with this erosion, other regulatory aspects would disappear, such as the environmental levy which currently exists in Ontario on imported non-refillable containers sold in liquor stores. This levy makes the product more expensive to buy than one in a refillable, returnable bottle and allows Ontario Brewers to compete more favourably.

Responding to questions from Councillors Beamish and Hume, Mr. Potts further explained the vested interest of the Brewers was Ontario market share; selling Ontario beer in Ontario markets in refillable bottles. He noted with refillable bottles, a controlled network was required, where one could get and return bottles, and the further the distance from the bottling plant, the less economical the refilling system becomes. Therefore, if a premium was attached to non-refillable bottles, it made the product from farther away more expensive. Mr. Potts offered the industry's fear is if the regulatory support for re-use in Ontario were removed, it would result in the demise of the beer industry in Ontario.

The speaker believed removal of the regulation requiring refillable containers would make beer sold in liquor stores more affordable, as the environmental levy could be challenged under GATT negotiations on the basis of the province believing recycling was as good as re-use, leaving no perceived environmental benefit or substantive reason to maintain the levy. The result would be a competitive product in one-way containers competing against Beer Store beer, eroding the Brewers market position and profitability. He noted the Brewers have heavily invested in the deposit/return system over the years, and to move out of that investment with the refillable infrastructure would be crippling to the industry.

Councillor Legendre referred to Mr. McKinney's view that customers were choosing one-way containers, and asked if the Brewers experience, whose product is available in both cans and bottles, was similar. Mr. Potts said 88% of beer sold in Ontario was in glass bottles, noting the price of one-way containers (cans) was higher because of the environmental levy. He explained the Brewers' retail price for refillable containers was cheaper, therefore the product retailed cheaper in glass.

Mike Sheflin, Commissioner, Environment and Transportation Department, asked Mr. Potts if the Brewers would consider being the location where liquor store (LCBO) bottles could be returned. Mr. Potts said a Councillor in Metro Toronto had asked that question of the head of Brewers' Retail Inc., noting the issue was currently before its Board of Directors, and he did not feel he was in a position to give any indication at this point.

Responding to a query from Councillor Cullen regarding a possible market to recycle LCBO bottles, Mr. Potts offered although there is a market to recycle, his understanding from conversations with Canadian Bottle Recyclers, was that they have markets to resell the bottles, many of which are in standard format, to local and foreign vintners for re-use and resale.

Councillor Cullen stated although it appeared the Committee would support the endorsement of a proposal for a deposit/return system, he felt there was a need to have more information from staff regarding what the Region was taking in, in terms of glass, aluminum, and plastic beverage containers, and put forth a motion to this effect.

Councillor Legendre asked whether more information could be provided on the German "Green Dot" program, a "product stewardship" full return-to-vendor system where all packaging returns to the point of purchase, and municipalities are not required to operate recycling systems. Mr. Pat McNally, Director, Solid Waste Division, Environment and Transportation Department, replied staff could bring back further information on this program. Mr. McNally emphasized the Region has continually recommended more product stewardship to the Province, and believed in the necessity of getting manufacturers involved in reducing the amount of packaging material, and consumers in financing the system.

There being no further discussion, Committee considered Councillor Cullen's Motion.

Moved by A. Cullen:

That staff prepare a report on a deposit/return system for beverage containers, to include more detailed information on glass, aluminum, and plastic beverage containers (including containers for wine, liquor, juice, natural spring water, etc., as well as for soft drinks), for a Planning and Environment Committee meeting in May, 1997.

CARRIED

5. RESPONSE TO OUTSTANDING P&E INQUIRY NO. 24
SEWER USE BY-LAW

- Environment and Transportation Commissioner's report dated 28 Jan 97

Referring to page 11 of the staff report, which stated a Sewer Use By-Law violator had received a formal warning, Councillor Cullen inquired of staff whether the Region had considered making formal warnings public. Helen Ryan, Supervisor, Industrial Waste Section, Water Environment Protection Division, informed that, because the information related to an enforcement matter, the name of the company was deemed to be confidential under the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA).

Councillor Cullen offered the Region had gone through similar efforts in terms of restaurant inspections, where the identity of violators had become public knowledge, and wondered why this was different.

Tim Marc, Solicitor, Legal Department, said he recalled earlier discussions at Health Committee over the question of whether or not *warnings* as opposed to *charges* could be made public. He said Regional Council had decided to make public the identities of those who had been convicted, but Mr. Marc was not certain Council had come to the same conclusion with respect to warnings. He said it was a matter the Legal Department could look into to see what position the Region had taken with respect to restaurant warnings to see if it was applicable in this case. Councillor Cullen asked that staff do so.

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

RECEIVED

PLANNING ITEMS

6.. LAND ACQUISITION - NATURAL ENVIRONMENT AREA
(MARLBOROUGH FOREST)
OWNER: MARC J. SEGUIN (IN TRUST)

- Planning and Development Approvals Department Commissioner's report dated 16 Jan 97

That the Planning and Environment Committee approve the following action:

1. Recommend to the Corporate Services and Economic Development Committee the acquisition of the west one-half of Lot 14, Concession 1,

Township of Goulbourn, from Marc J. Seguin as an addition to the Marlborough Forest for a consideration of $27,750.00;

2. **Planning and Development Approvals Department make application to the Ministry of Natural Resources for subsidy and to approve the addition of these lands to the Management Agreement;**

3. **That Planning and Development Approvals Department submit the application to Corporate Services and Economic Development Committee for approval on behalf of the Regional Municipality of Ottawa-Carleton, and;**

4. **Upon receipt of approval of the Ministry of Natural Resources, the Marlborough Forest addition be brought to Council for confirmation and a by-law adding land to the Management Agreement be submitted for adoption.**

CARRIED

7. SUMMARY OF ASSIGNED FUNCTIONS
OFFICIAL PLAN AMENDMENTS, SUBDIVISIONS,
CONDOMINIUMS, PART LOT CONTROL BY-LAWS,
ZONING BY-LAWS, SITE PLANS AND SEVERANCES

- Planning and Development Approvals Commissioner's report dated 28 Jan 97

Councillor Legendre wondered whether the "Ottawa NRC lands" mentioned in the staff report were those south of Montreal Road. He stated he was familiar with some of the National Research Council's historic plans for the lands, and requested more information from staff. Roger Hunter, Planner, Development Approvals Division, confirmed the information would be made available to the Councillor. Councillor Legendre advised the Commissioner he was interested in all such large parcels of land in his ward, and requested to be kept informed on such items as a matter of course.

That the Planning and Environment Committee and Council receive this report for information. Included in this report is one appeal of a subdivision application under Bill 20 by an outside source (see Annex V).

CARRIED

INFORMATION PREVIOUSLY DISTRIBUTED

1. Draft Regional Official Plan and Transportation and Water and Wastewater Master Plans
   - Planning and Development Approvals Commissioner's memorandum dated 27 Jan 97 on file with the Regional Clerk

2. New Provincial Policy on Land Uses and Development Near Airports
   - Planning and Development Approvals Commissioner's memorandum dated 11 Feb 97

ADJOURNMENT

The meeting adjourned at 4:30 p.m.

COMMITTEE COORDINATOR

COMMITTEE CHAIR