



**Special General Issues Committee
Report 11-013(b)
11:30 a.m.
Wednesday, May 18, 2011
Council Chambers
Hamilton City Hall
71 Main Street West**

Present: Deputy Mayor T. Jackson (Chair)
Mayor B. Bratina
Councillors C. Collins, S. Duvall, J. Farr,
L. Ferguson, B. Johnson, McHattie, S. Merulla, B. Morelli,
J. Partridge, R. Pasuta, M. Pearson, R. Powers, and
T. Whitehead

Absent with regrets: Councillor B. Clark, illness

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance and Corporate
Services
G. Rae, Acting General Manager, Public Works
D. McKinnon, Director of Water Wastewater
R. Hall, Director, Health Protection
I. Bedioui, Legislative Assistant

**THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 11-013(b) AND
RESPECTFULLY RECOMMENDS:**

1. **Business Review – Liberty Proposed Incinerator (PW07047(d)) (City Wide)
(Item 7.1(b) – May 9 GIC Agenda) (Item 7.1(b))**
 - (a) That staff be directed to develop a scope of work including an estimate of due diligence costs, with full consideration of the P3 Canada Fund Program, to analyze risks identified in the peer review report entitled *“Independent Peer Review and Financial Evaluation of City/Liberty Thermal Reduction Options for the Disposal of Biosolids Generated at Woodward WWTP”* as well as those identified in report PW07047c, *Business Review – Liberty Proposed Incinerator* and report back to General Issues Committee in June 2011;

Council May 25, 2011

- (b) That staff be directed to design a procurement process that incorporates necessary risk mitigation strategies and allows for consideration of biosolids management options that conform to the mandatory competitive process required by the P3 Canada Fund and that a report on the proposed process be brought back to Council for its consideration;
- (c) That staff be directed to submit a Round Three Application to the P3 Canada Fund for a proposed biosolids management project by the deadline of June 30, 2011.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following added delegation requests:

- (i) Ray Fullerton respecting outstanding questions for City Staff and authors of the Independent Peer Review and Financial Evaluation of City/Liberty Thermal Reduction Options for the Disposal of Biosolids Generated at Woodward WWTP (Added Item 4.1)
- (ii) Lorna Moreau, Soot Group, to speak on the impacts of Liberty Energy on our community (Added Item 4.2)
- (iii) Barbara LaFleshe, We ROCK, to speak to the issue of Direct Energy's Proposal (Added Item 4.3)

The agenda was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) DELEGATION REQUESTS

That the rules of order were waived in order to allow the following delegations to address Committee at today's meeting:

- (i) Ray Fullerton respecting outstanding questions for City Staff and authors of the Independent Peer Review and Financial Evaluation of City/Liberty Thermal Reduction Options for the Disposal of Biosolids Generated at Woodward WWTP (Added Item 4.1)

- (ii) Lorna Moreau, Soot Group, to speak on the impacts of Liberty Energy on our community (Added Item 4.2)
- (iii) Barbara LaFleshe, We ROCK, to speak to the issue of Direct Energy's Proposal (Added Item 4.3)

(d) PUBLIC HEARINGS/DELEGATIONS

- (i) Ray Fullerton respecting outstanding questions for City Staff and authors of the Independent Peer Review and Financial Evaluation of City/Liberty Thermal Reduction Options for the Disposal of Biosolids Generated at Woodward WWTP (Added Item 4.1)**

Ray Fullerton thanked Joe Rinaldo for providing responses to his questions which he submitted with his delegation request. He addressed Committee and his comments included but were not limited to the following:

- he is concerned with the projected capital costs particularly with the fact that a small capacity City built incinerator would cost more than a larger capacity Liberty Energy built incinerator;
- he recommends that the City not be the pilot plant but wait to see what happens in California – check the plant and look at the books;
- there are so many conflicting reports.

The delegation from Ray Fullerton was received.

- (ii) Lorna Moreau, Soot Group, to speak on the impacts of Liberty Energy on our community (Added Item 4.2)**

Lorna Moreau addressed Committee. Her comments included but were not limited to the following:

- conditions had improved from when she first moved to the industrial area of the City but since 2006 when ownership of DOFASCO (now ArcelorMittel) changed hands the air quality has deteriorated due to the emissions;
- She can no longer hang clothes on the line, or enjoy her pool due to the soot and bad odour,
- The Ministry allows for site specific allowances for emissions and does not take into consideration the already compromised air shed in Hamilton;
- She can walk to the Liberty Plant location from her home;
- She is concerned with trucks;
- She is concerned that she cannot enjoy her home;

- The recent Code Red report states that Hamilton residents living in poverty live 20 years less;
- The homes in her area of the City are affordable and poverty is not a threat to them;
- She feels that they are more likely to die from the pollution;
- The poor residents who live on the mountain live longer;
- She is not against industry;
- She just wants the companies to abide by the rules.

Ms. Moreau responded to questions from Committee.

She provided copies of emissions data which Linda Lukasik, from Environment Hamilton, had requested that she submit to Committee.

The Chair noted that these were included in the report which Committee received on May 9, 2011.

The delegation from Lorna Moreau was received

(iii) Barbara LaFleshe, We ROCK, to speak to the issue of Direct Energy's Proposal (Added Item 4.3)

Barbara LaFleshe addressed Committee and her comments included but were not limited to the following:

- Committee needs to listen to the wants and needs of the citizens;
- Public information and education are imperative;
- Environment Hamilton is a great resource;
- The City's environment is deteriorating;
- The residents need a place to breath;
- Despite it's heavy work load, Committee needs to get all the information and be far more educated prior to making a decision.

Ms. LaFleshe responded to questions from Committee.

The delegation from Barbara LaFleshe was received.

(e) STAFF PRESENTATION

(i) Business Review – Liberty Proposed Incinerator (PW07047(d)) (Item 7.1(b))

Geoff Rae, Acting General Manager of Public Works and Robert Rossini, General Manager of Finance and Corporate Services made a PowerPoint Presentation and copies of the hand-out were distributed.

Their comments included but were not limited to the following:

- Status of work with Liberty Energy Inc.;
- Report Recommendations:
- Thermal Project
- Unsolicited Proposal
- P3 Canada Fund
- P3 Canada Round Three Intake
- P3 Round Three: Stage 1 – Screening
- P3 Round Three: Stage 2 – Business Case Preparation
- P3 Round Three: Stage 3 – Investment Consideration
- P3 Canada Fund Eligible Costs
- Round Three Timelines

The Committee's questions for staff included but were not limited to the following:

- Can you say that you support incineration?
- How do we reconcile the air shed crisis with adding another emission?
- What would be the impact on the community?
- Can we get written comments from the Ministry of the Environment?
- Is the emission data submitted by Linda Lukasik correct? (It is included in the City's MasterPlan.)
- What are the 15 eligible categories for the P3 Canada Fund Program?
- What other projects are on the City's wish list? (Chris Murray to put on tomorrow's SMT agenda.)
- Does the City have a legal (or ethical) obligation with Liberty Energy?
- How could we deal with Liberty Energy regarding the P3 Fund? – Concerned with the City's reputation on how it does business.
- What is the P3 process and timelines?
- What is the M.O.E.'s current position with respect to (sludge) land applications?
- Will the M.O.E. change it's position?
- Do we have enough land in the City? (The population is growing and the land is shrinking.)
- What is the quality of the sludge?
- Is the facility in Niagara substandard?
- What is the target amount for the water rate budget and will it be sustainable in 10 years?
- Where else could we invest the \$65 million?
- How much sludge goes to landfill and how much goes to land application?

- Has the M.O.E. changed the thresholds for emissions?
- What components of a project would be eligible for capital funding from the P3?
- Will there be a triple bottom line analysis (i.e. environmental and social responsibility, etc.)?
- What is the City's contingency plan if the contractor is one day unable to take the sludge?

Mr. Phil Sidhwa, President of Terratec Environmental responded to questions from Committee which included but were not limited to the following:

- Is the sludge tested for pharmaceuticals?
- Have crops and animals been tested for uptakes?
- Are the results available?
- What are the restrictions for the land application – where can it be used?
- Does all the sludge from outlying Municipalities and from Hamilton meet the guidelines?
- Are there other uses for sewage sludge?
- Where is the sludge stored?

The staff presentation was received.

After debating the issues, Committee approved the following amendment to the staff recommendation:

- (i) That subsection (a) be amended by inserting the words **“develop a scope of work including an estimate of due diligence costs, with full consideration of the P3 Canada Fund Program, to”** after the word **“to”** in the first line and by deleting the words **“the fourth quarter of 2011 with potential mitigation strategies”** and inserting the words **June 2011** therein;
- (ii) That subsection (b) be amended by deleting the words **“Council provide direction on whether to commence now, in parallel to the above process, the”** in the first line and inserting the words **“staff be directed to”** therein and by deleting the word **“of”** after the word **“design”** and the words **“presented by Liberty Energy Inc. in its unsolicited proposal dated November 19, 2009 as well as other alternatives”** and inserting the words **that conform to the mandatory competitive process required by the P3 Canada Fund,** therein;
- (iii) That subsection (c) be deleted in its entirety and replaced with the following:

That staff be directed to submit a Round Three Application to the P3 Canada Fund for a proposed biosolids management project by the deadline of June 30, 2011.

The question on the amendment was called and the amendment CARRIED.

The question on the recommendation, as amended, was called.

The recommendation as amended CARRIED on the following votes:

Yeas: Pearson, Ferguson, Powers, Pasuta, Partridge, Bratina, Jackson, Duvall,
Whitehead, and Farr
Total: 10
Nays: Johnson, Collins, Merulla, Morelli, McHattie
Total: 5
Absent: Clark
Total 1

(f) ADJOURNMENT

Committee adjourned at 3:15 p.m.

Respectfully submitted

Councillor T. Jackson, Deputy Mayor
General Issues Committee

Ida Bedioui, Legislative Assistant
Committee Services/Council/Budgets
May 18, 2011