

Clause No. 36 in Report No. 12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 26, 2014.

**36**  
**YORK REGION'S SEWER USE BYLAW ENFORCEMENT PROGRAM**  
**UPDATE**

**Committee of the Whole recommends adoption of the following recommendations contained in the report dated June 5, 2014 from the Commissioner of Environmental Services:**

**1. RECOMMENDATIONS**

It is recommended that:

1. Council approve fees for a three year period for the Sewer Use Bylaw Enforcement Program as outlined in *Attachment 1*. All new fees will take effect January 1, 2015.
2. Schedule "A" to the fees and charges bylaw (Bylaw No. 2010-15) be amended to implement the proposed fees.
3. The Regional Clerk circulate this report to the Clerks of the local municipalities.

**2. PURPOSE**

This report seeks Council's endorsement of Sewer Use Bylaw fees and provides Council with an update on York Region's Sewer Use Bylaw Enforcement Program.

**3. BACKGROUND**

**Sewer use bylaw manages risks to wastewater collection system and supports York Region's asset management program**

The Region and local municipalities have sewer use bylaws primarily to manage risks and costs associated with treating discharges of industrial, commercial and institutional (ICI) wastewater into sanitary sewer collection systems. These risks can contribute to critical infrastructure failures, premature degradation of equipment and negative

operating impacts ranging from higher operation and maintenance costs to failure of biological processes at water pollution control plants.

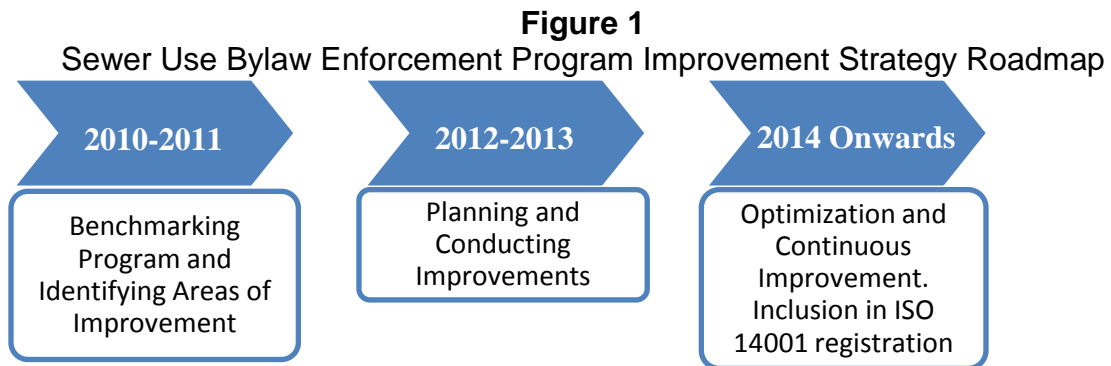
The Sewer Use Bylaw Enforcement Program focuses on protecting infrastructure, workers, the public and the environment from harmful effects of ICI discharges through the delivery of five core program areas:

1. **ICI Risk Based Monitoring Program:** monitoring and regulation of ICI discharges to the wastewater system to protect the public, municipal workers, property and environment from hazardous conditions
2. **Surcharge and Compliance Programs:** provides opportunities for ICI dischargers to pay to discharge over-strength wastewater (surcharge program) or implement mitigation measures at their facility, such as capital improvements to ensure Bylaw compliance (compliance program)
3. **Hauled Wastewater Program:** provides a service to residents and businesses not on a municipal wastewater system and aims to minimize adverse impacts of hauled wastewater
4. **Dewatering Discharges Program:** regulation of dewatering discharges to sanitary and other Regional infrastructure to protect capacity and ensure quality standards are met
5. **Information Services:** responds to information requests regarding specific sites (i.e. Freedom of Information or Environmental Site Assessment requests)

#### 4. ANALYSIS AND OPTIONS

##### **York Region's Sewer Use Bylaw Enforcement Program Improvement Strategy created a 'best-in-class' Sewer Use Bylaw Enforcement Program**

In 2011, the Region initiated implementation of the Sewer Use Bylaw Enforcement Program Improvement Strategy in an effort to move toward industry-leading practices. A three-phase, implementation roadmap was developed, which prioritized initiatives to close identified gaps (see Figure 1).



### **Sewer Use Bylaw Enforcement Program well placed for ISO 14001 registration in 2014**

Many improvements have been made to the Sewer Use Bylaw Enforcement Program since 2011 including an updated Bylaw, new and updated fees, a new database, installation of an automated hauled wastewater panel, improved and formalized collaboration with local municipalities and communication with stakeholder businesses. These changes have enhanced service for businesses and residents and have positioned the program for inclusion in the Region's ISO 14001 environmental management system with registration anticipated in Fall 2014. ISO 14001 registration will enhance the program's continuous improvement process providing on-going evaluations of the program's efficacy and areas for improvement.

In Summer 2014, the Sewer Use Bylaw Enforcement Program will also roll out the Sewer Use Bylaw Services web portal, allowing local municipalities, businesses and individuals improved access to forms, sampling data, invoices and approvals. The system is designed to allow users to update their information online, reducing staff resources required to manage this data. These enhancements greatly increase convenience and improve service. These efficiencies have been considered in fee development and projection.

### **Increased monitoring in 2012-2013 improved infrastructure protection and customer service**

Implementing the new Sewer Use Bylaw and Hauled Wastewater Program Policy, staff has concentrated resources toward increasing monitoring across all program areas as shown in Table 1. In particular, increased frequency of site inspections of industrial dischargers and hauled wastewater monitoring has led to greater protection of infrastructure and health and safety. Since 2011 the program has prioritized the focus to increase the sampling frequency for known high risk dischargers. The increased monitoring effort has also identified the complexity of accurate monitoring. A greater

number of facilities located within multi-business units requires more time to verify the source of effluent. In 2014 an additional 100 new high risk dischargers are forecasted to be monitored. This focused effort will be further supported by a recent organizational change to align the Sewer Use Bylaw Enforcement Program within the Operations, Maintenance and Monitoring branch.

**Table 1**  
Sewer Use Bylaw Enforcement Program Monitoring Activities

<b>Program Activities</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>ICI Risk Based Monitoring Program</b>			
Sites monitored	135	144	164
Site inspections conducted	17	41	46
<b>Surcharge industries</b>	51	54	54
<b>Total sampling events</b>	682	722	1060
<b>Hauled Wastewater Program</b>			
Haulers registered	54	29*	31
Hauled wastewater samples	12	82	195
<b>Dewatering Discharge approvals</b>	6	14	8
<b>Information requests</b>	138	63	115

\*Note: A number of haulers were not permitted to register post 2011 given they only collect wastewater prohibited under the new Hauled Wastewater Program Policy (e.g. haulers with catch basin materials)

### **Link to Key Council-approved Plans**

York Region's corporate plans and strategies including the Official Plan, *Vision 2051*, and the 2011 to 2015 Strategic Plan establish goals demonstrating the importance of long-term sustainability. The Sewer Use Bylaw Enforcement Program objectives align with these goals, which are to:

- Proactively manage and maintain infrastructure to ensure short and long-term adequacy and reliability of water and wastewater services
- Safeguard the environment, residents, municipal workers, and property from hazardous conditions
- Deliver and sustain critical infrastructure
- Manage York Region's finances prudently

## 5. FINANCIAL IMPLICATIONS

### **Sewer Use Bylaw Enforcement Program fee increases required to offset program costs**

Sewer Use Bylaw Enforcement Program costs include staff salaries and benefits, monitoring costs and laboratory expenses. Costs are recovered by two funding mechanisms. Wastewater rate revenues are used to cover costs associated with monitoring industries to ensure protection of infrastructure, health and safety and the environment. Fees are used to recover costs associated with providing extra wastewater services. These services include surcharge agreements, compliance programs, hauled wastewater receiving, dewatering approvals and information requests.

In 2011, Council approved fee increases to 2013 to recover costs associated with the Sewer Use Bylaw Enforcement Program. With the revised fee structure, as shown in Table 2, the Sewer Use Bylaw Enforcement Program was able to recover approximately 35 per cent and 56 per cent of expenditures in 2012 and 2013.

**Table 2**  
**Sewer Use Bylaw Enforcement Program Costs and Recovery from Fees**

	<b>2012</b>	<b>2013</b>
Total Expenditures	\$2,675,326	\$2,907,368
-Program expenditures	\$1,434,200	\$1,305,683
-Wastewater treatment expenditures	\$1,241,126	\$1,601,685
Total Fee Revenues	\$(918,513)	\$(1,636,401)
<b>Net Program Cost</b>	<b>\$1,756,813</b>	<b>\$1,270,967</b>

### **Detailed study completed to advise Sewer Use Bylaw rate structure and secure future cost recovery**

In early 2014, a detailed third party review was undertaken to examine the Sewer Use Bylaw Enforcement Program finances and recommend new fees to bring the program into cost recovery by 2015. The recommendations for each of the four revenue areas: surcharge and compliance, hauled wastewater, dewatering and information requests are shown in *Attachment 1* and discussed below. These recommendations realign revenues with costs to reduce dependency on wastewater rates to cover program and treatment costs. These changes also are aligned with user pays principle for industrial sewer use discharges.

### **Third party review recommends increases in fees are necessary to reflect York Region operational and treatment costs**

Overall, recommended increases in all program areas are based on detailed cost analysis per treatment train and business process as outlined in *Attachment 1*. The proposed increased fees are aligned with our neighbouring municipalities as shown in *Attachment 2*. The increases are not expected to create undue financial hardship as most of the increases are reasonable, e.g. less than \$40 for a typical hauled wastewater load. The program area with the greatest projected increase is the Surcharge Agreement Program, where 35 of the 54 surchargers are likely to experience increases less than \$2,500 per year. Seven surchargers are forecasted to experience an increase greater than \$10,000 per year of which two industries may experience significant increases greater than \$50,000 per year. Increases are necessary to charge the actual cost of treating the volume of over-strength discharges.

Surcharge Agreements are created between the industrial discharger and York Region to assist businesses with hard to treat biological parameters that are more cost effectively treated by a municipal wastewater system. A Surcharge Agreement allows the business to discharge wastewater above specific organic bylaw limits and ensures that York Region recuperates the higher cost of treating the concentrated wastewater.

To help businesses adjust to the new fees, staff propose the following approaches:

- phasing in the maintenance fee increase over two years
- allowing businesses to self-monitor and reduce their laboratory costs
- working with industries on pollution prevention programs to reduce waste production upstream in their processes
- Voluntary participation in the Wastewater Consultation Pilot for ICI facilities under the Regionally funded *Water For Tomorrow* Water Use Consultation program

### **Effective communication and six month phase-in of fee increases will allow time for affected businesses to plan**

A communication plan has been developed to provide reasonable notice of fee changes to the four impacted sectors: surcharge industries, wastewater haulers, construction companies (for dewatering discharge approvals) and environmental site assessment consultants. Letters of notice will be sent to each sector to outline the proposed fees, provide suggestions to reduce their costs and offer opportunities for discussions with staff. The York Region website will be updated to outline the proposed fees, staff contact information and answers to frequently asked questions. As the effective date of January 1, 2015 approaches, directed correspondence will provide a reminder to businesses of the upcoming increases.

Staff met with wastewater haulers on May 13, 2014 to discuss the new Hauled Wastewater Program Policy and proposed fee changes. While the haulers were reluctant to pay more, they recognized the fees support increased services and reflect increased costs to treat their wastewater. To date, no haulers have called staff concerning the proposed fee increase.

Staff recently provided written notice of proposed fees to the surcharged industries. The notice also identified pollution prevention and other measures businesses may take to reduce their costs for overstrength discharges. Environmental Services Sewer Use staff are following up with surcharge industries that are highly impacted by the new proposed fees to offer additional support, including reviewing their on-site processes.

## **6. LOCAL MUNICIPAL IMPACT**

### **Program improvements have increased information sharing and communication with local partners**

Development of several business processes involving local municipalities has greatly improved information sharing and communication. Local municipalities are asked to comment on surcharge agreements and dewatering applications to ensure appropriate capacity and to minimize risk to local collection systems. The new data management system will make data available and enhance communication among all parties. Local municipal staff have been made aware of the proposed fee increases.

### **Regional and local municipalities collaborate to deliver best in class Sewer Use Bylaw Enforcement Program**

A series of workshops were held with local municipal and Regional water and wastewater staff to gather information and define roles and responsibilities. Outcomes were incorporated into a Sewer Use Program Collaborative Framework which includes the core principles of an integrated sewer use compliance program, a framework for program implementation and delineation of high-level sewer use activities. The Sewer Use Program Collaborative Framework was endorsed by the Water and Wastewater Steering Committee on April 11, 2013. Effective collaboration yields improved protection of both local and Regional infrastructure.

## **7. CONCLUSION**

This report provides Council with an update on implementation of the Region's Sewer Use Bylaw Enforcement Program and provides rationale for increased fees to achieve cost recovery for the program. This program plays a vital role in protecting employee and public health and safety, the environment and regional and municipal infrastructure. The proposed increases are necessary to ensure the Sewer Use Bylaw Enforcement Program continues to provide a best-in-class program that protects infrastructure, the environment and the public.

For more information on this report, please contact Brett Bloxam, Director, Operations, Maintenance and Monitoring, Environmental Services Department at 905 830-4444, Ext. 75320.

The Senior Management Group has reviewed this report.

*Attachments (2)*



## Current and Proposed Sewer Use Bylaw Fees

Program	Fee	2013 Rate	Proposed 2014 Rate	Proposed Rate Effective Jan 1, 2015	Proposed Rate Effective Jan 1, 2016
	New Surcharge Agreement Fee	\$300	\$300	\$375	\$385
	Annual Surcharge Agreement Maintenance Fee			\$1,000	\$1,400
	Laboratory Costs	\$600	\$600	actual analytical cost	actual analytical cost
<b>Surcharge Program</b>	<b>Surcharge rates (per kg)</b>				
	Biochemical Oxygen Demand (BOD5)	\$0.53	\$0.53	\$0.85	\$0.93
	Phenolic Compounds (4AAP)	\$0.53	\$0.53	\$0.85	\$0.93
	Suspended Solids (SS)	\$0.53	\$0.53	\$0.67	\$0.73
	Total Kjeldahl Nitrogen (TKN)	\$0.53	\$0.53	\$0.86	\$0.94
	Total Phosphorus (TP)	\$2.65	\$2.65	\$2.65	\$2.89
	Animal and Vegetable Oil & Grease	\$0.53	\$0.53	\$0.59	\$0.64
<b>Compliance Program</b>	Plan Approval	N/A	N/A	\$375	\$385
<b>Hauled Wastewater Program</b>	Hauled Wastewater Annual Registration Fee	\$160	\$160	\$200	\$200
	Hauled Sewage Disposal Fee (per m <sup>3</sup> )	\$19.60	\$19.60	\$21.95	\$23.93
	Electronic/Magnetic Access Device Issuance/Replacement Fee	\$50	\$50	\$50	\$50
	Emergency After-Hours Disposal Fee (per hr)	\$65	\$65	\$80	\$80
<b>Dewatering Discharge Program</b>	Dewatering Request Application Fee	\$700	\$700	\$1,000	\$1,400
	Dewatering Discharge Application Fee (flowrate is = or < 5 L/s)	N/A	N/A	\$800	\$815
	Dewatering Volumetric Discharge Fee to sanitary sewer (per m <sup>3</sup> )*	\$0.99*	\$1.11*	\$1.24*	\$1.35*
	Dewatering Maintenance Fee			\$200	\$200
		18% of volumetric fee	18% of volumetric fee	Invoiced based on actual cost	Invoiced based on actual cost
	Sampling Costs				
<b>Information Requests</b>	Environmental Site Assessment Information Request Fee	\$125	\$125	\$150	\$150

\* Dewatering Volumetric Discharge Fee is based on previous Council approved wastewater rate to 2016.

## 2013 JURISDICTIONAL ANALYSIS

Table A - 2013 Surcharge Rate Comparison (\$/kg)

Municipality	BOD <sub>5</sub>	TSS	TP	TKN	Oil & Grease	Phenols	Sulfate
City of Toronto	\$ 0.62	\$ 0.60	\$ 1.69	\$ 1.18			
Durham Region*	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50		\$ 0.50
York Region	\$ 0.53	\$ 0.53	\$ 2.65	\$ 0.53	\$ 0.53	\$ 0.53	
York Region - 2015 Recommended	\$ 0.85	\$ 0.67	\$ 2.65	\$ 0.86	\$ 0.59	\$ 0.85	
Hamilton (proposed)	\$ 0.696	\$ 0.557	\$ 1.49	\$ 2.119	\$ 0.584		
City of Ottawa	\$ 1.47	\$ 0.78	\$ 2.36	\$ 5.86		\$ 1.47	
Niagara Region	\$ 1.46	\$ 1.46	\$ 1.46				

Note: \* Requires 8% admin fee in addition to the surcharge rate

**Table B - 2013 Hauled Wastewater Comparison (\$/m<sup>3</sup>)**

Municipality	Haulage Unit Cost (m <sup>3</sup> )	One Time Fee	Annual Admin Fee	Other Fees or Comments
Peel Region	\$ 2.86			
Halton Region	\$ 5.36			
Niagara Region	\$ 8.80		\$ 50	Based on 80% of truck capacity. Also a \$15 haulage access fee. Admin fee of \$28.25 if paperwork is not complete
City of Hamilton	\$ 9.60		\$ 290	Fee is tiered as flat rates for the first 1,000 gallons, 3,500, 5,000, 8,000 etc.
City of Brantford	\$ 10.50		\$ 60	
City of London	\$ 11.77			Haulage per m <sup>3</sup> leachate fee of \$21.66
City of Ottawa	\$ 14.89		\$ 248	\$139 for haulage revision fee. Holding tank fee per m <sup>3</sup> of \$3.20 and fee for haulage outside City boundaries is \$25.95 per m <sup>3</sup>
Durham Region	\$ 16.66		\$170	Hauler permit is \$170 for first 10 trucks registered and \$10 per truck after that. This is charged annually to each hauler based on the number of trucks owned by each company
York Region	\$ 19.60		\$ 160	Unit cost per m <sup>3</sup> fee includes a 15% administrative fee
City of Windsor	\$ 19.80			
York Region - 2014 Recommended	\$ 21.95		\$ 200	Unit cost per m <sup>3</sup> fee includes the administrative fee
City of Barrie	\$ 23.51			Haulage per m <sup>3</sup> leachate fee of \$5.85
City of Toronto	\$ 27.86			
City of Greater Sudbury	\$ 32.00	\$ 250	\$ 25	
City of Guelph		\$ 150	\$ 75	Loads from 0 m <sup>3</sup> to 5 m <sup>3</sup> are charged \$10 per load, 5.1 m <sup>3</sup> to 10 m <sup>3</sup> is \$20 per load, over 10.1 m <sup>3</sup> are \$30/load
Waterloo Region		\$173		\$173.77 per truck for septage, \$86.17 per truck for holding tank, ICI holding tank individual basis

**Table C - 2013 Environmental Site Assessment (ESA) Information Request Comparison**

<b>Municipality</b>	<b>ESA Information Fee</b>
<b>York Region</b>	\$ 125.00
<b>City of Hamilton</b>	\$ 131.50
<b>Durham Region</b>	\$ 143.72
<b>York Region - 2014 Recommended</b>	\$ 150.00
<b>Waterloo Region</b>	\$ 150.00
<b>Halton Region</b>	\$ 152.03
<b>Niagara Region</b>	\$ 339.00