



NEWCO Inc.
**Proposal to Convert the Amaranth Municipal
Landfill Site To a Soil Remediation Landfill Facility**

October 2010

1) Municipal Challenge

The Township of Amaranth owns a landfill located at 434354 4th Line Amaranth, north of 15 Sideroad. The landfill has been in operation for a number of years. Waste management responsibilities are in the process of being transferred to Dufferin County. As part of this transfer, the County is in the process of developing a new waste management facility to serve Dufferin's residents and business community's long term needs.

At this point in time, the responsibility for the existing municipal land fill site on 4th Line remains with the Township of Amaranth. Experience drawn from other Ontario municipalities facing a similar situation suggests that Amaranth will retain the fiscal and environmental responsibilities and risks of managing this site in perpetuity. In particular, the municipality will likely have to undertake the development and implementation of a site closing, monitoring management and after-use plan.

In order to meet these responsibilities the municipality will have to set aside funds in both its operating and capital budgets (reserve funds) to provide for the ongoing testing, and monitoring of the site. As the existing waste decomposes over time capital investments to manage leachate and preclude any migration off-site may be necessary.

Because the site will be closed, the municipality will no longer be able to access tipping fees or any other waste management revenue sources, thus the funds necessary to meet these responsibilities will likely have to be secured from general tax revenues and/or debt. As such these funds, because of the nature of the risk, liability and responsibilities will need to be used for those purposes and therefore will not be available to provide other services in the community.

2) An Innovative Solution and Opportunity

As mentioned above the long term management of closed municipal waste management sites presents significant and new challenges to municipalities (particularly smaller ones with limited tax bases). Solutions have been largely limited to monitoring, management and remediation investments.

One of the top environmental and land use priorities of the Provincial Government as set out in the Places to Grow Act, Provincial Policy Statements and Planning Act is the reuse of Brownfield sites. To achieve this objective, Ontario has put in place stringent environmental regulations for the removal, clean up and relocation and management of soil removed from these sites.

These new planning policies and regulations will also allow for the development of sites for a number of venues that will be used for the Pan American Games which will be hosted by Ontario in 2015 and the construction of major new infrastructure projects under the "Let's Move Plan".

Newco Inc. wants to purchase the Amaranth municipal solid waste landfill (a long-term liability and cost centre for the Township) and to transform it into an enterprise where industrial soil is cleaned up for re-use and /or deposited on-site.

Newco Incorporated is a company of environmental professionals, waste management and business experts who have developed an innovative business model which can:

- Solve the fiscal, operational, management and environmental risks faced by the municipality
- Assist the Province of Ontario in meeting its objectives related to brownfield remediation and redevelopment
- Generate new revenue for the Township of Amaranth
- Return to the municipality a site which could be available for public use in the future
- Create a sustainable business opportunity with local jobs

The proposal being presented to the Township of Amaranth is structured around an approach to convert the existing site on 4th Line from a Municipal Waste Management Facility, to a Ministry of the Environment approved and Licensed Soil Management Facility.

3) Conversion of the Site

Newco is prepared enter into an agreement with the Township of Amaranth for the conditional purchase of the existing 4th Line Landfill site.

Upon securing the agreement for conditional purchase, Newco will fund and where appropriate work with the Township on the following matters:

3.1 Ceasing of Operation as a Municipal Landfill Site

- meet all requirements related to its closure as an operating municipal land fill site
- Cease the acceptance of municipal waste
- Make available to the Municipality a waste transfer facility to be located on the landfill site.

3.2 Approvals Requirement Assessment

- Undertake discussions and investigations with all regulatory and approval agencies to introduce the proposed concept, identify the nature and extent of permits, certificates and technical studies necessary to provide for the conversion of the existing municipal waste management facility.

3.3 Scientific, Environmental Studies and Plans

- Undertake the necessary studies and assessments required by the Ministry of the Environment, Municipality and any other approval agencies to re-certify the existing site as a remediated soil treatment and depository
- Develop plans to address hours of operation, noise, dust, run-off and traffic (volume, queuing and routes) arising from its conversion as a means to minimize operational impacts on the community
- Develop a site footprint which will provide opportunities for a future public use.
- Prepare a site reclamation plan (process, transfer and location) for the existing municipal waste to be removed from the site
- In consultation with the appropriate authorities, identify the necessary site design requirements. This includes a pad for the treatment facility and a geo-membrane liner for the landfill and buffering.

3.4 Securing Approvals and Permits

- Support and participate with the Municipality in any and all public notifications and consultation required under applicable legislation.
- Make the necessary applications to the Ministry of Environment for the transfer and amendments to the existing Certificate of Approval for the conversion of the site to a soil remediation facility and repository and to set out the nature and types of soil permitted in the new facility. It is important to note that as part of any redevelopment of industrial land, a "qualified professional" – either professional engineer or professional geologist - must supervise the sampling and testing of the soil. The laboratory analysis on the soil must be performed by an environmental laboratory accredited by the Canadian Association for Laboratory Accreditation. The company that transports the soil off site must hold a Certificate of Approval (waste management systems) from the Ontario MOE. Newco Inc. will abide by all of these requirements.
- Make necessary applications for any other regulatory approvals required for this type of operation.

4) Proposed Business Arrangements

Newco Inc. offers to purchase the subject site for \$3 million. The closing of the purchase will be conditional on Newco Inc. receiving the appropriate approvals and certificates for the business described in this document. Newco Inc. agrees to pay for all costs associated with obtaining such approvals and certificates. Newco Inc. further agrees to pay royalties to the Township \$1.55 per tonne of soil brought to the site. The royalty payments will have a cost-of-living increase multiplier.

5) Benefits to the Township of Amaranth

Newco Inc. believes that the proposed conversion of the existing municipal waste management site to a "state of the art" Ministry of the Environment certified soil remediation site and depository will result in a number of significant and measurable benefits to the Township of Amaranth.

These benefits are summarized as follows:

- Conversion of a long term financial liability into a revenue generating opportunity, (both up front and long term revenue streams) with no financial downside risk
- Transformation of the existing site with limited remediation potential to a repository of soil with broader remediation and public use potential upon closure (park, golf course, etc)
- Substantial transfer of environmental risk and responsibility to the private sector.
- Transfer of costs associated with securing approvals, site remediation and site transformation costs to the private sector
- Ability to ensure the proposal is subject to independent, government regulatory review and approval (Ministry of the Environment) and result in the operation of the facility with materials that do not pose an environmental risk to the community or natural resources
- Ability to manage and limit any operating impacts
- Local private sector investment and economic impact through goods, materials and labor
- Municipal property tax revenue from the business operation
- Enhancement of the public interest through a positive win/win business/environmental initiative
- Potential "showcase" business and approach to the management of existing closed waste management sites

6) Some Questions and Answers

Who is Newco?

Newco is a company with partners that include environmental professionals and prominent business people. The company is financially backed by a privately-owned, Ontario-based company that has been in business for over 60 years.

Is the soil being treated and deposited on-site dangerous?

No. The Ontario Ministry of Environment regulates and approves not only the disposal of soil but also its composition. This facility will be designed to receive only soil classified as "industrial non-hazardous" to be treated and disposed of at the site.

What is the source of this soil?

The soil can only come from a site and under conditions approved by the Ministry of the Environment.

Is this a safe business?

Yes, this type of business operates elsewhere in the province and is overseen by the Ministry of the Environment. It is safer and cleaner than the current landfill site.

How can I trust that the operator will adhere to the rules set by the government?

For starters, the management and principals in Newco have worked in the environmental field for many years and are experienced respected people.

Secondly, the operation will be subject to regular inspections by the MOE and will be required to publish annual reports that are accessible to the public. A public liaison committee will be established whereby Newco will meet with representatives of the public to review the annual operating reports and any issues that may be of concern.

The MOE has a number of enforcement tools that it can use to compel Newco to cease a specific activity, clean-up the site, or shut down operations. The maximum fine for environmental offences in Ontario is \$6 million per day for corporations. Also, individuals can be fined and even jailed.

Are there similar facilities in Ontario?

Currently, the majority of non-hazardous impacted soil is sent for disposal at municipal solid waste landfills. The soil is used to cover the waste prior to capping. There are also several soil treatment facilities in the province including the Sudbury Soil Treatment facility, the Green Soils indoor treatment facility in North York, the Harbour Remediation and Transfer facility located in the Toronto portlands, and the Lafleche LeBlanc Soil Recycling facility near Ottawa.

What kind of traffic impact will this have?

Currently trucks carry solid waste to the site. Upon conversion there will still be trucks using Township roads. The trucks will be carrying industrial impacted soil as opposed to household garbage.

It should be noted that soil treatment and disposal is generally an April to November business. Unlike the current situation, there will be very little, if any, truck traffic during December, January, February, and March.

Newco will work with the Municipality to develop an appropriate and effective traffic management plan.

What differences will I notice between the current landfill operation and the proposed soil facility?

1. *Seeing It (Visual Impact).*
 - a. *During its useful life, a landfill has a "working face" that consists of exposed waste. A completed landfill is typically covered with clean fill and seeded with grass. Generally, trees are not planted on closed landfills as the depth of soil cover is insufficient to support the roots of trees and there is concern about roots breaking through the cap placed on the landfill.*
 - b. *A soil treatment and disposal facility consists of mounds of soil. Landfilled soil can be contoured and seeded. If desired, trees can be planted on top of the landfill as the soil can support a root system.*
2. *Smelling it (Odors).*
 - a. *MSW and IC&I waste smells. The trucks bringing the waste emit odors as does the landfill during operation. The odors need to be controlled through various means.*
 - b. *A soil treatment and disposal facility does not smell. The pungent odors associated with rotting garbage are non-existent when managing hydrocarbon-impacted soil. Metal-impact soil smells has an "earthy" smell.*
3. *Hearing it (Noise). The noise emitted from a MSW landfill and soil treatment and disposal facility is comparable. The equipment used is similar.*
4. *Vectors and Vermin.*
 - a. *A MSW landfill needs controls to limit seagulls and rodents.*
 - b. *A soil treatment and disposal facility does not attract vectors and vermin.*
5. *Scavengers*
 - a. *A MSW landfill needs proper security to control scavenging.*
 - b. *Not an issue for soil treatment and disposal facilities.*
6. *Environmental Impacts.*
 - a. *An MSW landfill requires a methane collection and treatment system, a leachate control system, and groundwater monitoring.*
 - b. *A soil treatment and disposal system does not generate methane. It has a leachate control system and groundwater monitoring.*
 - c. *Modern landfills are designed with liners and compacted clay to eliminate the potential of leakage.*

d. Trucks are needed to haul both municipal solid waste (MSW) and soil. The main difference is that the soil is not odorous like MSW and there is no risk of litter blowing out of the back of a truck that is not properly tied down.

7. Post-Closure

a. When the disposal facility reaches capacity, there are number of options we are considering including a tree farm, solar farm, toboggan hill/beginners' ski hill, nature trail, or a combination of all of them.