



FORMAL REPORT

To:	Mayor Stratthdee and Members of Council
From:	Jed Kelly, Director of Public Works
Date of Meeting:	28 March 2017
Subject:	PW 19-2017 Repeal of the Richardson Foods Industrial Waste Surcharge Agreement

PURPOSE

The Kraft-Heinz facility (formerly Richardson Foods) located at 25 South Service Road ceased operation in mid-January 2017. This report presents information for Council regarding the Industrial Waste Surcharge Agreement (IWSA) for the facility, notice received by the Town indicating the Agreement is no longer required and subsequent repeal of the IWSA.

RECOMMENDATION

THAT PW 19-2017 regarding the Repeal of the Richardson Foods Industrial Waste Surcharge Agreement be received as information; and,

THAT Council approve By-Law 25-2017 authorizing the repeal of By-Law 33-2006 and the Industrial Waste Surcharge Agreement.

BACKGROUND

The Town of St. Marys has long operated a wastewater collection (sanitary) program, when capacities permit, aimed at accommodating industrial operations by permitting the discharge of higher strength effluent loadings above municipal by-law limits, but within agreed upon limits.

In 2006, the Town of St. Marys enacted By-Law 33-2006 authorizing the signing of an Industrial Waste Surcharge Agreement between the Town and then Richardson Foods Ltd. This Agreement has remained in effect since 2006.

On March 7, 2017, Public Works staff brought report PW 11-2017 Repeal of the Richardson Foods Industrial Waste Surcharge Agreement to the Strategic Priorities Committee to discuss the Agreement, and its termination.

The following Recommendation was made at the Strategic Priorities Committee:

“THAT PW 11-2017 regarding the repeal of the Richardson Foods Industrial Waste Surcharge Agreement be received for discussion”.

In addition, the Town has received a letter from Kraft-Heinz (formerly the Richardson Foods facility) dated January 18, 2017 indicating that the Industrial Waste Surcharge Agreement was no longer required for the facility.

REPORT

Industrial Waste Surcharge Agreements (IWSA) is a program administered by the Town permitting higher strength sanitary discharges for specified parameters. These Agreements are non-transferrable and occupant specific. With the closure of the Kraft-Heinz facility in Late January 2017, the Agreement, and committed loading capacity for the occupant are no longer required.

Town Staff met with representatives from the Kraft-Heinz facility in early January 2017 to discuss the fate of the IWSA. It was at this time that the Town was notified that the IWSA would no longer be warranted for the facility and that it could be terminated. Town Staff and representatives from Kraft-Heinz reviewed the IWSA and methods for termination. Kraft-Heinz agreed to provide the Town a letter in accordance with Section 8 of the Agreement.

The letter was subsequently received by the Town on January 18, 2017 (Attachment No. 1).

SUMMARY

Based on the information detailed above, Staff recommends that Council repeal the Industrial Waste Surcharge Agreement, by By-Law for the Kraft-Heinz Facility, formerly Richardson Foods. Repeal of the Agreement will allow the Town to regain committed loading capacity for the Wastewater Treatment Plant that has historically been allocated to the facility.

FINANCIAL IMPLICATIONS

There are no known financial implications related to the repeal of the Industrial Waste Surcharge Agreement.

Surcharges administered and subsequently recovered by the Town through this program ceased when production within the facility was terminated.

OTHERS CONSULTED

Jed Kelly, Director of Public Works – Town of St. Marys
Eric Kaufold, Kraft-Heinz Company
Strategic Priorities Committee – Town of St. Marys

ATTACHMENTS

Attachment No. 1 – Kraft-Heinz Letter, dated January 18, 2017

Respectfully submitted,



Dave Blake, C.E.T.
Supervisor of Environmental Services



Brent Kittmer
CAO / Clerk