

AMO's Response to Preserving and Protecting Our Environment for Future Generations

A Made-in-Ontario Environment Plan 2018

January 17, 2019

Introduction

On November 29, 2018 the Honourable Rod Phillips, Minister of Environment, Conservation and Parks, released the Ontario government's new, broad based plan for environmental action in Ontario. The new Environment Plan targets clean water, waste, planning, climate resilience and reducing greenhouse gases (GHGs) in Ontario. The plan establishes new, revised targets for Ontario's greenhouse gas reductions and increases the focus on climate change adaptation, stormwater and wastewater management and waste reduction and reuse, amongst other priorities. The plan is posted for consultation until January 28, 2019.

Municipal governments are supportive of actions that have real and practical environmental outcomes for the communities we represent and serve. A clean environment is part of the needs and expectations residents and businesses have when they choose to call Ontario communities home. AMO provided pro-active input to the province as it developed this draft plan. AMO's input noted the number of ways in which municipal governments can help to achieve provincial climate change objectives that focused on the changes undertaken and those needed to be taken by municipal governments and communities to be more resilient, reduce greenhouse gases and make Ontario more sustainable.

Municipal governments will need to play a key role in the implementation of the plan's priorities. The ability of municipal governments to achieve the priorities established by the plan will be critical to Ontario's outcomes in environmental quality. Municipal governments will need better information, capacity and funding to move on these priorities. This submission sets out how municipal governments can best help to meet these shared goals and what supports and resources are necessary to get to these outcomes.

Municipal Context and Principles for Action

The Ontario Environment Plan is extremely broad and brings together a diverse number of policy areas and priorities the Ministry of Environment, Conservation and Parks will pursue over the next few years. As it is so broad, it is difficult to deal with each objective and action comprehensively in this submission. It is expected that further consultation on each action will be conducted to gather more detailed and focused input before implementation. There are many priorities in this plan that municipal governments are looking forward to see implemented and we will work with the government to get them right for our residents.

AMO and municipal governments will be guided by a number of principles in assessing the current plan and future actions. These broad principles are:

1. People in all communities across Ontario deserve a clean environment that supports their health and economic potential. A clean environment, effective local services and dynamic economy are mutually reinforcing and where you live should not alter access to them.
2. Municipal governments offer our people critical services they depend on every day to make their lives better, from when they brush their teeth in the morning until they turn off the lights at night. Where municipal government services affect the environment, environmental impacts are a throughput of the services we offer, generated by the people and businesses served. As municipal services are not a prime generator of pollution, solutions that respect the value and benefits we provide to the public as well as value for the municipal taxpayer must be sought.

3. In practice, this means a strong municipal voice representing our communities in policy setting, solutions tailored to individual community needs and recognition that municipal taxpayers cannot shoulder provincial responsibilities. To be effective, municipal services must be managed at a level that allows residents and businesses impacted by decisions to effectively participate in decision-making. Policy decisions, regulations and requirements on municipal governments must balance the affordability of municipal services with people's ability to affect the decisions that impact them.
4. To improve municipal services further, all orders of government must work to ensure that municipal governments have access to adequate long-term financial resources to support capital works for waste management, water, wastewater, stormwater, transit, roads and bridges and other infrastructure.
5. Wherever possible, the cost of managing environmental externalities such as waste should be borne by the producer. Where there is a potential revenue stream associated with the municipal service or activity, a municipal government should have the choice to monetize this to support the services it provides to residents. To do this effectively, start-up capital such as provincial or federal funding may be required.

These principles will form the lens that municipal governments will evaluate the proposed actions through. The following sections of the submission will provide commentary and analysis regarding the actions and necessary policies and supports needed to make them work for municipal governments and the people we provide services to.

Environmental Plan Proposals – AMO Commentary

The subsequent sections identify the Environmental Plan's proposals affecting municipal governments most and provides AMO's comments and assessment of the proposals and what will be needed to achieve them. This commentary is provided as advice to the province on specific items and direction to members on how the proposals may affect municipal governments overall. AMO expects that, if the government moves to implement specific proposals, that more focused and detailed consultation on each item will take place before approval as appropriate.

Clean Air and Water

The Environmental Plan identifies a number of actions to improve air and water quality in Ontario communities. Clean air commitments include:

- Working with local communities to address local air quality challenges;
- Re-designing emissions testing for heavy vehicles; and
- Increasing roadside pollution monitoring.

Municipal governments will appreciate focused provincial attention to air pollution challenges and greater resources focused on local needs. As well, the province's commitment to collaborate with federal and state governments to reduce air pollution in Ontario that is generated elsewhere is welcome. Greater heavy vehicle monitoring and understanding of traffic impacts can also help communities identify and act upon air quality challenges. However, the legislative, regulatory and other policy levers and financial resources to best reduce air pollution reside with the federal and provincial governments and at the international level. Municipal governments will help where they can, but cannot take on new funding responsibilities.

The provincial plans for cleaner water in Ontario may have a greater direct impact on municipal operations. To improve water quality in the province, the Environmental Plan proposes to:

- Reduce excess road salt, plastic litter, algae and contaminants;
- Monitor and report publicly on combined sewer overflows;
- Keep beaches clean and protect against invasive species;
- Review water taking policies and protect priority uses;
- Improve water conservation through tracking and reporting use, improving household water fixture standards;
- Updating wastewater and stormwater polices and consider new approaches to finance and investment as well as innovation in these areas.

Municipal governments welcome the province's interest in climate resilience in this plan. Many communities have invested in beach and watercourse improvements for environmental, cultural and economic objectives. A coordinated focus on improving beaches, reducing plastic and micro-plastic pollution and work to reduce phosphorous discharge to take action on algae is appreciated. **AMO suggests that previously successful provincial programs, such as those that supported improvements to rural beaches and provided funding to local clean up and maintenance efforts, would be useful models for helping all communities to better their local water resources for economic as well as environmental and social benefit.**

Regarding reducing combined sewer overflows, municipal governments are cautiously optimistic. As mentioned in our previous input to the government on the Environmental Plan and the principles for action in this submission, municipal services do not usually generate Greenhouse Gases (GHGs) or lessen environmental outcomes. Municipal GHGs are generated by virtue of handling residents' waste products and combined sewer overflows (CSOs) originate similarly. **Reporting CSOs on a real time basis is a reasonable demand from the public for health, safety and environmental quality. However, this should not penalize municipalities for doing the best possible job with the available resources and infrastructure built to previous standards.** We look forward to hearing the government's proposals on how to report these in the best and most cost-effective manner.

However, municipal governments also caution that combined sewers are legacy infrastructure that are costly to separate or otherwise manage. Installing sewage system upgrades to adapt to our changed weather patterns is the right thing to do and municipal governments are ready to work with the province to take action. However, long term, stable and dedicated provincial funding will be needed to protect residents and property tax payers and fund needed improvements. **Improved funding support to reduce combined sewer overflows from provincial, federal and municipal governments will be required. Ultimately, even if innovations in storm and wastewater finance are undertaken, residents will pay more for these improvements – and these innovations should not result in reduced community control and influence over infrastructure and services. AMO suggests that the province consult closely with municipal governments to develop a framework for incentives and actions to move toward innovations in stormwater and wastewater management and finance. This will ensure that these challenges are met in a considered way, with the interests of communities and the ability of residents to pay in mind. Where feasible, municipalities and the province should look at capturing the energy from sewage (heat and/or gas) to help provide a financial offset to the required work and to reinvest in community priorities more broadly.**

The province's plan to reduce phosphorous and algae is also welcome. Municipal governments have for years been concerned about problem algal blooms and their effects on our water sources and the ability of residents to enjoy water bodies. However, in many cases, municipal governments have updated wastewater treatment facilities to remove the substances that contribute to these blooms. **Reducing phosphorous further will require more distributed, lot level efforts and in many cases, changes to property management and personal behaviour. Increasing the level of wastewater treatment only may be easier, but may not be the most cost effective for the results yielded.** Where treatment is already at a high level, property tax payers alone cannot foot the bill for further improvements.

Municipal governments support revised provincial water taking policies that establish municipal needs, such as protecting municipal drinking water quantity and quality, as priorities. Finally, AMO notes that road salt application is an issue of environmental and water quality as well as safety for residents. Municipal governments follow minimum standards for road maintenance and citizens depend on these for their winter safety. Some facility owners may also apply salt as the most efficient way to prevent accidents that could expose them to liability concerns. **To make long-term progress on road salt application, the province needs to seriously consider joint and several liability reform.** Best practices and education for property owners and managers as the ministry has indicated, however, is an appropriate way to start.

Addressing Climate Change

The new Ontario Environment Plan proposes a number of actions to address climate change. Amongst these are revised GHG targets, a renewed emphasis on climate adaptation and resilience, and helping residents take individual climate action. Specifically, the province proposes:

- A new GHG reduction target of 30 per cent below 2005 levels by 2030 – which increases Ontario's emissions from the previous target
- A provincial impact assessment of climate change – including sectoral and risk-based assessments for industries and municipal governments
- Helping communities integrate climate science into decision making
- Changing the Municipal Disaster Recovery Assistance program to incorporate climate resilience into repair or replacement of infrastructure
- Reviewing land use planning policies to increase climate resilience and improve stormwater management
- Improving the Ontario Building Code (OBC) to improve climate resilience
- Helping homeowners take individual actions to protect homes against weather events
- Regulating large emitters to reduce GHG emissions through emissions performance standards
- Creating a \$400 million emissions reduction fund (which can combine with the federal Low Carbon Economy Fund) to help invest in actions that reduce GHGs

Municipal governments welcome the province's attention to climate adaptation and providing the needed resources to manage the transition. Municipal governments want to learn how these provincial policies will work and **how the Ontario emissions trust can help invest in our communities to lower GHGs by supporting local municipal and community projects.** Especially helpful are proposals to carry out an Ontario climate assessment and to translate that into local decision making to guide municipal government decisions. AMO and our members have long called for practical, usable information targeted at municipal government decision makers to

help us make the best infrastructure and service decisions for climate adaptation and mitigation. More available and useable advice to help municipal governments translate climate data into service decisions would help to create capacity and economies of scale.

While the Environment Plan included commitments for transit, municipal governments believe that continued and expanded support for municipal transit is required to meet GHG reduction goals in Ontario. Municipal transit is a fundamental service in a modern global economy, linking workers to jobs and people to places. Together with support for active transportation, these programs make up necessary, local lower carbon transportation options. **Municipal governments call on the province to act on the election commitment to maintain increases in the Ontario Gas Tax program and the Ontario Community Infrastructure Fund to ensure that municipal transportation options continue to be adequately supported in communities across Ontario.**

Changes to the Municipal Disaster Recovery Assistance Program to incorporate climate adaptation are also particularly welcome and AMO has called for this in the past. Disallowing climate adaptation measures in the disaster recovery program did not encourage communities to seriously assess climate vulnerabilities and frustrated proactivity and common sense. In addition, encouraging climate resilience amongst homeowners and homebuilders is welcome. Exploration of whether climate resilience measures could also be accommodated in Local Improvement Charges programs (as mentioned subsequently for energy retrofits) may also be worthy, but these programs should maintain a focus on energy efficiency as well.

Changes proposed to the OBC can create competing needs and uses for an already limited pool of inspectors that will increase costs to residents for training and capacity. Streamlining the OBC may help to focus priorities longer term.

Finally, lot level stormwater management is a prudent initiative, but the full responsibility must reside with the individual property owner not the property tax payer. In addition, as storms continue to become more intense and frequent, investment in traditional stormwater infrastructure will also need to be maintained and increased to best protect residents and allow our local economies to continue functioning.

Use Energy and Resources Wisely

The Environmental Plan includes a number of proposed commitments to improve energy systems and reduce consumption. Proposals such as expanding the voluntary Green Button program to water utilities; increasing smart grid and distributed energy resources; reducing barriers to low carbon refueling; and requiring natural gas utilities to implement voluntary renewable natural gas options are included.

AMO supports many of these proposals. Investments in smart grid and distributed energy will be especially wise as Ontario's energy sector transitions to a less centralized future. Electric vehicle charging and natural gas trucking are both promising options for Ontario consumers and companies. **Municipal governments are particularly interested in the commitment for a voluntary renewable natural gas option as municipal wastewater and waste management should be important feedstocks. The materials yielded from these operations can help to implement a closed carbon energy loop in the province while monetizing their value. AMO and municipal governments look forward to working with the province and natural gas utilities to most efficiently establish collection points and facilities to make this a reality as**

long as funding for this transformation is available and the interests of property tax payers are protected appropriately.

In addition, municipal governments welcome the province's commitment to support developing local climate and energy plans to help them in delivering the best services to their residents for the long term as long as municipal financial and organizational capacity is respected. **Clarity on the federal Green Infrastructure Fund and how to access it will be extremely important to municipal governments as they try to make progress on environmental priorities.** In addition, clarity on access to the provincial and federal GHG reduction funds will also be required.

Reducing Litter and Waste in Our Communities and Keeping our Land and Soil Clean

The Environmental Plan provides a number of detailed proposals to help reduce and manage waste, reduce plastics in lakes, rivers and streams and help to ensure that producers can be responsible for the waste they produce in packaging and other consumer products. The proposals include:

- Expanding green bin collection
- Banning food waste from landfill
- Developing practices for safe food donation
- Developing a plastics strategy
- Creating an official day to clean up litter
- Increase blue box collection consistency
- Move existing waste diversion programs to a producer responsibility model
- Explore opportunities to recover the value in waste
- Clear rules for compostable products
- Making producers responsible for end of life management of products and packaging
- Provide municipal governments a say in landfill siting approvals
- Revising brownfields regulations to make it easier to redevelop contaminated lands
- Establish rules to reuse excess soils
- Improve management of hauled sewage

AMO and municipal governments have devoted substantial resources to waste management issues and initiatives in recent years. Municipal services, directed by provincial legislation and regulations, form the cornerstone of waste management systems in Ontario. Residents are calling for fewer materials and food to go into waste streams and for better management if that is not avoidable. AMO has developed numerous and detailed policy positions and input to the province on issues such as: the Blue Box Program Plan; used tire management; municipal hazardous and special waste; food waste and organics management; and waste electronics, amongst other items. All materials are available on AMO's website.

To deliver on what our residents want and to increase the efficiency of our economies, municipal governments have long supported greater responsibility of producers for the end of life management of their products and packages. Consumer products and packaging are growing more complex and managing these materials has become an untenable challenge for municipal governments. Municipal governments and consumers have no control over materials used for products and packaging. Rather, these decisions are frequently made by corporations on criteria of marketing, cost, weight and other internal interests. As a result, it is unsustainable for municipal government waste services to continue to shoulder the burden for the management of these

materials. As a result, municipal governments are eager to transition the system to full producer responsibility.

With this context, AMO applauds the government's continued push to address the problematic Waste Diversion Act and to complete the transition to a modern, outcomes/market-based approach which assigns responsibility to those entities best able to address it. Full producer responsibility is the only way to encourage innovation and deliver better economic and environmental outcomes, while reducing the burden on taxpayers. This model has been implemented across the globe. **AMO believes that outcomes-based regulations and having producers responsible for end of life management of their packaging and products is the most efficient way to ensure the preservation of natural resources and maximize their economic utility.**

AMO believes it is to the benefit of all stakeholders and citizens to have the Blue Box transition process start with the Minister of Environment, Conservation and Parks issuing a wind-up letter early in 2019, allowing for adequate time for robust planning and consultation on the development of a Paper Product and Packaging Regulation under the *Resource Recovery and Circular Economy Act, 2016*. For too long, the Blue Box program has been allowed to drift in the status quo and is not serving our environment or Ontarians as well as it could.

Regarding organics, AMO supports the government's commitment to reduce and divert food and organic waste from households and businesses, particularly given that including the Industrial, Commercial and Institutional (IC&I) sector will help to generate economies of scale for processing infrastructure. This also offers opportunities to produce renewable natural gas. Doing so will help close the carbon loop and provide real, proactive leadership to Ontarians in creating a circular, low carbon economy. However, municipal governments' experience to date shows that the collection and processing of food and organic waste is one of the most costly waste diversion programs to implement and operate. Current economic conditions do not properly account for the value of reutilization of the organic material through end products such as renewable natural gas and nutrient-rich soil amendments. **We need to ensure that the value of renewable natural gas and the re-application of nutrients to our soil is recognized.** Increasing the value of these outputs will assist in offsetting the costs to establish the programs.

It is important that an organics disposal ban takes into account the differences in Ontario between densely populated urban areas and remote/rural sparsely populated areas and their ability to implement cost effective alternatives for disposal.

Municipal governments appreciate the government's efforts that are evident in this Plan to reduce litter and ensure resources are preserved and reincorporated into the economy. The Plan also provides increased opportunities for Ontarians to participate in waste reduction efforts, including addressing plastic waste, which is currently leaking into our environment. **AMO supports the Ministry's work on this important environmental issue and will work in partnership with the Province to deliver on these objectives.**

The Environment Plan indicates that municipal governments and the communities they serve will have a say in landfill siting approvals. We welcome this local say and look forward to further discussion with the Province on the mechanisms that can be implemented to provide this.

The Environmental Plan also proposes focusing the mandate of Conservation Authorities in Ontario. Many municipal governments work well with their CAs and these organizations provide useful services to the public and their municipal governments. Those services need to be augmented through provincial resources such as better flood plain mapping, technical expertise and funding. As well, AMO appreciates the commitment to increasing the use of excess soils and streamlining Environmental Assessments in Ontario.

Social Housing Retrofits, Cycling Infrastructure and Local Improvement Charges

On behalf of our members, AMO notes several initiatives that make the lives of our people better, more affordable and our environment cleaner, but were not a focus of this plan.

In the 2018 election, the campaign commitment to eliminate the Ontario Cap and Trade Fund and replace it with a new plan was made. The new provincial government delivered on this commitment and ended the Cap and Trade program, with impacts on initiatives supported by that funding. AMO understands that the resulting decision means that the province does not have a specific funding mechanism for climate change action in the way the Cap and Trade Fund was directed. However, the previous fund supported some helpful programs that municipal governments hope will be assessed for re-establishment by the province.

The social housing retrofit funding supported much needed improvements to social housing capital in municipal governments and communities across Ontario. Municipal social housing is an income redistribution program funded and managed primarily by municipal governments. Social housing provides secure residences to some of the most vulnerable residents in our communities. The housing units and building capital are often old and in dire need of repair or replacement; an expense which is beyond the means of many municipal governments and should not be funded through property tax. The improvements to heating and cooling units and building envelopes as well as individual units help to improve lives for social housing residents and the community as a whole. This brings with it improved health and social outcomes that all governments seek in addition to environmental benefits and GHG reductions.

In addition to social housing improvements, the Ontario Commuter Cycling Infrastructure Fund helped municipal governments to expand bicycle lane networks where they were needed. Improved cycling infrastructure has consistently been identified as being critical to increasing the number of Ontarians that cycle to work and for utility as well as recreation. Cycling infrastructure improves cyclist safety and reduces collisions on our streets. This in turn helps to improve health, links these routes with transit, reduces the burden on roads and reduces GHGs.

Finally, one last item that AMO recommends the government move forward with as expeditiously as possible is the ability for municipal governments to use Local Improvement Charges (LICs) as a means to finance residential and other property improvements in energy efficiency and lower carbon energy. This would allow municipal governments to set up a voluntary program to provide financing to residents and businesses to improve existing properties and pay back the funding through the individual property's local tax. Existing older properties need energy efficiency improvements to conserve energy, reduce energy costs and GHGs. Analysis has been conducted by AMO's Local Authority Services (LAS) and municipal governments on this and initial start up capital funds are needed after which it is hoped the program would become self-financing as loans are repaid. This would be an ideal for opportunity provincial action.

Under the new Ontario Carbon Trust, or other sources of support, municipal governments should have access to funding to support these sorts of initiatives to make our communities stronger and our environments cleaner.

Conclusion

The 2018 Environmental Plan proposes a broad range of initiatives that will form a strong mandate for the Ministry of Environment, Conservation and Parks through the next three years and beyond. Through this Plan, potentially all aspects of the Ministry's operations are affected and municipal governments will see a great number of imperatives placed upon them. Where municipal government action and resources are impacted, AMO and our members expect that the Ministry will work with us to ensure that provincial and municipal interests are aligned to work together for the benefit of all Ontarians.

Municipal governments deliver frontline services that make the lives of Ontario's people better every day. To continue to do this and make life even better for residents, communities need a clear focus and accessible and adequate funding. AMO supports many aspects of this Plan and is cautiously optimistic where more work, discussion and resources are needed to make these actions a reality. **To move forward, additional discussion with AMO and municipal governments and greater engagement through the province's proposed advisory panel would be encouraging next steps.**