



City of
Peterborough

To: Members of the Committee of the Whole

From: Ken Doherty, Director of Community Services

Meeting Date: September 21, 2015

Subject: Report CSRS15-006
Update on the Sale and Serving of Bottled Water in City
Facilities

Purpose

A report to provide an update on the actions taken since 2010 to phase out the sale and serving of bottled water at City Facilities.

Recommendation

That Council approve the recommendation outlined in Report CSRS15-006 dated September 21, 2015, of the Director of Community Services, as follows:

That Report CSRS15-006 - Update on the Sale and Serving of Bottled Water in City Facilities be received for information.

Budget and Financial Implications

There is no budget or financial implication resulting from the approval of the recommendation of Report CSRS15-006.

Background

On July 27, 2015, Council, sitting as Budget Committee passed the following motion:

That staff provide a follow up to Report CSRS10-004, Banning the Sale of Bottled Water in City Facilities.

On May 3, 2010, Council approved the following:

That Council approve the recommendations outlined in Report CSRS10-004 dated April 26, 2010, of the Director of Community Services as follows:

- a) That the preferred option (Option 4) to stop serving bottled water at City-owned facilities immediately; but to gradually stop selling at all City-owned facilities so that all sales cease once current contracts expire be approved, specifically as follows:
 - i) That the City permanently discontinue the practice of serving bottled water at all City facilities where potable water is available and no Supplier or Food Service Agreements exist for the sale of bottled water.
 - ii) That the sale of bottled water at all City-owned facilities where it is presently sold be continued until current Supplier and Food Service Operator Agreements expire, and alternatives can be made available through an approved Capital project; and
 - iii) That each City facility be retro-fitted to accommodate the appropriate alternative drinking water systems, as capital funding becomes available
- b) That the Haws Hydration Station be approved as the alternative drinking water solution to replace bottled water at all City facilities where it is presently sold, as capital funding becomes available and current Supplier and Food Service Operator Agreements expire.

Report CSRS10-004 is attached as Appendix "A".

Following Council's direction in 2010, the sale or serving of bottled water at City owned facilities has been phased out at most sites. The vendor agreements with Pepsi-co are in place until May 2016. Following May of 2016, Staff will endeavour to include a clause in any new vendor agreements to allow for bottled water to be removed from the contracts, as resources become available to accommodate alternative drinking water options.

Attached as Appendix "B" is a chart providing a summary on the current status of the selling and serving of bottled water at the various City facilities.

Submitted by,

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Attachments:

Appendix A - Report CSRS10-004 Banning the Sale of Bottled Water in City Facilities
Appendix B - Summary - Current Status of Bottled Water at City Facilities



City of
Peterborough

TO: Members of the Committee of the Whole

FROM: Ken Doherty, Director of Community Services

MEETING DATE: April 26, 2010

SUBJECT: Report CSRS10-004
Banning the Sale of Bottled Water in City Facilities

PURPOSE

A report to respond to Council's resolution dated March 23, 2009 that staff report on the possibility for the City of Peterborough to ban the sale of bottled water from their buildings and to identify the costs for alternate access to drinking water at City facilities.

RECOMMENDATIONS

That Council approve the recommendations outlined in Report CSRS10-004 dated April 26, 2010, of the Director of Community Services as follows:

- a) That the preferred option (Option 4) to stop serving bottled water at City-owned facilities immediately; but to gradually stop selling at all City-owned facilities so that all sales cease once current contracts expire be approved, specifically as follows:
 - i) That the City permanently discontinue the practice of serving bottled water at all City facilities where potable water is available and no Supplier or Food Service Agreements exist for the sale of bottled water.
 - ii) That the sale of bottled water at all City-owned facilities where it is presently sold be continued until current Supplier and Food Service Operator Agreements expire, and alternatives can be made available through an approved Capital project; and

- iii) That each City facility be retro-fitted to accommodate the appropriate alternative drinking water systems, as capital funding becomes available
- b) That the Haws Hydration Station be approved as the alternative drinking water solution to replace bottled water at all City facilities where it is presently sold, as capital funding becomes available and current Supplier and Food Service Operator Agreements expire.

BUDGET AND FINANCIAL IMPLICATIONS

If the recommendations of Report CSRS10-004 are approved, capital funding of \$120,800 will be required between 2010 and 2016 to supply and install a total of 16 hydration stations throughout the City facilities, where bottled water is currently sold. Once installed, annual operating budgets will need to support approximately \$200 per unit for filter replacement and ongoing maintenance costs. Installation of additional or replacement systems will be considered during annual budget deliberations.

BACKGROUND

On March 7, 2009, the Federation of Canadian Municipalities (FCM) passed a resolution encouraging municipalities to phase out the sale and purchase of bottled water at their own facilities, where appropriate and where potable water (fit for human consumption) is available. Bottled water containers include disposable hand held containers such as plastic bottles, paper cartons and tetra packs, as well as water cooler type bottles. The intent is for municipalities to lead by example to encourage environmentally sustainable water choices. The FCM resolution does not call for a ban on the sale of bottled water by private business to consumers, as regulating bottled water for public consumption falls under the provincial and federal government's jurisdiction. According to FCM President, Jean Perrault, "All orders of government must work together to reduce reliance on a product that produces more waste, costs more and uses more energy than simple, dependable municipal tap water."

On March 23, 2009, City Council adopted a resolution that staff creates a report examining the possibility for the City of Peterborough to take action similar to other municipalities that have banned the sale of bottled water from their buildings, as encouraged by the FCM. The resolution requires the report to include the cost for alternate access to water at City facilities. This report references the sale of bottled water to the public as well as the practice of serving of bottled water at meetings that occur within City Facilities. The report includes input from the following Divisions: Waste Reduction/Recycling, Arenas, Library, Public Works, Facilities and Special Projects, Marina, Peterborough Sport and Wellness Centre, and Recreation.

Vending Revenue

Bottled water is currently sold to the public at the following City facilities:

- Peterborough Memorial Centre (PMC)
- Envinrude Centre
- Kinsmen Civic Centre
- Northcrest Arena
- Peterborough Marina
- Peterborough Sport and Wellness Centre (PSWC)
- Otonabee River Trail Boathouse
- Beavermead Park
- Armour Road North at Nassau Mills Road
- Peterborough Public Library

The 2008 combined net revenue in beverage sales from the PSWC, PMC, Arenas, and the Marina was \$142,000. Twenty-seven percent or \$38,000 of this net revenue was generated from bottled water sales. There is no flexibility within the approved operating budgets to support a sudden loss of this revenue.

Supplier Agreements

The City has entered into the following two exclusive supplier agreements with Pepsi Bottling Group (Canada Co.), that include the sale of bottled water:

- 1) A 10-year agreement ending in September of 2013 with the PMC.
- 2) An 11-year agreement ending in May of 2016, with the PSWC, the Marina, and the Kinsmen, Envinrude, and Northcrest arenas.

The exclusivity rights payments and other bonuses are subject to the inclusion of bottled water sales over the term of these agreements. The agreements contain a clause allowing the supplier to terminate the agreements with 30-days written notice if any term or condition of the agreement is breached. If the agreements are terminated in such a manner, financial penalties to the City could exceed \$200,000, as per the terms and conditions of the agreements.

Food Service Operator Agreements

The City has exclusive rights agreements with Food Service Operators that sell bottled water at six City locations. Banning the sale of bottled water may negatively impact the Operators' revenue at the following locations:

Peterborough Memorial Centre

The food service agreement at the PMC (Browns Fine Foods Inc.) came into effect June 1, 2009, ending in June 2014 with an option to renew for two additional years.

Otonabee River Trail Boat House and Beavermead Park

These Food Service Operator agreements (Silver Bean Café and Hippie Chippie) came into effect in May 2009, ending October 2012 with an option to renew for one additional year.

Armour Road North

This Food Service Agreement (Reggie's Hot Grill) came into effect May 1, 2008, ending March 1, 2011 with an option to renew for one additional year.

Peterborough Public Library

The City has a 10-year agreement with Natural Blends Café ending in June of 2011 for exclusive rights to operate in the Peterborough Public Library.

Peterborough Marina

The food service agreement (Watkins) for the Marina restaurant came into effect in May 2009 ending October 2009, with an option to renew for one additional year.

Environmental Impact

Water bottles are made of PET plastic #1, which has been designated by the Province of Ontario as one of the required blue box recyclable materials. The City's Waste Management Division estimates that the City collected and shipped 105 -110 tonnes of water bottles in 2008. The availability of bottled water in City facilities is limited and represents only a tiny fraction of the recycling market. It is unlikely that the elimination of the sale of bottled water at City facilities would create a significant reduction in the volume of PET plastic collected, or in the cost of this collection, through the City's recycling program. However, if it is Council's desire to provide leadership on sustainability, introducing a reduction in the availability of bottled water at City facilities is one way of demonstrating that leadership.

The environmental costs of bottled water include the effects of bulk water removal, the lifecycle of bottles and other containers, and the greenhouse gas emissions associated with the transportation of the beverage. With the exception of bulk water removal, these costs are associated with any packaged beverage. Bottled water is transported from the supplier to City Facilities along with other types of bottled beverages that will continue even if bottled water is no longer sold at these facilities. As such, it is not anticipated that eliminating bottled water sales will have an impact on the greenhouse gas emissions, related to the transportation of the beverage.

Based on historical waste audits, the City's recycling program captures 84% of the recycling material streams available. In an effort to improve on this rate, a capital budget was approved in 2009 for the purchase and distribution of public space recycling containers in priority areas of the community.

Water Quality Standards

According to Health Canada, "The quality standards for bottled and municipal waters in Canada are similar. All bottled and municipal waters that meet or exceed the required health and safety standards are considered to be safe."

Municipal Tap Water:

Peterborough Utilities Services meets or exceeds the government's requirements for water testing in Peterborough, as identified in their annual Water Quality Reports, which can be accessed at: http://www.peterboroughutilities.ca/Water/Water_Quality.htm. They exceed government regulations by conducting more than 20,000 tests a year to ensure Peterborough's drinking water is of the highest quality. They perform ongoing facility maintenance, and constantly upgrade and improve water infrastructure, including Peterborough's water treatment plant.

While our municipal drinking water meets or exceeds all provincial standards for water quality, sometimes people notice either chlorine or earthy tastes in municipal water.

Bottled Water:

Health Canada states, "In Canada, bottled water is considered to be a food and is regulated under the Food and Drugs Act. Under the Act and its regulations, all bottled water offered for sale in Canada must be safe for people to drink. No matter what source it comes from, all bottled water sold in Canada is inspected and treated during the manufacturing process to ensure that it meets Canada's requirements for safety and quality."

Health Canada sets policies and standards governing the safety and quality of all food sold in Canada. As part of this role, Health Canada works with other government agencies and the Canadian Bottled Water Association (CBWA) to ensure that bottled water sold to Canadian consumers is safe to drink and of high quality. The Canadian Food Inspection Agency (CFIA) enforces the set standards. Health Canada also

reviews the safety of materials used in food packaging, including the plastic used as containers for bottled water sold in Canada.

Alternative Accessibility to Drinking Water

Identified in this report are three alternatives to bottled water. These alternatives are being provided as a point of reference only, at this time. Staff recognizes that if Council decides to replace bottled water sales with drinking water alternatives, a formal procurement process will be required. This report is not suggesting that these are the only alternatives available. However, these do appear to be in compliance with the “*Proposed Accessible Built Environment (ABE) Standards*” document, which is currently being developed under authority of the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA).

The water source for each of the following alternatives comes from the municipal water supply. It is important to recognize that the second and third alternatives provided are systems that additionally filter the municipal water supply. If it is Council’s intent to promote municipal tap water, alternatives that additionally filter the municipal water supply, may not be appropriate.

It is recognized that ongoing expenses for repairs, maintenance, and replacement, related to the alternative drinking water systems, will impact future operating budgets.

Drinking Fountains:

Increasing the number of Publicly accessible drinking fountains is one way of promoting municipal water. However, drinking fountains are not designed for the purpose of filling reusable cups or containers, nor are they equipped with filters to eliminate the chemical or earthy tastes that some individuals are sensitive to.

Sixteen wheelchair accessible units are required to provide an alternate source of drinking water at indoor City Facilities where bottled water is presently sold. Sanitary drinking fountains that combine standard height and wheelchair height access cost between \$1,400 and \$2,000 per unit. Installation costs would be extra and are influenced by the location of the fountains and the availability of plumbing.

Potential suppliers were contacted, but none were available to provide installation estimates outside of a Formal Procurement Process. For reference, the Toronto School Board identified a per unit installation cost of between \$2,800 and \$6,200 where a water supply and drain are not readily available. ***The cost of supplying and installing the necessary drinking fountains would range from a conservative estimate of \$67,200 to a maximum of \$131,200.***

Reverse Osmosis:

Reverse Osmosis (RO) systems utilize a special membrane that separates minerals and impurities from water, effectively removing substances such as lead, mercury, chlorine, sediment, calcium and nitrates. A RO system effectively reduces the following:

- Particulate matter, turbidity, sediment, etc.
- Colloidal matter
- Total dissolved solids (up to 99%).
- Toxic metals
- Radium 226/228
- Micro-organisms (potable water only)
- Asbestos
- Pesticides and herbicides (coupled with activated carbon).

City staff met with suppliers of commercial RO systems, who provided only general information. They would be pleased to invest the time required to provide a detailed cost estimate, should the opportunity become available through a formal procurement process. Suppliers did confirm that the cost would be influenced by the size of the facility, the anticipated usage, the number of filling stations, and the amount of plumbing required. Plumbing will comprise a significant portion of the over-all cost.

As an alternative means of gaining insight into potential cost involved with the purchase and installation of a Reverse Osmosis system, City staff toured Fleming College to view the Reverse Osmosis water system recently installed at the Brealey campus. The purification unit and 100 gallon standing reservoir occupies a space of approximately 9' x 12'. The water is fed through sanitary plastic piping to 10 wall-mounted filling stations, located throughout the facility. The filling stations are wheel chair accessible and designed to fill a cup or container. There is no ability for anyone to drink directly from the filling stations. ***The cost to purchase and install the system for this one facility was approximately \$150,000. If the City were to utilize this alternative, a separate system would be required at each facility.***

Haws Hydration Station

The Haws Hydration Station is a wall-mounted, semi-recessed bottle or cup filling station. It is plumbed directly to the municipal water supply but has a self-contained filter system. There is no ability to drink directly from the unit. The station contains a sensor that initiates water flow only when a container is placed within in the unit, thereby increasing sanitary benefits by eliminating the need for anyone to touch the system. The Haws Hydration Station is sanitary, eliminates chemical and earthy tastes, is designed to fill drinking containers, and is wheelchair accessible.

The per unit cost is \$1,350 plus installation. As with the drinking fountains, the installation cost is estimated between \$2,800 and \$6,200 per unit, depending on the

availability of a water supply and drain. ***The cost of supplying and installing the necessary stations would range from a conservative estimate of \$66,400 to a maximum of \$120,800.***

Staff recommends the Haws Hydration Station be approved as the alternative drinking water option, due to price, sanitary features, accessibility, and water taste.

Recommended Options

Staff has reviewed a possible range of options and implications. The following four Options are being presented for Council's consideration. Currently, the public is not prevented from bringing their own single serving water bottles into City facilities, except when alcohol is served at licensed events at City facilities the Memorial Centre. This is due to issues of safety, the sale of alcohol at the events, and the terms of the food service operator contract. Staff is not recommending a change in this practice, within the options being provided.

Option 1: Keep selling and serving bottled water at City-owned facilities.

- a) That the current practice of selling and/or serving bottled water at City facilities be continued.

This option preserves the revenue generated by bottled water sales and avoids supplier penalties and capital costs for alternate drinking water options. However, it impedes Council's ability to provide leadership on sustainability.

If Council wishes to support this option then a motion will be required as follows: That recommendation (b) of Report CSRS10-004 be amended to state that option 1 of report CSRS10-004 be approved.

Option 2: Stop selling and serving of bottled water at all City-owned Facilities as soon as possible. The following two points form Option 2:

- a) That the sale and/or serving of bottled water at all City facilities where potable water is available be discontinued; and
- b) That the appropriate alternative drinking water systems be installed at each facility as soon as possible.

This option has significant financial implications resulting from lost revenue, supplier contract penalties, and capital expenses to provide alternative drinking water options. Such immediate financial impacts cannot be managed under the currently approved budgets. However, this option does offer Council an opportunity to provide leadership on sustainability.

If Council wishes to support this option then a motion will be required as follows: That recommendation (b) of Report CSRS10-004 be amended to state that option 2 of report CSRS10-004 be approved.

Option 3: Continue selling bottled water but stop serving it at all City-owned Facilities. The following two points form Option 3:

- a) That the sale of bottled water at City facilities where it is presently sold be continued permanently; and
- b) That the serving of bottled water at City facilities where potable water is available and no Supplier or Food Service Agreements exist for the sale of bottled water be discontinued permanently.

This option preserves the revenue generated by bottled water sales and avoids supplier penalties and capital costs for alternate drinking water options. This option also provides Council the opportunity to provide leadership on sustainability by eliminating the practice of serving bottled water at select City facilities.

If Council wishes to support this option then a motion will be required as follows: That recommendation (b) of Report CSRS10-004 be amended to state that option 3 of report CSRS10-004 be approved.

Option 4 (Preferred): Stop serving bottled water immediately but gradually stop selling at City-owned facilities so that all sales cease once current contracts expire. The following three points form Option 4:

- a) That the City permanently discontinue the practice of serving bottled water at all City facilities where potable water is available and no Supplier or Food Service Agreements exist for the sale of bottled water;
- b) That the sale of bottled water at all City-owned facilities where it is presently sold be continued until current Supplier and Food Service Operator Agreements expire, and sanitary alternatives can be made available through an approved Capital project; and
- c) That each City facility be retro-fitted to accommodate the appropriate alternative drinking water systems, as capital funding becomes available.

This option allows Council to provide leadership on sustainability by quickly eliminating the practice of serving bottled water at select City facilities, and committing to eliminate the sale of bottled water at all City facilities where it is currently sold, over the course of several years. This option prevents supplier penalties and a sudden loss of revenue by eliminating the sale of bottled water in conjunction with the expiration of supplier and food service contracts. However, the lost revenue will incrementally impact future operating budgets as bottled water sales are phased out over time. This option also

provides time for a strategic capital project plan and associated capital budget to be established and implemented.

Input From The Public

During 2009, City staff received numerous correspondences from various sources, such as advocacy groups and the water bottling industry. The correspondence included a mix of support and opposition to banning the sale of water bottles at municipal facilities.

Advocacy In Favour of a Ban on the Sale of Bottled Water in Municipal Facilities

City staff met with a local advocacy group known as the Water Action Group (WAG), who encourages the promotion of municipal tap water and the banning of bottled water sales in municipal facilities. WAG recognizes that a phased in approach may be necessary.

The Polaris Institute is an organization designed to enable citizen movements to re-skill and re-tool themselves to fight for democratic social change in an age of corporate driven globalization. Polaris Institute provided correspondence to City staff supporting the ban of bottled water sales at municipal facilities. Details of their support were captured under the areas of environment, health, financial implications, and access to the public water supply.

City staff received correspondence jointly issued by the Council of Canadians and the Canadian Union of Public Employees (CUPE) supporting such a ban. They strongly encourage the promotion of municipal tap water.

Opposition to a Ban on the Sale of Bottled Water of Bottled Water in Municipal Facilities

City staff received multiple correspondences from Refreshments Canada and Nestle Waters, opposing a ban on the sale of bottled water in municipal facilities. They are concerned that the water bottling industry was not consulted prior to the FCM passing a motion encouraging its members to ban the sale of bottled water in municipal facilities. They identify a risk to consumer health, as consumers may opt for less healthy options, increasing the incidence of obesity and diabetes. These organizations are in favour of increased recycling efforts and would be willing to assist in such a venture. Nestle Waters, in particular, believes municipalities should focus on repairing water and sewer infrastructure, improving on the delivery of basic municipal services and keeping property taxes low as their most important priorities, rather than focusing on bottled water.

City staff received two pieces of correspondence from City residents who do not support a ban on bottled water sales in City facilities. Their issues were related to convenience of the water bottle and the right of the consumer to choose.

Input From The Arenas Parks and Recreation Advisory Committee

On January 19, 2010, a staff report was presented to the Arenas Parks and Recreation Advisory Committee requesting their input regarding the sale and serving of bottled water in City facilities. The Committee passed the following motion: "That staff review all situations where bottled water is used in City facilities and to explore alternative solutions and to eliminate the use of bottled water no later than 2016 to coincide with contractual obligations."

Input From The Library Board

On February 23, 2010, the Library Board supported in principle phasing out the sale and serving of bottled water in City Facilities in conjunction with the expiration of the current Supplier and Food Service Operator contracts.

SUMMARY

City Council is being encouraged by the Federation of Canadian Municipalities to provide leadership on sustainability by phasing out of the sale and purchase of bottled water at City-owned facilities. City staff has presented Council with options for potential courses of action, which take into consideration financial and environmental impacts. These options range from making no change at all to a complete ban of bottled water in all City Facilities. City staff require Council direction regarding next steps.

Submitted by,

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CSRS15-006 – Appendix B**2015 Status of Selling and Serving Bottled Water at City Facilities**

Site	Summary
Arenas	The arenas are under a vending contract with Pepsi until May 2016. All water faucets in the dressing rooms at each arena have been outfitted with tall taps to allow water bottles to be filled.
Art Gallery	Does not serve or sell bottled water. The only exception is during the annual art auction when bottled water is donated by Pepsi-co, along with other refreshments.
City Hall	Does not sell or serve bottled water to the public. Pitchers and drinking glasses are provided at meetings.
Library	Neither the Library nor the Cafe operator sell bottled water. Pitchers are available for serving water at meetings.
Marina	The Marina is under contract with Pepsi until May 2016. The Marina will be included in the Del Cray Park Master Plan study. Alternative options to bottled water will be considered within the scope of that project. The restaurant on the second floor of the Marina is operated by a private company, who does sell bottled water.
Museum and Archives	<p>Does not sell or serve bottled water. Dispensers have been installed in the publicly accessible kitchenettes (main building, Fine Annex, and Fleming Annex). Pitchers of water and drinking glasses are provided at meetings.</p> <p>The one exception is during the Driftwood Theatre event on the August long weekend, where the event organizer manages an independent concession stand during the intermission.</p>
Peterborough Sport and Wellness Centre	The facility is equipped with reusable water container fill stations, and drinking fountains in publicly accessible areas.

CSRS15-006 – Appendix B**2015 Status of Selling and Serving Bottled Water at City Facilities**

	The Wellness Centre is included in the existing vending agreement with Pepsi, which expires in May of 2016.
Public Works	Does not serve or sell bottled water to the public at its facilities.
Queen Alexandra Centre and Millennium Park Boathouse	The City does not sell or serve bottled water at these sites. They are fully occupied by tenants, with no City Staff present or City programs offered there.
Social Services	Does not sell or serve bottled water to the public, with the occasional exception, as follows: <ul style="list-style-type: none">• providing bottled water to vulnerable clients, during extreme heat periods;• at large scale training events occurring at a rented facility, where pitchers/potable water are not available
Wastewater Treatment Plant	No bottled water is sold at this facility. Given there is a licensed laboratory on site, and the facility's water pipes are circa 1925, it was decided to keep one water cooler on site for Staff to access drinking water.
Bus Station	Transit does not sell or serve bottled water to the public. However, a tenant operates a convenience store at that site, from which bottled water is sold.