



VINCENZO D'ALTO THE GAZETTE

Conporec president Jean Beaudoin says the firm's Toronto deal paves the way for similar pacts with other Canadian cities.

Montreal company's technology can reduce landfill and turn organic material into compost; City of Toronto is firm's latest client

## The future of waste

MIKE KING  
THE GAZETTE

**S**OREL-TRACY — The sweet smell of success was 10 years in the making for Groupe Conporec Inc., a Montreal waste-management firm.

It took that long for the company successfully to adapt a 40-year-old composting system developed in France for use in North American climates.

"The system didn't work (here) at first," company president Jean Beaudoin recalled. "It didn't compost and it smelled."

During the last two years, however, the system "has been doing what it should — composting — and the odour is under control."

Besides the \$12-million sorting and composting plant built in Sorel-Tracy

with private money in 1992, Conporec spent approximately \$6 million more on research and development.

That resulted in new technology that can reduce landfilling by between 75 and 80 per cent, and reclaim as much as 100 per cent of the organic content and turn it into compost.

The technology caught the attention of Toronto civic leaders, who entered into a one-year pilot project with the Quebec company.

The test period ended recently and last week, Toronto awarded Conporec a contract valued at as much as \$21.6 million: \$12.5 million over three years with a two-year extension worth an additional \$9.1 million.

Under the pilot project, two to four trucks of waste per week arrived from Toronto. That will now change to two

trucks a day.

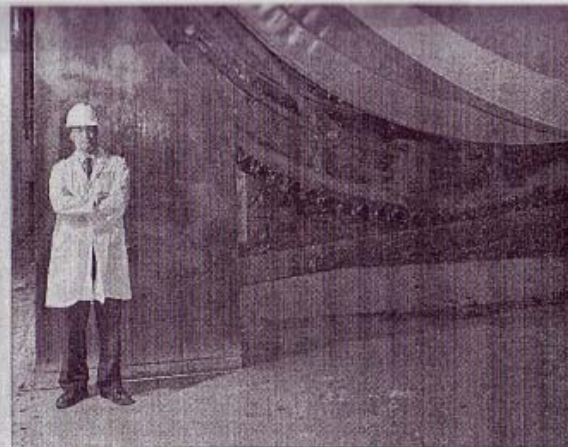
"This contract with the city of Toronto paves the way for similar agreements with municipalities in Canada looking to transform organic waste into a value-added and marketable product," Beaudoin said.

Conporec last month opened its first facility outside the province, a \$25-million factory in upstate New York capable of processing 41,500 tonnes of waste annually.

Work is also being completed on the \$27-million modernization of an existing building in suburban Paris that beginning next year will handle as much as 67,000 tonnes.

Beaudoin said he's in negotiations for more facilities.

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Conporec president Jean Beaudoin says the company's bioreactor handles an annual average of one tonne of compostable waste from each of Bas Richelieu municipality's 35,000 households. Some waste also arrives in trucks from Toronto.

## Conporec | Recycling is popular — as an idea

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At least three new facilities would be in the U.S., three or four more in France and one in Australia.

"Our goal is also to open a plant in Ontario (to serve Toronto and nearby York)."

Conporec has patents for its technology in 40 countries.

In July, Conporec completed a reverse takeover with SLC Capital Inc. and went public as a capital pool company. It is listed on the TSX Venture Exchange.

Conporec's first customer was the Bas Richelieu Municipal Regional Council, which includes Sorel-Tracy, about 80 kilometres northeast of Montreal.

They entered into a two-decade deal two years before the plant was built. Although the deal doesn't expire until 2010, negotiations already are under way to renew for another 20 years.

During those first two years, Conporec collected garbage and transported the refuse to a local landfill.

Once the facility was opened, without any contribution or financing from the MRC, Conporec began charging the regional council a \$168 tipping fee per household.

Based on an average of one tonne of waste for each of the 35,000 households, Conporec was earning \$4.5 million a year.

Revenues for this year are expected to reach \$7 million, and as much as \$12 million for 2006.

The Quebec government in 1998 announced waste-reduction targets, aiming to divert 65 per cent of all recoverable waste from landfills by 2008.

While municipalities were called on to recycle, reuse or compost 60 per cent of their domestic waste by that deadline, only the Bas Richelieu MRC has met the goal to date — achieving a rate of 76 per cent, according to Recy-Québec.

Denis Boisvert, general manager of the Bas Richelieu MRC, pointed to a Léger Marketing survey conducted this summer that showed 92 per cent of Quebecers are in favour of recycling, but also found that only 17 per cent of household waste is actually recycled province-wide.

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